

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Eighth 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, 02 June 2016 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, 2015.
2. To receive and, if approved, to adopt the Audited Financial Statements for the year ended December 31, 2015.
3. To receive and approve the estimates of Income and Expenditure and the programme of activities for the year 2016.
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) Dr. Ahmad Zaki bin A. Bakar
- (2) Hasannudin bin Saidin
- (3) Prof. Datuk Dr. Khairuddin bin Ab Hamid
- (4) Lee Nan Phin
- (5) Dr. Wong Kim Hoe
- (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  
19 May 2016

**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 2015/2016***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
Lim Joo Soon	2013 ( <i>Retired on 11 June 2015</i> )
R Kunaseelan	2011
Hj. Mohd Nasruddin M. Ariffin	2011 ( <i>Retired on 11 June 2015</i> )
Charles Franklin Moreira @ Charlee	2014
Yap Yoke Wan	2014
Peter U Hung Ong	2014 ( <i>Retired on 11 June 2015</i> )

Number of meetings = 4

**MANAGEMENT COMMITTEE 2015/2016****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**

Rebecca Ho

**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 2015/2016**

<p><b>Membership Approval</b>  Prof. Dr. Ahmad Zaki A Bakar (<i>Chairman</i>) –  Hasannudin Saidin  R Kunaseelan  Syed Mohamed Syed Hussin</p> <p><b>Membership Promotion</b>  Hj. Mohd Nasruddin M. Ariffin (<i>Chairman</i>) –  (<i>Retired 11 June 2015</i>)  Hasannudin Saidin (<i>Chairman</i>)  Syed Mohamed Syed Hussin</p> <p><b>Professional Development</b>  R Kunaseelan (<i>Chairman</i>)  Syed Mohamed Syed Hussin</p> <p><b>Web Development/Publications</b>  Yap Yoke Wan (<i>Chairman</i>)  Syed Mohamed Syed Hussin</p> <p><b>Special Interest Groups (SIG)</b></p> <p><b>Open Source SIG</b></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>)- <i>Retired on 11 June 2015</i></p>	<p><b>Penang Regional Centre (Regional Committee)</b></p> <p>S Krishnan (<i>Chairman</i>)  Surya Dharamdass (<i>Vice-Chairman</i>)  Lim Chin Tian (<i>Honorary Secretary</i>)  Lee Choon Hong (<i>Honorary Treasurer</i>)  Khoo Kay Teong  Prof. Dr. Zulkhairi Dahalin  Yeoh Guan Gim  Tan Kwang Eu</p> <p><b>Johore/Melaka Regional Centre (JOMERC) (Regional Committee)</b></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><b>IT Governance 2015 Organising Committee</b></p> <p>Kenneth Ho (<i>Chairperson</i>) -ISACA  Lim Chen Yam (<i>Secretary</i>) - MNCC  ISACA Malaysia’s Board of Directors  Eddie Leng - ISACA  Bryan Wong- ISACA  Michelle Lee – ISACA  Goh Ser Yoong – ISACA  Lee Chin Hon – ISACA  Hasannudin Saidin – MNCC  R Kunaseelan – MNCC  Lee Nan Phin - MNCC  Yap Yoke Wan -MNCC  Syed Mohamed Syed Hussin - MNCC</p>
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## PRESIDENT'S STATEMENT

Do we, as MNCC members and the Information and Communication Technology (ICT) practitioners have perseverance? Perseverance is not giving up. It is persistence and tenacity, the effort required to do something and keep doing it till the end, even if it's difficult and with many obstacles. For the last six years we have been putting our hopes on forming the Board of Computing Professionals Malaysia (BCPM). MNCC as a member of the ICT Human Resource Taskforce that made its debut in 2011 was party to mooted the idea of forming an independent body to register and recognize the ICT/computing professionals. MNCC wants to see the Malaysian ICT profession to be accepted as a professional career similar to medical doctors, engineers, surveyors, lawyers and architects. We want to see this board sign the Seoul Accord that will provide mutual recognition for our ICT qualifications in countries of the signatories like Korea, USA, Australia, Great Britain, Canada, Hong Kong, Japan, Ireland, Taiwan, New Zealand and the Philippines.

