



PEOPLE PROWESS PROGRESS

ANNUAL REPORT 2014

COVER RATIONALE:

The icon of a stylized moving-forward arrow in the design denotes a dynamic and directional approach, which captures the current spirit of HRDF and its stakeholders.

The round-edged triangles are used as a window or portholes to explore the potential and acknowledge the roles and contributions of HRDF's key stakeholders for its continuing success.

The colour red suggests the dynamism, the passion of Malaysian talent or 'People'. The colour blue signifies blue ocean strategies, intelligence and the potential or prowess of people, all of which contribute to progress; while the colour purple evokes a sense of pride.



CONTENTS

1) Human Resources Development Fund (HRDF):	5
A. About Us	5
B. Board of Directors	6
C. Board Committees	12
D. Organisational Structure	14
E. Management Team	16
2) Prologue to Progress: Statement From Minister of Human Resources	18
3) Pride & Prowess: Chairman's Statement	19
4) People Power: Chief Executive's Message	20
5) HRDF's Report 2014	21
A. Corporate Milestones	
1. Expansion of Pembangunan Sumber Manusia Berhad Act, 2001 (PSMB Act, 2001)	22
2. Beyond the Act: A HRDF-One-Stop Centre for Small & Medium-sized Enterprises (SMEs) of Human Resource Development Needs	24
3. Transformation Towards Building a Culture of Performance	26
4. HRDF's Growing Footprint & Presence	28
B. Industry Outreach	
1. Employers' Registration	30
2. Stakeholders' Outreach & Engagement	39
3. HRDF's Information Communications Technology (ICT) Transformation	39
C. Training Leadership	
1. Sectorial Training Committees (STCs)	40
2. National Human Resource Centre (NHRC)	42
3. Training Incentive Scheme & Train-The-Trainer (TTT) Programme	43
D. Schemes and Solutions	
1. Recognition of Prior Learning (RPL) Scheme	44
2. Future Workers' Training Scheme	45
3. Housewives Enhancement And Reactivate Talent Scheme (HEARTS)	46
4. Approved Training Places & Approved Financial Assistance by Skill Area	47
5. Training Assistance Scheme: SBL Scheme & SBL Khas	49
6. Certification Programmes	50
E. Flagship Initiatives and Events	
1. HRDF Conference and Exhibition 2014	51
2. Human Resource Development Award	51
3. Selangor Excellence Business Awards	52
4. National Human Resources Standards (NHRS)	52
6) HRDF Insights: The Malaysian Human Capital Development	55
7) Financial Statement	59

ABOUT US: HUMAN RESOURCES DEVELOPMENT FUND

Governed by Pembangunan Sumber Manusia Berhad (PSMB) Act, 2001, the Human Resources Development Fund (HRDF) is a dynamic organisation, catalysing development of a competent workforce, to support the vision of a high-income economy.

HRDF remains committed to identify high-potential resources of the country, recognise their skills, and introduce reskilling and upskilling programmes for better career and growth opportunities. In addition, HRDF also encourages employers covered under the PSMB Act to retrain and upgrade the skills of their employees, apprentices and trainees in keeping with the fast evolving business landscape and their individual company aspirations.

Since its inception, HRDF has evolved in its role from managing a sizeable fund to becoming a one-stop-centre for Human Resource Development (HRD) solutions to the critical mass of Malaysian Small Medium Enterprises (SMEs). As a custodian and authoritative institution well positioned to offer robust and prudent solutions, HRDF continues to engage with multiple stakeholders of the industry to continuously re-discover its role as well as opportunities for building the nation's human capital resources.

Most recently, with 19 new sub-sectors that have been added to the PSMB Act (in addition to the 44 sub-sectors), HRDF has assumed a greater responsibility to reach out to the corporates, educating and motivating them to seek the benefits and value of HRDF programmes and initiatives.

For more information, kindly visit our website – www.hrdf.com.my

VISION:

To be the human capital development authority in strengthening the economic development of Malaysia.

MISSION:

Spearheading the human capital learning and development through strategic interventions that fulfil the current and future needs of the industry.

OUR BRAND PROMISE:

People: Everything that we do is to support the people of the organisation and the country, in terms of identifying, nurturing and growing their skills and capabilities; empowering and enriching their lives.

Prowess: Our efforts are focused on tapping the potential and increasing the prowess of our human capital, in every way possible.

Progress: We endeavor to play our role as a responsible and visionary organisation, making progress inclusive and meaningful, especially for the people – who are both the means and beneficiaries of any development.

BOARD OF DIRECTORS

1

Dato' Dr. Abdul Razak bin Abdul
CHAIRMAN

Dato' Dr. Abdul Razak holds a Bachelor of Science in Economics from Ohio's Wilmington College; Masters in Business Administration (Finance) from New York University and a Doctorate in Philosophy (PhD) from Katholiek University of Leuven, Belgium, majoring in International Business. Dato' Dr. Abdul Razak provides consultancy to public-listed companies undergoing debt restructuring and corporate turnaround. Currently, he is the Executive Chairman of Federal Power Sdn. Bhd. and the President of Malaysian Cable Manufacturers Association (MCMA) as well as a Council member of Yayasan Budiman for Universiti Teknologi Mara (UiTM).

2

Dato' Haji Romli bin Haji Hassan
DEPUTY CHAIRMAN

Dato' Haji Romli is the Deputy Secretary-General (Operational) of the Ministry of Human Resources. Prior to this, he served a term of eight years with the Department of Manpower, Ministry of Human Resources. He was also an Assistant Secretary in the Territory Development Division of the Land and Regional Development Ministry. He was also the Principal Assistant Secretary for the Budget Unit, Finance and Account Division of the Defence Ministry.

3

Tan Sri Datuk Ketheeswaran a/ M. Kanagaratnam
@ Kenneth Eswaran
BOARD MEMBER

Tan Sri Datuk Ketheeswaran @ Kenneth Eswaran is the President of the Malaysian Associated Indian Chambers of Commerce & Industry (MAICCI). He also holds the position as Vice President of the National Chamber of Commerce and Industry of Malaysia (NCCIM), Executive Chairman of Pinehill Pacific Bhd and Group Chairman of The ABN Media Group Sdn. Bhd.





Datuk Haji Mohd Ilyas bin Zainol Abidin

BOARD MEMBER

4

Datuk Haji Mohd Ilyas has over 35 years of experience in the hospitality industry. He is the President of the Malaysian Association of Hotels and a Board Member of Tourism Malaysia. He was the President of ASEAN Hotel & Restaurant Association (AHRA) and also the Secretary-General for ASEAN Tourism Association.



Dato' Low Kian Chuan

BOARD MEMBER

5

Dato' Low Kian Chuan is the President of Malaysian Wood Industries Association and also the Secretary-General of the Associated Chinese Chambers of Commerce & Industry of Malaysia (ACCCIM). He is also the advisor on ACCCIM's SMEs and Human Resource Development Committee. In addition, Dato' Low is the Executive Chairman of Low Fatt Wood Industries Sdn. Bhd. and the Managing Director of Low Fatt Group of Companies.



Dato' Hafsah binti Hashim

BOARD MEMBER

6

Dato' Hafsah is the Chief Executive of SME Corporation Malaysia. She has served a considerable term with the Ministry of International Trade and Industry; Ministry of Agriculture and Ministry of Primary Industries. She also sits on the Boards of Johor Corporation; Malaysian Green Technology Corporation; Pembangunan Sumber Manusia Berhad; Yayasan Pembangunan Usahawan Terengganu; Universiti Malaysia Kelantan, and Small and Medium Enterprises Development Academy (SMEDA).

7

Dato' Haji Ahmad Fadzil bin Mahmud
BOARD MEMBER

Dato' Haji Ahmad Fadzil is the Deputy Director General-I of the Malaysia Productivity Corporation. He has over 30 years of professional experience and knowledge in the management and operations of productivity and innovation-based organisations.



8

Sr Dr. Mohd Mazlan bin Che Mat
BOARD MEMBER

Sr Dr. Mohd Mazlan was Universiti Teknologi Malaysia's former Head of Department (Quantity Surveying) and Associate Professor (Faculty of Built Environment). In addition, he worked with PETRONAS and the Public Works Department. He holds a Bachelors Degree in Quantity Surveying; Masters in Business Administration and a PhD in Value Management. He is a registered Quantity Surveyor with the Board of Quantity Surveyors, Malaysia. Prior to this, he was an Adjunct Professor at Universiti Malaya (UM).



9

David Wong Nan Fay
BOARD MEMBER

David Wong has more than 25 years of track record in the Information Technology and Logistic Industry. He is currently the advisor of the National ICT Association of Malaysia (PIKOM) and was the past Chairman of the Association. He is also the Co-founder and Chairman of Outsourcing Malaysia (OM) while being the Founder and Group Chief Executive of SnT Global Sdn. Bhd.





Haji Abdul Wahab bin Abu Bakar

BOARD MEMBER

10

Haji Abdul Wahab is the Vice President of the Malaysian Employers Federation. He has more than 35 years of substantive corporate experience of both local corporations and multinational companies spanning several industrial sectors from Airlines, Oil & Gas, Mining, Banking, to Fast Moving Consumer Goods (FMCG), Retail, and Manufacturing.

Haji Mohd Ghaus bin Ab. Kadir

BOARD MEMBER

11

Haji Mohd Ghaus is the Senior Director (Academic), Department of Polytechnic Education, Ministry of Education. He was appointed by the Minister of Higher Education in the year 2008 and served as Director of Curriculum Development and Career Training Division in the Department of Polytechnic Education.

Datuk Givananadam a/l Kalinan

BOARD MEMBER

12

Datuk Givananadam is the Undersecretary of International Division at Ministry of Finance. Prior to that, he was the Deputy Director of Budget, Budget Management Division, Ministry of Finance Malaysia.

13

Mohd Jafar bin Abd. Majid
BOARD MEMBER

Mohd. Jafar is the President of the National Union of Telecommunication Employees since 2009 and General Council Member of the Malaysian Trades Union Congress. He is also the President for International Islamic Labour Confederation and is actively involved in training programmes.

13



14

Peter Lim Yoke Cheong
BOARD MEMBER

Peter Lim is the Advisor to Titan Metal Works Sdn. Bhd. and Ulision Electroplating Sdn. Bhd. and the President of Malaysian Automotive Component Parts Manufacturers. He is also the Vice Chairman of Automotive Federation of Malaysia and Council Member of Federation of Malaysian Manufacturers.

14



15

Davies Danavaindran a/l Arputhasamy
BOARD MEMBER

Davies Danavaindran is the Vice President of Federation of Malaysian Manufacturers and the Chairman of its Human Resource Management Committee. Prior to this, he was an Assistant Director of Labour in the Ministry of Human Resources and Director of Human and Corporate Affairs of Aluminium Company of Malaysia Berhad. He is currently the Director of Radosh Engineering & Industrial Sdn. Bhd.

15





Michael Kang Hua Keong

BOARD MEMBER

16

Michael Kang is involved in the Incubator Programme Steering Committee for Ministry of Science, Technology and Innovation and is the Chief Financial Officer of SMB Solutions Management Sdn. Bhd. and SMB Connection Sdn. Bhd. He is also the National Deputy President of SMI Association of Malaysia and a committee member of “Ahli Majlis Negara Bagi Keselamatan dan Kesihatan Pekerjaan (2013 - 2015)”.

Rayan Anak Narong

BOARD MEMBER

17

Rayan Anak Narong is the General Manager of Zecon Berhad. He is also a registered member of Malaysian Institute of Accountant and Institute of Internal Auditors Malaysia. Currently, he is the Vice President of Sarawak Progressive Democratic Party and Chairman of its Bahagian Opar (DUN N1 OPAR). He currently serves as the Chairman of Persatuan Pekebun Kecil Kelapa Sawit in Bau and Lundu Districts.

CM Vignaesvaran a/l Jeyandran

BOARD MEMBER / CHIEF EXECUTIVE

18

CM Vignaesvaran is the current Chief Executive of Human Resources Development Fund (HRDF). He has more than 17 years of experience in various positions across sectors to include construction; power; telecommunications; and manufacturing. With his rich experience with reputable brands such as Jobstreet.com and Sharp, CM Vignaesvaran’s exposure to the industry is unparalleled especially in terms of trends and issues in the HR space. CM Vignaesvaran had joined HRDF as a General Manager of the Training Grant Division and was later appointed as Deputy Chief Executive (Operations) prior to his current position.

BOARD COMMITTEES

(16 May 2013 - 15 May 2015)

ALTERNATE MEMBERS

Saifol Bahri bin Mohamad Shamlan
Dato' Mizanur Rahman bin S. M Abdul Ghani
Jeffery Tan Keat Hui
Haji Hanafee bin Yusoff
Datuk Santhakumar a/l C. Sivasubramaniam
Reginald Thomas Pereira
Teh Kee Sin
Lim Kheng Chye
Cheah Kok Hoong
Haji Zulkeply bin Abd Samad
Burhanuddin bin Saidin
Suhara binti Husni
Christopher Sakayaraj a/l B.A.R Joseph

COMPANY SECRETARY

Tai Yit Chan
Tan Ai Ning

AUDIT COMMITTEE

Sr Dr. Mohd Mazlan bin Che Mat (Chairman)
Lim Kheng Chye
Mohd Japar bin Abd. Majid
Kang Hua Keong

ESTABLISHMENT & BENEFITS COMMITTEE

Dato' Hafsah binti Hashim (Chairperson)
David Wong Nan Fay
Dato' Haji Ahmad Fadzil bin Mahmud
Mohd Jafar bin Abd. Majid

TENDER COMMITTEE A

(for acquisition valued at
RM20 million or more)

Dato' Dr. Abdul Razak bin Abdul (Chairman)
Tan Sri Datuk Ketheeswaran a/l M. Kanagaratnam @ Kenneth Eswaran
Peter Lim Yoke Cheong
Datuk Givananadam a/l Kalinan

TENDER COMMITTEE B

(For acquisition valued at RM500,000
or more but less than RM20 million)

Dato' Haji Mohd Shariff bin Hussin (Chairman) (Retired on 16 April 2014)
Dato' Haji Romli bin Haji Hassan (Chairman) (From 25 April 2014 - 15 May 2015)
Datuk Haji Mohd Ilyas bin Zainol Abidin
Dato' Haji Ahmad Fadzil bin Mahmud
Dato' Low Kian Chuan

FINANCE COMMITTEE

Dato' Low Kian Chuan (Chairman)
Lim Kheng Chye
Datuk Givananadam a/l Kalinan
Haji Mohd Ghaus bin Ab. Kadir

HUMAN RESOURCES MANAGEMENT COMMITTEE

Dato' Haji Mohd Shariff bin Hussin (Chairman) (Retired on 16 April 2014)
Dato' Haji Romli bin Haji Hassan (Chairman) (From 25 April 2014 - 15 May 2015)
David Wong Nan Fay
Haji Mohd Ghaus bin Ab. Kadir
Haji Abdul Wahab bin Abu Bakar

INVESTMENT PANEL

Dato' Dr. Abdul Razak bin Abdul (Chairman)
Ali Badaruddin Bin Abd Kadir (Effective From 15 August 2013 - 9 April 2014)
Dato' Hj. Omar Bin Hj. Awang (Effective From 10 April 2014 - 31 August 2014)
CM Vignaesvaran a/l Jeyandran (Effective From 1 September 2014 till Present)
Datuk Haji Mohd. Ilyas bin Zainol Abidin
Kuppamal a/p Ramasamy
Dr. Chin Yoong Kheong
Senator Dato' Jaspal Singh a/l Gurbakhes Singh

ICT2.0@HRDF PROJECT STEERING COMMITTEE

David Wong Nan Fay (Chairman)
Dato' Haji Ahmad Fadzil bin Mahmud
Ali Badaruddin bin Abd. Kadir (Effective from 15 August 2013 - 9 April 2014)
Dato' Hj. Omar Bin Hj. Awang (Effective From 10 April 2014 - 31 August 2014)
CM Vignaesvaran a/l Jeyandran (Effective From 1 September 2014 till Present)

COMMITTEE OF INQUIRY AND APPEAL

(16 May 2013 - 15 May 2015)

Members of the Panel of Domestic Inquiry, Disciplinary Committee and Disciplinary Appeal Committee for Deputy Chief Executive (Grade SM2) and General Managers (Grade SM3)

PANEL OF DOMESTIC INQUIRY	Datuk Haji Mohd. Ilyas bin Zainol Abidin (Chairman) Dato' Haji Ahmad Fadzil bin Mahmud Peter Lim Yoke Cheong
DISCIPLINARY COMMITTEE	Dato' Hafsah binti Hashim (Chairperson) David Wong Nan Fay Mohd. Japar bin Abd. Majid Dato' Haji Ahmad Fadzil bin Mahmud
DISCIPLINARY APPEAL COMMITTEE	Raja Dato' Abd. Aziz bin Raja Muda Musa (Chairman) Tan Sri Datuk Ketheeswaran a/l M. Kanagaratnam @ Kenneth Eswaran Dato' Dr. Palaniappan a/l Ramanathan Chettiar Dato' Low Kian Chuan Dato' Anthony Manimaran

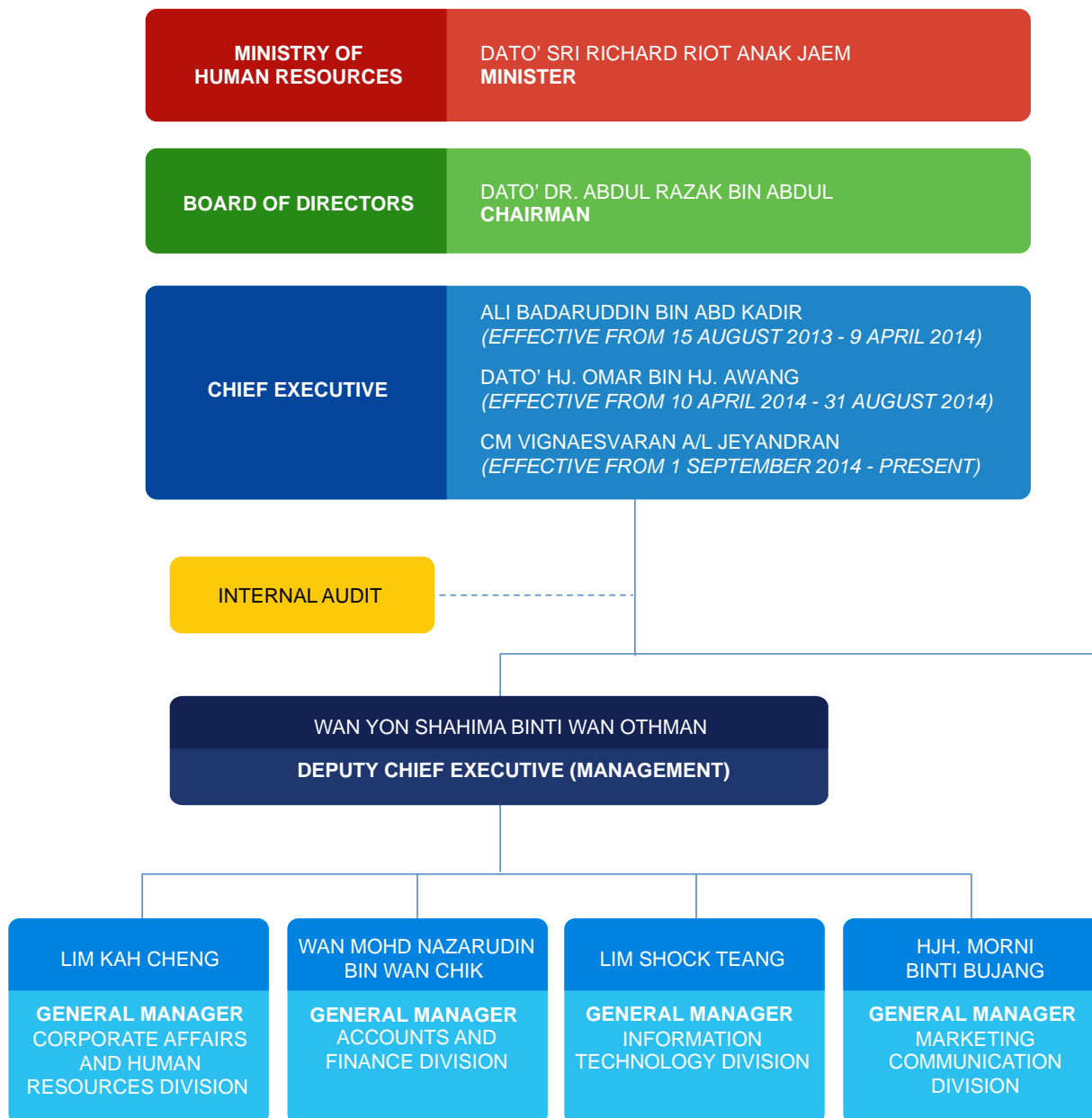
Members of the Panel of Domestic Inquiry, Disciplinary Committee and Disciplinary Appeal Committee for Grades M1, M2 and M3

