

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty -Third Annual General Meeting of the Gabungan Komputer Nasional Malaysia will be held at the **Arcadia 1, Level 3, Armada Hotel, Lorong Utara C, Petaling Jaya, Selangor Darul Ehsan** on **Thursday, 30 June 2011 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, 2010
2. To receive and, if approved, to adopt the Audited Financial Statements for the year ended December 31, 2010.
3. To receive and approve the estimates of Income and Expenditure and the programme of activities for the year 2011.
4. To elect four (4) members to the Council.

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

- (1) Kunaseelan Rajaretnam
- (2) Hj. Mohd Nasaruddin Ariffin
- (3) Abu Mansur bin A. Manaf
- (4) Othman bin Bakri

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

By order of the Council

Lim Chen Yam
Secretary

Petaling Jaya
15 June 2011

NOTE:

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

OBJECTS OF THE GABUNGAN

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

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

OUR ORGANISATION

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

OUR VISION

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

OUR MISSION

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

COUNCIL 2010/2011	<i>Year Joined Council</i>
President	
Dato' Dr Raja Malik Raja Mohamed	1998
Vice President	
Simon Seow	2003 (<i>Appointed from 12 July 2010</i>)
Members	
Datuk Dr Halim Shafie	1995
Lee Nan Phin	2002
Simon Seow	2003
Hj Mohamed Afandi Ismail	2004
Hasannudin Saidin	2008
Dr. Teh Ying Wah	2007
Colin Charles	2009
Ditesh Kumar	2009
Yong Yoon Kit	2010 (<i>Appointed from 24 June 2010</i>)
Lim Poh Sim	1996 (<i>Retired on 24 June 2010</i>)

- Number of meetings = 4

MANAGEMENT COMMITTEE 2010/2011

Chairman

Dato' Dr Raja Malik Raja Mohamed - President

Members

Simon Seow - Vice President
 Lee Nan Phin - Council Member
 Hj Mohamed Afandi Ismail - Council Member
 Ditesh Kumar - Council Member

- Number of meetings = 5

Executive Director

Syed Mohamed Syed Hussin

Secretary

Lim Chen Yam

Registered Office

Unit 916, 9th Floor, Block A, Damansara Intan, No. 1, Jalan SS 20/27, 47400 Petaling Jaya

Regional Office

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

Auditors

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

COMMITTEES 2010/2011

<p>Membership Approval Dato' Dr. Raja Malik Raja Mohamed (<i>Chairman</i>) Dr. Teh Ying Wah (<i>Retired on 12 July 2010</i>) Simon Seow (<i>Appointed from 12 July 2010</i>) Ditesh Kumar Lim Chen Yam Syed Mohamed Syed Hussin</p> <p>Membership Promotion Hj. Mohamed Afandi Ismail (<i>Chairman</i>) Colin Charles Yong Yoon Kit Lim Chen Yam Syed Mohamed Syed Hussin</p> <p>Education & Training Simon Seow (<i>Chairman</i>) Lim Chen Yam Syed Mohamed Syed Hussin</p> <p>Web Development/Publications Dr. Woo Chaw Seng (<i>Chairman</i>) Lim Chen Yam Syed Mohamed Syed Hussin</p> <p>Special Interest Groups (SIG)</p> <p>Open Source SIG Lee Nan Phin (<i>Chairman</i>)(<i>Retired on 14 Dec 2010</i>) Yong Yoon Kit (<i>Appointed on 14 Dec2010</i>)</p> <p>IP Telephony SIG Dr. Woo Chaw Seng (<i>Chairman</i>)</p> <p>ODF SIG Hasannudin Saidin (<i>Chairman</i>)</p> <p>Project Management SIG Simon Seow (<i>Chairman</i>)</p> <p>Artificial Intelligent SIG Loke Kar Seng (<i>Chairman</i>)</p> <p>Storage SIG Othman Bakri (<i>Chairman</i>)</p>	<p>Penang Regional Centre (Regional Committee)</p> <p>S Krishnan (<i>Chairman</i>) Surya Dharamdass (<i>Vice-Chairman</i>) Lee Poh Chai (<i>Honorary Secretary</i>) Adrian Yeo Phee Leong (<i>Honorary Treasurer</i>) Khoo Kay Teong Nasir Sobri Lee Choon Hong Lim Chin Tian</p> <p>Johore/Melaka Regional Centre (JOMERC) (Regional Committee)</p> <p>Ng Poh Horng (<i>Chairman</i>) How Munn Po (<i>Vice-Chairman</i>) Bridget Lim (<i>Honorary Secretary</i>) Cheng Hui Siang (<i>Honorary Treasurer</i>) Irvine Hing Lim Ai Zhi Sally Sim Wallace Lim</p> <p>IT Governance 2010 Organising Committee</p> <p>Foo Mei Ling (<i>Chairperson</i>) -ISACA Lim Chen Yam (<i>Secretary</i>) - MNCC Jason Yuen- ISACA Retnendran - ISACA Eddie Leng - ISACA Phang Shueh Miin - ISACA Syed Mohamed Syed Hussin - MNCC Lee Nan Phin – MNCC Dr. Teh Ying Hwa - MNCC</p>
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PRESIDENT'S STATEMENT

The highlight for 2010 is the effort by the Taskforce On ICT Human Resource in producing the document entitled 'ICT Human Capital Development Framework' with MNCC as a key participant in this Taskforce. A central component in the document is the proposed 'Board of Computing Professional Malaysia' which is spearheaded by the Gabungan. The document was presented to the Minister of Higher Education on the 10th of December 2010 and was accepted. It was then tabled by the Ministry to the Cabinet Committee on Human Resource Development and was also accepted. MOSTI with the help of the Taskforce members including MNCC and other key Government Ministries is now preparing a paper to the Cabinet on the formation of the board (BCPM).

