

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Seventh Annual General Meeting of the Gabungan Komputer Nasional Malaysia will be held at the **Arcadia 3, Level 3, Armada Hotel, Lorong Utara C, Petaling Jaya, Selangor Darul Ehsan** on **Thursday, 11 June 2015 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, 2014
2. To receive and, if approved, to adopt the Audited Financial Statements for the year ended December 31, 2014.
3. To receive and approve the estimates of Income and Expenditure and the programme of activities for the year 2015.
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) Kunaseelan a/l Rajaretnam
- (2) Yap Yoke Wan
- (3) Charles Franklin Moreira
- (4) Dr. Teh Ying Wah
- (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*

**Rebecca Ho**  
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, 9<sup>th</sup> 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.

## **OBJECTIVES OF THE GABUNGAN**

The principal objectives 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 2014/2015***Year Joined  
Council***President**

Prof. Dr. Ahmad Zaki A Bakar 2012

**Vice President**

Hasannudin Saidin 2008

**Members**

Dato' Dr. Raja Malik Raja Mohmaed	1998
Lee Nan Phin	2002
Hj Mohamed Afandi Ismail	2004 ( <i>Retired on 26 June 2014</i> )
Simon Seow	2003 ( <i>Retired on 26 June 2014</i> )
Lim Joo Soon	2013
R Kunaseelan	2011
Abu Mansur A. Manaf	2011 ( <i>Retired on 22 May 2014</i> )
Hj. Mohd Nasruddin M. Ariffin	2011
Charles Franklin Moreira @ Charlee	2014 ( <i>Appointed on 12 July 2014</i> )
Yap Yoke Wan	2014 ( <i>Appointed on 12 July 2014</i> )
Peter U Hung Ong	2014 ( <i>Appointed on 12 July 2014</i> )

Number of meetings = 4

**MANAGEMENT COMMITTEE 2014/2015****Chairman**

Prof. Dr. Ahmad Zaki A Bakar - President

**Members**

Hasannudin Saidin	- Vice President
R. Kunaseelan	- Council Member
Lee Nan Phin	- Council Member
Yap Yoke Wan	- Council Member

- Number of meetings = 2

**Executive Director**

Syed Mohamed Syed Hussin

**Secretary**Lim Chen Yam (*Retired on 12 March 2015*)  
Rebecca Ho (*Appointed on 1 April 2015*)**Registered Office**Unit 916, 9<sup>th</sup> 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  
 2<sup>nd</sup> Floor, Wisma RKT, No. 2, Jalan Raja Abdullah, Off Jalan Sultan Ismail,  
 50300 Kuala Lumpur

**COMMITTEES 2014/2015**

<p><b>Membership Approval</b>  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><b>Promotion</b>  Hj. Mohd Nasruddin M. Ariffin (<i>Chairman</i>) –  Lim Chen Yam  Syed Mohamed Syed Hussin</p> <p><b>Professional Development</b>  Abu Mansur A. Manaf (<i>Chairman</i>) –  (<i>Resigned on 22 May 2014</i>)  Lim Chen Yam  Syed Mohamed Syed Hussin</p> <p><b>Web Development/Publications</b>  Lee Nan Phin (<i>Chairman</i>)  Lim Chen Yam  Syed Mohamed Syed Hussin</p> <p><b>Special Interest Groups (SIG)</b></p> <p><b>Open Source SIG</b>  Abu Mansur A. Manaf (<i>Chairman</i>)  (<i>Resigned on 22 May 2014</i>)</p> <p><b>Cloud Computing SIG</b>  Hasannudin Saidin (<i>Chairman</i>)</p> <p><b>Information Security SIG</b>  Lim Joo Soon (<i>Chairman</i>)</p>	<p><b>Penang Regional Centre (Regional Committee)</b>  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  Prof. Dr. Zulkhairi Dahalin  Nasir Sobri</p> <p><b>Johore/Melaka Regional Centre (JOMERC) (Regional Committee)</b>  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><b>IT Governance 2014 Organising Committee</b>  R. Kunaseelan (<i>Chairperson</i>) -MNCC  Lim Chen Yam (<i>Secretary</i>) - MNCC  ISACA Malaysia’s Board of Directors  S. Retnendran - ISACA  Michelle Lee- ISACA  Lee Nan Phin – MNCC  Simon Seow - MNCC  Syed Mohamed Syed Hussin - MNCC</p>
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## PRESIDENT'S STATEMENT