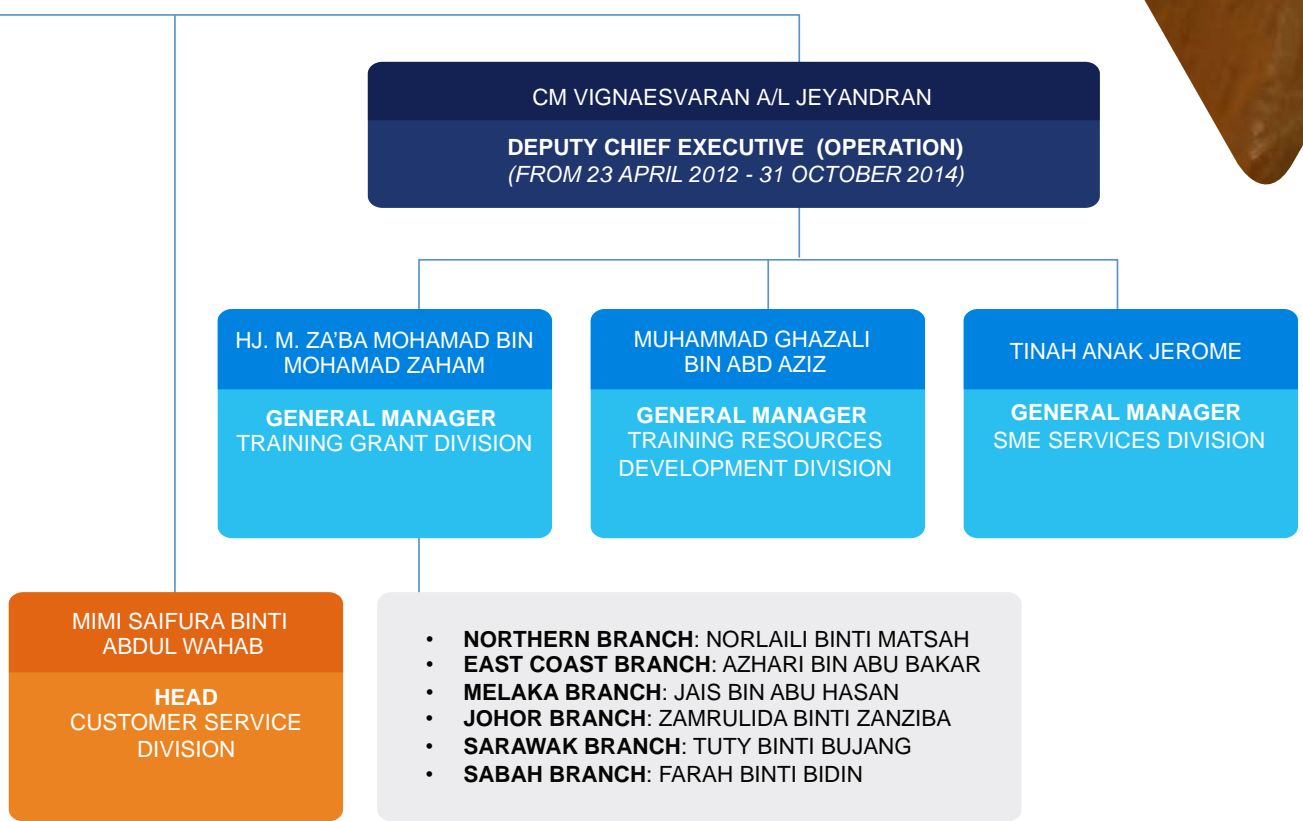
PANEL OF DOMESTIC INQUIRY	Three (3) staff of HRDF, with one being appointed as Chairman.
DISCIPLINARY COMMITTEE	Dato' Hafsah binti Hashim (Chairperson) David Wong Nan Fay Dato' Haji Ahmad Fadzil bin Mahmud Mohd Jafar bin Abd. Majid
DISCIPLINARY APPEAL COMMITTEE	Dato' Dr. Abdul Razak bin Abdul (Chairman) Tan Sri Datuk Ketheeswaran a/l M. Kanagaratnam @ Kenneth Eswaran Dato' Low Kian Chuan Sr Dr. Mohd Mazlan bin Che Mat Davies Danavaindran a/l Arputhasamy

Members of the Panel of Domestic Inquiry, Disciplinary Committee and Disciplinary Appeal for Grades S1, S2, C1, C2, C3, C4, and C5

PANEL OF DOMESTIC INQUIRY	Three (3) staffs sit on the panel with all three (3) in professional positions higher than that of the accused; and with one (1) of them being appointed by the Chairman.
DISCIPLINARY COMMITTEE	Chief Executive of PSMB (Chairman) Deputy Chief Executive (Management) of PSMB General Manager of Corporate Affairs and Human Resources Division
DISCIPLINARY APPEAL COMMITTEE	Dato' Hafsah binti Hashim (Chairperson) David Wong Nan Fay Dato' Haji Ahmad Fadzil bin Mahmud Mohd Jafar bin Abd. Majid

ORGANISATIONAL STRUCTURE





MANAGEMENT TEAM

FORMER CHIEF EXECUTIVES:

- ▶ **ALI BADARUDDIN BIN ABD KADIR**
(EFFECTIVE FROM 15 AUGUST 2013 – 9 APRIL 2014)
- ▶ **DATO' HJ. OMAR BIN HJ. AWANG**
(EFFECTIVE FROM 10 APRIL 2014 – 31 AUGUST 2014)

1

CM VIGNAESVARAN A/L JEYANDRAN

CHIEF EXECUTIVE
(EFFECTIVE FROM 1 SEPTEMBER 2014 TILL PRESENT)

2

WAN YON SHAHIMA BINTI WAN OTHMAN

DEPUTY CHIEF EXECUTIVE (MANAGEMENT)

3

LIM KAH CHENG

GENERAL MANAGER
CORPORATE AFFAIRS AND
HUMAN RESOURCES DIVISION

4

HJ M. ZA'BA BIN MOHAMAD ZAHAM

GENERAL MANAGER
TRAINING GRANT DIVISION

5

MUHAMMAD GHAZALI BIN ABD AZIZ

GENERAL MANAGER
TRAINING RESOURCES DEVELOPMENT DIVISION





WAN MOHD NAZARUDIN BIN WAN CHIK

6

GENERAL MANAGER
ACCOUNTS AND FINANCE DIVISION

LIM SHOCK TEANG

7

GENERAL MANAGER
INFORMATION TECHNOLOGY DIVISION

HJH MORNI BINTI BUJANG

8

GENERAL MANAGER
MARKETING COMMUNICATION DIVISION

TINAH ANAK JEROME

9

GENERAL MANAGER
SME SERVICES DIVISION
(EFFECTIVE FROM 14 MAY 2014 TILL PRESENT)

MIMI SAIFURA BINTI ABDUL WAHAB

10

HEAD
CUSTOMER SERVICE DIVISION

**PROLOGUE TO PROGRESS:
STATEMENT FROM THE MINISTER OF HUMAN RESOURCES**

**DO WE UNDERSTAND
WHAT IT TAKES TO 'PROGRESS'?**

The Tenth Malaysia Plan (2014 - 2015) focused many of its efforts on developing the non-physical infrastructure, including human capital development (HCD), especially to strengthen skill-sets and innovation capabilities, accelerating the nation towards a high-income economy.

HCD is also one of the identified Strategic Reform Initiatives (SRIs) under the New Economic Model and significant initiatives continue to be launched to enhance the skills of Malaysia's labour force, fuelling the needs of our National Key Economic Areas (NKEAs) and related sectors.

Against this backdrop, the role of purpose-driven national institutions such as the Human Resources Development Fund (HRDF) is critical towards successful implementation of HCD policies and frameworks. These include identifying the gaps in the HCD landscape of the country, synergising efforts of various HCD proponents, spearheading targeted programmes and ensuring such programmes report effective outcomes, which in the long-run will contribute to progress.

The irony about progress is that it will be short-lived if not powered by talent that is essential to sustain the pace and quantum of economic activities of an emerging or developed nation. Towards building, engaging and retaining quality human capital, HRDF remains committed in its primary objective of encouraging the corporates covered under the Pembangunan Sumber Manusia Berhad Act or PSMB Act (2001) to retrain and upgrade the skills of their employees, in keeping with rapid liberalisation of the industries towards local, regional and global competitiveness.

A prerequisite to progress (in a way) is also 'progress', but in small pockets – progress of the people, organisations, industries and sectors, all of which contribute to the socio-economic development of the country as a whole. In other words, progress that is 'inclusive' is also the progress that is 'meaningful' – beyond GDP; it is about creating

social equity, and most importantly, economic well-being and sustainability. The common thread that weaves all these aspects is 'people' and what they choose to do as individuals and as professionals in the forefront of all kinds of development.

HRDF recognises the power of such resources and equips or empowers the people with the right skills, integrating them into the mainstream businesses and economic activities towards meaningful progress. As in the past and in the years to come, I am confident that HRDF, through its robust and prudent HCD programmes and solutions, will be instrumental in supporting the efforts of the Government towards realising our vision of a high-income, innovation-led, developed country.

YB Dato' Sri Richard Riot Anak Jaem
MINISTER OF HUMAN RESOURCES
MALAYSIA





PRIDE & PROWESS: CHAIRMAN'S STATEMENT

DO WE HAVE THE PROWESS TO LEAD US TO PROGRESS?

The monopoly of prowess in determining progress cannot be contested. A thinking leader once said that the empires of the future would be the empires of the mind, which suggests the importance of knowledge and skills in determining the fate of nations. In other words, the intellectual, cultural, social and economic empowerment of people or simply put, 'prowess' can singularly lead us to progress.

Therefore, it is important to understand human capital development (HCD) in a broader context and increase our 'prowess' that makes it possible.

As per the World Economic Forum's Global Competitiveness Report 2013-14, under 'Assessing the Sustainable Competitiveness of Nations' – "A high-quality natural environment improves the productivity of the workforce by reducing health damage caused by pollution or environmental degradation. Since health affects productivity and pollution affects health, efforts to reduce pollution may be interpreted as an investment in human capital."

Every aspect of the society, the industry and the economy that either drives the need for certain set of skills or every aspect that helps develop, harness and intensify such skills,

should be within the purview of HCD. This is to also to infer that institutions such as the Human Resources Development Fund (HRDF) must go beyond their remit of managing a fund to deploying tools, programmes and mechanisms, which will build prowess for progress. I recognise that over the years, HRDF's role has evolved and today it is a one-stop-centre for HCD solutions for Malaysia's critical mass of SMEs. This includes addressing their business challenges due to a dearth of human capital with adequate skills or absence of an environment or ecosystem conducive to building their prowess.

I am happy to note that in 2014, through various capacity-building forums, HRDF was able to support more than 160 employers and employer associations by identifying and addressing the training needs of SMEs across all sectors of the economy. Empowered by the National SME Development Council (NSDC), HRDF will continue to play the role of a central coordinating body for training and human resource development for SMEs in Malaysia. Likewise, the National Human Resource Centre (NHRC), as a secretariat responsible for promoting and facilitating the use of progressive and modern human resources practices amongst SMEs, is managed by HRDF within its premises.

I am confident that HRDF, in the years to come, will take up more of such challenges, grow their role beyond fund management and set new benchmarks, introduce pioneering HRD programmes and solutions to the highly dynamic and competitive marketplace. Meanwhile, I congratulate HRDF management members and their teams for positive results and good performance in 2014.

Dato' Dr. Abdul Razak bin Abdul
CHAIRMAN OF THE BOARD OF DIRECTORS
HUMAN RESOURCES DEVELOPMENT FUND (HRDF)

PEOPLE POWER: CHIEF EXECUTIVE'S MESSAGE

ARE WE RECOGNISING & OPTIMISING THE POTENTIAL OF OUR PEOPLE?

At Human Resources Development Fund (HRDF), we welcomed the year 2014 as the year of positive change and a time for innovation to drive our internal process of transformation. We saw a paradigm shift from fulfilling our mandated role to creating new aspirations; from delivering our programmes to establishing their value; and from efficient implementation to strategies and effective outcomes. I am happy to report that the year in review yielded positive results, especially for our flagship schemes to include the Small and Medium Enterprise (SME) Training Partner Scheme.

Last year, the Government allocated incentives worth RM9.5 million for SME training and as of November 2014, the total number of employers registered with HRDF was 15,675 while the number of SME employers registered with HRDF were 12,932 as at 31 December 2014. Compared to 2013, there was a 12.49% increase in the number of employers in 2014, which also signifies the success of the expansion of the Act as well as *our initiative 'OPS Bersepadu.'*

The companies were from 63 subsectors including the 19 new sub-sectors that are being covered by the Act now. Beyond registrations, HRDF endeavors to increase participation of the employers in various schemes and programmes introduced, to re-skill and up-skill their employee population.

Another significant scheme, where we saw a lot of traction in 2014 was the Recognition of Prior Learning (RPL) Scheme. Under the RPL Scheme, people with no formal education, but sufficient industry knowledge, experience and expertise can be certified based on their competency levels (Sijil Kemahiran Malaysia - SKM; Diploma Kemahiran Malaysia - DKM; or Diploma Lanjutan Kemahiran Malaysia - DLKM). This is an excellent opportunity for employers to recognise their inherent talent, as well as for the nation to integrate the experienced and skilled resources into the mainstream business landscape.



I strongly believe that Malaysia needs a Resource Revolution to take stock of its workforce capabilities and capacity especially in the priority sectors for the nation to tap its full potential towards 2020. While on one hand, organisations need to map new skill requirements, the nation at large needs to grow its capacity by measuring and enhancing productivity of our human capital. Schemes such as RPL can be instrumental in achieving this.

I take this opportunity to express my sincere gratitude to our partners: our people, who with their commitment and dedication helped HRDF to not only deliver on its Key Performance Indicators (KPIs), but also grow in its aspirations towards a brighter future.

CM Vignaesvaran a/l Jeyandran

CHIEF EXECUTIVE

HUMAN RESOURCES DEVELOPMENT FUND (HRDF)



HUMAN RESOURCES DEVELOPMENT FUND
IN 2014:
**KEY MILESTONES, ACHIEVEMENTS &
PROGRAMMES**

KEY MILESTONES, ACHIEVEMENTS & PROGRAMMES

A. CORPORATE MILESTONES

Human Resources Development Fund (HRDF) is a dynamic lead organisation, committed to catalysing development of competent workforce to support the vision of a high-income economy. In doing so, the organisation continuously evolves in its principles as well as processes and maintains its position as a credible, purpose-driven institution. 'Positive Change' is part and parcel of our growth story and some of our corporate milestones in 2014 reflect such 'change' and our tireless efforts to contribute more.

1. EXPANSION OF PEMBANGUNAN SUMBER MANUSIA BERHAD ACT, 2001 (PSMB ACT, 2001)

In 2014, the First Schedule of the PSMB Act, 2001 was amended to expand the coverage of the Act to 19 new sub-sectors of the industry. With this change, we are able to reach out to a total of 63 sub-sectors, increasing our coverage by 43 per cent. This is an extremely strategic move to help cast our net wider and reach out to high-priority sectors, while tapping opportunities to catalyse human capital development for sectoral growth.

The **Pembangunan Sumber Manusia Berhad (Amendment of First Schedule) order 2014** was duly gazetted and enforced on 1 June 2014 and the 19 new sub-sectors after the amendment are as shown in the figure below.

 Driving School	 Building and Landscape Services	 Sale and Repair of Motor Vehicles
 Early Child Education	 Mineral and Stone Quarrying	 Event Management Services
 Food and Beverages Service	 Production of Motion Picture, Video and Television Programme, Sound Recording and Music Publishing	 Tourism Enterprise
 Franchise	 Information Service	 Veterinary Services
 Sewerage	 Petroleum and Gas Extraction	 Waste Management and Material Recovery Services
 Gas, Steam and Air Conditioning Supply	 Private Broadcasting Service	 Water Treatment and Supply
 Health Support Services		



Encouraging Response:

During the initial period of six months (1 June 2014 – 30 November 2014) after the expansion of the Act, Human Resources Development Fund (HRDF) introduced special incentives and provisions to encourage registration of employers for the new 19 sub-sectors. Some of the promotional benefits included exemption from payment of arrears of levy and interest until 30 November 2014. Within the initial period, the employers' liability dates were effective from their registration date.

The Board of Directors of HRDF also provided a matching grant with an allocation of RM2.0-million for the first 400 newly registered employers [identified through Electronic Transformed Information System (e-TRiS)]. The grant was made available on a reimbursement basis for training and retraining activities within the first six months from the effective / registration date. The excess from the unutilized matching grant (if any, after 30 June 2015) will be extended to subsequent registrations.

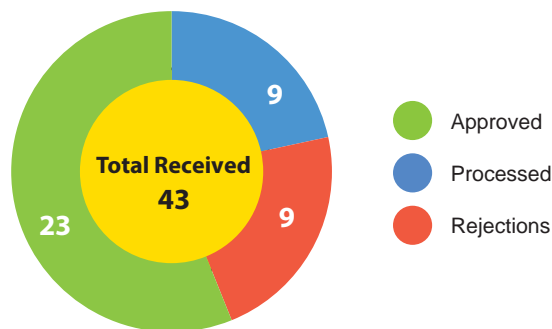
These special provisions helped ease the financial burden especially of SMEs (Small Medium Enterprises) employers, besides encouraging them to implement more training programmes for their employees. As at 31 December 2014, a total of 15,675 employers (including the new subsectors) have registered, with highest percentages from services, manufacturing sector, mining and quarrying.

2. BEYOND THE ACT: A HRDF-ONE-STOP CENTRE FOR SMALL & MEDIUM SIZED ENTERPRISES (SMEs) OF HUMAN RESOURCE DEVELOPMENT NEEDS

HRDF has a herculean task at hand not just as a prudent and credible fund manager, but also as an intelligent conduit between the industry and the Government. The primary objective is to build and enhance our human resource capabilities and potential as a nation aiming to achieve a high-income, developed economy status. In view of this, we have been entrusted to go beyond our traditional role and support our critical mass of SME in the country as a one-stop center for their human resource development needs and solutions. We work hand-in-glove with the National SMEs Development Council (NSDC) as a central coordinating body to encourage more and more SMEs (and large enterprises alike) to seek the value and benefit of continuous training by contributing to HRDF.

▲ HELPING SMEs PLAN THEIR TRAINING CALENDAR: HRDF administers and monitors (through a Panel Review Committee) the SME Training Needs Analysis (TNA) Consultancy Scheme, which is fully funded by National Human Resource Centre (NHRC). Under this scheme, the SMEs engage with the appointed consultants to seek professional counsel on various aspects of HR management and skills transfer. The committee (comprising of members from six departments and agencies under the Ministry of Human Resources) approved 23 applications from SMEs in 2014, who will undergo a coaching programme, helping them identify their current and future training needs in keeping with their respective organisational growth aspirations.

APPLICATIONS FOR TNA SCHEME 2014



▲ EQUIPPING SMEs WITH HR TOOLS AND PRACTICES: With good understanding of the training needs and constraints of the SME Community, we have institutionalised SME Forums, facilitated by experienced HR practitioners and consultants. The Forums have been proven effective for their practical content, serving the following three objectives:

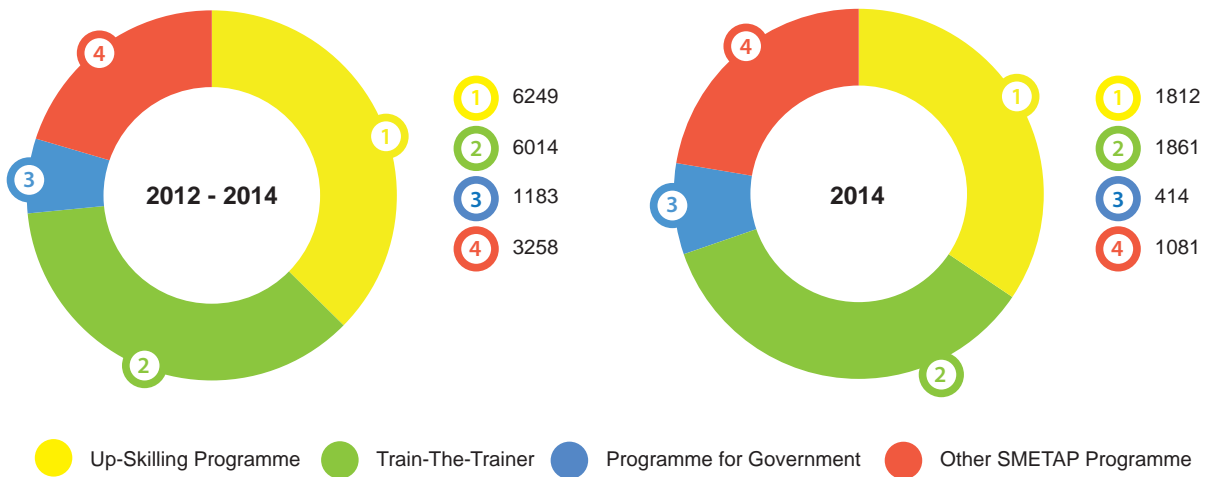
- 1 Facilitate exchange of best practices and issues on human resource management;
- 2 Deliberate on various HR related issues and challenges for pragmatic solutions;
- 3 Offer opportunities to develop / improve competencies towards local and global competitiveness.

