

# Expanding Possibilities

ANNUAL REPORT 2021

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# About this Report



## ABOUT THIS REPORT

# Expanding Possibilities

The visual concept demonstrates our commitment towards opening doors of opportunities and igniting new possibilities to drive collective and inclusive growth.

The circular outlines represent the symbolic motion of expansion, while the darker colour lines of blue and orange in varying length and weight speak to the diversity and dynamism of our stakeholders, which we are highly responsible in serving effectively.

The outlines altogether form a fingerprint-like graphic which represents individuality and security. This articulates HRD Corp's vision of making every Malaysian trained and employable, thereby meeting their personal and financial needs.

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# Our Achievements





## Remaining Steadfast and Resilient

As we moved into 2021, we continued to face challenges from COVID-19. We learned from our experiences in 2020 and introduced a broad range of programmes and initiatives for Malaysians from all backgrounds, ages and education level.

We leverage technology and digital solutions to engage with our employers, employees and stakeholders. This allows us to understand their issues and skills gaps, and from there, identify solutions to driving Malaysia's workforce of the future. Nevertheless, it was heartening to see many go above and beyond to adapt to the new demands of the work environment to improve their income and quality of life. More than 300,000 Malaysians participated in our human capital development programmes to reskill, upskill or simply gain new knowledge.

While it was challenging on all fronts, Warga HRD Corp worked relentlessly to ensure no Malaysian was left behind. They forged ahead together, armed with a strong spirit of determination and dedication, even during the most challenging periods.

In retrospect, while 2020 gave us unprecedented challenges, 2021 gave us new hope. HRD Corp will continue to drive change in the human capital arena, developing talents with the right skillsets that can lead Malaysia into the future.

### At a Glance

2021 ACHIEVEMENTS

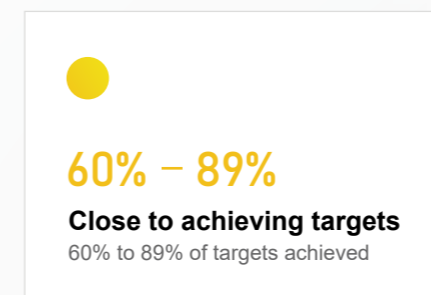
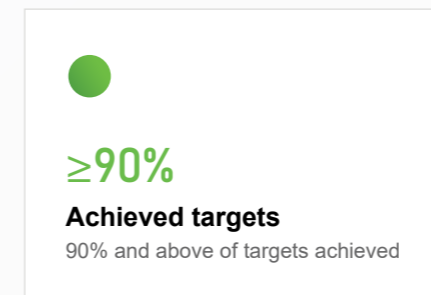


## HRD Corp's General KPIs & Achievements for 2021

We identified 10 KPIs at the beginning of 2021 to measure HRD Corp's overall organisational performance for the year.