Financially, MNCC has gone further into the red with a deficit of RM 73,540.00. This was caused by a dip in income from all the events organized in 2010 caused by lack of attendance especially from the public sector due to budget constraints. The income generating events were the following:

- (i) IT Governance 2010 Conference with ISACA.
- (ii) Hands on Workshop on Google-Fu Googling To The Max and
- (iii) Hands on Workshop on Virtualisation.

The above three events have generated an income of RM 45,810.00.

In terms of membership, in 2010 there were 500 active members. There were also cases of deletion of 40 members for those not paying the annual subscription for more than 2 years. In its effort to increase membership, MNCC has started working with MOHE to encourage a larger representation of membership from universities.

The IP Telephony SIG co-hosted a public seminar with the Artificial Intelligence Department, Faculty of Computer Science and IT, University of Malaya on 14 April 2011. The seminar was conducted by the CEO of bSure Solutions Sdn Bhd and discussed topics on TimbangTara and AHPTOWS software.

The Open Source SIG continued to be active, focusing its effort on reviving the School Software Competition. The winning team will then represent the Gabungan in the SEARCC School Software Competition. Discussions were held with MDeC on sponsorship and private higher institutions for hosting the event.

Active and effective involvement of ODF SIG members culminated in the ODF being adopted as a Malaysian Standard, published by Department of Standards Malaysia as MS ISO/IEC 26300:2009 in July 2009. The SIG has also proposed the adoption PDF Standard ISO 32000-1:2008 and is currently in Public Comments Stage. They were also involved in the technical committee on the proposed adoption of ISO/IEC 29500:2008 (OOXML) providing feedback in overcoming some technical deficiencies in the proposed standard.

The Project Management SIG has been embarking on a project to set up a database of IT projects in Malaysia and neighbouring countries triggered due to a lack of such database in public domain. The Gabungan being an organization with no political affiliation or agenda is best suited for this.

The Artificial Intelligence SIG has set up a website to facilitate awareness and discussion. The website has attracted 31 members who have submitted some interesting videos.

Mr Heoh Chin Fah a member of the DSDM SIG was an invited speaker at the IT Governance Conference 2010. He presented a paper on 'Green IT'. He was also the fasilitator for our 'Virtualisation' workshop on 11 May 2010.

In conclusion, MNCC has to an extent been successful in performing its role as an ICT professional body through providing direction, platform and opportunities to ICT practitioners. However, more emphasis is needed in the areas of ICT professionalism and best practices due to new issues and complexities in ICT involving the national programs such as the GTP and ETP as well as the 10th Malaysia Plan. All these require ICT to be effectively contributing to our national GNI and creation of new job opportunities.

I would like to take this opportunity to thank all Council members and the Secretariat for all their effort in ensuring the Gabungan continues to be relevant and active.

Finally on behalf of the Gabungan I would like to express my sincere gratitude and appreciation to the public sector agencies such as MEGTW, MOSTI, MAMPU, CyberSecurity Malaysia, SIRIM, MOHE and others for their continuing support and cooperation.

FINANCIAL RESULTS

The income for the year ending December 31, 2010 was RM 92,005 a decrease of RM 64,031 over the previous year. The operating deficit for the year was RM73,540 compared to the operating deficit of RM18,763 for 2009.

MEMBERSHIP

There were 39 new admissions, 4 upgrading, 2 re-instatements, 8 resignations and 40 deletions during the year. As at 31 December 2010, the Gabungan has a total of 500 members compared to 508 in the preceding year.

Grade	2010	2009
Fellow	6	9
Member	355	374
Life Member	18	-
Associate	76	81
Provisional Associate	20	26
Affiliate	10	12
Student	15	6
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	500	508
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REVISION OF CODE OF ETHICS

A task force headed by En. Mohamed Afandi Ismail have updated the Codes of Ethics based on models from ACS, BCS , SCS and Software Engineering Codes of Ethics (ACM/IEEE-CS).

MEMBERSHIP PROMOTION

Membership promotion efforts as before continued to be done during the various talks, seminars, conferences as well workshops organized by the Gabungan..

A Task Force was formed to look into alternative ways to increase membership. Some suggestions have been proposed and accepted by the Council. The implementation is being worked out and result is expected next year.

PUBLICATIONS

The 2nd issue of the online journal is being worked on by sourcing papers based on academic research outcomes and industrial experience sharing.

ICT EXCELLENCE AWARDS

There was a change in the ministries and the communications portfolio was transferred to the Information Communication and Culture Ministry. With this change, we are still assessing the possibility of a join effort in holding the event with the new ministry.

WEBSITE DEVELOPMENT

The Secretariat is fully capable of updating the website based on the present HTML platform. Members are welcomed to assist in revamping our website to make it more attractive and interactive.

OPEN SOURCE SIG (OSSIG)

The Open Source SIG continued to be active. It was focusing effort on reviving the School Software Competition. The winning team will then represent the Gabungan in the SEARCC School Software Competition. Some discussions were held with MDeC on sponsorship and private higher institutions as host

IP TELEPHONY SIG (IPTSIG)

The SIG co-hosted a public seminar with the Artificial Intelligence Department, Faculty of Computer Science and IT, University of Malaya on 14 April 2011. The seminar was conducted by the CEO of bSure Solutions Sdn Bhd and discuss about Timbang Tara and AHPTOWS software.

Beside that, the IP Telephony SIG is sourcing papers for the 2nd issue of MNCC Transaction on ICT which focus on academic research outcomes and industrial experience sharing.