In 2014, more than 160 employers and employer associations benefitted from the forum. The participants and beneficiaries of the Forum were also invited to contribute to the Strategic Action Plan, which was a project initiated by National Human Resource Centre (NHRC) to accelerate and improve effectiveness of specialised skills training and capacity building programmes.

▲ **SPECIAL ASSISTANCE FOR SMALL AND MEDIUM ENTERPRISES (SME):** The SME Training Partner Scheme or SMETAP Scheme was first introduced in 2005 in collaboration with local and international training expertise. The scheme helped ease the financial burden of SMEs for their ever-increasing need for specialised training and up-skilling opportunities for their employees as well as in-house trainers. In addition to providing such niche programmes, the scheme also aimed at equipping the SMEs with HR management skills to enhance their productivity and business performance.

Under the SMETAP Scheme, training course fees are deducted directly from the employers' levy. In 2014, SMEs received full subsidiary funding on course fees for certain training programmes from the Government via the scheme.

During the period of 2012 - 2014, a total of 16,704 trainees attended the training programmes offered under this scheme.



▲ **CUTTING EDGE PROGRAMMES FOR SMEs:** In 2014, HRDF organised a first of its kind SME Training Carnival Week with eight (8) targeted programmes and workshops on human resource management and innovation for the SME community. Officiated by YB Dato' Sri Richard Riot Anak Jaem, Minister of Human Resources, the carnival had an encouraging response with 301 participants, hence contributing towards the Government's target of achieving 33 per cent skilled workers by 2015.



3. TRANSFORMATION TOWARDS BUILDING A CULTURE OF PERFORMANCE

For the past one year, HRDF has been on a journey of transformation towards positive change, enhancing processes, improving productivity, and motivating people. In shaping the future of HRDF, we aspire to continuously evolve as a business entity and retain our market relevance. Through our efforts in 2014, we have been able to see significant impact in terms of the efficiencies and effectiveness of our various programmes and initiatives.

▲ **BUILDING OUR INTERNAL COMPETENCIES & CAPACITY:** In 2014, with an allocation of RM300,000, 97 per cent of our employees have been trained in various areas which were identified through an intensive training needs analysis exercise. Employees were also selected based on a development framework, equipping them with essential skills that will accelerate their careers as well as organisational performance.

Our greater objective is to promote a culture of 'training and development' within and outside HRDF, towards organisational / business success. Towards this, we encourage our employees to participate in certification training programmes from time to time, equipping them with new skills and knowledge.



◀ *Internal training programme
(24-25 January, Melaka)*

▲ **CREATING A CONDUCIVE AND FUN WORKPLACE:** Since the year 2010, we have had an Innovative and Creative Circle (ICC), formed by our employees. With infrastructure and monetary support, ICC is encouraged to introduce creative and innovative workplace solutions and create a favourable, highly productive and inspiring environment. In 2014, team UNIT were nominated by the Malaysia Productivity Corporation (MPC) to represent Malaysia and compete in the Small Group Activities (SGA) Kaizen Competition of International Conference on Quality at Tokyo, Japan. Another two teams, PRIME & NEW VENTURES, represented HRDF in other national conventions held in Johor and Kuala Lumpur last year.



◀ The HRDF Malaysia team, UNIT won a Silver Award at the SGA Kaizen Competition against participants from 28 other countries. The winners were judged based on international standards as defined by the Union of Japanese Scientists and Engineers (JUSE).



▲ Silver Award recipients from 2013, PRIME and NEW VENTURES represented HRDF and won the Gold Level at MPC's Regional Team Excellence (ICC) Convention held from 11 – 12 June 2014 at Berjaya Waterfront Hotel, Johor Bahru. ▲

▶ The winners of MPC's Regional Convention also won the 2-Star Gold Award at MPC's National Team Excellence (ICC) Convention held from 24-26 November 2014 at the Kuala Lumpur Convention Centre (KLCC).



4. HRDF'S GROWING FOOTPRINT & PRESENCE

In fulfilling our role as a purpose-driven institution and contributing to the national human resource development agenda of the nation, we recognise the need to cast our net wider and expand our footprint and reach to benefit more individuals and businesses. In 2014, we not only established new branch offices but also optimised media platforms to disseminate critical information on HRDF to various stakeholders.

▲ REACHING OUT TO OUR STAKEHOLDERS IN THE EAST COAST & SARAWAK:

Looking at the potential local market and to service the needs of employers in Pahang, Terengganu and Kelantan, our new East Coast Branch Office proved to be substantial. Since its official launch in November 2014, we have approved a total of 660 training institutions with a total of 5,439 approved grant applications and financial assistance to the tune of RM4,046,381.20. Two special sessions on the expansion of PSMB Act, 2001 were also conducted with key organisations and bodies such as the Chinese Chambers of Commerce, Pejabat Persatuan Asuhan Kanak-kanak Kota Bharu (PERASKO), Suruhanjaya Syarikat Malaysia (SSM) and Terengganu Incorporated amongst others.

In keeping with our expansion plan, on 8th December 2014, we also inaugurated our new branch office in Sarawak, well equipped with full-fledged training and meeting facilities and infrastructure. Since its launch, we have organised informative and insightful events to include the HRDF Grant Division Briefing; the Human Resources' Seminar; and the HRDF Conference & Exhibition 2014 which was also graced by YB Dato' Sri Richard Riot Anak Jaem, the Minister of Human Resources.

APPROVED TRAINING

5,439 Approved Training Places

660 Approved Grant Application

RM4,046,381.20
Financial Assistance

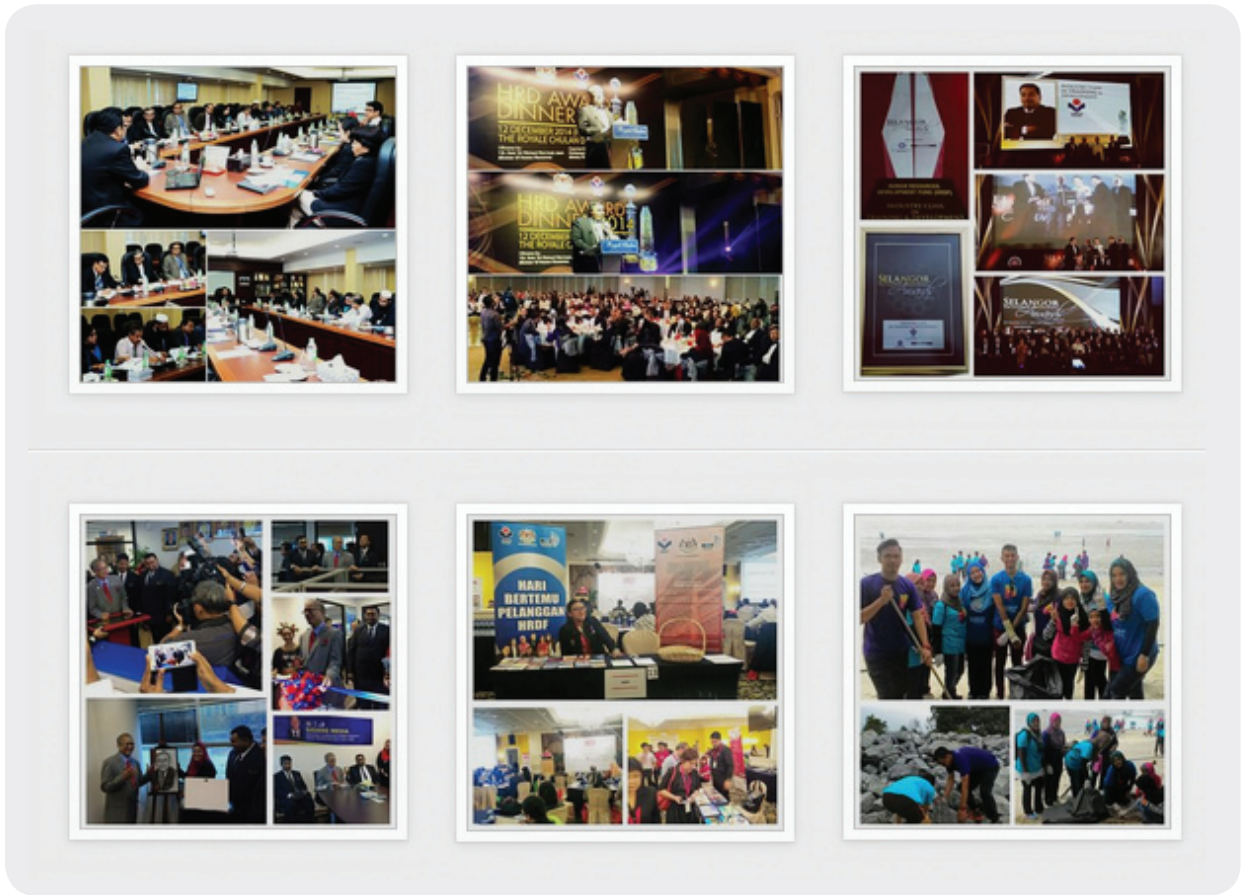


▲ Pusat Latihan Hospitaliti Cherating



▲ Wisma PERKESO, Kuching Sarawak

▲ **TAPPING THE POTENTIAL OF NEW MEDIA:** In 2014, HRDF launched their first Facebook (My HRDF), Twitter (@myhrdf) and Instagram (myhrdf) accounts, all of which have proven to be extremely effective for the sharing of information and for soliciting valuable feedback and exchange of views and ideas.



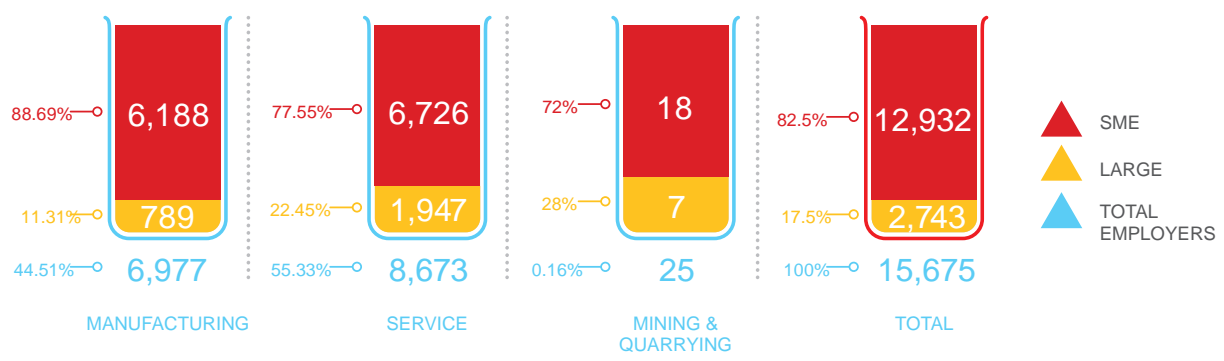
B. INDUSTRY OUTREACH

As Malaysia aspires to emerge as a high-income economy, it is critical to create a sufficient pool of skilled human resources professionals who can assume high-income jobs in high-priority sectors, thus, contributing to the overall Gross Domestic Product (GDP). The role of employers is critical towards achieving this national vision. We are driven solely by this objective, when promoting the utilisation of HRDF through our training schemes and programmes. Through our Secretariat and database from relevant government agencies and employers’ associations, we continue to reach out to eligible employers for HRDF registrations. For instance, in 2014, HRDF worked with the Manpower Department, Inspectorate and Enforcement Section of the Ministry of Human Resources (MoHR) as well as the Social Security Organisation (SOCSCO) to encourage employers’ registrations with HRDF.

1. EMPLOYERS’ REGISTRATION:

▲ **EMPLOYERS’ REGISTRATION DATA:** During a 10-year period ending 31 December 2014, the highest number of employers registered with HRDF were from the Services sector; followed by Manufacturing. SMEs constitute to 88.69 per cent of the total employers in the Manufacturing sector and 77.55 per cent in the service sector. These statistics reinforce the role as well as the commitment of our SME community towards skills development.

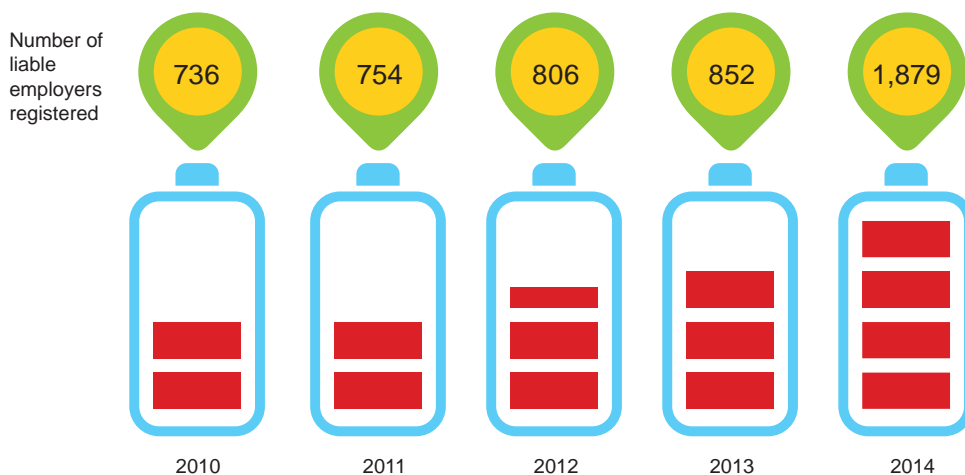
BREAKDOWN OF REGISTERED EMPLOYERS BY CATEGORY IN 2014





▲ **NEW EMPLOYERS:** Overall, 2013 to 2014 there was a steep upward trend in New Employer registrations. In 2014, 1,879 new employers registered with HRDF representing an increase of 120.54 per cent from 852 employers registered in 2013 with 1,607 (85.52 per cent) employers from the service sector, 247 (13.15 per cent) employers from the manufacturing sector and 25 (1.33 per cent) employers from the mining and quarrying sector.

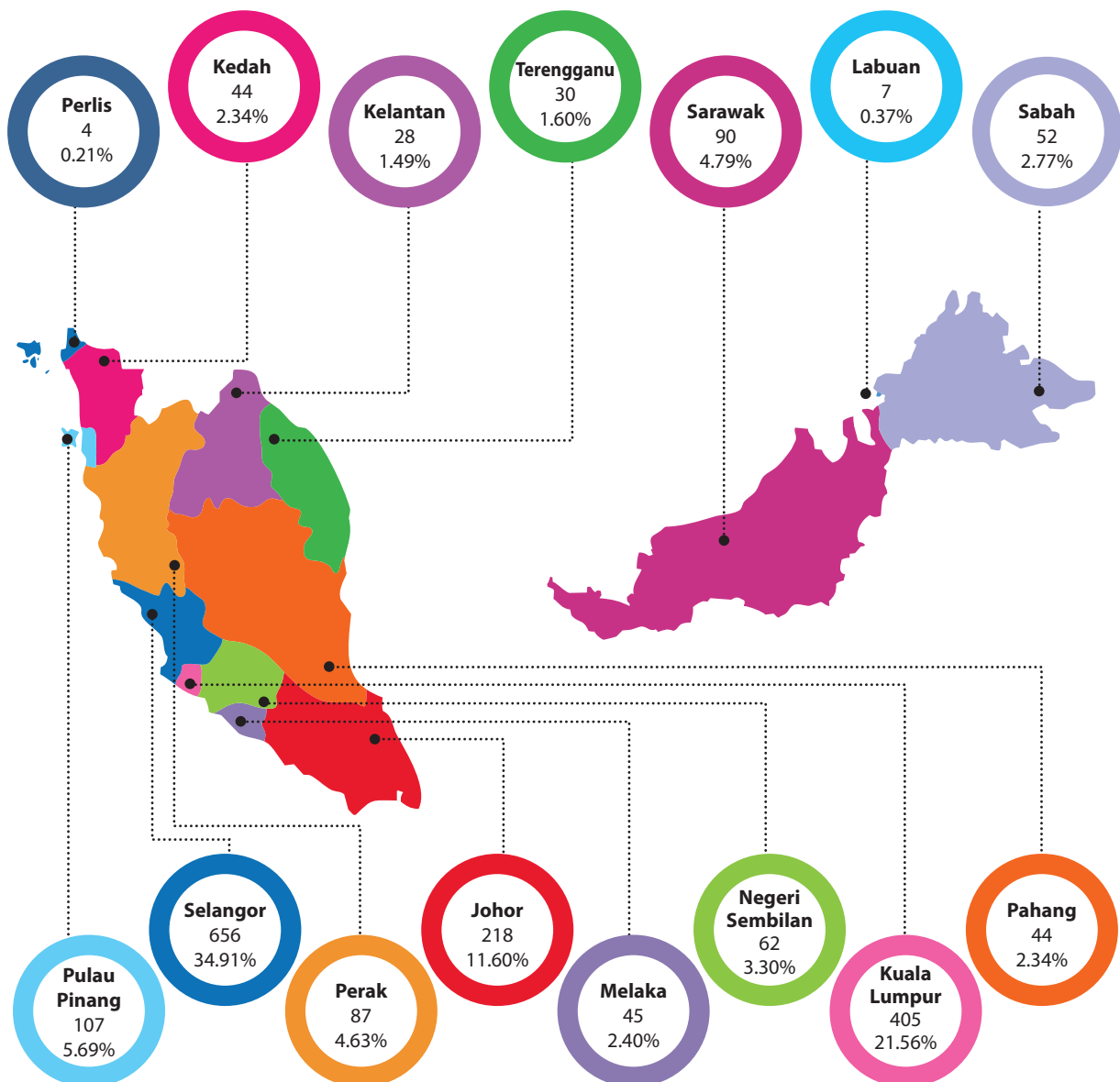
TREND FOR REGISTRATION OF NEW EMPLOYERS

















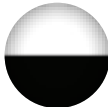
In 2014, Selangor recorded the highest number of new employers' registrations with a total of 656 (34.91%) employers, followed by Kuala Lumpur with 405 (21.56%) employers and Johor with 218 (11.6%). We expect positive trending in Sarawak and the East Coast after the launch of our new branch offices in 2014.