Since last year, MNCC saw many big ICT initiatives stalled due to various reasons at the national and international levels. VUCA; an acronym used to describe or reflect on the volatility, uncertainty, complexity and ambiguity of general conditions and situations of the world is still intact. Our proposal for the creation of the Board of Computing Professionals Malaysia (BCPM) as reported in the previous Annual General Meeting, did not move as fast as it should and go to places where it should be, as planned. The future development of the Malaysian ICT profession to be regarded as a professional career like medical doctors, engineers, surveyors and architects in Malaysia is bleak. The possibility of Malaysia signing the Seoul Accord that will provide mutual recognition of our ICT qualifications is also not going to happen in the near future.

Nevertheless, MNCC continued its efforts in organizing national and international activities as well as being involved in various high-powered meetings. Among the activities organized last year include conferences like our annual ISACA Malaysia – MNCC IT Governance Conference and the World Congress on Information and Communication Technology (WCIT2014) on 8 – 11 December 2014 by working in synergy with many local and international partners. As usual our role in SEARCC is more evident as SEARCC is expanding as detailed at the SEARCC Executive Council meeting last May in Singapore. This year, the SEARCC conference will be held in Korea in October.

MNCC contribution to the development of a better scheme for IT professionals under the F-scheme in the public sector continued by working closely with the Public Service Department through their technical selection committee and expertise recognition committee. Collaboration with various parties like MAMPU, PERJASA, PIKOM, universities and many other parties continued earnestly. Planning for the Eleventh Malaysian Plan (RMK-11) was also a big agenda last year and many MNCC members contributed to the many meetings and workshops held by the Economic Planning Unit (EPU), Ministry of Internal Affairs, Ministry of Finance and Ministry of Rural and Regional Development.

Finally, when all our hopes for BCPM were dashed, a streak of light came shining through the dark clouds when the RMK-11 was launched by the Honorable Prime Minister recently. On close examination of the RMK-11 documents, **Chapter 8 on Re-Engineering Economic Growth For Greater Prosperity** specifies strategy **A1 for Accelerating Human Capital Development** as follows:

**“Within the ICT industry, a professional body to govern professional competencies and ethics in ICT will be considered to ensure ICT professionals’**

**competencies are on par with global standards. This professional body will enhance the value of the profession, raise professional standards, review qualifications, provide assurance of quality, and serve as the central repository database of registered ICT professionals. It will also enable Malaysia to be a signatory to the Seoul Accord, a multilateral agreement among agencies responsible for the accreditation of tertiary level computing and IT-related qualifications to ensure that Malaysian ICT qualifications are internationally recognised.**

**In addition, ICT will be offered as a compulsory subject at the lower secondary level and as an elective at the upper secondary level to ensure students have a sound ICT background prior to enrolling in higher education. The ICT subject will also be strengthened to integrate computational thinking into learning modules, in addition to programming languages, hardware and software design, databases and information retrieval.”**

The statement in the RMK-11 document heralds a call for action for MNCC members. Now that the proposed BCPM has been planned for the next five years in RMK-11, we at MNCC must act fast to make BCPM a reality. If we fail to plan and act to prepare for BCPM, the budget for BCPM will fizzle away and we will again be at lost.

Beside BCPM, similar to previous years, MNCC has to fulfill its public advocacy’s role by being members of various committees at national and international levels that came out with many ICT strategic plans, standards and policies that impacted the nation and region. For this role we need more members to come in and be part of the team. This is an issue because MNCC is a volunteer organization and the Council members are not paid but actually contribute their time, effort and resources to sustain MNCC activities with the help of a skeletal staff led by our Executive Director. I urge you to come forward and lend a hand to take the ICT profession to a higher level. We need all the help we can get and you can certainly help.

## FINANCIAL RESULTS

The income for the year ending December 31, 2014 was RM 94,396 an increase of RM 429 over the previous year. 2014 recorded an operating deficit of RM 43,304 because we only managed to organize one conference.

## MEMBERSHIP

There were 19 new admissions, 7 resignations, 1 reinstatements and 37 deletions during the year. As at 31 December 2014, the Gabungan has a total of 244 members compared to 268 in the preceding year.