In addition, the SIG held a casual gathering of SIG members on 23 April 2011 (Saturday) at Wahid Cafe in the Faculty of Computer Science and IT, University of Malaya but had to be cancelled as the response was poor.

OPEN DOCUMENT FORMAT SIG (ODFSIG)

The MNCC OpenDocument Format Special Interest Group (ODF SIG) continued from the accomplishment of 2009 of getting the ODF standard for document formats to be officially adopted as a Malaysian Standard, and officially published by Standards Malaysia as MS ISO/IEC 26300:2009 in July 2009.

In 2010, working with the technical committee in Standards Malaysia, ODF SIG members worked on the proposed adoption of ISO/IEC 29500:2008 (OOXML), a second standard for document formats. As there were a number of technical deficiencies in the proposed standard, ODF SIG members successfully submitted feedback in line with the standards development process that resulted in cancelation of the Standards Malaysia projects to adopt this rival standard.

Thus in total the ODF SIG achieved 5 years of effort in the national standards development process to ensure that the ODF standard is officially accredited as THE document format standard in Malaysia.

PROJECT MANAGEMENT SIG (PMS)

The Project Management SIG initiated one project for the year. Discussions about the various activities that could be held resulted in a decision to set up a database of IT projects experiences in Malaysia, and surrounding countries. The reason for choosing this was the lack of such a database in the public domain, and the pressing need for lessons learned about project in the country. Some members felt that there is a risk that the project may attract some sensitive attention, and it was something that will need to be looked into. However, the consensus was that it was precisely because of this that a national organisation like MNCC, with no political affiliation or agenda should undertake the project. SIG members are tasked with collecting the information as the first step to setting up of this database. In the meantime, the group will explore mechanism to use for this database.

MNCC ARTIFICIAL INTELLIGENCE SIG

The website <http://artificialintelligenceinindustry.ning.com> is available to facilitate awareness, discussion and communication. Currently there are 31 members in the site, and some interesting videos on face recognition and gestures recognition have been submitted by members. The website include a blog, discussion forum and news submitted by members. Interested members should sign up at the site.

DATA STORAGE & DATA MANAGEMENT SIG

Mr Heoh Chin Fah a member of the DSDM SIG was an invited speaker at the IT Governance Conference 2010. He presented a paper on 'Green IT'. He was also the fasilitator for our 'Virtualisation' workshop on 11 May 2010.

CONFERENCES, SEMINARS AND EXHIBITIONS

IT GOVERNANCE 2010 CONFERENCE

This event was held on 25-26 May 2010. The venue was back to Sheraton Subang Hotel and Towers. There were 82 registrations, which represented the lowest figure yet since the event was first organized in 2002. As previously noted, this was probably due to cuts in the budget especially of public agencies.

IT GOVERNANCE 2011 CONFERENCE

This conference will be held on 22 – 23 June 2011 at One World Hotel, One Utama. This time around the Organising Committee decided to take a new approach by having master class as the second day program. 4 topics will be covered in depth under the master class. The response is beyond expectation as 105 participants have registered and had to be limited at that number due to space constraints. We had only 82 participants for year 2010 conference.

WORKSHOPS

In 2010, we managed to organized only two (2) workshops due to poor response especially from the public sector who had budget constraints:

(i) **GOOGLE – FU GOOGLING TO THE MAX**

The above hands-on workshop was held on 24 February 2010 at Armada Hotel, Petaling Jaya. Only 17 participants enrolled for the workshop. The facilitator was En. Mohd Nizam Kassim a Security Assurance Analyst, with CyberSecurity, Malaysia.

(ii) **WORKSHOP ON VITUALISATION**

The above hands-on workshop was held on 11 May 2010 at Armada Hotel, Petaling Jaya. Only 15 participants enrolled for the workshop. The facilitator was Mr. Heoh Chin Fah from RDM- realdatamatrix.

(iii) **SECURING INTERNET WITH *DNSSEC***

The above hands-on workshop was held on 25 May 2011 at Armada Hotel Petaling Jaya. 30 participants attended it. This augured well for us as the number of attendees for our two workshops in 2010 were 17 and 15. The fasilitator was Encik Amir Haris Ahmad CEO of Localhost Sdn. Bhd. He is a recognised personality in this field and had been engaged by MCMC in its events

GOVERNMENT ICT SEMINAR

This half day seminar was a joint partnership program between the Gabungan and MDeC. We were entrusted to secure participants from amongst IT managers from the government agencies. We also provided two speakers in the person of our Vice President Mr. Simon Seow and En. Hasannudin, our Council member. Six local MSC companies exhibited their products and two of them also provided one speaker each. It was held on June 14 2011 at Shangri-La Putrajaya Hotel. 37 out of 44 registered participants attended the seminar and 70% of them were IT managers. MDeC is planning to continue holding this program with us as they regard it a success.

EVENING TALKS

2010 was a bleak year as we were not able to organize any evening talk. This was basically due to trying to come out with a new approach as experience in the past proved poor member participation.

REGIONAL CENTRES

PENANG REGIONAL CENTRE

BACKGROUND

The Penang Regional Centre of the Malaysian Computer Society (PRC-MCS) commenced its operations when it was officially formed on 28th March 1987. With the incorporation of the Malaysian National Computer Confederation on 18th March 1989, PRC-MCS was dissolved and in its place was formed the Penang Regional Centre of the Malaysian National Computer Confederation (PERC-MNCC) on 18th March 1989. As a regional centre of MNCC, PERC-MNCC has been actively promoting the objectives of MNCC and organising events and activities for the past 24 years.