▲ **COMPREHENSIVE BREAK-DOWN OF EMPLOYERS' REGISTRATION IN 2014**

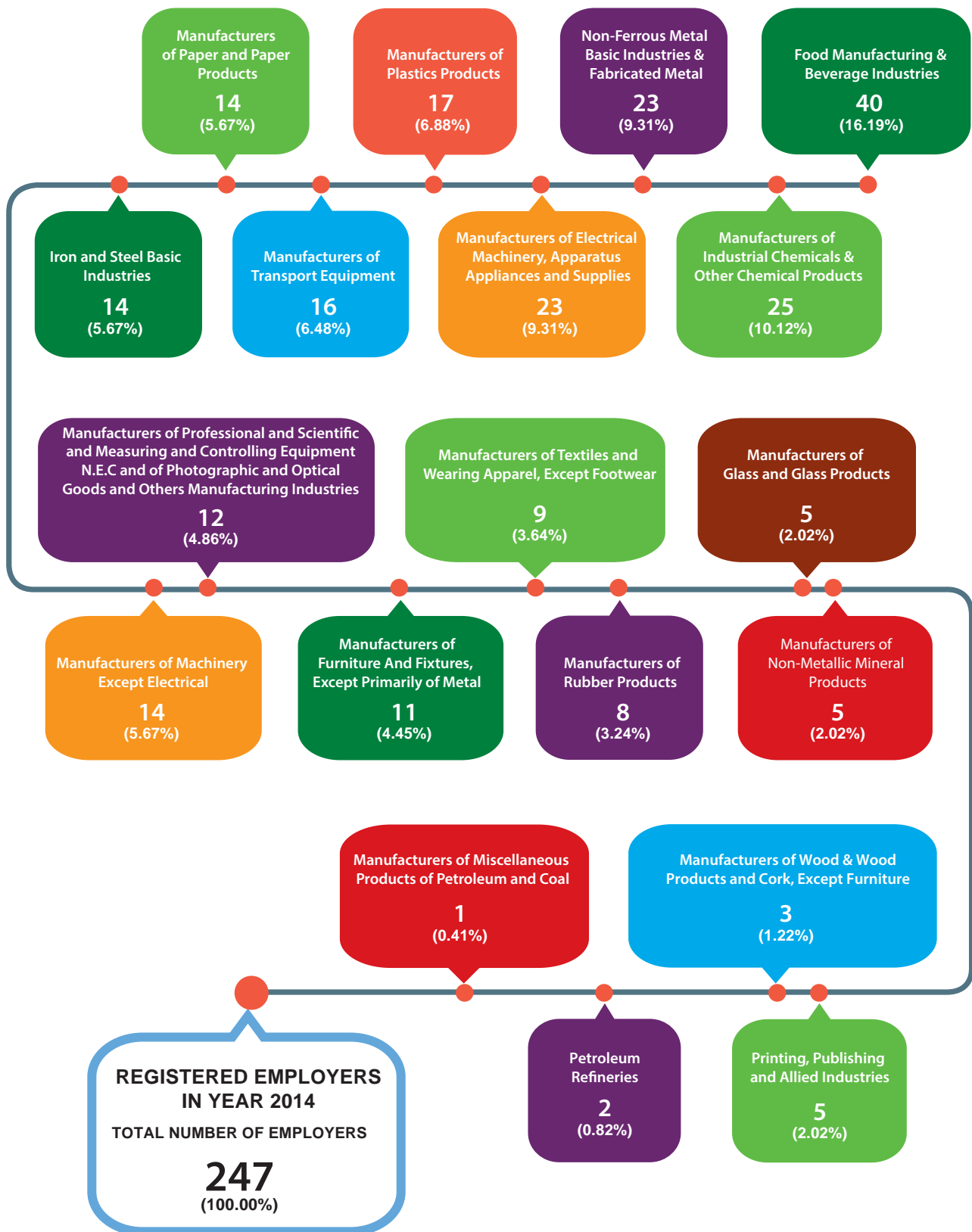
REGISTRATION OF EMPLOYERS BY STATE IN 2014



**REGISTRATION OF NEW EMPLOYERS BY STATE
FOR MANUFACTURING, SERVICES AND MINING AND QUARRYING SECTORS IN 2014**

	MANU-FACTURING	SERVICES	MINING AND QUARRYING		MANU-FACTURING	SERVICES	MINING AND QUARRYING
JOHOR 	63 (25.51%)	153 (9.52%)	2 (8.00%)	PULAU PINANG 	29 (11.74%)	78 (4.85%)	-
KEDAH 	4 (1.62%)	40 (2.49%)	-	PERAK 	9 (3.64%)	76 (4.73%)	2 (8.00%)
KELANTAN 	2 (0.81%)	25 (1.56%)	1 (4.00%)	PERLIS 	-	4 (0.25%)	-
KUALA LUMPUR 	21 (8.50%)	380 (23.65%)	10 (40.00%)	SABAH 	9 (3.64%)	41 (2.55%)	2 (8.00%)
LABUAN 	-	7 (0.44%)	-	SARAWAK 	10 (4.05%)	79 (4.92%)	1 (4.00%)
MELAKA 	8 (3.24%)	37 (2.30%)	-	SELANGOR 	72 (29.15%)	576 (35.84%)	2 (8.00%)
NEGERI SEMBILAN 	12 (4.86%)	49 (3.05%)	1 (4.00%)	TERENGGANU 	3 (1.22%)	27 (1.68%)	-
PAHANG 	5 (2.02%)	35 (2.18%)	4 (16.00%)				

REGISTERED EMPLOYERS IN THE MANUFACTURING SECTOR BY INDUSTRY IN 2014



REGISTERED EMPLOYERS IN THE MANUFACTURING SECTOR BY INDUSTRY FROM 1992 TO 2014



REGISTERED EMPLOYERS IN THE SERVICE SECTOR BY INDUSTRY IN 2014

INDUSTRY	REGISTERED EMPLOYERS 2014	
	NO. OF EMPLOYERS	PERCENTAGE (%)
	TOTAL 1,607	TOTAL 100.00%
Sale and Repair of Motor Vehicles	292	18.17
Engineering Support and Maintenance	129	8.03
Food and Beverage Services	119	7.41
Franchise	111	6.91
Building and Landscape Services	94	5.85
Security Firms	83	5.16
Hotel Industry	78	4.85
Early Childhood Education	75	4.67
Land Transport	66	4.11
Computer Industry	61	3.80
Driving School	57	3.55
Waste Management and Material Recovery Services	39	2.43
Freight Forwarder	36	2.24
Information Service	36	2.24
Travel Agency - Inbound	34	2.11
Event Management Services	30	1.87
Water Treatment and Supply	27	1.68
Hypermarket / Supermarket / Departmental Store	25	1.56
Production of Motion Picture, Video and Television Programme, Sound Recording and Music Publishing	25	1.56
Training Provider	22	1.37
Telecommunication	20	1.24
Private Institution of Higher Learning	20	1.24
Travel Agency - Outbound	18	1.12
Health Support Services	17	1.06
Direct Selling	14	0.87
Shipping	11	0.68
Private Hospital	11	0.68
Private Broadcasting Services	9	0.56
Advertising	9	0.56
Power (Energy)	7	0.44
Sewerage	6	0.37
Postal	5	0.31
Research and Development	5	0.31
Air Transport	4	0.25
Bonded Warehouse	4	0.25
Port Services	4	0.25
Gas, Steam and Air - Conditioning Supply	2	0.12
Veterinary Services	2	0.12

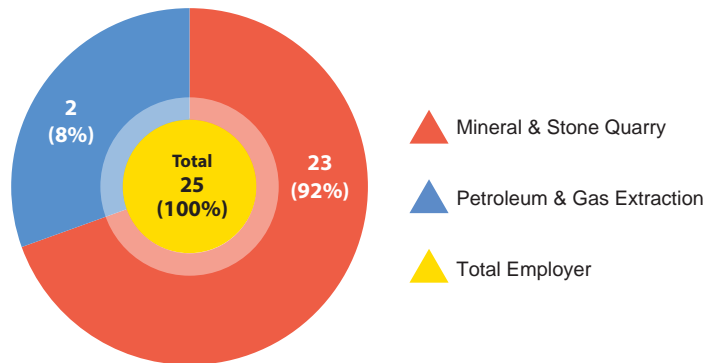
REGISTERED EMPLOYERS IN THE SERVICE SECTOR BY INDUSTRY FROM 1995 TO 2014

INDUSTRY	REGISTERED EMPLOYERS FROM 1995 TO 2014	
	NO. OF EMPLOYERS	PERCENTAGE (%)
Hotel Industry	1,205	13.89
Computer Industry	1,050	12.11
Land Transport	824	9.50
Freight Forwarder	748	8.62
Engineering Support and Maintenance	642	7.40
Security Firms	634	7.31
Training Provider	337	3.89
Private Institution of Higher Learning	332	3.83
Sale and Repair of Motor Vehicles	294	3.39
Hypermarket/Supermarket/Departmental Store	288	3.32
Advertising	226	2.61
Travel Agency - Outbound	209	2.41
Direct Selling	208	2.40
Shipping	206	2.38
Private Hospital	177	2.04
Telecommunication	164	1.89
Waste Management and Material Recovery Services	148	1.71
Food And Beverage Services	119	1.37
Franchise	113	1.30
Building and Landscape Services	94	1.08
Research and Development	86	0.99
Early Childhood Education	75	0.86
Postal	71	0.82
Driving School	57	0.66
Power (Energy)	52	0.60
Bonded Warehouse	47	0.54
Air Transport	41	0.47
Information Service	38	0.44
Travel Agency - Inbound	37	0.43
Port Services	33	0.38
Event Management Services	30	0.35
Water Treatment and Supply	27	0.31
Production of Motion Picture, Video and Television Programme, Sound Recording And Music Publishing	25	0.29
Health Support Services	17	0.20
Private Broadcasting Services	9	0.10
Sewerage	6	0.07
Gas, Steam and Air - Conditioning Supply	2	0.02
Veterinary Services	2	0.02

TOTAL
8,673

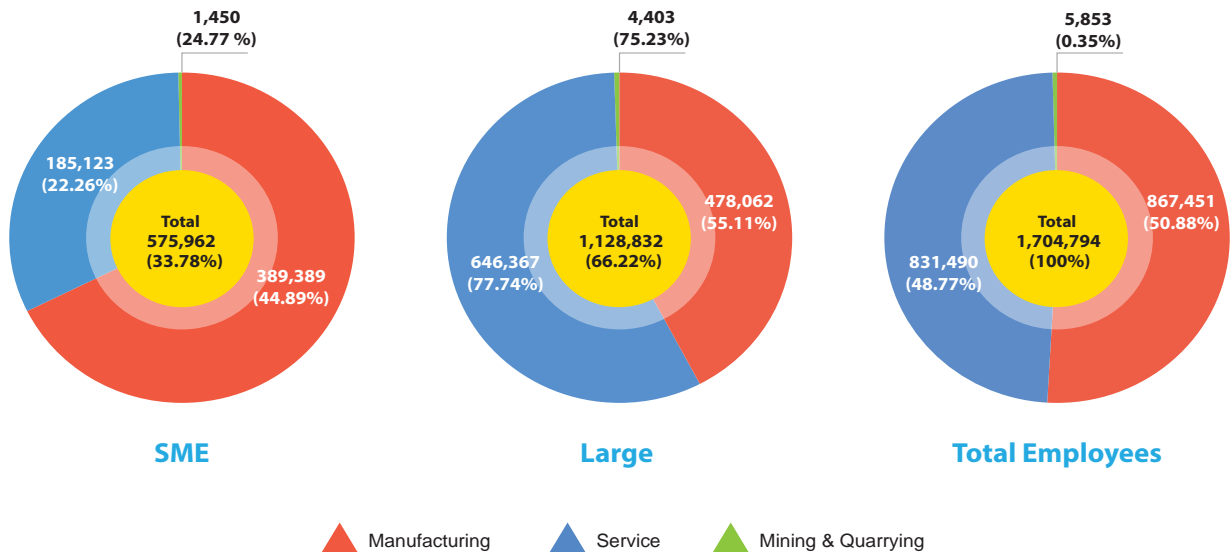
TOTAL
100.00%

REGISTERED EMPLOYERS IN THE SALE AND REPAIR OF MINING & QUARRYING IN 2014



▲ **EMPLOYEES:** Last year, a total of 1,704,794 employees were covered by 15,675 registered employers with HRDF. The trend is consistent with higher participation from large employers in the manufacturing and service sectors.

BREAKDOWN OF NUMBER OF EMPLOYEES BY SECTOR AND CATEGORY OF EMPLOYEES IN 2014



▲ **DEREGISTRATION:** Over the past 13 years, HRDF recorded on an average of 4,937 deregistrations of employers, which is less than the 31% of average registrations during the decade. The top three reasons for deregistration include ceasing of operations, less than 10 employees for three (3) consecutive months and company not liable for coverage. HRDF is closely working with employers' associations to address such issues and encourage employers to benefit from HRDF provisions and programmes.

2. STAKEHOLDERS' OUTREACH & ENGAGEMENT

In partnership with the National Human Resource Centre (NHRC), we endeavor to maintain a continuous stream of communication with our stakeholders to include employers, associations, industry bodies, government agencies, and various ministries. In the spirit of healthy collaboration, we engage with these partners to gain a perspective on the needs, issues, and challenges towards optimising Malaysia's human resource development potential. Some of the platforms for outreach and engagement include new Information Communications Technology (ICT) solutions and may also took the form of live tutorials, seminars and forums, leadership talks, peer mentoring, and specialised workshops.

3. HRDF'S INFORMATION COMMUNICATIONS TECHNOLOGY (ICT) TRANSFORMATION

▲ INNOVATING AND IMPROVING EMPLOYER'S INTERACTION PLATFORMS: The first phase of HRDF ICT Transformation Project also known as Electronic Transformed Information System (eTRIS) was completed in 2014, with all new and user-friendly business applications. The upgraded version aims to enhance accessibility and reliability of online transactions with simplified and standardised processes that support optimum speed. The new version comes with hardware upgrades and software integration, promising better response time. As eTRIS is integrated with key back-end systems, we were able to deploy intelligent analytic tools to arrive at better business decisions and resulting in improved customer relations.

Currently, eTRIS has gone live and we are encouraging suggestions from our users before we embark on a second phase of improvements. Some of the key upgraded features of eTRIS include:

- 1 Online claim process for all related training and grants
- 2 Online registration process for new Employers and Training Providers
- 3 A new module for HRDF Panel Lawyers

▲ ENABLING EMPLOYEES WITH SEAMLESS INFORMATION-EXCHANGE PLATFORMS: The ICT2.0@HRDF project was launched in 2014 for technical enhancements that will help facilitate seamless flow of information between internal staff as well as external stakeholders. Some of these improved platforms include the new HRDF portal; Employee Self-service System; and Finance, Accounting, Asset, Procurement and Inventory (FAAPI) System.

C. TRAINING LEADERSHIP

It is both a good problem and a best practice to put in place a real-time tracking and feedback mechanism to ensure the outcomes of all our schemes, initiatives and programmes are measurable and effective. This is particularly important especially in terms of making our training courses industry-relevant, educating the participants on current and future trends, global case studies, research and way forward solutions.

1. SECTORIAL TRAINING COMMITTEES (STCs)

▲ **SEEKING INDUSTRY INPUTS FOR PRAGMATIC TRAINING CONTENT:** To identify training needs that correspond to advancements in technology, systems and processes in various sub-sectors covered under the PSMB Act, 2001, we established Sectorial Training Committees (STCs) in 2014. Our ultimate objective, through such outside-in orientation when designing or finalising the training content, is to enhance productivity and competitiveness of the target employers.

The training courses are (made industry-relevant) finalised based on active inputs, feedback and recommendations from the appointed STCs, which are represented by employers' associations, employers, government agencies and members from HRDF. The appointed STCs meet four (4) times in a year to discuss on the current training requirements based on their TNIs. Once finalised, the information will be channeled to the relevant stakeholders such as the training providers for them to come up with training programmes that meet the industry's demands.

In June 2014, 19 STCs were identified based on the cluster of 63 sub-sectors covered under the PSMB Act, 2001. The decision was made in view of the Government's high-priority sectors or the 12 National Key Economic Areas (NKEAs). As at 31 December 2014, 16 STCs had been formed.



▲ Luncheon Talk with Employers' Associations on the Establishment of Sectorial Training Committees (STCs) on 19 February 2014 at Best Western Premier 2. ▲



◀ Working Committee Meeting on Sectorial Training Committee held on 11 Mac 2014 at Seri Pacific Hotel, Kuala Lumpur.



16 SECTORIAL TRAINING COMMITTEES FORMED IN 2014

- | | | |
|--|--|---|
|  Electrical, Electronic & Machinery Support |  Tourism |  Telecommunication |
|  Transportation |  Oil, Gas & Energy |  Utility & Services |
|  Logistic & Warehousing |  Wholesale & Retail |  Commodity-Based Product |
|  Textile & Apparel |  Education |  Mineral & Stone Quarrying |
|  Information & Communication Technology (ICT) |  Healthcare |  Wood Base & Furniture |
| |  Mineral-Base Product | |

2. NATIONAL HUMAN RESOURCE CENTRE (NHRC)

▲ **DETERMINING EFFECTIVENESS OF THE NATIONAL HUMAN RESOURCES CENTRE (NHRC):** In 2014, we conducted the first-ever study on effectiveness of NHRC. From a respondent database of 456 registered and non-registered members of NHRC, a majority 67% of the companies registered with NHRC for accessing information on human resource management. Most of the employers benefited by way of transformation of recruitment and selection processes, employee welfare management, training and development activities, employee relations, HR leadership development and knowledge on occupational safety and health etc.

Overall, the registered employers claimed an increase in productivity due to NHRC services. However, the study highlighted the need to strengthen NHRC's developmental role by promoting NHRC and its value proposition through social media, user-friendly portal, better access to training information, more call centre agents to attend to queries etc.

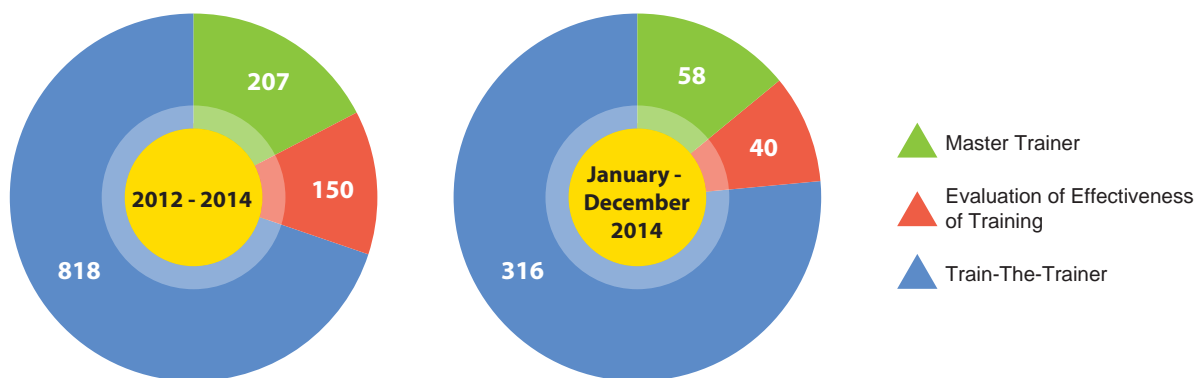


3. TRAINING INCENTIVE SCHEME & TRAIN THE TRAINER (TTT) PROGRAMME

▲ MEASURING THE EFFECTIVENESS OF TRAINING INCENTIVE SCHEME: During the period January to September 2014, we commissioned a study on the effectiveness of Training Incentive Scheme allocation under the Year 2011/2012. According to the study, majority of the respondents (employers) reported an increase in knowledge and skills (71%), productivity (68%) and motivation (63%) among workers, who attended the program. The study, however, surfaced some areas of improvement, which will help us enhance participation of employers in such high value-add schemes.

▲ BUILDING TRAINERS' CAPABILITY: At HRDF, we understand that a Trainer's capability and domain or industry knowledge and expertise, in addition to sufficient orientation on the organisation is critical for ensuring effective training outcomes. Hence, it is mandatory for the Trainers to undergo the Train-The-Trainer (TTT) programme, before conducting training under any of the HRDF schemes. We, however, also assign prior recognition to Trainers, who in their own capacity may have obtained vast credentials, recognition and experience in the area of training. Trainers with such outstanding track record may apply to be exempted from HRDF TTT programme. Besides TTT, our mandate from NSDC is to also undertake Evaluation on Effectiveness of Training (EET) and Master Trainer Coaching to ensure quality of delivery and high industry relevance.

In 2014, we had successfully trained 414 Trainers from various government departments and agencies, out of which, 316 Trainers attended TTT Programme, 40 Trainers subscribed for Evaluation on Effectiveness of Training (EET) programme; and 58 Trainers completed their Master Trainer Coaching. Last year, we also exempted a total of 283 Trainers from the TTT programme, which speaks of our commitment to encourage highly qualified trainers in the industry, alongside promoting the need for certifications for aspiring and high-potential Trainers.





D. SCHEMES AND SOLUTIONS

The Tenth Malaysia Plan (2011 – 2015) emphasises on the need to upgrade and re-skill Malaysia’s existing workforce, to help move the economy up the value chain. Towards this, the government aims to increase the number of skilled workforce from 28% to 33% by 2015 and to 50% by 2020, which in turn will help the country achieve a high-income economy status. At HRDF, we support and drive schemes and solutions, which will substantiate government efforts in meeting its targets as well as the vision 2020.

1. RECOGNITION OF PRIOR LEARNING (RPL) SCHEME

▲ **RECOGNITION OF PRIOR LEARNING (RPL) SCHEME:** First introduced in 2009, the RPL Scheme was revived by the Minister of Human Resources in the Tenth Malaysia Plan, with an ambitious target to produce 300,000 skilled workers. The scheme is a very practical solution in the sense that it advances careers of employees, who may have obtained relevant knowledge, experience and skills in the workplace, rather than through academic qualifications. Under this scheme in 2014, financial assistance to the tune of RM3.1 million was approved for 3,516 training places.

To expedite, last year, the Ministry of Human Resource Malaysia (through HRDF) established the National Upskilling Committee (NUC) to develop, implement, monitor and evaluate the RPL scheme at national level. In 2014, NUC successfully implemented the following:

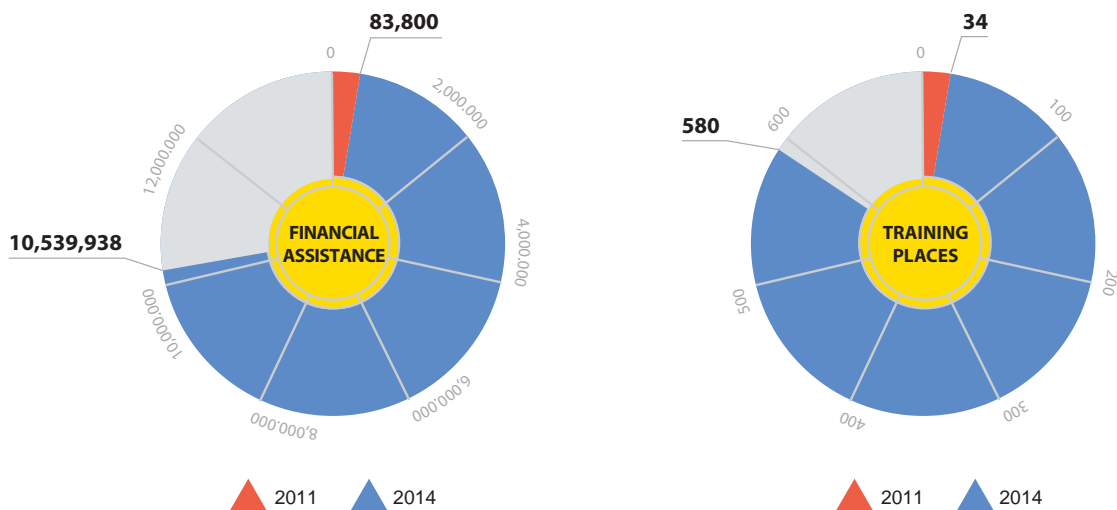
- ✓ RPL Assessors Training
- ✓ RPL Certificate Award Ceremony
- ✓ RPL 1MALAYSIA Briefing
- ✓ Memorandum of Understanding (MoU) between IPTA/IPTS, associations and unions financial institutions

2. FUTURE WORKERS TRAINING SCHEME

▲ FUTURE WORKERS TRAINING (FWT) SCHEME: The FWT Scheme is a training grant to support employers scouting for talent. Under the scheme, employers, through various colleges, universities and training providers, can source talents to close specific skills gaps in their organisations. In 2014, we proactively promoted the objectives of FWT Scheme through a series of engagement sessions with targeted employers such as AEON, MAS, KTMB as well as private universities; training providers and employers' associations such as Federation of Malaysian Manufacturers (FMM) and Malaysian Association of Hotels (MAH). Additionally, we also conducted regional briefing sessions and roadshows to help employers benefit from this scheme by way of levy deductions or incentives.