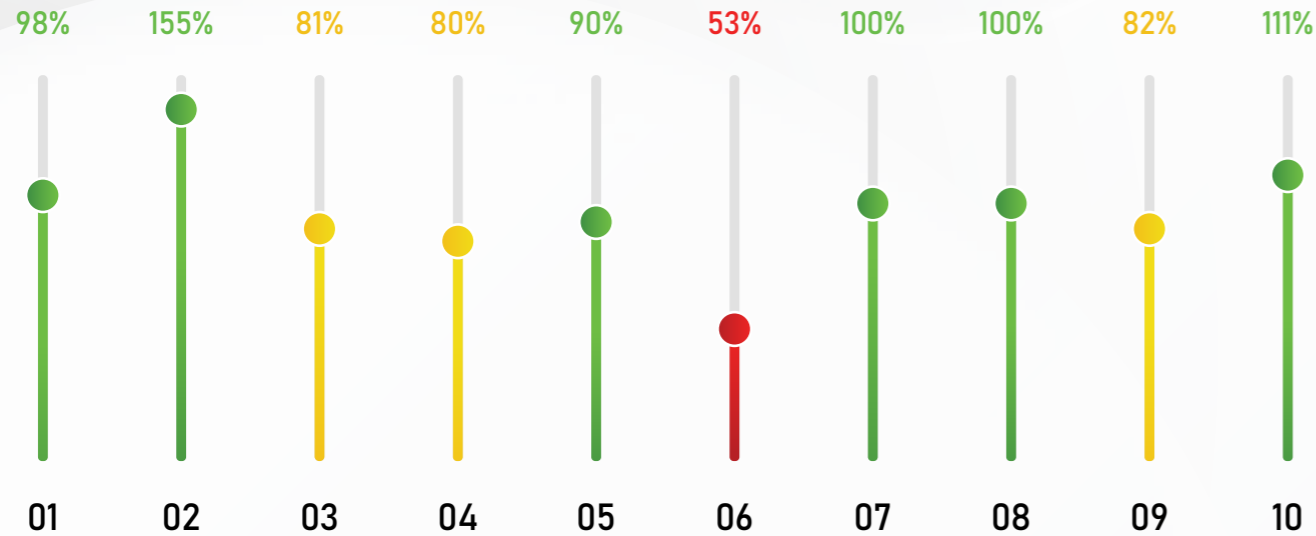


The Management agreed to adopt a traffic lights approach to provide a clear and tangible representation of the actual KPIs in percentages. Each KPI is categorised as **green**, **yellow** or **red** depending on how close they were to attaining their targeted outcomes. The actual targeted outcome is measured as a percentage, with 100% indicating that the targets were fully achieved.



- KPI 01 Expansion of the PSMB Act, 2001
- KPI 02 Job Placement / Employment
- KPI 03 HRD Corp Placement Centre - Upskill Malaysia
- KPI 04 Jana'Preneur
- KPI 05 National Human Resource Centre (NHRC)
- KPI 06 National Human Resource Certificate Institute (NHRCI) Certification
- KPI 07 Rebranding of HRD Corp
- KPI 08 Relocation of HRD Corp HQ
- KPI 09 e-LATiH Courses
- KPI 10 HRD Corp Microcredential Framework

# HRD Corp's Corporate KPIs in 2021



Despite the disruptions throughout the year, HRD Corp demonstrated a remarkable amount of resilience and agility, backed by a strong spirit of innovation. Our ability to adapt to changes and introduce relevant programmes that meet the needs of our talent capital, led us to achieve 95% in our overall performance.

The excellent performance can be attributed to the fact that we were able to meet the targets for four (4) of our KPIs, while exceeding two (2) more. Three (3) KPIs were categorised as yellow or close to achieving targets, and we recorded one (1) red.

We met the targets for the expansion of the PSMB Act 2001, National Human Resource Centre, rebranding of HRD Corp and relocation of HRD Corp HQ as the Request for Proposal (RFP) process was completed while the open tender process will commence once approval is obtained from the management. We exceeded our targets for job placements and framework development for the HRD Corp Microcredential Scheme.

Meanwhile, we recorded yellow for Jana'Preneur, HRD Corp Placement Centre initiatives and e-LATiH – as we were slightly below our targets. Nevertheless, we were unable to meet the expectations set for National Human Resource Certificate Institute (NHRCI) as we only scored 53% due to the COVID-19 pandemic and economic challenges faced all over the world, including in Malaysia. The implementation of the phased National Recovery Plan last year also caused programmes and initiatives to be either cancelled or postponed.

# Ministry-specific KPIs & Achievements for 2021

Ministry of Human Resources (MOHR)

## Performance Indicator

KPIs	Target	Achievement (%)
Number of Skilled Workers Trained	45,000	69,981 (156%)
Number of Trainees Trained	350,000	452,814 (129%)
Number of Registered Employers	53,300	67,125 (126%)

As the custodian of Malaysia's human capital development, we support the government's aspirations to a build highly-skilled workforce in order to meet its goal of creating a digitally-driven, high-income economy by 2030. To that end, we worked with the Ministry of Human Resources to deliver programmes and initiatives that could achieve them.

We were able to exceed the targets for the following KPIs; Number of Skilled Workers, Number of Trainees Trained and Number of Registered Employers due to our ability to address employers' needs by providing the right type of training for employees. This was done through our various engagement sessions conducted with the employers as well as employers' associations in promoting skills-based trainings. Additionally, we also focused our efforts on increasing the number of eligible employers covered under the Act.

In March 2021, the PSMB Act 2001 was expanded to cover all economic sectors in Malaysia which also contributed to our ability to exceed our KPIs. The expansion of the Act will enable more workers across all sectors to gain access to training, either through human resource development levy contributions or skills upgrading and training offered by the Government.



# Overview of HRD Corp



## ABOUT HRD CORP

# Who We Are

Human Resource Development Corporation (HRD Corp) was established in 1993 as the Human Resources Development Council (HRDC) for the purpose of collecting levy from key industries and disbursing training grants to registered employers. This was done through its internal mechanics known as the Human Resources Development Fund (HRDF). Soon, the mechanics became synonymous with the organisation and our stakeholders started referring to us as HRDF.

Over the years, the council became an integral part of Malaysia's human capital development landscape, expanding its core function to more sectors and industries, while supporting the growth of training providers in the country.