Grade	2014	2013
Fellow	2	2
Member	149	168
Life Member	42	39
Associate	36	39
Provisional Associate	8	8
Affiliate	3	3
Student	4	9
	244	268

## MEMBERSHIP PROMOTION

PERJASA has just held their AGM on 28 May 2015 and a new exco line up has been elected. Once the information of the new line up is available the follow up meeting will be scheduled.

Our next focus will be the universities. The approach that we will be taking has been changed. Instead it is considered to be more effective by holding talks on careers and prospects for the students. A committee has been set up to implement this.

## ICT EXCELLENCE AWARDS

We are still committed to hold this activity. The main hurdle is getting sponsorship from suitable organisations. We have not been successful in getting one this year.

## WEBSITE DEVELOPMENT

The proposed new website has been circulated to the Concil members for comments. It has been accepted and the implementation strategy is being worked out.

## OPEN SOURCE SIG (OSSIG)

Mr. Charles Moreira has been appointed as the new chairman. Open Source has become mainstream and the Open Source community has since been fragmented pursuing their own special interests. Faced with this reality the chairman has been requested to find out whether there is still interest in carrying on with the SIG.

## **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**

The Information Security SIG worked hard on security related-themes, taking into consideration of current issues impacting Information Security. Initially the SIG planned to conduct workshops on information leakage and information security culture, and had spoken and agreed by the relevant speakers from UIAM. However the event had to be cancelled due to the unavailability of the speaker who went for sabbatical leave overseas for 6 months".

## **CONFERENCES, SEMINARS AND EXHIBITIONS**

### **IT GOVERNANCE CONFERENCE 2014**

The above conference was successfully held on 24 to 25 June 2014 at the Istana Hotel, Kuala Lumpur. This year's conference attracted 133 paying delegates more than the previous years. A sum of RM30,700 was obtained through sponsorship . The total income for MNCC/ISACA was RM 62,169.82 each.The format followed that of last year's with masterclass on the second day based on the favourable evaluation from the participants.

### **3<sup>rd</sup>. ASEAN CIO FORUM 2014**

MAMPU was the organiser of this forum on behalf of the Malaysian Government.The forum was held from 18-19 August 2014 at Sama-Sama Hotel KLIA . MNCC was entrusted to get the participation of CIOs from GLC. We managed to get 15 participants and an income of RM7500.00 at RM500.00 per head.

### **IT GOVERNANCE CONFERENCE 2015**

It will be held from the 16<sup>th</sup>. to 17<sup>th</sup> June 2015. This time the Organising Committee decided on a change of venue.The venue chosen is Aloft Hotel Kuala Lumpur. In addition each participant will be given a tablet. All materials for the sessions will be loaded into it and no hard copies will be provided. The program structure is maintained based on the feedback from the participants. As at printing time we already have 126 registered participants.

## **WORKSHOPS**

In 2014 we did not manage to organise any workshop due to the lack of practical focus subject as well as suitable and experienced facilitators.

## **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 2014. 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 with 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 2014**

During 2014, PERC implemented the following activities in line with objectives set out in the MNCC Regional Centre By Laws.

#### **25<sup>th</sup> AGM of PERC-MNCC**

The 25<sup>th</sup> AGM was supposed to have been held on 14<sup>th</sup> June, 2014, however the meeting was 4 members short of a quorum and after half an hour members present proposed for the meeting to be adjourned to 21<sup>st</sup> June 2014 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 Khoo Kay Teong and seconded by Ms Surya Dharamdass.

Mr Krishnan a/l Somasundram, the outgoing PERC Chairman, chaired the meeting which began at 1700 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. There was no representation from student members. PERC hopes that in future student members are given encouragement by the Colleges concerned to participate in the AGM.

#### **Visit to AMREC-SIRIM Berhad**

The first part of the visit was to AMREC-SIRIM located in Jalan Hi-Tech 2/5, Phase 2 Kulim Hi-Tech Park 09000 Kulim. The Advanced Materials Research Centre (AMREC) in Kulim,

Kedah is Malaysia's nucleus of development on advanced materials technology. Participants were given a briefing on AMREC-SIRIM's company profile; operations and products and services by Mr Muhamad Nor Anazim Bin Rejab. At the end of the briefing and a brief tour of the AMREC gallery, participants were feted to tea and snacks. A group photograph was taken after the end of visit at 10.25 am.