Based on the illustrations (below), from 2011 to 2014, the applications for financial assistance and training places (under this scheme) increased by more than 100 per cent. Such phenomenal response is due to our special allocation of incentives to the tune of RM13million, towards promoting the FWT Scheme.

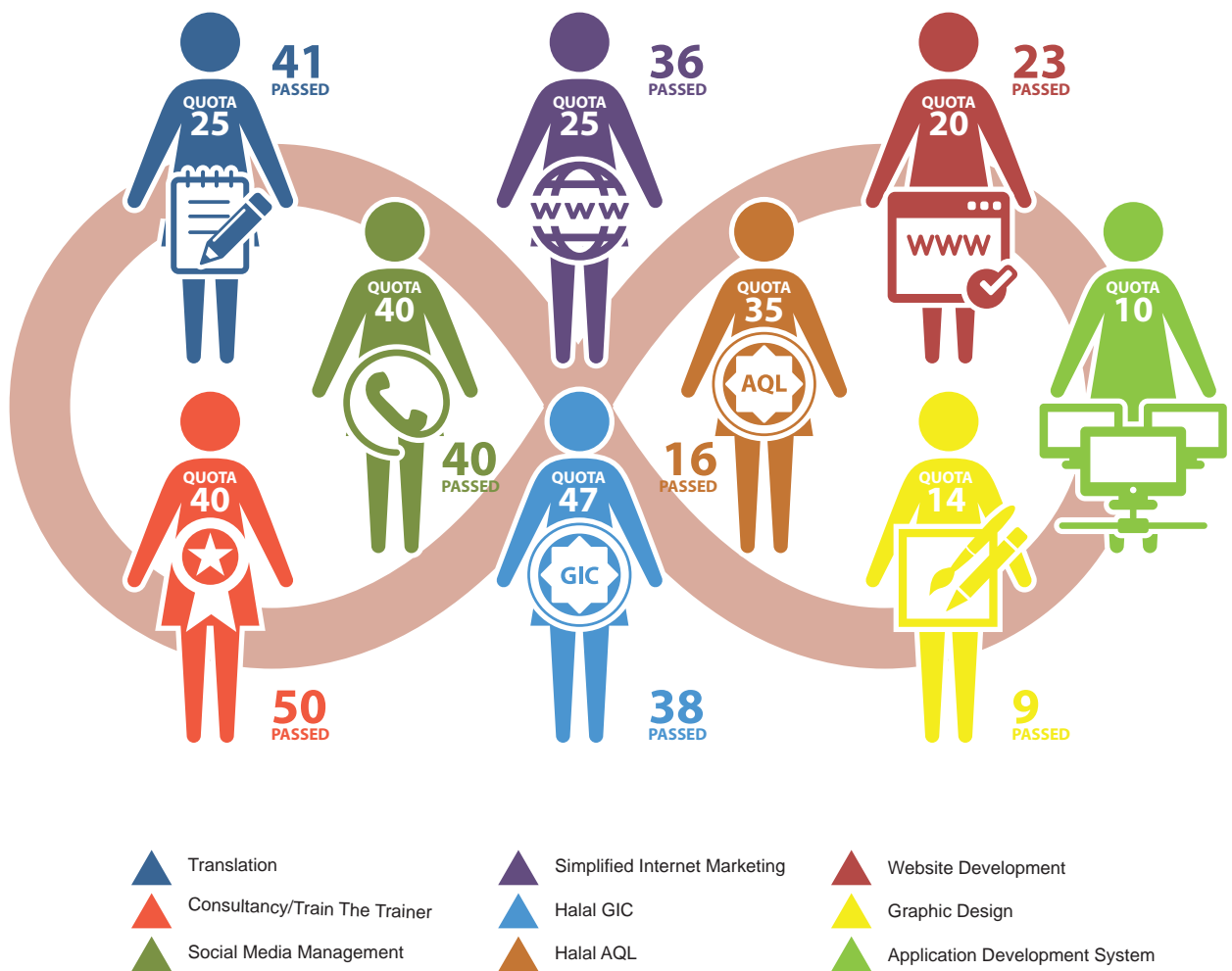
FWT SCHEME STATISTICS FOR FINANCIAL ASSISTANCE AND NUMBER OF APPROVED TRAINING PLACES DURING THE PERIOD 2011 – 2014



3. HOUSEWIVES ENHANCEMENT AND REACTIVATE TALENT SCHEME (HEARTS)

▲ **HOUSEWIVES ENHANCEMENT AND REACTIVATE TALENT SCHEME (HEARTS):** This special-purpose scheme was introduced in 2013, as an initiative that aims to support the government’s mission to increase the percentage of employable women in the labour market from 46% to 55% by 2020. The objective of the HEARTS scheme is to train educated housewives in the latent workforce in specialised fields that would enable them to work from home or under flexible working arrangements. Through HEARTS, talents are equipped with value-added skills that help to enhance their quality of life. As at 31 December 2014, a total of 669 applicants have received the scheme. There are nine (9) programmes offered under the HEARTS scheme as illustrated in the infographics below:

HEARTS PROGRAMME - STATUS OF TRAINING IMPLEMENTATION AS AT 31 DECEMBER 2014



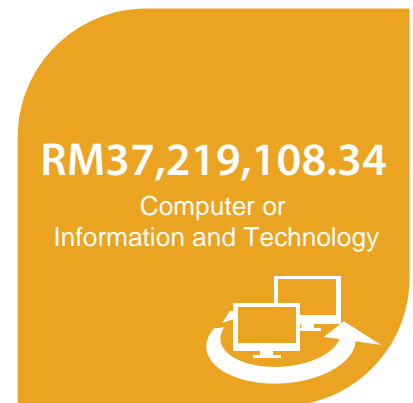
4. APPROVED TRAINING PLACES AND APPROVED FINANCIAL ASSISTANCE BY SKILL AREAS FOR THE YEAR 2014

In 2014, the total Approved Training Places by Skilled Area was 695,074 and the total Approved Financial Assistance was RM458,379,173.04.

THREE (3) SKILL AREAS CATEGORY WITH THE HIGHEST NUMBER OF APPROVED TRAINING PLACES



THREE (3) SKILL AREAS CATEGORY WITH THE HIGHEST NUMBER OF APPROVED FINANCIAL ASSISTANCE



**APPROVED FINANCIAL ASSISTANCE AND TRAINING PLACES
ACCORDING TO SKILLS FROM 1.1.2014 TO 31.12.2014**

SKILL AREAS	TRAINING PLACES	FINANCIAL ASSISTANCE
Accounting or Finance	24,322	19,717,777.91
Actuarial or Statistics	661	531,445.43
Administration or Clerical	11,784	4,899,154.68
Audit or Tax	30,479	20,531,101.21
Aviation	3,838	17,302,949.45
Biotechnology or Chemistry	830	1,228,576.99
Computer or Information and Technology	38,963	37,219,108.34
Creative Design	1,930	1,654,277.01
Creativity and Innovation	5,777	4,087,690.82
Education or Training	34,807	18,610,074.05
Engineering	19,133	26,956,671.61
Food and Beverages	9,330	2,197,720.72
Hotel or Tourism	4,241	1,941,050.37
Human Resource Management	27,145	17,840,474.48
Industrial Relations	6	10,750.00
Journalism or Publishing or Communication or Media	5,828	3,835,904.74
Language	7,615	4,455,392.82
Legal and Law	9,431	5,824,803.68
Maintenance or System and Control	12,140	14,476,345.41
Management or Strategic Management	42,610	37,130,327.91
Manufacturing or Production	15,206	10,328,861.37
Marketing and Sales	10,407	8,737,756.91
Medical or Healthcare	9,878	6,295,606.97
New or High Technology	3,053	4,508,297.20
Port Management	951	888,930.26
Process and Operations	20,895	13,431,488.91
Public Relations or Customer Service	22,465	10,065,470.81
Purchasing / Store / Warehouse	1	550.00
Purchasing or Logistics or Supply Chain	4,786	4,791,387.87
Quality and Productivity	77,498	34,309,326.72
Research and Development	1,903	2,211,982.13
Retail or Merchandising	4,225	1,436,420.73
Safety and Health	110,111	46,451,513.56
Security or Armed Forces	8,533	7,502,883.57
Ship or Maritime Handling	1,861	3,052,229.77
Supervisory	19,480	11,222,881.51
Team Building or Motivation	92,951	52,691,987.12
Total**	695,074	458,379,173.04

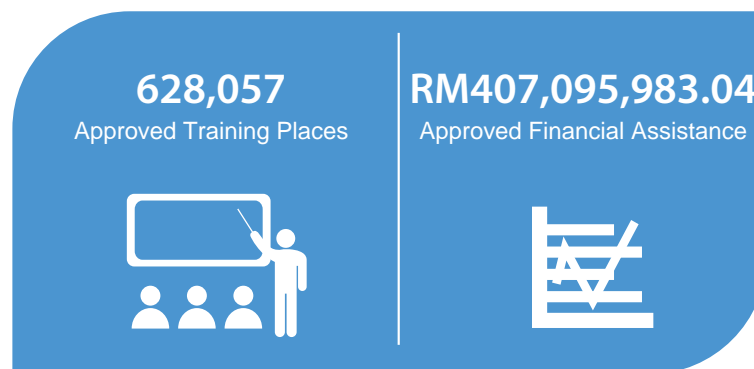
Industry-Based Programmes	243,093	193,916,293
Job-Based Programmes	309,470	186,027,148
Personal Effectiveness	142,511	78,435,732
	695,074	458,379,173

5. TRAINING ASSISTANCE SCHEME

▲ SKIM BANTUAN LATIHAN (SBL)

Skim Bantuan Latihan (SBL), is one of the main schemes under Human Resources Development Fund (HRDF). Under this scheme, employers are free to identify their own training needs to retrain and upgrade skills of their employees in line with their operational and business requirements.

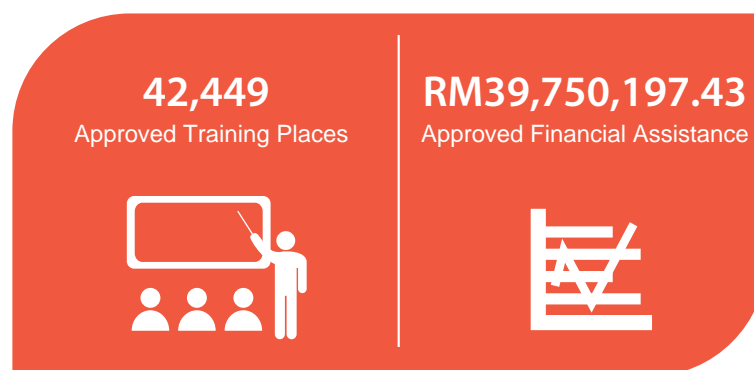
APPROVED TRAINING PLACES & APPROVED FINANCIAL ASSISTANCE FOR SBL SCHEME IN 2014



▲ SKIM BANTUAN LATIHAN KHAS (SBL-KHAS)

Under Skim Bantuan Latihan Khas (SBL-Khas), financial assistance in the form of training grants are considered for all types of training programs tailored to the needs of employers registered with HRDF.

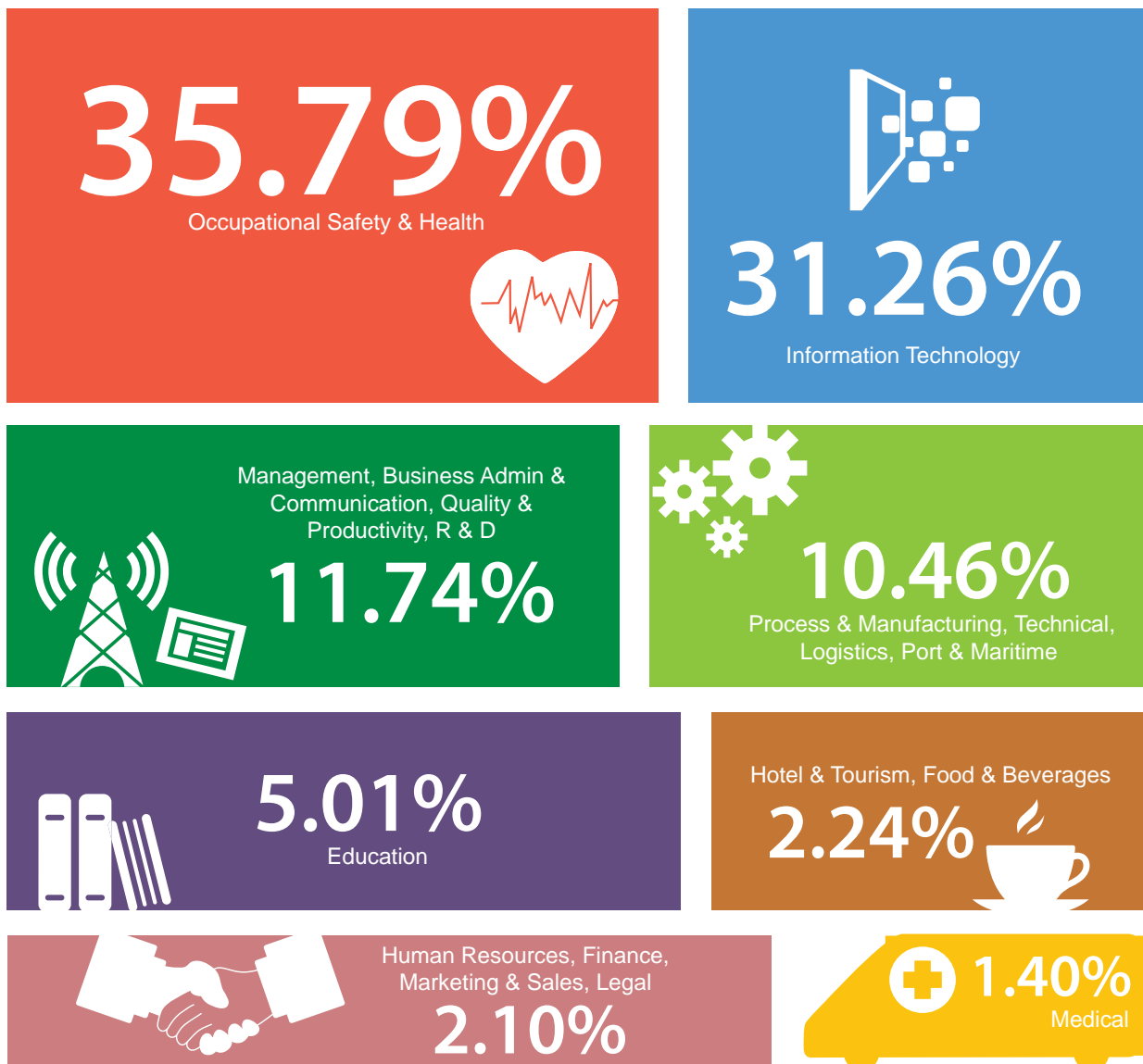
APPROVED TRAINING PLACES & APPROVED FINANCIAL ASSISTANCE FOR SBL KHAS SCHEME IN 2014



6. HRDF TOWARDS CERTIFICATION PROGRAMMES

▲ HRDF TOWARDS CERTIFICATION PROGRAMMES: For the year 2014, HRDF has recorded a total of 7,279 training places for certification and skills programmes, which have been carried out by employers. Our findings suggest that most employers focussed on occupational safety (36%) and information systems (31%), followed by other fields (33%). These efforts will continue from year-to-year to ensure the Government’s targets are achieved and simultaneously, the competitiveness of employers and the competency levels of skilled workers are enhanced.

STATISTICS ON CERTIFICATION PROGRAMMES TRAINING PLACES BASED ON THE BREAKDOWN OF TYPES OF TRAINING

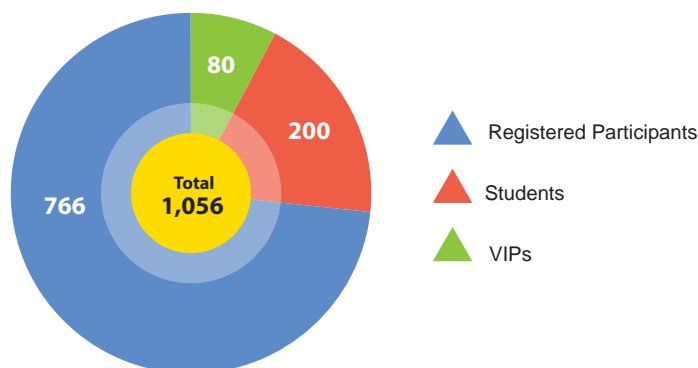


E. FLAGSHIP INITIATIVES AND EVENTS

1. HRDF CONFERENCE AND EXHIBITION 2014

- ▲ **HRDF CONFERENCE AND EXHIBITION 2014:** For 14 years, the conference and exhibition has been an institutionalised platform, with overwhelming participation from local and international coterie of human resources management. The 14th annual conference, themed 'Innovative Workforce, The Transformation of Business Excellence,' was officiated by the Minister of Human Resources, YB Dato' Sri Richard Riot Anak Jaem at the Borneo Convention Centre Kuching (BCKK) from 4-5 November 2014. Having featured four tracks - Learning and Development, Leadership, Talent Management and HR Analytics, the content was strategically developed with an emphasis on results-oriented success and organisational teamwork towards inclusive growth. Well-conceptualised events such as this facilitate meaningful exchange of ideas and solutions through intellectual discourse on global best practices.

COMPOSITION OF CONFERENCE PARTICIPATION IN 2014



2. HUMAN RESOURCE DEVELOPMENT AWARD 2014

- ▲ **HUMAN RESOURCES DEVELOPMENT (HRD) AWARDS 2014:** As a dynamic lead organisation, at HRDF, we assume greater responsibility to identify and recognise organisations committed to promote various aspects of talent development and human resources management. The HRD Awards Dinner, organised on 12 December 2014, is one such platform that acknowledged commendable efforts and contributions towards the national human capital agenda. In the presence of Honourable Minister of Human Resources, YB Dato' Sri Richard Riot Anak Jaem, a total of twelve (12) organisations / top achievers, who exemplified best HR practices and encouraged quality HR management were presented the award.



◀ HRD Award 2014 Winners with YB Dato' Sri Richard Riot, Minister of Human Resources and CM Vignaesvaran, Chief Executive, HRDF.

3. SELANGOR EXCELLENCE BUSINESS AWARDS 2014

▲ **SELANGOR EXCELLENCE BUSINESS AWARDS 2014:** The Dewan Perniagaan Melayu Malaysia - Selangor in collaboration with The Leaders Magazine introduced the prestigious Selangor Excellence Business Awards on 8 December 2014 at Shah Alam Convention Centre (SACC), Selangor. The event aimed at recognising leading business visionaries across all sectors of the economy for their exceptional contributions towards the country's economic development especially to the State of Selangor. There were a total of 43 award categories and HRDF was awarded in the Industry Class in Training and Development, which was a testimony to our commitment towards quality skills development.



▲ *Chairman of the board of directors YBhg. Dato' Dr. Abdul Razak bin Abdul receiving the Industry Class in training and Development Award.* ▲

4. THE NATIONAL HUMAN RESOURCES STANDARDS (NHRS)

▲ **THE NATIONAL HUMAN RESOURCES STANDARDS (NHRS):** The NHRS was developed by us, in consultation with the Ministry of Human Resources to provide best-practice HRM guidelines to Malaysian HR professionals. In other words, NHRS provides a framework on knowledge, practice and professional engagement for HR professionals. The framework also outlines standards that can be used to benchmark or best practices in HR management, to include behavioural competencies to link with organisational goals.