For the past years, MNCC has not relented in its effort and continued to pursue the dream to have BCPM. We assisted the Ministry of Science, Technology and Innovation (MOSTI) in an Open Day to engage stakeholders for the creation of BCPM in 2011, jointly undertook a formal feasibility study to establish BCPM in 2013 and when the BCPM issue was handed over by MOSTI to the Ministry of Communication and Multimedia (KKKM) in 2013, we continued to pursue KKKM to start again the process to establish BCPM but to no avail. Finally, when all our hopes for BCPM were almost lost, our contributions in the RMK-11 meetings organized by the Economic Planning Unit (EPU) were paid off when the RMK-11 documents has Chapter 8 on *Re-Engineering Economic Growth For Greater Prosperity* that specifies strategy A1 for *Accelerating Human Capital Development*. 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 a lost.

This year 2016, our involvement in the Public Service Department (JPA) Committee on the ICT Expertise Recognition also paid off when JPA and the Manpower Planning Unit (Mampu) agreed to plan the establishment of a body to recognize the professionalism of the IT officials under the F-Scheme in the public sector. Meetings has been convened to discuss the plans for its establishment and MNCC is involved.

Our luck became better when the Seoul Accord Workshop and Mid-term Meeting (SAWMM 2016) will be held on 4 – 5 June 2016 in Kuala Lumpur. To take this golden

opportunity, a series of meetings were held to plan our strategy to sign the Seoul Accord and finally KKKM took charge and chaired the last meeting on 24 May 2016. This milestone meeting agreed to carry a study to update the previous study conducted to establish BCPM and explore the possibility of signing the Seoul Accord as soon as possible.

Yes, we still do not have BCPM today but we must have the perseverance to continue to pursue its establishment. For this to happen, MNCC must be strong in its membership and finance. I appeal to all members to come forward to assist MNCC in this effort. We need to get back MNCC to its rightful place as the de facto ICT professional body of Malaysia. At the moment, our role has been challenged by others. We need to strive harder to make MNCC stronger by getting more members and conducting more activities. To this end, MNCC has been working hard with many universities to establish MNCC student chapters. We hope to see a few chapters launched this year. We have also planned for a stronger membership drive and we certainly need your help to get members.

In the meantime, life goes on and MNCC continued its efforts to work in synergy with many local and international partners. As usual, our role in SEARCC as a founding member, is more critical as SEARCC 2.0 expands as detailed at the SEARCC Executive Council meeting last April in Hong Kong. This year, the SEARCC Conference will be held in Sydney, Australia in November 2016 in conjunction with the Australian Computer Society 50 Year Celebrations. In conjunction with the conference, SEARCC will be honoring recipients for the Best IT Professional, CIO and IT Educator for a new award called the SEARCC Asia Pacific Awards 2016.

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. Last year I urge you to come forward and lend us a hand to take the ICT profession to a higher level. Some of you did take the challenge and volunteered to help MNCC in various ways including by becoming a MNCC Council Member. We still need all the help we can get and you can certainly help. So please step forward and join our ranks to contribute to the nation.

Thank you.

## FINANCIAL RESULTS

The income for the year ending December 31, 2015 was RM 82,037 a decrease of RM 12,359 over the previous year. 2015 recorded an operating deficit of RM 46,487 because we only managed to organize 1 conference.

## MEMBERSHIP

There were 2 new admissions and 2 resignations during the year. As at 31<sup>st</sup> December 2015 the Gabungan has a total number of 244 members same as the preceding year.

Grade	2015	2014
Fellow	2	2
Member	147	149
Life Member	45	42
Associate	35	36
Provisional Associate	8	8
Affiliate	3	3
Student	4	4
	244	244

## MEMBERSHIP PROMOTION

MNCC membership has been on a steady decline over the recent past. Among the main reasons are lack of interest among ICT practitioners, failure to pay up annual subscription for more than two consecutive years, and the disruptive impact of technology whereby large organisations nowadays do not need to have a big pool of in-house ICT professional. In the past most of MNCC members had come from this category.