MEMBERSHIP

According to the information provided to us by MNCC KL on 18th May 2010, the count of MNCC members in the northern region is 59 members comprising:

Full Members	34
Associate Members	18
Provisional Members	4
Affiliate Members	3
Student Members	0

PERC-MNCC Committee Meetings and Attendance

A total of 6 meetings were held during the year 2010. Meetings were held on Wednesday evenings (from 7.00 pm):

FINANCIAL RESULTS

PERC commenced the year 2010 with a bank balance of RM1,430.66. Total payments for 2010 which amounted to RM525.65 comprise mainly of re-imburements of Petty Cash expenses to the Chairman and Hon. Secretary for administrative expenses and payment of meeting room. PERC received a re-imburement of RM1,500.00 from MNCC KL in respect of laptop rental. The balance as at 31st December 2010 was RM2,405.01.

PERC-MNCC ACTIVITIES FOR 2010

During 2010, PERC implemented the following activities in line with objectives set out in the MNCC Regional Centre By Laws.

21st AGM of PERC-MNCC

The 21st AGM of PERC-MNCC was successfully held on Saturday, 19th June, 2010 at 1700 hours at Bayview Georgetown Hotel, Pulau Pinang. There were no changes in the positions of Chairman and Vice Chairman and 2 committee member positions. Mr Lee Poh Chai was

elected as the new Hon. Secretary replacing Mr Choo Beng Katt while Mr Adrian Yeoh Phee Leong was elected as the new Hon. Treasurer replacing Mr Lee Poh Chai. Mr Lee Choon Hong and Mr Lim Chin Tian were elected as new committee members replacing Mr Ow Yong Kean Guan who has been transferred to Ipoh and Mr Adrian Yeoh who has now been elected as Hon. Treasurer. The committee expresses its profound appreciation to Mr Choo Beng katt and Mr Ow Yong Kean Guan for their efforts and service to PERC.

VISIT TO DELL MALAYSIA

The visit was successfully held on 25th March 2010. There was a turnout of about 60 participants from various organisations as follows:

- INTI International College – 41 participants
- RECSAM – 11 participants
- MNIs – 4 participants
- USM – 1 participant
- Others – 1 participant
- PERC – 2 participants

Participants were taken to the factory where the installation of desktops and laptops were carried out. Participants hand a first hand view of the whole physical set up and operations of the various units within the factory. Dell's manufacturing facility in Bukit Minyak which has more than 1,500 staff is engaged in producing desktop and laptop computers, along with PC systems. Participants found the visit very interesting, educational and useful. PERC is very appreciative of the warm hospitality accorded including snacks at the Dell Cafeteria. Group photographs were also taken by Dell coordinator. An appreciation note was sent to Dato' Simon Wong VP Asia Pacific Operations & MD Dell Asia Pacific Sdn Bhd on 26th March 2010.

VISIT TO TELEKOM MALAYSIA' SUBMARINE CABLE STATION

PERC-MNCC organised a professional visit to **Telekom Malaysia's (TM) Submarine Cable Station** situated in Kuala Muda on the mainland on 27th May 2010 from 9.30 am to 11.30 am. Telekom Malaysia's Stesen Kabel Dasar Laut Kuala Muda (SKDL) a.k.a Penang Cable Station was officially commissioned on 2nd July 1981 and is situated at 13110 Penaga Seberang Perai. This is the **first submarine cable station in Peninsular Malaysia**. The cable station consisting of 4 main buildings, is **designed to provide high capacity network for voice and data traffic between Malaysia and 51 countries In Asia, Africa and Europe**. It is the closest point to India for the Indian Ocean Commonwealth (IOCOM) Cable system and the area has less vessel traffic which ensures that the cable cut risk is low. The cable station houses 3 submarine cable systems. Construction of the cable system marked a major business co-operation between TM and world's largest 1st Tier Telecommunication companies around the world. The submarine cable system in SKDL Kuala Muda was constructed by world leading Telecommunication suppliers such as Alcatel-Lucent, Tyco Telecommunication and NEC.

PERC-MNCC TALK TO INTI INTERNATIONAL COLLEGE STUDENTS

A series of discussions were held by the Chairman with the Head of IT of INTI for student membership as well as full membership since December 2008. The matter was followed up in

2009. Then, at the request of the Head of IT of INTI International College a talk was given to their IT Students on the role of PERC and its parent body (MNCC) on 14th April 2010 at the INTI Campus. The talk which was attended by students and lecturers was given by Chairman and Vice Chairman. At the end of the talk, membership forms were distributed to students. PERC was informed that the College agreed to subsidise the students' membership fees. A total of 11 applications for membership (2 full membership and 9 student memberships) were sent to KL by Chairman on 18th August 2010 together with the relevant fees. This is a good opportunity for MNCC to encourage student membership from colleges in Penang. The next step would be to get connected to other colleges as well. In this way PERC can spread its wings to fulfill its objectives more effectively in this region.

PLANNED VISIT TO PENANG WATER CORPORATION (PBAPP)

The planned visit to PBAPP's IT Centre scheduled for 4th February 2010 (subsequently postponed to 4th March 2010) did not take place. PBAPP was only able to offer us a visit to the Air Itam Dam Theme Park but were unable to entertain our request for a visit to the IT Centre. We were told that there was systems development work going on. As the main purpose of the event was a visit to the IT Centre, PERC suggested a later date for the visit. However, as there was no further development on the matter, PERC treated the proposed visit as cancelled. Visits to alternative organizations were arranged instead.