### **Visit to MIMOS Berhad**

From AMREC-SIRIM participants proceeded to MIMOS Berhad located at Jalan Hi-TecPark 2/3, Kulim Hi-Tech Park, 09000 Kulim. The participants were welcomed by Mr Parameswaran Ayahoo, Human Resource Director. Briefings on MIMOS Kulim's operations and products and services were delivered by Mr. Parameswaran Ayahoo, HR Director, Mr Shamsul Anuar Bin Abdul Wahid, Director and also Mr Anthony Zee, Mr Goh Teck Huat and Mr Norazman Mat Ali. The topics covered Human Capital Development – CODE8 Program ( Centre of Domain Expertise); MIMOS technologies – e.g Mi-Manage, Mi-Trace; MIMOS IP achievements and MIMOS technology commercialisation process. In addition, a video presentation was also given. The officers also entertained questions from the participants. Participants were very impressed with the achievements of MIMOS. At the end of the briefings, participants were feted to lunch. A group photograph was taken after the end of visit at 1.00 pm.

### **Meeting With Mesiniaga Berhad & Proposed Visit**

A meeting with Mesiniaga was held on 18th August 2014. The meeting was attended by Prof. Dr. Zulkhairi Dahalin, Committee member and Chairman from PERC and Ms Anne, Mr Chou and Pn Nor Adilah from Mesiniaga. Chairman explained the role and objectives of MNCC at the national level and PERC at the regional level. A briefing was given by Ms Anne and a slideshow was also shown on Mesiniaga's operations; products, services and solutions. A further discussion dwelled on joint organization of a seminar on Cloud Computing which Mesiniaga was happy to be part of. PERC was then extended an invitation to make a visit to Mesiniaga and the proposed date of the visit in September 2014. Chairman followed up with a thank you note on 27<sup>th</sup> August 2014 to Mesiniaga and proposed 18th September 2014 for the visit. However, the dates were postponed several times by Mesiniaga. Finally, the visit was scheduled on 12<sup>th</sup> March 2015. However, the response from usual attendees were not good and the visit has been postponed to a later date.

### **Discussion with Sentral College & TAR College Representatives**

This discussion was held during PERC Meeting No. 2 of 2014-2015 on 20<sup>th</sup> September 2014. Chairman welcomed lecturers from Sentral College and TAR College to the discussion. Sentral College was represented by Yeoh Guan Gim; Lee Chun Leong; Nei Ng Ee Ling; Ahr Kar; Mohd Shahril; Nur Halim Jamal while TAR College was represented by Tan Xian Bin. Chairman briefly explained how PERC can work together with colleges to promote IT awareness and make possible exchange of information. He then explained the role and objectives of MNCC and its Northern Chapter, PERC. MNCC & PERC's activities were highlighted. MNCC's representation in IT Policy making bodies and government committees at MNCC and PERC levels were also explained. Ms Surya stated that she has spoken to the Principal of Sentral College who is positive about the working relationship with PERC to bring about benefits for the students. She also proposed for a possible meeting with the

Principal for a further discussion. Chairman thanked Ms Surya for her efforts. Mr Khoo asked the representatives what other activities they wished to see us do.

It is important for PERC to know their expectations and know what PERC can do and what the colleges can do to make the relationship fruitful. Chairman then invited suggestions and comments from the representatives. Some representatives expressed views which among other things included:

- (i) win-win situation for both parties
- (ii) logo on student card
- (iii) school visits by students as part of CSR
- (iv) SIGs
- (v) PERC T shirts
- (vi) training of schools, robotics
- (vii) joint effort on internship programmes
- (viii) career placements
- (ix) Facebook posting

Chairman then thanked the representatives for their attendance and feedback. He stressed that they are welcome to submit suggestions to the committee. All 6 Sentral College representatives submitted their membership applications. The applications together with relevant fees were sent to MNCC HQ for processing. All them have received their memberships.

### **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 6<sup>th</sup> March 2014 (Meeting No. 1); 24<sup>th</sup> June 2014 (Meeting No. 2) and 1<sup>st</sup> December 2014 (Meeting No. 3).