In 2001, Human Resource Development Council was incorporated into Pembangunan Sumber Manusia Berhad (PSMB) through the enactment of the Pembangunan Sumber Manusia Berhad Act 2001. To the public however, we continued to be known as HRDF.

In April 2021, HRDF became HRD Corp. The rebranding exercise was formalised by Dato' Sri Ismail Sabri bin Yaakob, the Prime Minister of Malaysia at an official launch event on 2 December 2021. The new brand name reflects the organisation's new responsibilities, directions, and mission.

This includes expanding its existing upskilling and reskilling efforts for registered employers to all Malaysian organisations and individuals; and providing training, placement, and income-generating opportunities to all communities in need. This is in line with HRD Corp's ambition of driving Malaysia's talent development aspirations for the long term.

In 2021, we continued to empower Malaysia's workforce across all ages and backgrounds by introducing key reskilling and upskilling programmes that will help them secure the best professional opportunities, based on their skillsets, capabilities, knowledge and experience. We worked with local and global partners to ensure our talents gained access to quality content and resources, some which are currently not available in Malaysia. We also extended programmes to the underserved communities to provide them with skills and competencies that could help them generate more income and improve their quality of life. Cognisant of our role in building a resilient, flexible and highly-skilled workforce, we encouraged employees and individuals to continuously enhance their knowledge base via lifelong learning as this will provide them with a diverse set of experiences that will prepare them for the future of work.

For more information, please visit – [www.hrdcorp.gov.my](http://www.hrdcorp.gov.my).

## VISION

# Every Malaysian trained and employable

## MISSION

# Improving lives through the promotion of lifelong learning and the acquisition of future work skills



HRD CORP

# Core Values **PILLAR**

## PASSION



Believes in our mission to improve the lives of Malaysians while demonstrating positive attitude and working towards a culture of excellence.

## INTEGRITY



Adheres to the highest standards of professionalism, ethics, and personal responsibility, worthy of the trust placed in us by our stakeholders.

## LEADERSHIP



Leads by example, by spearheading the need for continuous learning within the organisation and providing stewardship to the training industry.

## LOYALTY



Dedicated to protect the interest of the organisation and strives to achieve all deliverables expected.

## AGILITY



Able and willing to adapt to changes when required, proactive in seeking solutions to address challenges and resilient in the face of adversity.

## RESPONSIVENESS



Responsive, attentive, present and sensitive to the needs of our stakeholders. A trait that builds affinity and respect across the workforce development ecosystem.

# Growth Trajectory

1993 - 2021

	1993	2021
<b>EMPLOYEES AT HRD CORP</b>	32 employees, including the Director General in the first six (6) months	430 employees
<b>SECTORS /SUBSECTORS</b>	One sector (Manufacturing) with more than 50 local employees or RM 2.5 million paid-up capital	Six sectors (Manufacturing, Services, Mining & Quarrying, Financial, Construction, and Agricultural) and 238 sub-sectors
<b>REGISTERED EMPLOYERS</b>	368	67,125
<b>LEVY COLLECTION</b>	RM55 Million	RM848 Million
<b>TRAINING PROVIDERS /TRAINERS</b>	Less than five (5) registered training providers	6,662 registered training providers
<b>PROGRAMMES</b>	Three (3) training schemes	20 initiatives covering schemes with financial assistance, strategic collaborations and joint certifications



# 2021 In Photos



The Official HRD Corp Brand Launch



HRD Corp Annual Dinner



The Launch of HRD Corp Placement Centre (HPC)



RTM's Fresh Brew



The Launch of Second Chances and Opportunities for People to Excel (SCOPE)



The Official HRD Corp Brand Launch



365 Hari Pencapaian Menteri Sumber Manusia



Hari Sukan Negara



Momerandum of Understanding (MOU) with the Emirates Aviation University (EAU), Dubai



Ideation Workshop on Unicorns and Start-ups



Emirates Aviation University, Dubai



The Official HRD Corp Brand Launch



# Leadership





## From the Minister's Desk

YANG BERHORMAT

### Datuk Seri M. Saravanan

Minister of Human Resources

The cornerstone for Malaysia's economic growth and productivity lies in our greatest asset, our people. In 2021, despite having gone through a year of extraordinary circumstances – extended movement restrictions, economic uncertainties, an overwhelmed health system and the phased National Recovery Plan – it was heartening to see the strength and resilience of our people in overcoming the challenges of the past 12 months.

These fundamental changes were not only unique to Malaysia but also to countries around the world, with far reaching impact on lives and livelihood. Cognisant of the needs of our people during this period, the Malaysian government continued to introduce the necessary socio-economic support in the form of PENJANA, PEMERKASA and many others. This was done while accelerating the rollout of the National COVID-19 Immunisation Programme to mitigate the impact of the disruption while driving our socio-economic recovery.