USM TALK/VISIT

- (i) On 7th March 2010, Chairman wrote to Dr Vincent Khoo, a USM lecturer for a possible talk on a topic of current interest. Dr Vincent suggested that the talk be on (a) Technopreneurship, (b) Service Science, Management and Engineering (SSME), or (c) Customer Lifetime Value (CLV) prediction. His current research, development and commercialization projects are on CLV prediction, which is a more pre-emptive or pro-active Customer Relationship Management approach. However, the talk is still pending in view of Dr Vincent's tight schedules.
- (ii) Chairman has had preliminary discussions on 26th May 2010 with another lecturer from USM, Dr. Bahari Belaton, ICT Research Dean for a possible visit to USM facilities and a talk. This was followed up with a meeting by Chairman with Dr Bahari on 8th June 2010, where PERC's role and USM's links with PERC since its inception in 1986 were discussed. Several areas of mutual interest were identified and will be pursued. It now looks very positive for a link up with USM for future activities including use of facilities available in USM. Dr Bahari also extended an invitation to PERC to attend a talk-cum-seminar by Prof. Anil K. Jain, a well known researcher in Biometric Systems. Chairman was informed on 29th September 2010 that the proposal for a visit was okayed in principle. The tentative programme will be a half-day programme with a briefing on the following topics :
 - USM's network/info structure in general;
 - ICT's Security issues, some of the tentative topics including USM's security plan & operationalization (day to day issues, how USM handles ICT security issues); ICT Security Policy, SOP and related matters at Federal level (MAMPU) affecting all public institutions and agencies, etc. and some demonstrations of tools & systems USM used to monitor and secure USMNet; and

- Visit to several ICT related labs (USM Data Center, USM's Grid Cluster) and may be to NADI ("realtime" info center highlighting USM's KPI with regards to APEX initiative)

After some discussions, it was agreed that the visit trip will be held in January 2011.

PERC BITS

Six issues of our newsletter PERC Bits were sent out to members in 2010:

- (i) PERC Bits Issue No. 3/2009-2010 – 18th January 2010
- (ii) PERC Bits Issue No. 4/2009-2010 – 05th March 2010
- (iii) PERC Bits Issue No. 5/2009-2010 – 12th May 2010
- (iv) PERC Bits Issue No. 6/2009-2010 – 18th May 2010
- (v) PERC Bits Issue No. 7/2009-2010 – 2nd June 2010
- (vi) PERC Bits Issue No. 1/2010-2011 - 25th September 2010

PERC BLOG

PERC continues to operate its Blog which was launched in 2009. The link for the blog is: <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 organized two workshops last year. They are as follows:

ERP WORKSHOP

Mr Law, the Managing Director of MySoft Corporation Sdn Bhd, conducted a MySOFT M300 ERP workshop to share his experience in ERP system implementation for 300 branches of Felda Trading Group all over Malaysia. The workshop was held on 23 July 2010 at the JOMERC conference hall.

PLC/SCADA WORKSHOP

Mr Ian Teng, Engineer III of Matromatic Handling Systems (M) Sdn bhd, conducted an Allen- Bradley PLC (Programmable Logic Controller) / SCADA (Supervisory Control And Data Acquisition) workshop for MNCC JOMERC members. Mr Ian shared his experience in system development and implementation of PLC / SCADA / Middleware system for National Mail Parcel Hub (POS Malaysia) with the our members. The workshop was held in Shah Alam on November 5 2011

NATIONAL RELATIONS

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

Gabungan representatives served in the following committees:

- Majlis Penyelidikan dan Kemajuan Sains Negara (MPKSN)
- Panel Mengenai Industri Perisian Komputer, Kementerian Perdagangan Antarabangsa dan Industri (MITI)
- Technical Working Group on ICT R & D for the 10th Malaysia Plan led by MIMOS.
- SIRIM Standards Technical Committee in Identification Cards and Related Devices – TC6
- Training Committee for Industry and Service Sector – Information Communication Technology Cluster (ICT) under Pembangunan Sumber Manusia Berhad (PSMB) of the Ministry of Human Resource
- Training Committee in the development and implementation of National Occupational Skills Standards under Majlis Latihan Vokasional Kebangsaan (MLVK)) of the Ministry of Human Resource
- Jawatankuasa Standards Industri bagi Teknologi Maklumat Telekomunikasi dan Multimedia - SIRIM
- SIRIM's Technical Committee 'Information Security Standards'
- Working Group # 3 - Cabling Standards, CMC
- Jawatankuasa Tindakan Pelaksanaan (JTPIT) MAMPU
- NPC Consultative Panel on Information Technology
- MIDA Panel on Information Technology
- MSC Education Advisory Panel

INTERNATIONAL RELATIONS

INTERNATIONAL FEDERATION FOR INFORMATION PROCESSING (IFIP))

MNCC was a full member of IFIP up to 2001. Due to financial constraints, MNCC become a Corresponding Member (with a lower subscription) from 2002 onwards. MNCC was readmitted as a full Member again from 2005. A new benefit from IFIP's membership is that the Gabungan regularly receives books on IT published in association with the body.

IFIP is undertaking a project International Professional Practice Partnership (IP3) with the objective of establishing IT Professionalism so that the IT profession is on par with professions such as medical doctors, engineers and accountants. MNCC is participating through online communications.

SOUTH EAST ASIA REGIONAL COMPUTER CONFEDERATION (SEARCC)

The President attended SEARCC Exco Meeting held in Sydney Australia on the 8th of May 2010. Due to financial constraints the 21 September 2010 meeting in Brisbane and 23 April 2011 meeting in Mumbai were done through teleconferencing.

AUSTRALIAN COMPUTER SOCIETY (ACS)

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

BRITISH COMPUTER SOCIETY

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

SINGAPORE COMPUTER SOCIETY

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

**CENTER OF THE INTERNATIONAL COOPERATION FOR
COMPUTERIZATION (CICC) JAPAN**

Starting from 2007 there was a change of policy and CICC stopped its normal program of providing training courses and scholarships. Until the time this report is written there has been no communication from CICC as to the way forward.