Several steps have been initiated to increase membership. These include offering free membership in a promotion period to those who are still interested to remain as members but are hesitant to pay the subscription arrears. Here, the registration fee and subscription for first year will be waived. MNCC is also working on a mechanism to promote the establishment of MNCC Student Chapters in local universities. The plan to offer free Student Membership to members of Student Chapters.

MNCC will assist students in organizing ICT events including talks on technology trends and careers. Another approach under consideration is to explore the feasibility of automatic Provisional Membership for academics and new graduates from local universities. MNCC realises it is high time to review its activities and make them relevant to today's situation. For this, a workshop will be held after Ramadhan to plan and come up with an action plan. Many ICT practitioners nowadays work for vendor organisations of various kinds and a new approach is needed to get them interested to join MNCC

## 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 implementation of our new website has been put on hold due to the exigencies of work faced by the working group. Anyhow it is planned to be completed by the end of the year.

## **OPEN SOURCE SIG (OSSIG)**

Mr. Charles Moreira's survey has shown that there is little interest in this SIG. It has been agreed that the SIG be KIV. Instead based on the latest developments in IT efforts should be focused on the setting up Big Data/IOT SIG.

## **CLOUD COMPUTING SIG**

The Cloud Computing Special interest Group mooted earlier has not been formed. MNCC observed and followed the development of Cloud Computing in Malaysia and for now decided not to proceed establishing the SIG.

## **INFORMATION SECURITY SIG**

The SIG group of information security did not organise any activities due to the unavailability of qualified speakers from the industry as well as academic world. On top of that we also failed to get the sufficient number of participants for the activities.

## **CONFERENCES, SEMINARS AND EXHIBITIONS**

### **IT GOVERNANCE CONFERENCE 2015**

The above conference was successfully held on 16 to 17 June 2015 at the Aloft Hotel, Kuala Lumpur. This year's conference attracted 167 paying delegates more than the previous years. The total income for MNCC/ISACA was RM 63,078.57 each. The format followed that of last year's with master class on the second day based on the favourable evaluation from the participants.

### **IT GOVERNANCE CONFERENCE 2016**

2016 saw a departure from the normal practice. ISACA has decided to end the partnership where the working capital and income are shared on a 50/50 basis and went on their own. Instead they offered MNCC a marketing plan offering us a 30% income from every registrant we brought in. The Council has decided not to accept the offer after careful consideration as the number of registrants who normally are made up of government's staff will be affected due to the government's austerity drive.



## **WORKSHOPS**

We managed to organized three workshop in the last session on our own and as co-organisers with others. They are as follow:

### **CERTIFIED IINFORMATION ANALYST WORKSHOP**

We organized this workshop with University Malaysia of Computer Science & Engineering (UniMy) and On Target Training Sdn Bhd (OTT) on 17- 20 May 2015 at Armada Hotel, Petaling Jaya. MNCC's role was as an event organizer and OTT provided 2 fasilitators from India. The workshop was fully residential which was a first for us.

We managed to get 9 participants. It brought in RM2,000. We did not incur any losses as the cost for the workshop was borne by OTT.

### **PROJECT MANAGEMENT SIMULATION WORKSHOP**

This workshop was held from 28-30 September 2015 at Armada Hotel, Petaling Jaya. The workshop was hands on involving a lot activity for the participants. Mr. S. K. Khor a well known personality in the PMP Circle was our facilitator. We managed to get only 4 participants and an income of RM 2,176.74.

### **ADAPTIVE PROJECT DELIVERY MASTERCLASS**

This workshop was held from 19-20 April 2016 at Menara PKNS, Petaling Jaya together with MSCPMP Circle. The facilitator was our own Councilor Mr. Lee Nan Phin.

Due to the government's austerity drive we managed only to get 3 participants bringing in an income of RM 1,725 after sharing with our partner.

## **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 5 meetings were held during the year 2015. 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.