On 16 October 2014, HRDF organised an NHRS Seminar themed “Managing Tomorrow’s Human Capital: The Game Changer to Business Growth” at the Pullman Hotel Bangsar. The seminar attracted more than 500 participants from various fields including HR practitioners, managers, academicians as well as students. The participants were able to engage in a discussion with members of the panel on numerous issues related to HR during the one-day seminar.



◀ *YB Dato' Sri Richard Riot Anak Jaem, Minister of Human Resources at the official launch of NHRS at the HRDF Conference & Exhibition 2014 at Borneo Convention Centre, Kuching, Sarawak.*

HRDF INSIGHTS:
**THE MALAYSIAN HUMAN CAPITAL
DEVELOPMENT**





HRDF INSIGHTS: THE MALAYSIAN HUMAN CAPITAL DEVELOPMENT



As a dynamic organisation, Human Resources Development Fund (HRDF) is committed to catalysing the development of a competent workforce through various initiatives and programmes that are aligned with the government's aspirations of achieving high income nation status by 2020. Through the Economic Transformation Programme (ETP), the Government targets Gross National Income (GNI) per capita of US\$15,000, by attracting investments worth US \$444 billion, which in turn, will create an estimate of 3.3 million new jobs for Malaysia. The ETP aims to leverage global competitiveness via the implementation of six (6) Strategic Reform Initiatives (SRIs).

The Human Capital Development (HCD) Strategic Reform Initiative (SRI) was created to identify and enhance the human capital needs and capabilities of the nation's labour force. Furthermore, the HCD SRI undertakes a two-pronged approach which includes the upskilling of talents in the NKEA sectors and providing talent training programmes. Currently, the percentage of skilled workers is only 28% of the total workforce, lower than 33% targeted for 2015. As a result, the government is hopeful that by increasing the number of women in the workforce to 55 per cent by end of the 2015, it will meet the goals of the 11th Malaysian Plan (11MP), which is to boost the percentage of skilled talents from 28% to 35% by 2020. Under the 11th Malaysian plan, emphasis will also be given to Education and Technical and Vocational Training initiatives to accelerate the development of a skilled workforce. On the other hand, a recent study showed that Science, Technology, Engineering and Mathematics (STEM) remains a priority for Malaysia to create high skilled talents for a knowledge-intensive and high-technology economy.

Unfortunately, the nation is still confronted with the challenges of developing high quality human capital. By recognising human capital as a critical enabler, HRDF has identified several programmes and initiatives that were created to support the growth of the nation and ensure that the Government reaches its goals. The organisation is determined to overcome challenges regarding to women participation, upskilling and reskilling as well as certification.

According to the World Bank's Malaysia Economic November 2012 report, women participation in Malaysia is still at its' lowest in the ASEAN region (46 per cent). Through the Housewives Enhancement and Reactive Talent Scheme (HEARTS), HRDF hopes to attract educated housewives to return to the workforce and well as empower them to upskill themselves to earn an income. As at 31 December 2014, a total of 669 applications were accepted for the scheme. The World Bank report states that increasing Malaysia's female labour force participation rate to 57 per cent would raise GDP growth by 0.4 per cent per year. In 2013, there were 52.4% women participating in the labour market.

Besides that, the Government also aims to create quality human capital. Studies have shown that 28% of the workforce may have the skill and experience but do not have the certification. To deliberate on this, HRDF is leveraging on its Recognition Prior Learning scheme (RPL). Under this scheme, employers will gain recognition for their skills and experience according to their competency level. Hence, this will help contribute to the percentage of the national labour market. Employees are also encouraged to apply for Malaysia Skills Certification (MSC), Malaysia Diploma Skills (MDS) or Malaysia Advanced Diploma Skills (MSDS) according to their competency levels.

In addition, the Prime Minister YAB Dato' Seri Mohd Najib Tun Abdul Razak said *'that the nation will not be on the road to a knowledge intensive and innovation-led economy without talents to drive it.'* During the 2015 budget speech, the Prime Minister announced an allocation of RM300 million for the implementation of 1Malaysia Globally Recognised Industry and Professional Certification (1Malaysia GRIP) to upskill and reskill 30,000 members of the workforce. In order to accelerate government's efforts of increasing the skilled labour supply in strategic and high impact areas as well as reduce the dependency on external expertise, a fund of RM150 million will be raised by setting aside 30% of levy contributions from employers.



HRDF IN NEWS



REDEFINING SKILLS

Human Resources Development Fund (HRDF) envisions to enhance workforce knowledge, skills and capabilities through effective management of the fund from the employers under Manufacturing, Services and Mining & Quarrying Sectors.

Call 1800 88 4800 or
Email to support@hrdf.com.my or
Visit www.hrdf.com.my

[f](#) MY HRDF [t](#) @myhrdf



Selamat Hari Malaysia
Happy Malaysia Day

We Speak Your Language Because We Are Malaysians

NHRC Call Centre
1800-88-4800

www.hrdf.com.my / www.nhrc.com.my

From
**The Board of Directors, Management & Staff of
Pembangunan Sumber Manusia Berhad**



Light Up Your Potentials

Leveraging Talents.

Human Resources Development Fund (HRDF) envisions to enhance workforce knowledge, skills and capabilities through effective management of the fund from the employers under Manufacturing, Services and Mining & Quarrying Sectors.

Call 1800 88 4800 or
Email to support@hrdf.com.my or
Visit www.hrdf.com.my
Follow us on Facebook and Twitter
[f](#) MY HRDF [t](#) @myhrdf



Good news!

Human Resources Development Fund (HRDF) has expanded its coverage to 19 new sub-sectors. Welcome to a whole new experience with us! Call 1 800 88 4800. Email support@hrdf.com.my for assistance or browse our portal at www.hrdf.com.my for further information.

"Human Resources Development Fund had shown a strong positive impact on investment, capital intensity and productivity."
-SME Masterplan 2012-2020, Chapter-3

THE 19 NEW SUB-SECTORS

- Energy
- Machinery
- Plastic
- Printing and Publishing
- Leather
- Manufacturing
- Perfume Sector
- Ceramic
- Petroleum
- Food and Beverage
- Transport Equipment
- Transportation
- Printing and Publishing
- Leather
- Manufacturing
- Perfume Sector
- Ceramic
- Petroleum
- Food and Beverage
- Transport Equipment
- Transportation

HRDF -MALAYSIA-



Human Resources Development Fund (HRDF) is here as the assistance for your training fund. Now more employers from 19 new sub-sectors can register and enjoy the benefits.

SERVICE SECTOR	<ul style="list-style-type: none"> Event Management / Supermarket / Department Store Direct Selling Contracted Local Transport and Railway Transport Services Warehousing Services Port Services 	<ul style="list-style-type: none"> Security Services Comptrol Services Accounting Private Hospital Services Higher Education Training Hotel Industry
MANUFACTURING SECTOR	<ul style="list-style-type: none"> Electrical and Electronic Metal Product Miscellaneous Food and Beverage Transport Equipment Plastic and Rubber Wood & Wood based and Cork Machinery 	<ul style="list-style-type: none"> Optical and Photography Glass and Glass Product Footwear Ceramic Tobacco Leather
SERVICE SECTOR	<ul style="list-style-type: none"> Freight Forwarding Warehousing and Supply Water Treatment and Sewerage Waste Management and Material Recovery Services Manufacturing Services Food and Beverage Services Production of Medical Products Video and Television Programs 	<ul style="list-style-type: none"> Site and Depot of Motor Vehicles Private Broadcasting Services Online School Veterinary Services
MINING AND QUARRYING SECTOR	<ul style="list-style-type: none"> Petroleum and Gas Extraction Mining and Stone Quarrying 	

For further details call **1800 88 4800** now or browse www.hrdf.com.my for more information.







FINANCIAL STATEMENT

this page is intentionally left blank

**PEMBANGUNAN SUMBER MANUSIA
BERHAD**

(Company No. 545143-D)
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

Registered office:

Level 7, Wisma HRDF
Jalan Beringin
Damansara Heights
50490 Kuala Lumpur

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Directors' report for the year ended 31 December 2014

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2014.

Principal activities

As set out in the Pembangunan Sumber Manusia Berhad Act, 2001, the main objective of the Company is the imposition and collection of human resources development levy for the purpose of promoting the training of employees, and the establishment and administration of the human resources development fund.

The functions of the Company are:

- (a) to assess and determine the types and extent of employees' training and retraining in keeping with the human resources needs of industries;
- (b) to promote and stimulate manpower training; and
- (c) to determine the terms and conditions under which any financial assistance or other benefits are to be given.

There has been no significant change in the nature of these activities during the financial year.

Results

	RM
Net surplus for the year	<u>1,479,830</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review, other than as disclosed in the financial statements.

Directors of the Company

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

Dato' Dr Abd Razak Bin Abdul – Chairman
 Dato' Haji Mohd Shariff Bin Hussin – Deputy Chairman (resigned on 16 April 2014)
 Ali Badaruddin Bin Abd Kadir – Chief Executive (resigned on 10 April 2014)
 Dato' Omar Bin Haji Awang – Chief Executive (appointed on 10 April 2014 and resigned on 1 September 2014)
 CM Vignaesvaran A/L Jeyandran – Chief Executive (appointed on 1 September 2014)
 Tan Sri Datuk Ketheeswaran A/L M. Kanagaratnam
 Datuk Santhakumar A/L Sivasubramaniam (alternate to Tan Sri Datuk Ketheeswaran A/L M, Kanagaratnam)
 Datuk Mohd. Ilyas Bin Zainol Abidin
 Reginald Thomas Pereira (alternate to Datuk Mohd. Ilyas Bin Zainol Abidin)
 Dato' Low Kian Chuan
 Jeffery Tan Keat Hui (alternate to Dato' Low Kian Chuan)
 Dato' Hafsah binti Hashim
 Saifol Bahri Bin Mohamad Shamlan (alternate to Dato' Hafsah binti Hashim)
 Dato' Ahmad Fadzil Bin Mahmud
 Burhanuddin Bin Saidin (alternate to Ahmad Fadzil bin Mahmud)
 Davies Danavaindram A/L Arputhasamy
 Dato' Mizanur Rahman Bin S.M. Abdul Ghani (alternate to Davies Danavaindram – appointed on 16 May 2014)
 Sr. Dr. Mohd Mazlan Bin Che Mat
 Hanafee Bin Yusoff (alternate to Sr. Dr. Mohd Mazlan bin Che Mat)
 Kang Hua Keong
 Teh Kee Sin (alternate to Kang Hua Keong)
 Lim Yoke Cheong
 Lim Kheng Chye (alternate to Lim Yoke Cheong)
 Wong Nan Fay
 Cheah Kok Hoong (alternate to Wong Nan Fay)
 Mohd. Ghaus bin Ab. Kadir
 Zulkeply Bin Abdul Samad (alternate to Mohd. Ghaus bin Ab. Kadir)
 Givananandam a/l Kalinan
 Suhara Binti Husni (alternate to Givananandam a/l Kalinan)
 Mohd Japar Bin Abd. Majid
 Abdul Wahab Bin Abu Bakar
 Christopher Sakayaraj (alternate to Abdul Wahab Bin Abu Bakar)
 Rayan Anak Narong
 Mohd Gazali Bin Abas (appointed on 22 June 2015)

As specified in Section 7 of the Pembangunan Sumber Manusia Berhad Act, 2001, members of the Board of Directors (including the positions of Chairman and Deputy Chairman) shall be appointed by the Minister charged with the responsibility for Human Resources, which currently is the Minister of Human Resources.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to current assets in the financial statements of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

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

- (i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Company for the financial year ended 31 December 2014 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:



MOHD GAZALI BIN ABAS
Director



CM VIGNAESVARAN A/L JEYANDRAN
Director

Kuala Lumpur,
Date: 20 August 2015

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

**Statement by Directors pursuant to Section 169(15)
of the Companies Act, 1965**

In the opinion of the Directors, the financial statements set out on pages 70 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2014 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of Board of Directors in accordance with a resolution of the Directors:



MOHD GAZALI BIN ABAS
Director



CM VIGNAESVARAN A/L JEYANDRAN
Director



Kuala Lumpur,
Date: 20 August 2015

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

**Statutory declaration pursuant to
Section 169(16) of the Companies Act, 1965**

I, **WAN MOHD NAZARUDIN BIN WAN CHIK**, the officer primarily responsible for the financial management of Pembangunan Sumber Manusia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 70 to 115 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 20 August 2015.



Before me,

38A, JALAN TUN MOHD FUAD 1
TAMAN TUN DR. ISMAIL
60000 KUALA LUMPUR



WAN MOHD NAZARUDIN BIN WAN CHIK
General Manager (Accounts and Finance)
Pembangunan Sumber Manusia Berhad

**Independent auditors' report to the members of
Pembangunan Sumber Manusia Berhad**

(Company no. 545143-D)
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Pembangunan Sumber Manusia Berhad, which comprise the statement of financial position as at 31 December 2014, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 70 to 115 .

Directors' Responsibility for the Financial Statements

The Directors of the Company 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 Directors are also responsible for such internal control as the Directors 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 about 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 judgement, 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 procedures 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 directors, 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.

Opinion

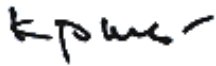
In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 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 Company have been properly kept in accordance with the provisions of the Act.


Other Matters

This report is made solely to the members of the Company, 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.



KPMG

Firm Number: AF 0758
Chartered Accountants



Hasman Yusri Bin Yusoff

Approval Number: 2583/08/16(J)
Chartered Accountant

Petaling Jaya,
Date: 20 August 2015

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Statement of financial position as at 31 December 2014

	Note	2014 RM	2013 RM
Assets			
Property, plant and equipment	3	43,227,634	36,717,416
Total non-current asset		43,227,634	36,717,416
Investments	4	148,670,198	105,125,150
Accrued interest receivables, deposits and prepayments	5	12,543,406	10,610,176
Staff loans	6	5,452,003	5,248,493
Tax recoverable		57,816	44,834
Cash and cash equivalents	7	1,179,620,826	1,069,153,833
Total current assets		1,346,344,249	1,190,182,486
Total assets		1,389,571,883	1,226,899,902
Equity			
Retained earnings		397,404,798	395,924,968
Fair value reserve		(16,848,500)	(7,854,237)
Total equity		380,556,298	388,070,731
Liabilities			
Retirement benefits	8	11,505,773	9,848,268
Total non-current liabilities		11,505,773	9,848,268
Employers' Fund	9	934,994,073	794,600,678
General Reserve II	10	1,525,053	912,629
Government grants	11	42,664,710	26,965,085
Other payables		7,942,217	4,683,958
Accrued expenditure		10,383,759	1,818,553
Total current liabilities		997,509,812	828,980,903
Total liabilities		1,009,015,585	838,829,171
Total equity and liabilities		1,389,571,883	1,226,899,902

The notes on pages 16 to 45 are an integral part of these financial statements.

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the year ended 31 December 2014

	Note	2014 RM	2013 RM
Income			
<u>Income From Operating Activities</u>			
Dividend and other investment income		6,294,281	3,307,800
Fee income from training providers		2,131,584	2,558,208
Gain on disposal of plant and equipment		1,770	31,977
Government grant received		1,917,500	-
Interest income from fixed deposits		38,964,418	35,982,362
Interest income from loan to PSMB staff		6,384	3,455
Interest income from bank balance		60,250	162,698
Other income		91,433	81,037
Penalty on late payment of levy		1,027,819	1,295,259
		50,495,439	43,422,796
<u>Income from Human Capital Development Activities</u>			
Income from forfeiture of levy		2,741,793	2,212,028
Income from Housing Loan Fund		496,112	653,294
Income received from National HRD Conference Fund		941,850	1,779,895
Participants' fees for Training and Consultancy Fund		13,369,967	8,218,726
		17,549,722	12,863,943
Total income		68,045,161	56,286,739
Expenses			
<u>Expenses From Operating Activities</u>			
Advertising and promotion		(2,749,109)	(1,586,004)
Auditors' remuneration		(100,000)	(75,000)
Staff costs		(16,649,721)	(13,767,116)
Consultancy services		(316,110)	(643,850)
Depreciation		(2,466,713)	(2,298,437)
Directors' fees	14	(315,500)	(247,500)
Directors' remuneration	14	(272,718)	(305,605)
Event Management		(752,755)	(738,406)
Legal and professional fees		(648,558)	(672,494)
Loss on disposal of investment		(5,835,124)	(110,879)
Other expenses		(2,216,034)	(1,964,822)

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the year ended 31 December 2014 (continued)

	Note	2014 RM	2013 RM
Printing Expenses		(584,159)	(975,024)
Property Management		(840,268)	(593,689)
Provision for retirement benefits	8	(1,657,505)	(1,542,883)
Rental		(300,054)	(265,051)
Repairs and maintenance		(586,694)	(413,426)
Travelling and accommodation		(1,692,712)	(1,240,644)
Utilities		(1,759,185)	(1,552,652)
		(39,742,919)	(28,993,482)
<u>Human Capital Development Expenses</u>			
Expenses for Educational Sponsorship Fund		(23,672)	(30,024)
Expenses for National HRD Conference Fund		(935,503)	(2,017,697)
Expenses for re-registration of employers		(13,243)	-
Expenses for Retrenched Workers Training Fund		(4,300)	(8,196,058)
Expenses for Training and Consultancy Fund		(10,656,079)	(8,922,029)
Expenses for SME TNA Consultancy Fund		(626,793)	(466,530)
Expenses for the Apprenticeship Fund (apprentices allowances)		(6,312,192)	(2,556,869)
PSMB's contribution to 1Malaysia HRDF Skill Upgrading Fund		(31,080)	(56,800)
Expenses for Small and Medium Enterprise Training Coordinating Fund		(2,283,192)	(3,014,228)
Expenses for Recognition of Prior Learning Fund		(3,002,080)	(300,800)
Expenses for Sewin Machine Technician Fund		(15,000)	(126,562)
Expenses for National Upskilling Committee (NUC) Fund		(918,260)	-
Expense for PSMB Development Fund		(2,014,000)	-
		(26,835,394)	(25,687,597)

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the year ended 31 December 2014 (continued)

Total expenses		(66,578,313)	(54,681,079)
Surplus before taxation		1,466,848	1,605,660
Income tax benefit	13	12,982	18,347
Net surplus for the year	12	1,479,830	1,624,007

Other comprehensive income, net of tax

Items that may be reclassified subsequently to profit or loss:

Net change in fair value of available-for-sale financial assets		(13,754,445)	5,831,237
Net realised gain on sale of available-for-sale financial assets		4,760,182	345,467
Other comprehensive (loss)/ income for the year, net of tax		(8,994,263)	6,176,704
Total comprehensive (loss)/income for the year		(7,514,433)	7,800,711

Summary of statement of profit or loss and other comprehensive Income

	2014	2013
	RM	RM
<u>Operating Activities</u>		
Income from Operating Activities	50,495,439	43,422,796
Expenses from Operating Activities	(39,742,919)	(28,993,482)
Surplus from Operating Activities	10,752,520	14,429,314
<u>Human Capital Development (HCD) Activities</u>		
Income from HCD Activities	17,549,722	12,863,943
Expenses from HCD Activities	(26,835,394)	(25,687,597)
Deficit from HCD Activities	(9,285,672)	(12,823,654)
Surplus before taxation	1,466,848	1,605,660

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Statement of changes in equity for the year ended 31 December 2014

	← Retained earnings →		Fair value reserve	Total
	Unallocated	Allocated for specific usage under trust funds		
	RM	RM	RM	RM
At 1 January 2013	277,451,809	116,849,152	(14,030,941)	380,270,020
Net change in fair value of available-for-sale financial assets	-	-	6,176,704	6,176,704
Total other comprehensive income for the year	-	-	6,176,704	6,176,704
Profit for the year	1,624,007	-	-	1,624,007
Total comprehensive income for the year	1,624,007	-	6,176,704	7,800,711
Transfers from unallocated retained earnings to trust funds	12,823,654	(12,823,654)	-	-
At 31 December 2013	291,899,470	104,025,498	(7,854,237)	388,070,731
Net change in fair value of available-for-sale financial assets	-	-	(8,994,263)	(8,994,263)
Total other comprehensive loss for the year	-	-	(8,994,263)	(8,994,263)
Profit for the year	1,479,830	-	-	1,479,830
Total comprehensive income/(loss) for the year	1,479,830	-	(8,994,263)	(7,514,433)
Transfers from unallocated retained earnings to trust funds	9,285,672	(9,285,672)	-	-
Termination of Trust Fund - 1Malaysia Training Programme Fund	20,772,255	(20,772,255)	-	-
Creation of new Trust Fund - PSMB Development Fund (Human Capital Transformation Study)	(2,014,000)	2,014,000	-	-
At 31 December 2014	321,423,227	75,981,571	(16,848,500)	380,556,298

The notes on pages 16 to 45 are an integral part of these financial statements.