DINERS CLUB-MNCC INTERNATIONAL CARD

Currently, members have signed up as Diners Club members. Once again members are encouraged to become Diners Club members because of the very favourable terms and the card itself is accepted at most establishments that accept credit/charge cards.

ACKNOWLEDGEMENT

On behalf of the Council, let me express my gratitude to the various government agencies, especially, 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

Dato' Dr. Raja Malik Raja Mohamed
President

GABUNGAN KOMPUTER NASIONAL MALAYSIA

(A Company Limited by Guarantee)
(Incorporated in Malaysia)

REPORT OF THE COUNCIL FOR THE YEAR ENDED DECEMBER 31, 2010

Your Council has pleasure in submitting their Annual Report and the Audited Financial Statements of the Gabungan for the year ended December 31, 2010.

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 year	(73,540)
Add : Accumulated fund brought forward from the previous year	382,039

Accumulated fund carried forward to next financial year	308,499
	=====

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 balance sheet of the Gabungan were made out, the Council took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and 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 balance sheet 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 :-

Datuk Dr.Halim Shafie
Dato' Dr. Raja Malik Raja Mohamed
Lee Nan Phin
Seow Poon Shing
Mohamed Afandi Ismail
Dr. Teh Ying Wah
Hasannudin Saidin
Ditesh Kumar A/L Shashikant
Colin Charles A/L Alfred Charles
Yong Yoon Kit (Appointed on 24.6.2010)
Lim Poh Sim (Retired on 24.6.2010)

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.

Datuk Dr. Halim Shafie
Dr. Teh Ying Wah
Ditesh Kumar A/L Shashikant
Colin Charles A/L Alfred Charles

MANAGEMENT COMMITTEE

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

Dato' Dr Raja Malik Raja Mohamed
Seow Poon Shing
Lee Nan Phin
Mohamed Afandi Ismail
Ditesh Kumar A/L Shashikant

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 any body 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

DR. RAJA MALIK RAJA MOHAMED

President

SIMON, SEOW POON SHING

Vice President

Petaling Jaya
3rd June, 2011

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

BALANCE SHEET AS AT 31ST DECEMBER 2010

	Note	2010 RM	2009 RM
PROPERTY, PLANT AND EQUIPMENT	6	3,867	3,817
CURRENT ASSETS			
Subscription in arrears		20,916	13,788
Other receivables, deposits and prepayments	7	10,405	8,650
Fixed deposits with a licensed bank	8	272,034	296,296
Cash and bank balances		13,752	64,226
		317,107	382,960
LESS: CURRENT LIABILITIES			
Subscription in advance		1,476	1,238
Other payables and accruals		10,999	3,500
		12,475	4,738
NET CURRENT ASSETS		304,632	378,222
		308,499	382,039
FINANCED BY:-			
ACCUMULATED FUND	9	308,499	382,039

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 31ST DECEMBER, 2010

	Note	2010 RM	2009 RM
INCOME			
Conference and seminars	10	45,810	98,387
Entrance fees		1,450	1,200
Evening Talk		-	50
Fixed deposits with a licensed bank		5,738	7,297
Life members		3,998	8,000
Subscriptions		28,146	28,542
Other Income		6,863	6,040
		92,005	156,036
EXPENDITURE			
Administration expenses	11	143,797	145,572
Audit fee		2,500	2,500
Depreciation of property, plant and equipment		2750	4,228
International relations	12	3113	7,446
Meeting Expenses		6,245	3,774
Property, plant and Equipment written off		-	715
Subscription written off		7,140	12,340
		165,545	174,645
OPERATING (DEFICIT)/SURPLUS BEFORE TAXATION	13	(73,540)	(18,609)
TAXATION	14	-	(154)
OPERATING (DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		(73,540)	(6,050)

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

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010	2009
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating deficit before taxation	(73,540)	(18,609)
Adjustments for :-		
Depreciation of property, plant and equipment	2,750	4,228
Property, plant and equipment written off	-	715
Subscription written off	7,140	10,410
Interest income	<u>(5,738)</u>	<u>(7,297)</u>
Operating deficit before working capital Changes	(69,388)	(10,553)
Increase in subscriptions in arrears	(14,268)	(13,452)
(Decrease)/Increase in other receivables, deposits	(1,755)	33,899
Increase /(Decrease) in subscriptions in advance	238	(736)
Increase /(Decrease) in accruals	<u>7,499</u>	<u>(1,000)</u>
Cash(used in)/generated generated from operations	(77,674)	8,158
Income tax paid	<u>-</u>	<u>(154)</u>
Net cash (outflows)/inflows from investing activities	(77,674)	8,004
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(2,800)</u>	<u>(791)</u>
Interest received	<u>5,738</u>	<u>7,297</u>
Net cash inflows from investing activities	2,938	6,506
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(74,736)	14,510
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	360,522	346,012
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>285,786</u>	<u>360,522</u>
NOTES TO THE CASH FLOW STATEMENT		
Cash and cash equivalent at the end of the financial year comprise:		
Fixed deposits with a licensed bank	272,034	296,296
Cash and bank balances	<u>13,752</u>	<u>64,226</u>
	<u>285,786</u>	<u>360,522</u>

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER, 2010

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, BlockA, 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 (2009: 3).
- d) The financial statements are expressed in Ringgit Malaysia.

2. PRINCIPAL ACTIVITY

The principal activity of the Gabungan is to promote the interest 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

The financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board (MASB) Approved Accounting Standards for Entities other than Private Entities.

The preparation of financial statements in conformity with FRSs requires Council Members to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognized in the financial statements.