#### **PERC's Office Premises at KMP**

Since 1<sup>st</sup> November 2012, PERC-MNCC has been renting a room in Kompleks Masyarakat Penyayang, Jalan Utama, 10450 Pulau Pinang, a centralized complex housing practically all the non-governmental organisations

However, in late January 2016, PERC received a letter from the Jawatankuasa Induk Kompleks Masyarakat Penyayang (JIKMP) stating that the room allocated to PERC was not being utilised fully like an office. They had apparently expected us to have full time staff with proper office equipment and air conditioning. PERC replied the letter clarifying the issues raised and explaining the role of PERC-MNCC supported with relevant information and documentation. However, JIKMP were not in favour of extending the tenancy contract and we were requested to vacate the premises by 31<sup>st</sup> March 2016. PERC appealed but were only given an extension of another month. PERC vacated the premises by 30<sup>th</sup> April 2016 and followed up with a letter to the JIKMP expressing regret

#### **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 10<sup>th</sup> December 2015 (Meeting No. 3 of 2015); 29<sup>th</sup> February 2016 (Meeting No. 1 of 2016); 29<sup>th</sup> March 2016 (Meeting No. 2 of 2016). Chairman and Hon. Secretary attended a HR Forum in November 2015.

#### **PERC-MNCC ACTIVITIES FOR 2015 – JUNE 2016**

Between the period June 2015 to June 2016, PERC implemented the following activities in line with objectives set out in the MNCC Regional Centre By Laws.

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

The 26<sup>th</sup> AGM was held on 20<sup>th</sup> June, 2015 with 14 members attending, 4 more than the required quorum. Mr Krishnan a/l Somasundram, chaired the meeting which began at 1535 hrs as provided in Clause 22 of the Regional Centre By Laws. 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. There must be sufficient support from members in order for MNCC and PERC to continue to serve the IT community

### **Professional Visit to Silterra Malaysia Berhad**

PERC-MNCC successfully organised a professional visit to **Silterra Malaysia Sdn Bhd** in Kulim Hi-Tech Park on 21<sup>st</sup> April 2016 between 9.15 am to 12.45 pm. Silterra Malaysia Sdn Bhd is a strategic project of national interest to encourage the manufacture of semiconductors and high technology catalyst for investment in Malaysia. It was established in November 1995 as Wafer Technology Malaysia Sdn Bhd and was renamed as Silterra Malaysia Sdn Bhd in December 1999. In addition to their headquarters in Kulim, Malaysia, they have regional offices located in high technology centers around the world to provide local support for their customers. Silterra Malaysia Sdn Bhd is a semiconductor wafer foundry offering fabrication and design support services in CMOS logic, High-Voltage, Mixed-signal, RF and MEMS technologies down to 90 nanometer feature size. SilTerra's wafer fab has a design-in capacity of 40,000 eight-inch wafers per month and currently serves customers in US, Taiwan, Korea and China. There was a good response of 20 from various organisations who participated in the visit. Participants were well received. Encik Tahiruudin Hj Hamdan, Sr Director gave a briefing on Silterra and its products before passing on the IT Head and CIM Coordinator. For a GLC, Silterra Malaysia is doing a great job using some great local talent. They should be commended for their competitiveness and efforts to break into the IT industry. There was a lively exchange of information with some questions from some of the participants. Overall it has been a good experience. PERC has conveyed its appreciation to Silterra.

### **Professional Visit to Robert Bosch Malaysia Berhad**

PERC-MNCC successfully organised a professional visit to **Robert Bosch Malaysia Sdn Bhd** in Bayan Lepas FIZ on 5<sup>th</sup> May 2016 between 9.15 am to 12.45 pm. **Bosch Car Multimedia** is a business division within the Mobility Solutions business sector of the Bosch Group. The division develops smart integration solutions for entertainment, navigation, telematics and driver assistance functions used in original equipment businesses. The needs of the driver are always at the focus of all research and development activities to create technologies that enhance safety and driving convenience and at the same time reduce energy consumption. The Bosch Car Multimedia plant in Penang, Robert Bosch (Malaysia) Sdn Bhd, is one of the eight pioneering companies which started operation in the Bayan Lepas Free Industrial Zone back in 1972. This plant develops and manufactures navigation and infotainment systems, integrated head units, car radios as well as Electronic Manufacturing Services (EMS) products. In fiscal 2015, this Penang plant with about 1,400 employees generated sales turnover of MYR 1.73 billion.