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Statement of cash flows for the year ended 31 December 2014

	2014	2013
	RM	RM
Cash flow from operating activities		
Cash generated from operations		
Cash received from training provider and others	18,163,286	7,464,606
Cash payment to vendors and staff	(27,160,927)	(27,582,814)
Cash flow changes from operating activities	(8,997,641)	(20,118,208)
Cash from Employers' Fund		
Payments to registered employers	(376,815,921)	(403,034,886)
Receipts from registered employers	520,563,533	478,695,883
Cash flow changes after employers' fund	134,749,971	55,542,789
Cash from Trust Funds and Government Grants		
Payment to employers	(7,776,148)	(5,769,150)
Payment to registered training providers	(25,202,879)	(26,819,277)
Payment for SME activities	(2,283,192)	(3,014,228)
Payment for HRD Conference	(935,503)	(2,017,697)
Payment for Apprentices Allowance	(7,751,132)	(3,563,869)
Payment for Employee Educational Sponsorship	(23,672)	(30,024)
Receipts from government allocation	32,850,000	20,000,000
Receipts from registered employers	13,369,967	8,218,726
Receipts from HRD Conference	941,850	1,779,895
Cash flow changes after Trust Funds and Government Grants	137,939,262	44,327,165
Interest received	37,164,531	35,279,179
Net cash generated from operating activities	175,103,793	79,606,344

Pembangunan Sumber Manusia Berhad
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Statement of cash flows for the year ended 31 December 2014 (continued)

	2014	2013
	RM	RM
Cash flow from investing activities		
Acquisition of plant and equipment	(8,976,931)	(8,801,333)
Acquisition of Investment	(122,539,311)	-
Dividend received	2,919,846	3,307,800
Loan to staffs	(203,510)	364,054
Proceeds from disposal of investments	64,164,876	9,889,121
Proceeds from disposal of plant and equipment	(1,770)	(31,977)
Net cash (used in)/generated from investing activities	(64,636,800)	4,727,665
Net increase in cash and cash equivalents	110,466,993	84,334,009
Cash and cash equivalents at beginning of year	1,069,153,833	984,819,824
Cash and cash equivalents at end of year	<u>1,179,620,826</u>	<u>1,069,153,833</u>

(i) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise of the following amounts:

	2014	2013
	RM	RM
Fixed deposits	1,146,203,153	1,026,576,647
Cash and bank balances	33,417,673	42,577,186
Balance as at 31 December	<u>1,179,620,826</u>	<u>1,069,153,833</u>

The notes on pages 16 to 45 are an integral part of these financial statements.

Pembangunan Sumber Manusia Berhad

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

Notes to the financial statements

Pembangunan Sumber Manusia Berhad is a company limited by guarantee, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office of the Company is as follows:

Registered office and principal place of business

Level 7, Wisma HRDF

Jalan Beringin

Damansara Heights

50490 Kuala Lumpur

As set out in the Pembangunan Sumber Manusia Berhad Act, 2001, the main objective of the Company is the imposition and collection of human resources development levy for the purpose of promoting the training of employees, and the establishment and administration of the human resources development fund.

The functions of the Company are:

- (a) to assess and determine the types and extent of employees' training and retraining in keeping with the human resources needs of industries;
- (b) to promote and stimulate manpower training; and
- (c) to determine the terms and conditions under which any financial assistance or other benefits are to be given.

The financial statements were approved by the Board of Directors on _____.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Company:

1. **Basis of preparation (continued)**

(a) **Statement of compliance (continued)**

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

- Amendments to MFRS 1, *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 Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*

1. **Basis of preparation (continued)**

(a) **Statement of compliance (continued)**

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (continued)

- 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 (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

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

- MFRS 9, *Financial Instruments (2014)*

The Company plans to apply the relevant abovementioned accounting standards, amendments and interpretation:

- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except for MFRS 2, 3, 8, 138 and 140 which are not applicable for the Company.
- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for MFRS 5, 10, 11, 14, 127 and 134 which are not applicable for the Company.
- from the annual period beginning on 1 January 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

1. Basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Company, unless otherwise stated.

(a) Financial instruments

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company becomes a party to the contractual provision of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Company categorises and measures financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost.

2. Significant accounting policies (continued)

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

	%
Building	5
Renovation	10
Motor vehicles	20
Furniture and office fittings	20
Office equipment	20
Electric and electronic equipment	20

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate at the end of the reporting period.

2. Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

(iii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short term commitments.

(d) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial assets is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

2. Significant accounting policies (continued)

(d) Impairment (continued)

(i) *Financial assets (continued)*

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

(ii) *Other assets*

The carrying amounts of other assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. Significant accounting policies (continued)

(e) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) State plans

The Company contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and discounting that amount.

The calculation of defined benefit obligations is performed once every three years by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. The Company determines the net interest expense or income on the net defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to the defined benefit plan are recognised in the profit or loss statements.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2. Significant accounting policies (continued)

(f) Employers' Fund

Payments of human resources development levy by employers are credited into the Employers' Fund on a cash receipt basis. This fund will be disbursed to employers and training providers for the approved training grants on claim basis.

For employers who have been deregistered due to cessation of business (relocation to other countries, insolvency, winding-up, receivership, etc.) and for employers who do not conduct training for their workers for a period of five years, the employers' levy received shall be forfeited by the Company (see Note 2(i)). The accumulated fund from forfeiture of levy may be utilised for the benefit of registered employers, as a whole, based on approval by the Board.

(g) General Reserves II

General Reserves II was established to remit the transfer of levy balances from the accounts of employers who had been deregistered under Section 16(2) Pembangunan Sumber Manusia Berhad Act, 2001. These funds will be transferred back to the Employers' Fund account if the employer is re-registered within a period of two years from the date of deregistration. The employer shall continue to be eligible to receive any financial assistance or other benefits to which the employer was entitled prior to deregistration.

(h) Government grants

Government grants received are held in trust by the Company. The Company has an obligation to distribute the government grants in accordance with the instructions of the Government. The purpose and usage of the government grants are as follows:

(i) Apprenticeship Fund

The fund is the government allocation to finance course fees charged by training providers for conducting off-the-job training for apprentices who undergo apprenticeship training.

(ii) SME Training Incentive Fund

The fund is the government allocation to finance course fees charged by training providers to conduct training programmes which will be credited to employers' levy accounts.

(iii) National Human Resource Centre (NHRC) Development Fund

The NHRC Fund was established to strengthen strategic human resources management among SMEs. The NHRC plays the role of HR Department of SMEs by providing strategic HR support and giving advice to increase the productivity and enhance their workforce to a higher level of competency and capability.

(iv) Study on Green Technology Consultancy Fund

The Company received an allocation from government which is to conduct research and studies with collaboration of International Labour Organization on Green Technology.

2. Significant accounting policies (continued)

(h) Government grants (continued)

(v) *SRI Non-HRDF Fund*

The Company received an allocation from the Government to fund capability building programmes among small medium enterprise (“SMEs”) not registered with HRDF targeting the business owner and non-HR personnel under the Strategic Reform Initiatives (SRI).

(vi) *SAY 1MALAYSIA Fund*

The Company received an allocation from the Government to finance the course fees for Aircraft Maintenance Training offered to air force personnel leaving the service.

(vii) *Human Resource (HR) Certification Body Fund*

The Company was allocated a budget of RM1million by the Government to initiate the Human Resource Certification programmes. Establishment of the Human Resource Certification is one of the strategic approaches identified to enhance the quality of human resource management by human resource practitioners.

(viii) *Housewives Enhancement and Reactivate Talent Scheme (HEARTS FUND)*

The Company received an allocation from the Government to finance the courses conducted for housewives. The objectives of HEARTS programmes are to equip housewives, who are considered as latent workforces but possess tertiary education, with training in specialized skills that would allow them to be self-employed from home.

(ix) *Trade Union Training on Leadership and Raconteur (TUTELAR) Fund*

The objectives of the fund is to equip trade union leaders with leadership and communication skills to enable them to negotiate on collective agreement and trade disputes effectively within the context of industrial harmony as well as the knowledge on their rights and responsibilities under the laws of trade union and industrial relations.

(x) *SME Skill Upgrading Fund*

The programmes under SME Skill Upgrading Fund aim to enhance the knowledge and skills of employees of SMEs in terms of technical and management to help to improve the performance of local SMEs. Course fees will be paid out appointed training providers throughout the country to provide training to SMEs.

(xi) *Minimum Wages Programme Fund*

The training program under Minimum Wages Fund is a form of training grants provided to the Employers' Association and Chamber of Commerce to train workers of SME employers in the association. Through this method, the agency will identify technical courses that are critical in the development of the industry in order to increase contribution of the Gross Domestic Product (GDP) SMEs to 41% by 2020.

2. Significant accounting policies (continued)

(i) Income

(i) *Dividend income*

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(ii) *Interest income*

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

(iii) *Income from fees, services, rental of exhibition booths, penalties on late payment of levy, and forfeiture of levy*

Income from fees, services, rental of exhibition booths, penalties on late payment of levy, and forfeiture of levy is recognised when the right to receive payment is established.

(iv) *Goods sold*

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

2. Significant accounting policies (continued)

(j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

2. Significant accounting policies (continued)

(k) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

Property, plant and equipment comprise of the following:

	Note	2014 RM	2013 RM
Cost			
Property	(a)	33,880,352	33,880,352
Plant and equipment	(b)	38,156,299	29,179,368
		<u>72,036,651</u>	<u>63,059,720</u>
Accumulated depreciation:			
Property	(a)	12,402,051	10,828,164
Plant and equipment	(b)	16,406,966	15,514,140
		<u>28,809,017</u>	<u>26,342,304</u>
Carrying amounts:			
Property	(a)	21,478,301	23,052,188
Plant and equipment	(b)	21,749,333	13,665,228
		<u>43,227,634</u>	<u>36,717,416</u>

(a) Property

	Freehold land RM	Building RM	Total RM
Cost			
At 1 January 2013/ 31 December 2013/31 December 2014	1,591,200	32,289,152	33,880,352
Accumulated depreciation:			
At 1 January 2013	-	9,213,706	9,213,706
Charge for the year	-	1,614,458	1,614,458
At 31 December 2013/1 January 2014	-	10,828,164	10,828,164
Charge for the year	-	1,573,887	1,573,887
At 31 December 2014	-	12,402,051	12,402,051
Carrying amounts:			
At 1 January 2013	1,591,200	23,075,446	24,666,646
At 31 December 2013	1,591,200	21,460,988	23,052,188
At 31 December 2014	1,591,200	19,887,101	21,478,301

3. Property, plant and equipment (continued)

(b) Plant and equipment

	Motor vehicles	Renovation	Furniture and office fittings	Office equipment	Electric and electronic equipment	Software (ICT Project)	Total
	RM	RM	RM	RM	RM	RM	RM
Cost:							
At 1 January 2013	627,268	2,238,656	1,388,733	855,526	13,590,610	1,859,300	20,560,093
Additions	188,134	15,071	175,190	32,288	339,776	8,050,874	8,801,333
Disposal / Write off	(182,058)	-	-	-	-	-	(182,058)
At 31 December 2013/1 January 2014	633,344	2,253,727	1,563,923	887,814	13,930,386	9,910,174	29,179,368
Additions	1,041,802	1,715,000	185,351	79,288	694,917	5,260,573	8,976,931
At 31 December 2014	1,675,146	3,968,727	1,749,274	967,102	14,625,303	15,170,747	38,156,299
Accumulated depreciation:							
At 1 January 2013	477,196	474,797	1,228,119	626,138	12,205,969	-	15,012,219
Charge for the year	92,870	201,884	52,253	50,425	286,547	-	683,979
Disposals	(182,058)	-	-	-	-	-	(182,058)
At 31 December 2013/1 January 2014	388,008	676,681	1,280,372	676,563	12,492,516	-	15,514,140
Charge for the year	82,414	313,887	66,904	61,519	368,102	-	892,826
At 31 December 2014	470,422	990,568	1,347,276	738,082	12,860,618	-	16,406,966
Carrying amounts:							
At 1 January 2013	150,072	1,763,859	160,614	229,388	1,384,641	1,859,300	5,547,874
At 31 December 2013	245,336	1,577,046	283,551	211,251	1,437,870	9,910,174	13,665,228
At 31 December 2014	1,204,724	2,978,159	401,998	229,020	1,764,685	15,170,747	21,749,333

4. Investments

	Quoted 2014 RM	Quoted 2013 RM
Current		
Available-for-sale financial assets	148,670,198	105,125,150
Available-for-sale financial assets include the following:		
Quoted unit trust in Malaysia	62,526,408	105,125,150
Quoted securities in Malaysia	72,439,711	-
	134,966,119	105,125,150
Cash and cash equivalents held by fund manager	13,704,079	-
	<u>148,670,198</u>	<u>105,125,150</u>

5. Accrued interest receivables, deposits and prepayments

	2014 RM	2013 RM
<u>Deposits and Prepayments</u>		
Advances on travelling expenditure	59,760	10,123
Deposit on franking machines	67,880	50,934
Deposit on branch office rental	54,479	54,479
Deposit on medical benefits	65,500	35,500
Deposit on office telephones	253	253
Deposit on parking rental	1,547	1,547
Deposit on photocopy machine	4,500	4,500
Deposit on safe deposit box	200	200
Deposit on store rental	45,077	14,724
Deposit on water and electricity (store)	19,890	19,890
Prepayments on maintenance and services	11,927	5,529
<u>Accrued interest receivables</u>		
Accrued interest on fixed deposits	11,514,535	9,829,499
Accrued interest of penalty on late payment of levy	697,858	582,998
	<u>12,543,406</u>	<u>10,610,176</u>

6. Staff loans

	2014	2013
	RM	RM
Motor vehicle loans	349,401	89,031
Computer loans	92,159	96,852
Housing loans	5,010,443	5,062,610
	<u>5,452,003</u>	<u>5,248,493</u>

Staff loans are granted to eligible employees of the Company, bears interest of 4% per annum (2013: 4% per annum), and are repayable over the term stipulated in the individual agreements with the eligible employees up to a maximum of 5 years, 8 years and 25 years for computer loans, motor vehicle loans and housing loans, respectively.

7. Cash and cash equivalents

	2014	2013
	RM	RM
Fixed deposits are placed with:		
Licensed banks	613,929,702	358,286,662
Other financial institutions	532,273,451	668,289,985
	<u>1,146,203,153</u>	<u>1,026,576,647</u>
Cash and bank balances	33,417,673	42,577,186
	<u>1,179,620,826</u>	<u>1,069,153,833</u>

Included in cash and cash equivalents are balances amounting RM934,994,073 (2013: RM794,600,678) and RM42,664,710 (2013: RM26,965,085) which are to be used for the activities relating to Employers' Fund and Government Grants as disclosed in Note 9 and Note 11, respectively.

8. Retirement benefits

	2014	2013
	RM	RM
Present value of unfunded obligations	11,505,773	9,848,268
Recognised liability for defined benefit obligations	<u>11,505,773</u>	<u>9,848,268</u>
Analysed as:		
Non-current portion	11,505,773	9,848,268
	<u>11,505,773</u>	<u>9,848,268</u>

8. Retirement benefits (continued)

Liability for defined benefit obligations

The Company recognised liability for defined benefit obligations based on the actuarial valuation report dated 14 December 2012. The Company operates a defined benefit scheme that provides pension benefits for employees upon retirement. Under the scheme, eligible employees are entitled to retirement benefits of 1.5 months of the last drawn salary for each completed year of service upon the retirement age of 60 if the number of years of service is less than 10 years and 2.0 months if the number of years of service is more than 10 years. For employees who are appointed after 1 April 2008, they are entitled to retirement benefits of 0.75 month of the last drawn salary for each completed year of service upon the retirement age of 55 if the number of years of service is less than 10 years and 1.0 month if the number of service is more than 10 years. Employees are also given the option to retire at the age of 50 and 45 for males and females respectively.

Movements in the present value of defined benefit obligations

	2014 RM	2013 RM
Defined benefit obligations at 1 January	9,848,268	9,027,943
Current service costs and interest	1,657,505	1,542,883
Benefits paid by the plan	-	(722,558)
Defined benefit obligations at 31 December	<u>11,505,773</u>	<u>9,848,268</u>

Expenses recognised in profit or loss

	2014 RM	2013 RM
Current service cost	1,056,866	1,024,741
Interest on obligation	600,639	518,142
Net benefit expenses	<u>1,657,505</u>	<u>1,542,883</u>

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	2014 RM	2013 RM
Discount rate	5.75%	5.75%
Average salary increase	6.0%	6.0%

8. Retirement benefits (continued)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Defined benefit obligation	2014		2013	
	Increase RM	Decrease RM	Increase RM	Decrease RM
Discount rate (1% movement)	1,491,409	(1,491,409)	1,388,974	(1,388,974)
Average salary increase (1% movement)	1,858,906	(1,858,906)	1,597,323	(1,597,323)

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

9. Employers' Fund

	2014 RM	2013 RM
Balance as at 1 January	794,600,678	721,488,209
Add : Levy collected	520,563,533	478,695,883
SME Training Incentive Grant	7,380,950	5,769,150
Credited Back From General Reserves – re-registration	13,243	-
	1,322,558,404	1,205,953,242
Less : Training grant disbursed	(383,305,837)	(407,647,551)
Transferred to General Reserves II – deregistration (Note 10)	(649,788)	(490,356)
Forfeiture of levy	(2,704,429)	(2,058,172)
Overpayment of levy refunded	(904,277)	(1,156,485)
Balance as at 31 December	934,994,073	794,600,678

10. General Reserves II

	2014 RM	2013 RM
Balance as at 1 January	912,629	576,129
Add: Transfer from Employers' Fund (Note 9)	649,788	490,356
	1,562,417	1,066,485
Less: Transferred to General Reserves I – forfeiture due to failure to re-register within two years	(37,364)	(153,856)
Balance as at 31 December	1,525,053	912,629

11. Government grants

	Note	2014 RM	2013 RM
Apprenticeship Fund	(a)	18,171,784	15,879,738
SME Training Incentive Fund	(b)	6,843,290	5,119,438
Study on Green Technology Consultancy Fund	(c)	617,730	617,730
NHRC Development Fund	(d)	359	386,090
SRI Non-HRDF Fund	(e)	100,778	225,589
SAY 1Malaysia Fund	(f)	339,408	684,808
HR Certification Body Fund	(g)	573,939	1,000,000
HEARTS Fund	(h)	1,052,770	1,643,500
TUTELAR Fund	(i)	314,652	1,408,192
SME Skill Upgrading Fund	(j)	4,650,000	-
Minimum Wage Programme Fund	(k)	10,000,000	-
		<u>42,664,710</u>	<u>26,965,085</u>

(a) Apprenticeship Fund

	2014 RM	2013 RM
Balance as at 1 January	15,879,738	13,044,560
Add : Government allocation	8,000,000	9,000,000
	<u>23,879,738</u>	<u>22,044,560</u>
Less : Payment for apprentices' course fees	(5,707,954)	(6,164,822)
Balance as at 31 December	<u>18,171,784</u>	<u>15,879,738</u>

(b) SME Training Incentive Fund

	2014 RM	2013 RM
Balance as at 1 January	5,119,438	5,888,588
Add : Government allocation	9,500,000	8,000,000
	<u>14,619,438</u>	<u>13,888,588</u>
Less : Expenses	(7,776,148)	(5,769,150)
Transfer to Hearts Fund - Note (h)	-	(1,000,000)
Transfer to Tutelar Fund - Note (i)	-	(2,000,000)
Balance as at 31 December	<u>6,843,290</u>	<u>5,119,438</u>

11. Government grants (continued)

(c) Study on Green Technology Consultancy Fund

	2014	2013
	RM	RM
Balance as at 1 January	617,730	617,730
Add : Government allocation	-	-
	<u>617,730</u>	<u>617,730</u>
Less : Expenses	-	-
Balance as at 31 December	<u>617,730</u>	<u>617,730</u>

(d) National Human Resource Centre (NHRC) Development Fund

	2014	2013
	RM	RM
Balance as at 1 January	386,090	822,677
Add : Government allocation	700,000	1,000,000
	<u>1,086,090</u>	<u>1,822,677</u>
Less : Expenses	(1,085,731)	(1,436,587)
Balance as at 31 December	<u>359</u>	<u>386,090</u>

(e) SRI Non-HRDF Fund

	2014	2013
	RM	RM
Balance as at 1 January	225,589	1,018,178
Add : Government allocation	-	-
	<u>225,589</u>	<u>1,018,178</u>
Less : Expenses	(124,811)	(792,589)
Balance as at 31 December	<u>100,778</u>	<u>225,589</u>

(f) SAY 1Malaysia Fund

	2014	2013
	RM	RM
Balance as at 1 January	684,808	1,100,000
Add : Government allocation	-	-
	<u>684,808</u>	<u>1,100,000</u>
Less : Expenses	(345,400)	(415,192)
Balance as at 31 December	<u>339,408</u>	<u>684,808</u>

(g) HR Certification Body Fund

	2014	2013
	RM	RM
Balance as at 1 January	1,000,000	-
Add : Government allocation	-	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
Less : Expenses	(426,061)	
Balance as at 31 December	<u>573,939</u>	<u>1,000,000</u>

(h) Hearts Fund

	2014	2013
	RM	RM
Balance as at 1 January	1,643,500	-
Add : Transfer from SME Training Incentive Fund Note (b)	-	1,000,000
Government allocation	-	1,000,000
	<u>1,643,500</u>	<u>2,000,000</u>
Less : Expenses	(590,730)	(356,500)
Balance as at 31 December	<u>1,052,770</u>	<u>1,643,500</u>

(i) Tutelar Fund

	2014	2013
	RM	RM
Balance as at 1 January	1,408,192	-
Add : Transfer from SME Training Incentive Fund Note (b)	-	2,000,000
	<u>1,408,192</u>	<u>2,000,000</u>
Less : Expenses	(1,093,540)	(591,808)
Balance as at 31 December	<u>314,652</u>	<u>1,408,192</u>

(j) SME Skill Upgrading Fund

	2014	2013
	RM	RM
Balance as at 1 January	-	-
Add : Government allocation	4,650,000	-
	<u>4,650,000</u>	<u>-</u>
Less : Expenses	-	-
Balance as at 31 December	<u>4,650,000</u>	<u>-</u>

(k) Minimum Wage Program Fund

	2014	2013
	RM	RM
Balance as at 1 January	-	-
Add : Government allocation	10,000,000	-
	<u>10,000,000</u>	<u>-</u>
Less : Expenses	-	-
Balance as at 31 December	<u>10,000,000</u>	<u>-</u>

12. Net surplus for the year

	2014	2013
	RM	RM
Net surplus for the year is arrived at after crediting:		
Dividend and other investment income	6,294,281	3,307,800
Fee income from training providers	2,131,584	2,558,208
	<u>8,425,865</u>	<u>5,866,008</u>
and after charging:		
Auditors' remuneration		
- Statutory audit	71,000	71,000
- Other services	187,500	-
Depreciation	2,466,713	2,298,437
Personnel expenses:		
- Expenses related to defined benefit plans	1,657,505	1,542,883
- Wages, salaries and others	12,776,256	10,716,761
- Contributions to Employees Provident Fund	1,710,966	1,637,657
Rental of premises	300,054	265,051
	<u>16,060,994</u>	<u>15,460,789</u>

The number of employees of the Company (including Directors) at the end of the year was 249 (2013: 203 employees).