## A Way Forward

In the last two years, HRD Corp has implemented a wide range of upskilling, reskilling and multi-skilling initiatives to help Malaysians from various backgrounds embrace change and leverage new opportunities, thus strengthening the nation's local talent capital. The Government has set an ambitious target of creating over 600,000 new jobs for 2022, an increase from 500,000 in 2021.

To achieve this goal and drive the nation's aspiration to become a digitally driven, high-income economy by 2030, HRD Corp has undertaken the pivotal role of working together with ecosystem partners and various industry players, both locally and abroad. This has enabled HRD Corp and the Ministry to continue to reduce the nation's talent gaps while creating multiple pathways to improve talent employability. The Ministry believes that more can be done to enhance current programmes, including building in qualifications, accreditation and certification opportunities that will put Malaysians on the right track to be recognised for their skills, knowledge and capabilities through official channels and institutions.

On that note, I would like to congratulate HRD Corp for introducing the HRD Corp Microcredential (HRD MC) initiative, the first comprehensive industry-based micro-credential programme in the country to assist Malaysians in obtaining stackable certifications through short-term learning. We believe that this initiative is a step in the right direction, as HRD Corp's future training programmes will also be HRD MC-type courses. Though the HRD Corp Microcredential initiative already boasts over 10,000 courses across 24 skill areas, we hope to see more courses and programmes added in the coming months.

The pursuit of lifelong learning has no physical boundaries and as such, the next step would be for HRD Corp to expand its networks, reaching out to Singapore, UAE, Japan, Australia, Germany and India. This will provide more benefits and opportunities to Malaysian training providers, registered employers, and individuals to gain new experiences and insights with ecosystem partnership from abroad. To further strengthen its programmes, HRD Corp will also be entering into partnerships with countries that are highly regarded for its employee skills development programmes such as the United Kingdom, and the United States as well as those with a large Malaysian workforce base such as Canada, Japan, China, and Australia. This will further strengthen Malaysia's position, both, regionally and globally.

Our ability to empower the Malaysian workforce with new knowledge, skills, and competencies to gain quality employment opportunities will ignite new possibilities, fresh perspectives, and the promise of a brighter future for everyone. This is important as the Ministry believes that each person has the talent and capabilities that can be unleashed if they are given the opportunity to do so.

2022 will continue to be challenging as global economy starts its long recovery process. Nevertheless, HRD Corp has consistently stayed true to its vision and mission of creating a positive impact and changing lives for the better, thanks to the leadership and unwavering commitment of its Chief Executive, Senior Leadership Committee and Warga HRD Corp.

Moving forward, the Ministry will continue to work closely with HRD Corp to create initiatives and opportunities to build and sustain our own diverse and high-quality talent pool as we believe that this will accelerate our economic recovery and shape the future of Malaysia for the better.

Thank you.

**Datuk Seri M. Saravanan**  
Minister of Human Resources





## Message from the Chairman



## Datuk Seri Jamil Salleh

Chairman of HRD Corp

As we entered the second year of living with the pandemic, we realised that COVID-19 has not only caused economic uncertainties, but it has also taken lives and disrupted livelihoods. We were at war with an unseen enemy and the only thing we could do was learn, adapt, innovate and move forward.

Despite its many challenges, the pandemic has been an unprecedented wake up call for everyone in numerous ways. It has given us a sense of renewed optimism and hope as many organisations and businesses took this opportunity to re-evaluate their strategic goals and talent capital. The changing workplace dynamics saw many committing to new learning paths via reskilling and upskilling in order to strengthen their knowledge, build resilience and thrive in evolving market conditions.

At HRD Corp, we supported the needs of our registered employers, employees and the wider society by introducing a wide range of training and competency development programmes. We worked with our stakeholders, government agencies, industries, sectors and even global partners to ensure our workforce gained access to excellent resource and content, both locally and abroad.

We encouraged Malaysians from diverse backgrounds, qualifications and skillsets to leverage the many programmes and initiatives introduced throughout 2021 as these would help them gain income generating opportunities to help their families and improve their quality of life. Interestingly, our programmes were not solely focused on building technical skills, they also acted as value-added services that would strengthen participants' career path and prepare them for future work opportunities.

Our achievements thus far would not have been possible without the strong leadership, guidance and support of the Yang Amat Berhormat Prime Minister, Dato' Sri Ismail Sabri bin Yaakob, and YB Datuk Seri M. Saravanan, the Minister of Human Resources. I would also like to take this opportunity to thank the Board for their support as well as our Chief Executive Datuk Shahul Dawood for taking HRD Corp to the next level, strongly supported by our experienced Senior Leadership Committee in realising our strategic goals.