### **Pending Professional Visits To Multinationals**

The following MNCs have been approached for professional visits, however, they have yet to materialize:

- (i) Intel Data Centre
- (ii) National Instruments
- (iii) Motorola
- (iv) OE Design (OE)
- (v) Seagate
- (vi) Panasonic
- (vii) First Solar

The incoming committee will pursue with the relevant MNCs to renegotiate new dates for the visits.

### **Proposal for Big Data Seminar With UUM**

Arising from a committee discussion on holding a seminar on Big Data, a committee member had some initial discussions with UUM School of Computing officials. He came up with a proposal to hold a seminar on Big Data where 3 parties will be involved as co-sponsors namely, UUM, PERC-MNCC and Oriental Discovery, a company that he is associated with. There will be further discussions on timing, venue, sharing of responsibilities and income by the co-sponsors, etc. A seminar proposal has been submitted to UUM for its review and approval.

### **Seminar Proposal with Sangfor Technologies**

Based on a suggestion from Hon. Secretary for a possible seminar with Sangfor, Technologies a joint seminar was proposed. Sangfor is an innovative vendor for application security, optimisation, internet access management solutions in Asia. A Proposal Paper was submitted by Chairman on 20<sup>th</sup> October 2015. Sangfor has requested for the event to be held this year and PERC is awaiting confirmation from them.

### **Joint Seminar with MIMOS Berhad**

Chairman has had further discussions with MIMOS's HR Director in Kulim to hold a joint seminar with MIMOS Berhad on its innovations, applications & services for MNCC members and IT professionals in Penang. Chairman has written an official letter to MIMOS as requested by them stating the objectives of the event, target audience, venue, etc. The HR Director has acknowledged the letter and will take it up with Head of Cloud Computing. Chairman continued to follow up with MIMOS but so far no definite decisions are forthcoming. This matter will be followed up after other players are identified.

### **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 between June 2015 to June 2016:

### **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 as in previous years was involved in a number of programs and activities. Somehow details have not been received by the Secretariat till printing time. This was probably due to the persons in charge were in China on a business trip and were incommunicable.

## **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)
- 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 remained active in SEARCC by attending all the Exco Meetings as follows:

- 27 April 2015 in Singapore where En. Kunaseelan represented the President.
- 4<sup>th</sup> October 2015 in Daejeon South Korea
- 24 April 2016 in Hong Kong

It is noteworthy that all expenses were borne by Prof. Zaki/En. Kunaseelan themselves as our financial standing is really weak.

**AUSTRALIAN COMPUTER SOCIETY (ACS)**

The Gabungan continues to maintain reciprocal relations with the Australian 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 (175039-M)**  
(A Company Limited by Guarantee)  
(Incorporated in Malaysia)

**REPORT OF THE COUNCIL FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015**

The Council hereby submits their Annual Report and the Audited Financial Statements of the Gabungan for the financial year ended 31 December 2015.

**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	(46,487)
Add : Accumulated fund brought forward from the previous year	161,585
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Accumulated fund carried forward to next financial year	115,098
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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 account.

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 position 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 which 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 financial statements 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 as and 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	
Charles Franklin Moreira	
Yap Yoke Wan	
Dr Teh Ying Wah	(Appointed on 11 June 2015)
Dr. Wong Kim Hoe	(Appointed on 11 June 2015)
Prof. Datuk Dr. Khairuddin Ab Hamid	(Appointed on 11 June 2015)
Mohamad Nasruddin bin Mohamad Ariffin	(Retired on 11 June 2015)
Lim Joo Soon	(Retired on 11 June 2015)
Peter U Hung Ong	(Retired on 11 June 2015)

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.

Prof. Dr. Ahmad Zaki bin A Bakar  
Hasannudin bin Saidin  
Dato' Dr Raja Malik bin Raja Mohmaed  
Lee Nan Phin  
Dr. Wong Kim Hoe  
Prof. Datuk Dr. Khairuddin Ab Hamid

## 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, the Gabungan was not 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 any body corporate.