### **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. Six issues of our newsletter PERC Bits were sent out to members in 2014.

### **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)**

JOMERC co-organized a "Big Data" seminar with Asustor Distributor in Dec 2014. Asustor reseller, Ms Vivian Wang, show-case their Network Attached Storage solution, Cloud synchronization and other features to build the Cloud Storage for the "Big Data" purpose.

JOMERC visited Tencent Wechat / QQ Enterprise Mail R&D team in September 2014 in Guangzhou, China. The representative from Tencent Wechat team, Ms Caroline Lu, briefed the members about how did "QQ" and "WeChat", the Instant Message Apps developed by Tencent, changed the life style of billions of people since last decade.

## **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:

- 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 11<sup>th</sup> 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))**

Our affiliation with IFIP will be done through SEARCC thus we still can participate in its activities as SEARCC is a member of IFIP as we are no longer a direct member.

### **SOUTH EAST ASIA REGIONAL COMPUTER CONFEDERATION (SEARCC)**

We hosted the SEARCC EXCO 01/14 meeting on the 21<sup>st</sup>. April 20 at the Armada Hotel Petaling Jaya. MNCC will be taking over the SEARCC Presidenship 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**

We are no longer having any ties as our request to renew our relations with them has been rejected.

**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, 2014**

The Council hereby submits their Annual Report and the Audited Financial Statements of the Gabungan for the financial year ended 31 December 2014.

**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	(43,304)
Add : Accumulated fund brought forward from the previous year	204,889
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Accumulated fund carried forward to next financial year	161,585
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**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 :-

Prof. Dr. Ahmad Zaki bin A Bakar	
Hasannudin Saidin	
Dato' Dr. Raja Malik Bin Raja Mohamed	
Kunaseelan a/l Rajaretnam	
Lee Nan Phin	
Mohamad Nasruddin bin Mohamad Ariffin	
Lim Joo Soon	
Charles Franklin Moreira	(Appointed on 12.07.2014)
Yap Yoke Wan	(Appointed on 12.07.2014)
Peter U Hung Ong	(Appointed on 12.07.2014)
Abu Mansur bin A Manaf	(Retired on 22.05.2014)
Mohamed Afandi Ismail	(Retired on 26.06.2014)
Seow Poon Shing	(Retired on 26.06.2014)

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.

Kunaseelan a/l Rajaretnam  
Mohamad Nasruddin bin Mohamad Ariffin  
Lim Joo Soon  
Charles Franklin Moreira  
Yap Yoke Wan  
Peter U Hung Ong

## 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  
Kunaseelan a/l Rajaretnam  
Lee Nan Phin  
Yap Yoke Wan

## 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*

**KUNASEELAN A/L RAJARETNAM**  
Council Members

**YAP YOKE WAN**  
Council Members

Petaling Jaya  
, 2014

**GABUNGAN KOMPUTER NASIONAL MALAYSIA**  
**(A Company Limited by Guarantee)**  
**(Incorporated in Malaysia)**

**BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2014**

	Note	2014 RM	2013 RM
<b>PROPERTY, PLANT AND EQUIPMENT</b>	6	3,076	5,107
<b>CURRENT ASSETS</b>			
Subscription in arrears		6,038	7,898
Other receivables, deposits and prepayments	6	5,263	5,103
Fixed deposits with a licensed bank	7	101,673	126,377
Cash and bank balances		51,234	70,573
		164,208	209,951
<b>LESS: CURRENT LIABILITIES</b>			
Subscription in advance		412	2,526
Other payables and accruals		5,287	7,643
		5,699	10,169
<b>NET CURRENT ASSETS</b>		158,509	199,782
		161,585	204,889
<b>FINANCED BY:-</b>			
<b>ACCUMULATED FUND</b>	8	161,585	204,889