No doubt, it has been an eventful year that culminated in our biggest achievement to date; our successful rebranding to HRD Corp, an event that was officiated by our Prime Minister, himself.

To that end, I would like to take this opportunity to thank our dedicated Warga HRD Corp for their unwavering dedication as well as sacrifice in delivering on our various programmes and activities throughout the year. Our Warga HRD remained steadfast in carrying out their respective duties while staying true to our corporate values of Passion, Integrity, Leadership, Loyalty, Agility and Responsiveness. Syabas, Warga HRD Corp!

As we move into 2022, HRD Corp's main focus will be to support the Government's goal of rebuilding our economy and we will do this by introducing multifaceted programmes and initiatives. I look forward to continue working with our team as we embark on a new journey in building and shaping Malaysia's workforce of the future.

Thank you.

**Datuk Seri Jamil Salleh**  
Chairman



# Chief Executive's Review



## Datuk Shahul Dawood

Chief Executive of HRD Corp

If there is one thing I'm certain of based on our experiences over the last two years – COVID-19 has not only upturned and disrupted our lives, but it has also, accelerated technology adoption, spurred innovation, created new industries, and opened up new opportunities.

The same is true for us at HRD Corp. The disruption led us to relook at and refine our strategies, introduce new initiatives, and ensure that we are continuing to meet the needs of our stakeholders.

All of the new efforts and changes that we put in place in 2021 laid the groundwork for us to embrace our biggest transformation to date; the rebranding of our organisation from Human Resources Development Fund (HRDF) to Human Resource Development Corporation (HRD Corp). On 2 December 2021, we celebrated this pivotal moment through the Official Launch of HRD Corp by the Prime Minister of Malaysia, Yang Amat Berhormat Dato' Sri Ismail Sabri bin Yaakob.

## Creating Value

The rebranding was more than just a name change. It was a complete and thorough relook at our goals, strategies, and priorities and how we operate as an organisation moving forward. To that end, throughout 2021, we focused on making HRD Corp the epicentre of Malaysia's talent development programmes. To achieve this, we activated several key programmes and initiatives to equip Malaysians with future-ready skills and opportunities.

Recognising the importance of acquiring new knowledge and skills to secure job opportunities, we launched **e-LATIH**, Malaysia's premier e-learning hub in February 2021, which facilitated access to more than 400 high-quality, industry-driven training courses from reputable trainers and training providers from all over the world, for free. e-LATIH offers a wide range of courses in English and Bahasa Malaysia. Soon more courses in multiple languages will be added to the platform.

As at 31 December 2021, there were 207,551 registered students on e-LATIH, while its cumulative enrolment stood at 426,751 for all courses. Out of this, 55% were employed Malaysians, 27% unemployed while the remaining 18% were self-employed, demonstrating the ability of this programme to cater to a varied group of learners.

We introduced the **HRD Placement Centre (HPC)** in April as a first-of-its-kind one-stop virtual portal that matches employees from a wide range of industries and sectors to the right candidates. Since then, it has gradually evolved, offering over 55,000 employment opportunities, 4,003 job placements and boasting over 17,000 registered job seekers. To expand opportunities on the platform, we also collaborated with JobStreet to incentivise employers to open up new recruitment avenues, conduct trainings and explore retention opportunities to future-proof their organisations.

In driving economic empowerment and supporting Malaysia's digital economy, we partnered with the Skills Development Fund Corporation (PTPK) to launch **Jana'Preneur**, the first-of-its-kind platform in Malaysia that connects buyers and sellers to B2B as well as B2C e-commerce products and services. Through this programme, we nurtured the ambitions of our trainees who had undergone our entrepreneurship programmes by providing capital support of up to RM50,000, free business registrations and guidance in setting up their business. More than 2,900 entrepreneurs have registered under Jana'Preneur with over 3,000 products sold as at 31 December 2021. Soon, the platform will act as an incubator that will support online entrepreneurs in starting their business and eventually being able to sell on any platform.

As part of our efforts to ensure that no Malaysian is left behind during these unprecedented times, we created Second Changes and Opportunities for People to Excel (SCOPE), a unique programme to help former prisoners who have completed their sentences learn new skills to earn a living. Working together with the Malaysian Prisons Department, this programme will be conducted over three phases, targeting more than 20,000 former prisoners over the next three years. During the year in review, we successfully assisted about 1,000 former prisoners to gain training and employment in various sectors, such as agriculture, manufacturing, construction, transportation, farming, services as well as mining and quarrying. Phase 2 and Phase 3 will take place over the next two years.