## **AUDITORS**

The retiring auditors, Messrs RSM Malaysia have expressed their willingness to accept re-appointment.

*On behalf of the Council*

**PROF. DR AHMAD ZAKI BIN A BAKAR**

President

**HASANNUDIN BIN SAIDIN**

Vice President

Kuala Lumpur

19 May 2015

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

**BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2015**

	Note	2015 RM	2014 RM
<b>PROPERTY, PLANT AND EQUIPMENT</b>	6	1,604	3,076
<b>CURRENT ASSETS</b>			
Subscription in arrears		10,8528	6,038
Other receivables, deposits and prepayments		5,133	5,263
Fixed deposits with a licensed bank	7	38,751	101,673
Cash and bank balances		63,081	51,234
		117,817	164,208
<b>LESS: CURRENT LIABILITIES</b>			
Subscription in advance		60	412
Other payables and accruals		4,263	5,287
		4,323	5,699
<b>NET CURRENT ASSETS</b>		113,494	158,509
		115,098	161,585
<b>FINANCED BY:-</b>			
<b>ACCUMULATED FUND</b>	8	115,098	161,585

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, 2015**

	Note	2015 RM	2014 RM
<b>INCOME</b>			
Conference and seminars	9	68,096	70,745
Entrance fees		100	820
Fixed deposits with a licensed bank		2,077	3,501
Life members		1,000	4,000
Subscriptions		10,764	13,154
Other Income		-	2,176
		82,037	94,396
<b>EXPENDITURE</b>			
Administration expenses	10	117,687	119,405
Audit fee		3,000	3,000
Depreciation of property, plant and equipment		1,472	2,031
International relations	11	3,745	-
Meeting Expenses		2,460	6,634
Subscription written off		160	6,630
		128,524	137,700
<b>OPERATING SURPLUS/(DEFICIT) BEFORE TAXATION</b>	12	(46,487)	(43,304)
<b>TAXATION</b>	13	-	-
<b>OPERATING (DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>		(46,487)	(43,304)

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<b>2015 RM</b>	<b>2014 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating deficit before taxation	(46,487)	(43,304)
Adjustments for :-		
	-	-
Depreciation of property, plant and equipment	1,472	2,031
Subscription written off	160	6,630
Interest income	(2,077)	(3,501)
	(46,932)	(38,144)
<b>Operating deficit before working capital changes</b>	<b>(46,932)</b>	<b>(38,144)</b>
Increase in subscriptions in arrears	(4,974)	(4,770)
Decrease/(Increase) in deposits	130	(160)
Decrease in subscriptions in advance	(352)	(2,114)
Decrease in accruals	(1,024)	(2,356)
<b>Net cash used in operating activities</b>	<b>(53,152)</b>	<b>(47,544)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Interest received	2,077	3,501
<b>NET DECREASE IN CASH AND CASH EQUIVALENT</b>	<b>(51,075)</b>	<b>(44,043)</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>101,832</b>	<b>152,907</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	38,751	101,673
Cash and bank balances	63,081	51,234
	<b>101,832</b>	<b>152,907</b>

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

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER, 2015

### 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 (2014: 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, and 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 profit or loss includes the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs incurred on the acquisition of financial assets classified at fair value through profit or loss are expensed immediately. The transaction are recorded at the trade date.

##### **(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.

**(ii) Loans and receivables**

Financial assets with fixed or determinable payments that are not 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.

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 on initial recognition or are not classified in any of the three preceding categories.

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 recognized in profit or loss. The cumulative gain or loss previously recognized in equity is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized. Interest income calculated using the effective interest method is recognized in profit or loss. Dividends on an available-for – sale equity instrument are recognized in profit or loss when the Gabungan’s right to receive payment is established.

Investments in equity instruments whose far 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 realizable within 12 months after the reporting date.

As at reporting date, there were no 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 classifies 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 classified 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**

A financial asset is derecognized when the contractual right to received cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in equity is recognized in profit or loss.