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

**GABUNGAN KOMPUTER NASIONAL MALAYSIA**  
**(A Company Limited by Guarantee)**  
**(Incorporated in Malaysia)**

**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER, 2014**

	Note	2014 RM	2013 RM
<b>INCOME</b>			
Conference and seminars	9	70,745	67,356
Entrance fees		820	500
Fixed deposits with a licensed bank		3,501	3,781
Life members		4,000	6,000
Subscriptions		13,154	16,330
Other Income		2,176	-
		94,396	93,967
<b>EXPENDITURE</b>			
Administration expenses	10	119,405	120,690
Audit fee		3,000	3,000
Audit fee- Under provision in prior years		-	200
Deposit Written Off		-	-
Depreciation of property, plant and equipment		2,031	2,190
International relations	11	-	3,343
Meeting Expenses		6,634	6,256
Property, Plant and Equipment Written off		-	-
Subscription written off		6,630	11,464
		137,700	147,143
<b>OPERATING SURPLUS/(DEFICIT) BEFORE TAXATION</b>	12	(43,304)	(53,176)
<b>TAXATION</b>	13	-	-
<b>OPERATING (DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>		(43,304)	(53,176)

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

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

	<b>2014 RM</b>	<b>2013 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating (deficit)/surplus before taxation	(43,304)	(53,176)
Adjustments for :-		
	-	-
Depreciation of property, plant and equipment	2,031	2,191
Property, plant and equipment written off	-	-
Subscription written off	6,630	11,464
Interest income	(3,501)	(3,781)
<b>Operating (deficit)/surplus before working capital Changes</b>	<b>(38,144)</b>	<b>(43,302)</b>
Decrease/(Increase) in subscriptions in arrears	(4,770)	(7,950)
Decrease/(Increase) in other receivables, deposits and prepayment	(160)	12,394
Increase/(Decrease) in subscriptions in advance	(2,114)	1,880
Increase/(Decrease) in accruals	(2,356)	3,422
<b>Net Cash used in operating activities</b>	<b>(47,544)</b>	<b>33,556</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(1,474)
Interest received	3,501	3,781
<b>Net cash generated from investing activities</b>	<b>3,501</b>	<b>2,307</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(44,043)</b>	<b>(31,249)</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>196,950</b>	<b>228,199</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>152,907</b>	<b>196,950</b>
<b>NOTES TO THE CASH FLOW STATEMENT</b>		
Cash and cash equivalent at the end of the financial year comprise:		
Fixed deposits with a licensed bank	101,673	126,377
Cash and bank balances	51,234	70,573
	<b>152,907</b>	<b>196,950</b>

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

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER, 2014

### 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 (2013: 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

#### 4.1 Basis of accounting

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

#### 4.2 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 4.3.

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.

### **4.3 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.

### **4.4 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 Gabungan recognize financial assets using settlement date accounting, thus an asset is recognized on the day it is received by the Gabungan and derecognized 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.

For the years ended on 31 December 2014 and 2013, the Gabungan did not classify any financial assets as held for trading or designated as at fair value through profit or loss.

**(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. Typically, trade and other receivables (except prepayments and non-refundable deposits) and cash and cash equivalents are classified in this category).

**(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.

For the years that ended on 31 December 2014 and 2013, the Gabungan did not carry any financial asset classified in this category.

**(iv) Available-for-sale (“AFS”) 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.

They are carried at their fair value. However, unquoted equity instruments are carried at cost, where it is not possible to reliably measure their fair value.

Except for foreign exchange gains and losses, interest income and dividends that are recognized in profit or loss, changes in the carrying amount of AFS financial assets are recognized in other comprehensive income and accumulated in revaluation reserve, until the investment is disposed of or is determined to be impaired. At that time, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified from equity to profit or loss.

For the years that ended 31 December 2014 and 2013, the Gabungan did not carry any financial assets classified in this category.

**(C) Impairment of financial assets**

The Gabungan assesses at each reporting date whether there is any objective evidence that a financial assets or a group of financial assets (other than those at fair value through profit or loss) is impaired.

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

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost are considerations to determine whether there is objective evidence that the securities are impaired. The determination of what is



significant or prolonged involves the exercise of significant judgement. Where such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss, is removed from equity and recognized in the statement of comprehensive income. Impairment losses recognized in profit or loss for an investment in an equity instrument classifies as available-for-sale shall be not reversed through profit or loss.

**(ii) Trade and other receivables and other financial assets carried at amortised cost**

An impairment loss is established when there is objective evidence that the Gabungan will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, a breach of contract or adverse changes in the payment status of the debtor are considerations to determine whether there is any objective evidence that the trade receivable is impaired. To the extent possible, impairment is determined individually for each item. In cases where that process is not possible, a collective evaluation of impairment is performed. As a consequence, the way individual and collective evaluation is carried out and the timing relating to the identification of objective evidence of impairment require significant judgement and may materially affect the carrying amount of receivables at the reporting date.