In December, we launched Upskill Malaysia, the nation's first national single platform for upskilling, reskilling, multiskilling, and cross skilling programmes offered and funded by various government ministries and agencies. This integrated platform hosts up to 200 programmes in 35 skill areas offered by 28 ministries and agencies. Moving forward, we expect to add up to 5,000 courses and train over 220,000 Malaysians by the end of 2022.

## Igniting Growth

We designed HRD Corp's Five-Year Plan to better serve our stakeholders and the wider community, setting a higher bar for ourselves in 2022. Key to that effort is igniting growth not just for HRD Corp, but also our stakeholders and the nation.

Technology and digitisation have redefined the future of work, while talent reskilling and upskilling will shape the future of this nation. We strongly believe that embracing and harnessing both effectively will enable us to achieve our growth targets in the next five years.

### Accelerating Digital Transformation

We started our digital transformation journey a few years ago and we are confident of completing it in 2022. This required investments into technological solutions that will make the process of registering, paying levy and applying for training grants, faster, smoother, and seamless for our current and future registered employers. Likewise, trainers and training providers will also be able to register and renew their registrations quickly.

Further to this, we expect to introduce the HRD Corp Super App, which will consolidate all our products, services, and schemes under one easy-to-use mobile app. We believe this will be the first-of-its-kind app by a government ministry or agency to serve the needs of our stakeholders and the wider public.

### Strengthening Standards, Integrity, and Governance

We recognise the importance of strengthening our integrity and governance while establishing industry best practices and standards. Over the past year, we have completed the development and implementation of our Organisational Anticorruption Plan (OACP) as mandated by the Malaysian Anti-Corruption Commission. At the same time, we also launched numerous awareness programmes that are geared towards strengthening ethics and transparency amongst HRD Corp employees, partners, vendors, and stakeholders.

These included the introduction of our Integrity Pact and Integrity Pledge as well as comprehensive integrity policies and documents across our official communications platforms. I am pleased to note that such efforts have delivered positive results for the organisation. HRD Corp has not recorded any new cases or investigations in the past year. Furthermore, we were recently recognised by the MACC for our best practice in managing our levy and fund programme.

In the coming year, we will be rolling out our Anti-Bribery Management System (ABMS) to help companies prevent, detect, and respond to bribery incidences.

Beyond that, in an effort to measure impact, ascertain areas for improvement and introduce innovative approaches, we will be establishing the National Training Index, a measurement tool to help employers and the government track the quality and quantity of trainings taking place every year.

Taking it a step further, a new Trainer Development Framework will be put in place for all registered trainers and training providers to recognise the number of high quality and credible training providers nationwide.

Requirements for grant programmes and schemes were also simplified for the ease of our stakeholders. This culminated in a major revision to our Allowable Cost Matrix (ACM) that governs our training funds and programmes, our first and most significant revision in over 10 years.

### Forging Global Partnerships

Nurturing strong talent and widening our talent funnel require efforts that transcend geographical boundaries. In 2021, we entered into strategic collaborations with Emirates Aviation University (EAU) and Microsoft. Through our partnership with EAU, we were able to provide highly specialised and niche aviation-related academic programmes that will benefit the aviation sector in Malaysia and the Middle East. More importantly, these partnerships will open up opportunities to offer a wider range of programmes to our stakeholders, some which were not available locally.

Through our partnership with Microsoft, we aim to train 300,000 professionals, to support the growth of the nation's digital-ready workforce in the next three years. To achieve this, Microsoft will be offering some of its Microsoft Certification courses in digital technology on HRD Corp's online learning platform, e-LATiH. Beyond that, we will also be working with Microsoft to democratise access to technology to rural and underserved communities, namely through a pilot project on digital skills development for the Orang Asli community in Tapah.

In 2022, we will be exploring partnerships with public and private sector organisations in Singapore, United States, United Kingdom, Japan, Australia, Korea, Germany and India. These may include LinkedIn, Accenture, the HR Certification Institute® (HRCI) and John Hopkins University among others.

## A Future Redefined

As Malaysia moves towards realising its aspirations to become a digitally-driven, high-value economy, it is imperative that we build a highly-skilled workforce to meet the needs of the various industries and the new economy. This means not only adopting digitalisation and automation, but also continuously introducing relevant reskilling and upskilling activities to shore up competencies. This will place individuals in a better position to respond to inevitable challenges.

Backed by our Five-Year Plan, we have meted out an ambitious agenda in 2022 as organisations race against each other to find the right talent and drive their competitive advantage. Regardless of the challenges, I believe HRD Corp has what it takes to unlock our talent capital and realise Malaysia's human capital agenda.