**4.5 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 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 including bank and other borrowings 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 at fair value through profit or loss.

**(ii) Other financial liabilities**

The Gabungan's other financial liabilities include payables.

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 on or after 1 July 2014:**

- Amendments to MFRS1 *First –Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2 *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3 *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8 *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13 *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116 *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119 *Employee Benefits – Defined Benefit Plans : Employee Contributions*
- Amendments to MFRS 124 *Related Party Disclosure (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138 *Intangible Assets (Annual Improvements 210-2012 Cycle)*
- Amendments to MFRS 140 *Investment Property (Annual Improvements 210-2012 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.

## **5.2 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**

- MFRS 14 *Regulatory Deferral Accounts*
- Amendments to MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Changes in Method of Disposal (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7 *Financial Instruments : Disclosures – Servicing Contracts and Applicability of the Amendments to MFRS 7 to Condensed Interim Financial Statements (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10 *Consolidated Financial Statements*, MFRS 12 *Disclosure of Interests in Other Entities* and MFRS 128 *Investment in Associates and Joint Venture – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 10 *Consolidated Financial Statements*, MFRS 128 *Investment in Associates and Joint Ventures-Sale or Contribution of Assets between and 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 119 *Employee Benefits – Discount Rates: Regional Market Issue (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127 *Separate Financial Statements – Equity Method in Separate Financial Statement*
- Amendments to MFRS 134 *Interim Financial Reporting – Disclosure of Information ‘Elsewhere in the Interim Financial Report’ (Annual Improvements 2012-2014 Cycle)*

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

- MFRS 9 *Financial Instruments (2014)*
- MFRS 15 *Revenue from Contracts with Customers*

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 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.

#### **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.

**6. PROPERTY, PLANT AND EQUIPMENT**

	Furniture and fittings RM	Office equipment RM	Total RM
Net book value as at 1.1.2014	1,027	4,080	5,107
Depreciation	(150)	(1,881)	(2,031)
Net book value as at 31.12.2014	877	2,199	3,076
Additions		-	-
Depreciation	(150)	(1,322)	(1,472)
Net book value as at 31.12.2015	727	877	1,604
<b>As at 31.12.2014</b>			
Cost	45,290	16,208	61,498
Accumulated depreciation	(44,413)	(14,009)	(58,422)
Net book value	877	2,199	3,076
<b>As at 31.12.2015</b>			
Cost	45,290	16,208	61,498
Accumulated depreciation	(44,563)	(15,331)	(59,894)
Net book value	727	877	1,604

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

	2015 RM	2014 RM
Furniture and Fittings	43,914	43,794
Office equipment	13,334	9,591
	<u>57,248</u>	<u>53,385</u>

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

The interest rate per annum on fixed deposits as at the reporting date is 3.20 % (2014: 3.20%). per annum

The fixed deposits have maturity periods ranging from 3 months (2014: 3 months)

**8. ACCUMULATED FUND**

	2015 RM	2014 RM
Balance as at 1 <sup>st</sup> January	161,585	204,889
Operating deficit for the financial year	(46,487)	(43,304)
Balance as at 31 <sup>st</sup> December	<u>115,098</u>	<u>161,585</u>



**9. CONFERENCES AND SEMINARS**

	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Conferences and exhibitions	63,919	62,975
Seminars and workshops	4,177	7,770
	<u>68,096</u>	<u>70,745</u>

**10. ADMINISTRATION EXPENSES**

	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Bank Charges	210	64
Computer expenses	1,385	1,758
Electricity and water	4,297	4,126
EPF Contribution	5,844	5,844
Filing and attestation fees	174	315
Indah Water	363	348
Insurance	344	344
Medical Expenses	566	946
Office maintenance	1,991	2,290
Office Rental	12,264	12,264
Postage and courier service	1,006	870
Printing and stationery	1,431	1,698
Professional Services	2,184	6,000
Salaries and allowances	77,466	72,110
Service tax	-	252
SOCSO contribution	818	827
Staff amenities	24	140
Taxation services	1,100	1,200
Telecommunication	1,917	1,525
Travelling expenses	4,303	6,484
	<u>117,687</u>	<u>119,405</u>