4. NEW/REVISED FINANCIAL REPORTING STANDARDS (FRS) AND INTERPRETATION

At the date of authorization of these financial statements, FRSs (including its consequential amendments) and Interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been applied by the Gabungan are as follows:-

**Effective for
financial periods**

FRSs, Amendments to FRSs and Interpretations	beginning on or after
Amendments to FRS 132 <i>Financial instruments: Presentation</i>	1 March 2010
FRS 1 <i>First-time adoption of Financial Reporting Standards (revised 2010)</i>	1 July 2010
FRS 3 <i>Business Combinations (revised 2010)</i>	1 July 2010
FRS 127 <i>Consolidated and Separate Financial Statements (revised 2010)</i>	1 July 2010
Amendments to FRS 2 <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5 <i>Non-current Assets Held For Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 138 <i>Intangible Assets</i>	1 July 2010
IC Interpretation 12 <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010
Amendments to IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 July 2010
Amendments to IC Interpretations 15 <i>Agreement for the construction of Real Estate</i>	30 August 2010
Amendments to FRS 1 <i>Limited Exemptions from Comparative</i>	
FRS 7 <i>Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 1 <i>Additional Exemption for First-time Adopters</i>	1 January 2011
Amendments to FRS 2 <i>Group Cash-settled Share-based Payment Transactions</i>	1 January 2011
Amendments to FRS 7 <i>Improving Disclosures about Financial Instruments</i>	1 January 2011
IC Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 18 <i>Transfers of Assets from Customers</i>	1 January 2011
IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2011
Amendments to IC Interpretation 14 <i>Prepayments of a Minimum Funding Requirement</i>	1 July 2011
FRS 124 <i>Related Party Disclosures (revised)</i>	1 January 2012
IC Interpretation 15 <i>Agreements for the Construction of Real Estate</i>	1 January 2012

Amendments have been made to the following FRSs as a result of Improvements to FRSs issued in 2010:

FRS 1 <i>First-time Adoption of Financial Reporting Standards</i>	1 January 2011
FRS 3 <i>Business Combinations</i>	1 January 2011
FRS 7 <i>Financial instruments: Disclosures</i>	1 January 2011
FRS 101 <i>Presentation of Financial Statements</i>	1 January 2011
FRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>	1 January 2011

**Effective for
financial periods**

FRSs, Amendments to FRSs and Interpretations	beginning on or after
FRS 128 <i>Investments in Associates</i>	1 January 2011
FRS 131 <i>Interest in Joint Ventures</i>	1 January 2011
FRS 132 <i>Financial Instruments: Presentation</i>	1 January 2011
FRS 134 <i>Interim Financial Reporting</i>	1 January 2011
FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2011
Amendments to IC interpretation 13 <i>Customer Loyalty Programmes</i>	1 January 2011

The Gabungan intends to apply the FRSs, Amendments and Interpretations that are applicable to the Gabungan on the respective effective dates.

The Council Members of the Gabungan expect that the adoption of the above FRSs, Amendments to FRSs and Interpretations will have no material impact on the financial statements in the period of initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

(b) Depreciation of property, plant and equipment

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

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

The annual rates 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 recognized in the Income Statements.

(c) Impairment of assets

The carrying amounts of the Gabungan's non-current assets are reviewed at each balance sheet 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 recognized whenever the carrying amount of

the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized 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 assets in an arm's length transaction. Value in use is the present value of estimate 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 extend 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 recognized in the statement of income and expenditure.

(d) Financial assets

(A) Initial recognition and measurement

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

(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 in initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gain 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 receivable

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 derecognized or impaired and through the amortization process.

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

(iii) Held-to-maturity investment

Financial asset with fixed or determinable payments and fixed maturity are classified as held-to-maturity when 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 amortization process.

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

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

(iv) Available-for-sale financial assets

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

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

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

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

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

(C) Derecognition of financial assets

A financial asset is derecognized when the contractual right to receive cash flow from 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 recognised in equity is recognised in profit or loss.

(D) Impairment of financial assets

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

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

(e) Financial liabilities

(A) Initial recognition and measurement

A financial liability is recognised on the balance sheet 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 arrangement 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 recognized in profit or loss. Net gains or losses on derivatives include exchange differences.

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

(ii) Other financial liabilities

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

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

(C) Derecognition of financial liabilities

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

(f) Income recognition

Income is recognized on the accrual basis.

(g) Employee benefits**(i) Short term benefits**

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

(ii) Defined contribution plans

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

(h) Income tax

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

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

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

(h) Cash flow statement

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

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

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings RM	Office equipment RM	Total RM
Net book value as at 1.1.2010	1,847	1,970	3,817
Additions		2,800	2,800
Depreciation charge	(1,377)	(1,373)	(2,750)
Net book value as at 31.12.2010	<u>470</u>	<u>3,397</u>	<u>3,867</u>
As at 31.12.2009			
Cost	46,333	56,945	103,278
Accumulated depreciation	(44,486)	(54,975)	(99,461)
Net book value	<u>1,847</u>	<u>1,970</u>	<u>3,817</u>
As at 31.12.2010			
Cost	46,333	59,745	106,078
Accumulated depreciation	(45,863)	(56,348)	(102,211)
Net book value	<u>470</u>	<u>3,397</u>	<u>3,867</u>

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

	2010 RM	2009 RM
Furniture and Fittings	45,110	32,385
Office equipment	<u>52,854</u>	<u>52,854</u>
	<u>97,964</u>	<u>85,239</u>

7. OTHER RECEIVABLES AND DEPOSITS

	2010 RM	2009 RM
Other receivables	4,800	3,105
Deposits	<u>5,605</u>	<u>5,545</u>
	<u>10,405</u>	<u>8,650</u>

8. FIXED DEPOSITS WITH A LICENSED BANK

The interest rate per annum of fixed deposits as at balance sheet date range from 2.1% to 2.8% (2009:2.1% to 3.3%).