The amount of impairment loss recognized 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 recognized in the profit or loss within "selling and distribution costs". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognized in profit or loss.

**(iii) Unquoted equity securities carried at cost**

If there is objective evidence (Such as significant adverse changes in the business environment where the issuer operates, probability of insolvency of significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial assets such impairment losses are not reversed in subsequent periods.

**(D) 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.

#### **4.5 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognized in the statements of financial position when, and only when, the Gabungan become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other 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.

For the years that ended on 31 December 2014 and 2013, the Gabungan did not classify any financial liabilities as held for trading or designated 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.

**4.6 Income recognition**

Income is recognised on the accrual basis.

**4.7 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.

**4.8 Income tax**

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statement of financial position liability method, deferred tax is recognized in respect of all temporary differences between the carrying value of assets and liabilities in the statement of financial position and the corresponding tax base, with the exception of goodwill not deductible for tax purposes and temporary differences arising on initial recognition of assets and liabilities that do not affect taxable or accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the

period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognized only to the extent that the Gabungan considers that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilized within the same tax jurisdiction.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Gabungan's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except if it arises from transactions or events that are recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity, respectively.

#### **4.9 Cash flow statement**

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

Cash and cash equivalents includes cash and bank balances and deposits which have a short maturity (three months or lesser) that are readily convertible to cash and are subject to insignificant risk of changes in value.

### **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 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 - 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 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.

## **5.2 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 July 2014**

- Amendments to MFRS 119 *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Annual improvements to MFRSs 2010-2012 Cycle
- Annual improvements to MFRSs 2011-2013 Cycle
- Amendments to MFRS 140 *Investment Property (Annual Improvements 2011 - 2013 Cycle)*

### **MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2016**

- MFRS 14 *Regulatory Deferral Accounts*
- Amendments to MFRS 10 *Consolidated Financial Statements*, MFRS 12 *Disclosure of Interests in Other Entities* and MFRS 128 *Investment in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 11 *Joint Arrangements – Accounting for Acquisitions of Interest in Joint Operations*
- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 138 *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 127 *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Annual improvements to MFRs 2012-2014 Cycle

### **MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2017**

- MFRS 15 *Revenue from Contracts with Customers*

**MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2018**

- **MFRS 9 *Financial Instruments (2014)***

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

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:

**MFRS 15 *Revenue from Contracts with Customers***

MFRS 15 replace the guidance in MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Interpretation 13 *Customer Loyalty Programmes*, IC Interpretation 15 *Agreements for Construction of Real Estate*, IC Interpretation 18 *Transfers of Assets from Customers and IC Interpretation 131 Revenue- Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Gabungan is currently assessing the financial impact of adopting MFRS 15.

**MFRSs 9 *Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Gabungan is currently assessing the financial impact of adopting MFRS 9.

**6. PROPERTY, PLANT AND EQUIPMENT**

	Furniture and fittings RM	Office equipment RM	Total RM
Net book value as at 1.1.2013	1,177	4,647	5,824
Additions	-	1,474	1,474
Written Off	-	-	-
Depreciation charge	(150)	(2,041)	(2,191)
Net book value as at 31.12.2013	1,027	4,080	5,107
Additions	-	-	-
Depreciation	(150)	(1,881)	(2,03)
Net book value as at 31.12.2014	879	2,198	3,076
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
As at 31.12.2014			
Cost	45,290	16,208	61,498
Accumulated depreciation	(44,413)	(14,009)	(58,422)
Net book value	877	2,199	3,076

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

	2014 RM	2013 RM
Furniture and Fittings	43,794	43,794
Office equipment	9,591	6,791
	<u>53,385</u>	<u>50,585</u>

**7. FIXED DEPOSITS WITH A LICENSED BANK**

The interest rate per annum of fixed deposits as at balance sheet date range from 3.05% to 3.20 % (2013: 3.05%). per annum

The fixed deposits have maturity periods ranging from 3 months (2013: 3 months)