13. Income tax benefit

	2014	2013
	RM	RM
- Current year	<u>12,982</u>	<u>18,347</u>

The Company is exempted from the payment of income tax in respect of statutory income in relation to all of its sources of income except dividend income for 10 years from the year of assessment 2009 until the year of assessment 2017. The exemption was made vide the Ministry of Finance letter ref. (8.09)248/40/7-1458(7) dated 14 April 2008. Tax recoverable is subject to approval by the Inland Revenue Board.

14. Key management personnel compensation

The key management personnel compensations are as follows:

	2014 RM	2013 RM
Directors:		
Fees	315,500	247,500
Remuneration	272,718	305,605
	<u>588,218</u>	<u>553,105</u>

15. Financial instruments

15.1 Categories of financial instruments

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

- (a) Loans and receivables (L&R);
- (b) Other liabilities (OL); and
- (c) Available-for-sale financial assets (AFS)

	Carrying amount RM	L & R RM	AFS RM
2014			
<i>Financial assets</i>			
Accrued interest receivables	12,212,393	12,212,393	-
Deposits	319,086	319,086	-
Staff loans	5,452,003	5,452,003	-
Investment	148,670,198	-	148,670,198
Fixed deposits	1,146,203,153	1,146,203,153	-
Cash and bank balances	33,417,673	33,417,673	-
	<u>1,346,274,506</u>	<u>1,197,604,308</u>	<u>148,670,198</u>
2013			
<i>Financial assets</i>			
Accrued interest receivables	10,412,497	10,412,497	-
Deposits	76,614	76,614	-
Staff loans	5,248,493	5,248,493	-
Investment	105,125,150	-	105,125,150
Fixed deposits	1,026,576,647	1,026,576,647	-
Cash and bank balances	42,577,186	42,577,186	-
	<u>1,190,016,587</u>	<u>1,084,891,437</u>	<u>105,125,150</u>

15. Financial instruments (continued)

15.1 Categories of financial instruments (continued)

	Carrying amount RM	OL RM
2014		
<i>Financial liabilities</i>		
Employers' Fund	934,994,073	934,994,073
General Reserve II	1,525,053	1,525,053
Government grants	42,664,710	42,664,710
Other payables	7,942,217	7,942,217
Accrued expenditure	10,383,759	10,383,759
	<u>997,509,812</u>	<u>997,509,812</u>
2013		
<i>Financial liabilities</i>		
Employers' Fund	794,600,678	794,600,678
General Reserve II	912,629	912,629
Government grants	26,965,085	26,965,085
Other payables	4,683,958	4,683,958
Accrued expenditure	1,818,553	1,818,553
	<u>828,980,903</u>	<u>828,980,903</u>

15.2 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

Risk management objectives, policies and processes for managing the risk

The Company's exposure to credit risk is minimal. Credit risk mainly arises from the Company's fixed deposits placed with licensed banks and other financial institutions, and the interest receivable from those placements. The exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from cash and bank balances, fixed deposits, investments, other receivables and deposits are represented by the carrying amount in the statement of financial position.

15. Financial instruments (continued)

15.2 Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its obligation to disburse various training grants.

The Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2014	Carrying amount	Contractual interest rate/ coupon	Contractual cash flows	Under 1 year
	RM		RM	RM
Employers' Fund	934,994,073	-	934,994,073	934,994,073
General Reserve II	1,525,053	-	1,525,053	1,525,053
Government grants	42,664,710	-	42,664,710	42,664,710
Other payables	7,942,217	-	7,942,217	7,942,217
Accrued expenditure	10,383,759	-	10,383,759	10,383,759
	<u>997,509,812</u>		<u>997,509,812</u>	<u>997,509,812</u>
2013				
Employers' Fund	794,600,678	-	794,600,678	794,600,678
General Reserve II	912,629	-	912,629	912,629
Government grants	26,965,085	-	26,965,085	26,965,085
Other payables	4,683,958	-	4,683,958	4,683,958
Accrued expenditure	1,818,553	-	1,818,553	1,818,553
	<u>828,980,903</u>		<u>828,980,903</u>	<u>828,980,903</u>

15. Financial instruments (continued)

15.2 Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Company's financial position or cash flows.

(d) Interest rate risk

The Company is not significantly exposed to the risk of changes in interest rates as it does not have any significant floating rate financial instruments.

(e) Other price risk

Price risk arises from the Company's investments.

Risk management objectives, policies and processes for managing the risk

Management of the Company monitors the investments on an individual basis. All buy and sell decisions are approved by the Investment Committee of the Company.

Unit trust price risk sensitivity analysis

A change of 1% of the price of the investments at the end of the reporting period would have increased/(decreased) equity and post-tax surplus by the amounts shown below:

	Equity	
	1% Increase RM	1% Decrease RM
2014	1,486,702	(1,486,702)
2013	1,051,252	(1,051,252)

15. Financial instruments (continued)

15.2 Financial risk management (continued)

(f) Fair value of financial instruments (continued)

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accrual, approximate their fair values due to the relatively short term nature of these financial instruments. The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM		
2014										
Financial assets										
Investments	134,966,119	-	-	134,966,119	-	-	-	-	134,966,119	134,966,119
2013										
Financial assets										
Investments	105,125,150	-	-	105,125,150	-	-	-	-	105,125,150	105,125,150

Level 1

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

16. Capital management

The Company's objective when managing capital is to maintain a strong capital base, so as to sustain its human resources development activities. There were no changes in the Company's approach to capital management during the financial year.

17. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company.

During the year, there are no transactions with key management personnel, as defined above, other than as disclosed in Note 14.

Supplementary information on the breakdown of retained earnings

	2014	2013
	RM	RM
Retained earnings consist of the following:		
- Retained earnings unallocated	321,423,227	291,899,470
- Retained earnings allocated to specific usage under trust funds	75,981,571	104,025,498
	<u>397,404,798</u>	<u>395,924,968</u>

Trust funds as at 31 December are as follows:

		2014	2013
	Note	RM	RM
Motor Vehicle Loan Fund	1	800,000	800,000
Computer Loan Fund	2	300,000	300,000
Housing Loan Fund	3	17,124,150	16,628,038
Educational Sponsorship Fund	4	393,156	416,828
Retrenched Workers Training Fund	5	937,722	942,022
Apprenticeship Fund (apprentices allowances)	6	18,498,993	24,811,185
Training and Consultancy Fund	7	7,400,928	4,687,040
General Reserve I	8	21,752,871	21,023,271
SME Training Coordinating Fund	9	3,168,829	5,452,021
SME TNA Consultancy Fund	10	3,112,303	3,739,096
National HRD Conference Fund	11	1,084,300	1,077,953
1Malaysia HRDF Skill Upgrading Fund	12	4,621	35,701
1Malaysia Training Programme Fund	13	-	20,772,255
Recognition of Prior Learning Fund (RPL)	14	110,020	3,112,100
Sewin Machine Technician Fund (MATAC)	15	211,938	226,938
Halal Internal Audit Training Fund	16	-	1,050
National Upskilling Committee (NUC) Fund	17	1,081,740	-
PSMB Development Fund	18	-	-
Total		<u>75,981,571</u>	<u>104,025,498</u>

This supplementary information does not form part of the audited financial statements.

Notes to trust funds

These comprise funds which have been created to fund the following programmes.

(i) Motor Vehicles Loan Fund, Computer Loan Fund, Housing Loan Fund and Educational Sponsorship Fund

Motor vehicles loan, computer loan, housing loan and educational sponsorship are benefits provided to employees of the Company. Employees are charged interest rate of 4% for motor vehicles, computer and housing loans. As for educational sponsorship, employees are only required to pay 20% of the tuition fees if they obtained the Cumulative Grades Point Average (CGPA) below 2.5 for certificate, diploma and degree or below 3.0 for master degree and doctorate, respectively.

(ii) Retrenched Workers Training Fund

The fund is to finance course fees charged by training providers for conducting training for workers who have been retrenched from employers registered with the Company or industries covered under Pembangunan Sumber Manusia Berhad Act, 2001.

(iii) Apprenticeship Fund

The fund is to finance monthly allowances of apprentices on the job and off the job who undergo apprenticeship training.

(iv) Training and Consultancy Fund

Training and Consultancy Fund was established as a revolving fund to collect fees from participants and defray training expenses under SMETAP training programmes and to finance the Company's employees who undergo overseas training and conferences.

(v) General Reserves I

This fund relates to employers' levy for employers who have been deregistered due to cessation of business (relocation to other countries, insolvency, winding-up, receivership, non-transfer of assets and liabilities for companies that underwent change of ownership, companies that are placed under write, seizure and sale, auction etc.) and forfeiture of levy for employers who do not conduct training for their workers for a period of five years. The employers ceased to be eligible to receive any financial assistance or other benefits once they have been deregistered. This fund can be utilised for the benefit of employers registered with Company, as a whole, based on approval by the Board.

This supplementary information does not form part of the audited financial statements.

Notes to trust funds (continued)

(vi) *Small and Medium Enterprises (SME) Training Coordinating Fund*

The company was appointed as the coordinating body to coordinate the overall training and human resource development of SME's across all sectors of economy in Malaysia by the National SME Development Council on 2 December 2005. The fund is to finance activities as laid down in the SME Training blueprint.

(vii) *SME TNA Consultancy Fund*

The fund is to finance consultancy fees charged by consultants for conducting Training Needs Analysis and preparation of Annual Training Plans for SME employers.

(viii) *National Human Resources Development (HRD) Conference*

The National HRD Conference Fund was established as a revolving fund to self-finance in organizing the Company's annual conference. The main function of the fund is to collect the payment of conference fees from the participants, payment of exhibition booths from the exhibitors and the payment for all expenses incurred for the conference mainly for the rental of conference hall and the seminar package.

(ix) *1Malaysia HRDF Skill Upgrading Fund*

The fund is also established to provide financial assistance and opportunity for Malaysian workers in Small and Medium Enterprise to go for training in certification programmes that would support the Government's Vision in attaining High-Income Economy by the year 2020. It will encourage employers to upgrade their workers knowledge and skills in the areas of innovation, creativity and high value-added.

(x) *1Malaysia Training Programme Fund*

The 1Malaysia Training Programme was established to provide opportunity to employees to upskill and/or reskill themselves. Selection of training courses is based on the value embedded in the programme to upskill employees such as professional certification, Sijil Kemahiran Malaysia, or courses that will provide employees with new skills. As an incentive for employers to send their employees into the programme, 20% of course fees will be reimbursed and credited into the employers' levy account.

This supplementary information does not form part of the audited financial statements.

Notes to trust funds (continued)

(xi) Recognition of Prior Learning Fund (RPL)

Recognition of Prior Learning Fund allows employers to claim multi-level registration fees for certification of their workers who have skills and experience under Malaysia Skills Certification (MSC), Malaysia Diploma Skills (MDS) or Malaysia Advanced Diploma Skills (MADS) from the Department of Skills Development according to their competency levels.

(xii) Sewin Machine Technician Fund (MATAC)

The Sewin Machine Technician Fund was established by the Company to train the unemployed and school drop-outs to become sewing machine technicians. This programme will be conducted by the Malaysian Textile and Apparel Centre (MATAC) and the training fees will be sponsored by the Company.

(xiii) Halal Internal Audit Training Fund

The Halal Internal Audit Training Fund was established in collaboration with Malaysian Association of Hotels (MAH) to train 450 participants to become the internal halal auditors before obtaining the Halal certification status for their kitchens and restaurants from Jabatan Kemajuan Islam Malaysia (JAKIM).

(xiv) National Upskilling Committee (NUC) Fund

The National Upskilling Committee (NUC) fund was established by the Honourable Minister of Human Resources on 24th March 2014 and approved by the Board members of PSMB on 15th April 2014. The main objectives of the establishment of this NUC were to develop, implement, monitor and evaluate the Recognition of Prior Learning (RPL) project at a national level besides to ensure that the targets can be achieved and also to evaluate and monitor the process of recognition issued by the appointed certification body.

(xv) PSMB Development Fund

Under PSMB Development Fund, the BOD had approved RM2.01 million for Human Capital Transformation Study where a comprehensive study was conducted on organizational realignment and compensation & benefits scheme to support the organizational realignment. This study was intended to address the “how-to” of the concerns in the areas identified and capacity to deliver its expected services with high productivity and quality.

This supplementary information does not form part of the audited financial statements.

Notes to trust funds (continued)

1. Motor Vehicle Loan Fund

	2014 RM	2013 RM
Balance as at 1 January/ 31 December	<u>800,000</u>	<u>800,000</u>

2. Computer Loan Fund

	2014 RM	2013 RM
Balance as at 1 January/ 31 December	<u>300,000</u>	<u>300,000</u>

3. Housing Loan Fund

	2014 RM	2013 RM
Balance as at 1 January	16,628,038	15,974,744
Add : Interest on housing loan	192,839	205,742
Interest on investments	312,378	458,047
	<u>17,133,255</u>	<u>16,638,533</u>
Less : Government subsidies	(9,105)	(10,495)
Balance as at 31 December	<u>17,124,150</u>	<u>16,628,038</u>

4. Educational Sponsorship Fund

	2014 RM	2013 RM
Balance as at 1 January	416,828	446,852
Less : Expenses for Educational Sponsorship Fund	(23,672)	(30,024)
Balance as at 31 December	<u>393,156</u>	<u>416,828</u>

5. Retrenched Workers Training Fund

	2014 RM	2013 RM
Balance as at 1 January	942,022	9,138,080
Less : Expenses for Retrenched Workers Training Fund	(4,300)	(8,196,058)
Balance as at 31 December	<u>937,722</u>	<u>942,022</u>

This supplementary information does not form part of the audited financial statements.

Notes to trust funds (continued)

6. Apprenticeship Fund (apprentices allowances)

	2014	2013
	RM	RM
Balance as at 1 January	24,811,185	368,054
Add : Transfer from General Reserve I (Note 8)	-	27,000,000
	<u>24,811,185</u>	<u>27,368,054</u>
Less : Expenses for Apprenticeship Fund (apprentices allowances)	(6,312,192)	(2,556,869)
Balance as at 31 December	<u>18,498,993</u>	<u>24,811,185</u>

7. Training and Consultancy Fund

	2014	2013
	RM	RM
Balance as at 1 January	4,687,040	5,390,343
Add : Participation fees	13,369,967	8,218,726
	<u>18,057,007</u>	<u>13,609,069</u>
Less : Expenses for Training and Consultancy Fund	(10,656,079)	(8,922,029)
Balance as at 31 December	<u>7,400,928</u>	<u>4,687,040</u>

8. General Reserves I

	2014	2013
	RM	RM
Balance as at 1 January	21,023,271	45,811,243
Add : Forfeiture of levy	2,741,793	2,212,028
Transfer back balance from Internal Halal Auditor Fund (Note 16)	1,050	
	<u>23,766,114</u>	<u>48,023,271</u>
Less : Expenses for re-registration of employers	(13,243)	-
Transfer to Apprenticeship Fund (Apprentice Allowances) (Note 6)	-	(27,000,000)
Transfer to NUC Fund (Note 17)	(2,000,000)	-
Balance as at 31 December	<u>21,752,871</u>	<u>21,023,271</u>

This supplementary information does not form part of the audited financial statements.

Notes to trust funds (continued)

9. SME Training Coordinating Fund

	2014	2013
	RM	RM
Balance as at 1 January	5,452,021	8,466,249
Less : Expenses for SME Training and Coordinating Fund	(2,283,192)	(3,014,228)
Balance as at 31 December	<u>3,168,829</u>	<u>5,452,021</u>

10. SME TNA Consultancy Fund

	2014	2013
	RM	RM
Balance as at 1 January	3,739,096	4,205,626
Less : Consultant's fees	(571,169)	(439,922)
Expenses for SME TNA Consultancy Fund	(55,624)	(26,608)
Balance as at 31 December	<u>3,112,303</u>	<u>3,739,096</u>

11. National HRD Conference Fund

	2014	2013
	RM	RM
Balance as at 1 January	1,077,953	1,315,755
Add : Income received from National HRD Conference Fund	941,850	1,779,895
	<u>2,019,803</u>	<u>3,095,650</u>
Less : Expenses for National HRD Conference Fund	(935,503)	(2,017,697)
Balance as at 31 December	<u>1,084,300</u>	<u>1,077,953</u>

12. 1Malaysia HRDF Skill Upgrading Fund

	2014	2013
	RM	RM
Balance as at 1 January	35,701	92,501
Less : Expenses for 1Malaysia HRDF Skill Upgrading Fund	(31,080)	(56,800)
Balance as at 31 December	<u>4,621</u>	<u>35,701</u>

This supplementary information does not form part of the audited financial statements.

Notes to trust funds (continued)

13. 1Malaysia Training Programme Fund

	2014	2013
	RM	RM
Balance as at 1 January	20,772,255	20,772,255
Less : Transfer to Retained Earnings	(20,772,255)	-
Balance as at 31 December	<u>-</u>	<u>20,772,255</u>

14. Recognition of Prior Learning Fund (RPL)

	2014	2013
	RM	RM
Balance as at 1 January	3,112,100	3,412,900
Less : Expenses for RPL Fund	(3,002,080)	(300,800)
Balance as at 31 December	<u>110,020</u>	<u>3,112,100</u>

15. Sewin Machine Technician Fund (MATAC)

	2014	2013
	RM	RM
Balance as at 1 January	226,938	353,500
Less : Expenses for MATAC Fund	(15,000)	(126,562)
Balance as at 31 December	<u>211,938</u>	<u>226,938</u>

16. Halal Internal Audit Training Fund

	2014	2013
	RM	RM
Balance as at 1 January	1,050	1,050
Less : Transfer the balance to General Reserve 1 (Note 8)	(1,050)	-
Balance as at 31 December	<u>-</u>	<u>1,050</u>

This supplementary information does not form part of the audited financial statements.

17. National Upskilling Committee (NUC) Fund

	2014	2013
	RM	RM
Balance as at 1 January	-	-
Add : Transfer from General Reserve 1 (Note 8)	2,000,000	-
	<hr/> 2,000,000	<hr/> -
Less : Expenses	(918,260)	-
Balance as at 31 December	<hr/> <u>1,081,740</u>	<hr/> <u>-</u>

18. PSMB Development Fund

	2014	2013
	RM	RM
Balance as at 1 January	-	-
Add : Transfer from Retained Earnings	2,014,000	-
	<hr/> 2,014,000	<hr/> -
Less : Expenses on Human Capital Transformation Study	(2,014,000)	-
Balance as at 31 December	<hr/> <u>-</u>	<hr/> <u>-</u>

This supplementary information does not form part of the audited financial statements.



PEMBANGUNAN SUMBER MANUSIA BERHAD

Wisma HRDF, Jalan Beringin,
Damansara Heights, 50490 Kuala Lumpur

PSMB Contact Centre: 1800-88-4800

Fax: 03-2096 4999