**11. INTERNATIONAL RELATIONS**

	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Annual subscription to SEARCC	3,745	-
Annual subscription to IFIP	-	-
	<u>3,745</u>	<u>-</u>

**12. OPERATING DEFICIT BEFORE TAXATION**

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

	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Auditors' remuneration		
- current year	3,000	3,000
Depreciation of property, plant and equipment	1,472	2,031
Office Rental	12,264	12,264
Staff costs (Note 14)	84,717	79,867
Subscription written off	160	6,630
Interest income	<u>(2,077)</u>	<u>(3,501)</u>

**13. TAXATION**

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

	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Operating deficit before taxation	<u>(46,487)</u>	<u>(43,304)</u>
Income tax for:		
First RM 35,000 (2013: RM 50,000)	(900)	(900)
Next RM8,304 (2013: RM 3,176)	<u>(1,149)</u>	<u>(830)</u>
	(2,049)	(1,730)
Tax effects of:		
Non allowable expenses	448	556
Temporary differences on property, plant and equipment not recognized	133	189
Deferred tax assets not recognised	4,068	3,585
Effect of the income taxed at different statutory tax rates	<u>(2,600)</u>	<u>(2,600)</u>
Tax expense for the financial year	<u><u>-</u></u>	<u><u>-</u></u>

As at 31<sup>st</sup> December 2015, 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>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Excess of net book value over tax written down value of property, plant and equipment	(982)	(2,314)
Unutilised capital allowance	15,745	15,605
Unabsorbed tax losses	495,042	456,501
	<u><u>509,805</u></u>	<u><u>467,792</u></u>

**14. STAFF COSTS**

	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
EPF Contributions	5,844	5,844
Salaries and allowance	77,466	72,110
SOCSO contributions	818	827
Others	589	1,086
	<u>84,717</u>	<u>79,867</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>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
Subscription in arrears	10,852	6,038
Deposits	5,133	5,263
Fixed Deposit with a licensed bank	38,751	101,673
Cash and bank balances	63,081	51,234
At the end of the financial year	<u>117,817</u>	<u>164,208</u>
<b>Financial liabilities</b>		
Subscription in advance	60	412
Accruals	4,263	5,287
At the end of the financial year	<u>4,323</u>	<u>5,699</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, 2015. 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 values.

**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 .

**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 19 to 36 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of Gabungan Komputer Nasional Malaysia as at 31 December, 2015 and of the financial results and the cash flows of the Gabungan for the financial year ended on that date.

On behalf of the Council

**PROF. DR. AHMAD ZAKI BIN A BAKAR**

**HASANNUDIN BIN SAIDIN**

Kuala Lumpur,  
19 May 2016

**STATUTORY DECLARATION**

I, **SYED MOHAMED SYED HUSSIN**, being the officer primarily responsible for the financial management of **GABUNGAN KOMPUTER NASIONAL MALAYSIA (175039-M)** do solemnly and sincerely declare that the financial statements set out on pages 19 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 Kuala Lumpur  
in the Federal Territory  
on 19 May 2016

*Before me :*

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

We have audited the financial statements of Gabungan Komputer Nasional Malaysia which comprise the statement of financial position as at 31 December 2015, and the statement of income and expenditure and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 36

*Council Members' Responsibility for the Financial Statements*

The Council Members' of the Gabungan are responsible for the preparation of financial statements so as to 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. The Council Members are also responsible 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 entity's preparation of financial statements that give a true and fair view in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 give a true and fair view of the financial position of the Gabungan Komputer Nasional Malaysia as at 31 December 2015 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act 1965 in Malaysia.

**Report on Other Legal and Regulatory Requirements**

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

**RSM Malaysia**

Firm number: AF: 0768

Chartered Accountants

Kuala Lumpur

**YONG KAM FEI**

2562/07/16(J)

Chartered Accountant

**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 Eighth Annual General Meeting of the Gabungan Komputer Nasional Malaysia to be held on Thursday 2 June, 2016 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 ..... 2016

**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.