At HRD Corp, we have a strong pioneering spirit, backed by six key factors - culture, commitment, communications, collaboration, content and creativity. Looking back at the last 12 months, I am proud of Warga HRD Corp as they have demonstrated their ability to not only embrace these factors, but continuously challenge themselves for the greater good. I am confident that with the faith, passion and conviction shown by the team, we will be able to not only deliver on our strategy, but also exceed our own expectations and aspirations.

Thank you.

**Datuk Shahul Dawood**  
Chief Executive

## Board of Directors



### Datuk Seri Jamil Salleh

Chairman

Employer Representative

Appointed on  
**14 OCT 2020**

Datuk Seri Jamil Salleh has years of invaluable experience in public service, with a career that spans close to four decades in various significant positions. He started out as a Senior Officer in the Ministry of Youth and Sports in 1983 before moving to the Ministry of Home Affairs and Ministry of Defence where he excelled in numerous important roles.

During his tenure with the Ministry of Home Affairs, Datuk Seri Jamil Salleh held several Director-level positions in the Prison Department from the year 2000 onwards. In 2009, he was appointed as the Deputy Division Secretary of the National Key Results Area (NKRA). He then went on to become the Deputy Secretary-General for the Ministry of Youth and Sports and was subsequently promoted to Secretary-General. Datuk Seri Jamil ended his career in public service in 2019 as the Secretary-General of the Ministry of Domestic Trade, Cooperatives and Consumerism. Throughout his long career, he also was the Chairman of Perbadanan Stadium Malaysia (PSM), Yayasan Kebajikan Atlet Kebangsaan (YAKEB) Malaysia, International Youth Centre (IYC), Perbadanan Padang Golf Subang (PPGS), Companies Commission of Malaysia (SSM), Rakyat Holdings and Rakyat Travel. He was also the Deputy Chairman of Redtone Digital Berhad, and a board member of several GLCs, agencies and companies.

Currently, Datuk Seri Jamil Salleh is the Chairman of the UTeM Chancellor Foundation, De Metrology Sdn Bhd, Panpay Holdings Sdn Bhd, and Surau Al-Manar Presint 14, Putrajaya. He is also the Advisor of BP Health Sdn Bhd, as well as a board member of Dunia Melayu Dunia Islam (DMDI).

He holds a Bachelor's in Arts (Hons), majoring in Anthropology and Sociology from Universiti Malaya and a Diploma in Public Administration from the National Institute of Public Administration (INTAN). Always in search of new knowledge, he pursued short courses such as Branding Leaders, Branding of Nation from the Said Business School at the University of Oxford.



## Board of Directors

02



### Dato' Ruhaidini Abd Kadir

Deputy Chairman

Employer Representative

Appointed on  
15 MAY 2020

Dato' Ruhaidini Abd Kadir currently helms the Media and Strategic Communications Department in Prime Minister Dato' Sri Ismail Sabri Yaakob's Office.

With over 21 years of experience in journalism and media under her belt, the Director of Media and Strategic Communications in the Prime Minister's Office brings extensive value to HRD Corp, namely through her previous roles in Kumpulan Utusan Melayu (M) Berhad and Kumpulan Karangkrak Sdn Bhd.

In 1987, she began her career in journalism as a junior journalist and rose through the ranks over the years to eventually become Senior Editor and subsequently, Features Editor of Utusan Malaysia and Mingguan Malaysia by 2008.

Never one to rest on her laurels, Dato' Ruhaidini ventured out from journalism to get a taste of the political world when she accepted the role of Press Secretary to several Ministries over a span of 13 years.

Throughout this period, she served in the office of the Deputy Prime Minister, Senior Minister of Defence, Minister of Rural and Regional Development, Minister of Agriculture and Agro-Based Industry, Minister of Domestic Trade and Consumer Affairs, as well as Minister of Youth and Sports.

Dato' Ruhaidini holds a Master of Business and Administration from Warsaw Management University (WMU) Poland, and an Executive Master of Business Administration (Operation & Management) from Asia E-University.

On top of that, she previously travelled to Beijing, China for the sole purpose of learning Mandarin - a tough language to master. She is now fluent in the language after successfully achieving advanced level qualification in Mandarin from the College of Intensive Chinese Studies, Beijing Chinese Language and Culture University.

## Board of Directors

03



### Datuk Shahul Dawood

Chief Executive of HRD Corp

Appointed on  
15 APR 2020

Datuk Shahul Dawood was appointed as the Chief Executive of HRD Corp on 15 April 2020.

He has more than 25 years of experience across numerous industries, beginning his career in the education sector as a Lecturer at Informatics College. He then rose through the ranks to become the Assistant Director of Informatics Corporate Training Malaysia, leading the organisation into the frontiers of IT Training and Education. Following his successful stint at Informatics, he moved to JobsDB, where he propelled the organisation to greater prominence, making it one of the largest jobs search portals in Southeast Asia.