**8. ACCUMULATED FUND**

	2014 RM	2013 RM
Balance as at 1 <sup>st</sup> January	204,889	258,065
Operating deficit for the financial year	(43,304)	(53,176)
Balance as at 31 <sup>st</sup> December	<u>161,585</u>	<u>204,889</u>

**9. CONFERENCES AND SEMINARS**

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Conferences and exhibitions	62,975	45,417
Seminars and workshops	7,770	21,939
	<u>70,745</u>	<u>67,356</u>

**10. ADMINISTRATION EXPENSES**

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Bank Charges	62.5	99
Computer expenses	1,758	1,079
Condolences/Donation	-	-
Electricity and water	4,126	4,667
EPF Contribution	5,844	5,844
Filing and attestation fees	315	182
Indah Water	348	406
Insurance	344	344
Medical Expenses	946	580
Office maintenance	2,290	2,506
Office Rental	12,264	12,264
Postage and courier service	870	1,304
Printing and stationery	1,698	2,868
Professional Services	6,000	6,000
Salaries and allowances	72,110	72,032
Service tax	252	252
SOCSO contribution	827	831
Staff amenities	140	161
Taxation services	1,200	1,300
Telecommunication	1,525	2,039
Travelling expenses	6,484	5,932
	<u>119,405</u>	<u>120,690</u>

**11. INTERNATIONAL RELATIONS**

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Annual subscription to SEARCC	-	3,343
Annual subscription to IFIP	-	-
	<u>-</u>	<u>3,343</u>



**12. OPERATING DEFICIT BEFORE TAXATION**

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

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Auditors' remuneration		
- current year	3,000	3,000
- underprovision in prior year	-	200
Depreciation of property, plant and equipment	2,031	2,191
Office Rental	12,264	12,264
Staff costs (Note 14)	79,867	79,448
Subscription written off	6,630	11,464
Interest income	<u>(3,501)</u>	<u>(3,781)</u>

**13. TAXATION**

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

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Operating deficit before taxation	<u>(43,304)</u>	<u>(53,176)</u>
Income tax for:		
First RM 35,000 (2013: RM 50,000)	(900)	(2,850)
Next RM8,304 (2013: RM 3,176)	<u>(830)</u>	<u>(603)</u>
	(1,730)	(3,453)
Tax effects of:		
Non allowable expenses	366	1,050
Utilisation of temporary difference on capital allowance over depreciation previously not recognized	189	107
Unrecognised deferred tax assets	3,775	8,946
Effect of the income taxed at different statutory tax rates	<u>(2,600)</u>	<u>(6,650)</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

As at 31<sup>st</sup> December 2014, 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:

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Excess of net book value over tax written down value of property, plant and equipment	(2,968)	(4,859)
Unutilised capital allowance	15,605	15,645
Unabsorbed tax losses	456,401	418,795
	<u>469,038</u>	<u>429,401</u>

**14. STAFF COSTS**

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
EPF Contributions	5,844	5,844
Salaries and allowance	72,110	72,032
SOCSO contributions	827	831
Others	1,087	741
	<u>79,867</u>	<u>79,448</u>

**15. 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:

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
Subscription in arrears	6,038	7,898
Other receivables and deposits	5,263	5,103
Fixed Deposit with a licensed bank	101,673	126,377
Cash and bank balances	51,234	70,573
At the end of the financial year	<u>164,208</u>	<u>209,951</u>
<b>Financial liabilities</b>		
Subscription in advance	412	2,526
Accruals	5,287	7,643
At the end of the financial year	<u>5,699</u>	<u>10,169</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, 2014. 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 June 2015.

**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 18 to 35 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, 2014 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

**KUNASEELAN A/L RAJARETNAM**

**YAP YOKE WAN**

Petaling Jaya,  
June 2015

**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 18 to 35 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**  
Commissioner 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 2014, 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 18 to 35

*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 2014 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

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**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 Seventh Annual General Meeting of the Gabungan Komputer Nasional Malaysia to be held on Thursday 11 June, 2015 at 6.30 p.m. at the Arcadia 3, Level 3, Armada Hotel, Lorong Utara C, Petaling Jaya, Selangor Darul Ehsan and at any adjournment thereof.

Signature of member : .....

Dated this ..... day of ..... 2015

**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, 9<sup>th</sup> 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.