The fixed deposits have maturity periods ranging from 3 months to 6 months (2009:3 month to 6 months)

9. ACCUMULATED FUND

	2010	2009
	RM	RM
Balance as at 1 st January	400,802	400,802
Operating deficit for the financial year	<u>(73,540)</u>	<u>(18,763)</u>
Balance as at 31 st December	<u>308,499</u>	<u>400,802</u>

10. CONFERENCES AND SEMINARS

	2010	2009
	RM	RM
Conferences and exhibitions	32,869	79,237
Seminars and workshops	<u>12,941</u>	<u>19,150</u>
	<u>45,810</u>	<u>98,387</u>

11. ADMINISTRATION EXPENSES

	2010	2009
	RM	RM
Bank Charges	101	145
Computer expenses	1,299	1,228
Condolences/Donation	100	-
Electricity and water	4,342	4,368
EPF Contribution	5,964	5,763
Evening Talks	-	-
Filing and attestation fees	186	373
Indah Water	319	348
Insurance	518	678
Medical Expenses	495	376
Office maintenance	3,107	2,997
Office Rental	10,800	10,800
Postage and courier service	998	1,466
Printing and stationery	4,765	6,133
Salaries and allowances	88,828	88,918
Service tax	175	175
SOCSO contribution	1,232	833
Staff amenities	183	265
Taxation services	1,000	1,000
Telecommunication	3,270	3,085
Travelling expenses	4,115	4,621
Profession Services	<u>12,000</u>	<u>12,000</u>
	<u>143,797</u>	<u>145,572</u>

12. INTERNATIONAL RELATIONS

	2010	2009
	RM	RM
Annual subscription to SEARCC	3,113	3,432
Annual subscription to IFIP	-	4,014
	<u>3,3113</u>	<u>7,418</u>

13. OPERATING DEFICIT BEFORE TAXATION

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

	2010	2009
	RM	RM
Audit Fee	2,500	2,500
Depreciation of property, plant and equipment	2,750	4,228
Office Rental	10,800	10,800
Property, plant and equipment written off	-	715
Staff costs	96,702	96,155
Subscription written off	7,140	10,410
Interest income	<u>(5,738)</u>	<u>(7,297)</u>

14. TAXATION

	2010	2009
	RM	RM
Underprovision of tax expense in prior year	<u>-</u>	<u>154</u>

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

	2010	2009
	RM	RM
Operating deficit before taxation	<u>(73,540)</u>	<u>(18,609)</u>
Income tax for:		
First RM 10,000 (2009: RM 10,000)	(7,125)	(175)
Next RM 3,540 (2009: RM 8,609)	<u>(850)</u>	<u>(258)</u>
	(7,975)	(433)
Tax effects of:		
Non allowable expenses	2,636	389
Temporary difference on capital allowance over depreciation not recognised	223	
Unrecognised deferred tax assets	14,791	169
Effect of the income taxed at different statutory tax rates	<u>(9,675)</u>	<u>(125)</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

As at 31st December 2010, 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:

	2010	2009
	RM	RM
Excess of net book value over tax written down value of property, plant and equipment	(3,903)	(4,832)
Unabsorbed capital allowance	12,011	10,324
Unabsorbed tax losses	323,170	263,227
	<u>331,278</u>	<u>268,719</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 FRS 139 categories:

	2010	2009
	RM	RM
Financial assets		
Subscription in arrears	20,916	13,788
Other receivables and deposits	10,405	8,650
Fixed Deposit with a licensed bank	272,034	296,296
Cash and bank balances	13,752	64,226
At the end of the financial year	<u>317,107</u>	<u>382,960</u>
Financial liabilities		
Subscription in advance	1,476	1,238
Accruals	10,999	3,500
At the end of the financial year	<u>12,475</u>	<u>4,738</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, 2010. 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 or occasionally, in short term commercial papers 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 on 3rd of June 2010.

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 21 to 36 are drawn up in accordance with the provisions of Companies Act, 1965 and the applicable MASB Approved Accounting Standards for Private Entities so as to give a true and fair view of the state of affairs of Gabungan Komputer Nasional Malaysia as at 31 December, 2010 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

DATO' DR. RAJA MALIK RAJA MOHAMED

SEOW POON SHING, SIMON

Petaling Jaya,
3rd June 2011

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 21 to 36 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

SYED MOHAMED SYED HUSSIN

Subscribed and solemnly declared by
the abovenamed at Petaling Jaya
in the state of Selangor
on 3rd June 2011

Before me :

Soong Foong Chee
Commisioner for Oaths
No 76 A (Tkt Satu)
Jalan SS 2/60
47300 Petaling Jaya, Selangor

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

We have audited the financial statements of Gabungan Komputer Nasional Malaysia which comprise the balance sheet as at 31 December 2010, 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 21 to 36

Council Members' Responsibility for the Financial Statements

The Council Members' are responsible for the preparation and fair presentation of these financial statements in accordance with applicable MASB Approved Accounting Standards for entities other than Private Entities and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 applicable MASB Approved Accounting Standards for entities other than Private Entities and 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 2010 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

Other Matters

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

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

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

Kuala Lumpur

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

FORM OF PROXY

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

of

being a member of the Gabungan Komputer Nasional Malaysia hereby appoint

..... (NRIC :)

.....

as my proxy to attend on my behalf the Twenty Third Annual General Meeting of the Gabungan Komputer Nasional Malaysia to be held on Thursday 30 June, 2011 at 6.30 p.m. at the Arcadia 1, Level 3, Armada Hotel, Lorong Utara C, Petaling Jaya, Selangor Darul Ehsan and at any adjournment thereof.

Signature of member :

Dated this day of 2011

NOTES :

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