An entrepreneur at heart, he left JobsDB to start My Events International, an event management company with a presence in eight countries worldwide. Utilising his knowledge and experience, he expanded his business across various industries, ranging from tourism and travel, recruitment, publication, and IT solutions. He is also deeply involved in several youth-related NGOs and training activities.



## Board of Directors

04



### Datuk Muhd Khair Razman Mohamed Annuar

Representative

Ministry of Human Resources

Appointed on

12 OCT 2020

Datuk Muhd Khair Razman Mohamed Annuar is the Deputy Secretary General (Operation) in the Ministry of Human Resources.

Datuk Muhd Khair has had an extensive career in public service covering the Ministry of Foreign Affairs, Ministry of Energy, Water & Communication, Ministry of Home Affairs, and the Ministry of Human Resources. He served in the Malaysian Diplomatic Mission in Islamabad, Pakistan, from 1997 to 2002. He was also the former Director General of the Manpower Department. In addition to being a HRD Corp board member, he is also on the board of the Social Security Organisation (SOCSO) and TalentCorp.

He is the subject matter expert on migration and trafficking in person. He previously held the portfolio as the Secretary to the Council for Anti-Trafficking in Persons and Anti-Smuggling of Migrants from 2008 to 2016. He was personally involved in the drafting of the National Action Plan on Anti-Trafficking in Person (NAPTIP) 2010 – 2015 and NAPTIP 2016 – 2020.

He holds a LLB (Hons) from the University of Staffordshire and LLM (International Law) from the University of Southampton in the United Kingdom. Throughout his career, he attended the International Visitor Leadership Programme on Trafficking in Person in the United States and the Razak School of Government (RSOG) Leadership Programme at the University of Cambridge, United Kingdom.

## Board of Directors

05



### Dr. Zainah Shariff

Representative

Ministry of Youth and Sports

Appointed on

8 MAY 2020

Dr. Zainah Shariff is the Deputy Director General for the Youth Development Division in the Ministry of Youth and Sports Malaysia.

She is an experienced Senior Officer with a demonstrated history of working in the government administration on youth and sports development. She has devoted her career to the development of human resource, given her extensive education and experience in this field.

She graduated from Universiti Putra Malaysia with a Bachelor of Science Human Development and a Master of Science Human Resource Development. She also holds a PhD in Human Resource Development from the University of Victoria, Melbourne, Australia.



Board of

# Directors

06



## Dr. Kang Tong Hum

Representative

Ministry of Finance

Appointed on  
12 JUN 2020

Dr. Kang Tong Hum is the Deputy Director of Budget in the National Budget Office, Ministry of Finance.

He has held many significant positions in various ministries and agencies including Assistant Secretary at the Ministry of Defence, Deputy Director at the Economic Planning Unit, Prime Minister's Department and Senior Deputy Director, National Strategy Unit, Ministry of Finance.

Dr. Kang possesses a diverse educational background. He earned a Bachelor of Social Science from Universiti Sains Malaysia and a Diploma in Public Management from the National Institute of Public Administration. He also holds a Master's Degree in Science of International Resource Planning and Management from the Naval Postgraduate School in the United States of America as well as a PhD in Management from Universiti Putra Malaysia.

Board of

# Directors

07



## Asri Ab Rahman

Representative

Department of Labour Peninsular Malaysia

Appointed on  
11 JAN 2021

Asri Ab Rahman is the Director General at the Department of Labour Peninsular Malaysia.

Asri has been in the Human Resources scene for close to three decades. At the start of his career, he served in several Assistant Director roles, initially in the Ipoh Labour Office before moving to the Department of Labour Peninsular Malaysia. He also had served in the Labour Policy Division under the Ministry of Human Resources for nine years as well as in the Institute of Labour Market Information and Analysis (ILMIA) for three years.

Asri Ab Rahman graduated from Universiti Utara Malaysia with a Bachelor's in Public Administration.



Board of

# Directors

08



## Datuk Haji Abdul Kadir M. E. Sikkandar

Employer Representative

Appointed on  
4 JUL 2021

Datuk Haji Abdul Kadir M.E Sikkandar is the Chief Executive Officer of Kumpulan BTC Berhad. His immense experience in a wide range of businesses, coupled with his visionary personality and risk-taking ability are the driving forces of his success.

He was conferred with the 'Anugerah Usahawan Cemerlang' by Dewan Perniagaan Melayu, Negeri Sabah in 2012, Sabah Industry Excellence Award in 2015 from the Ministry of Industrial Development, as well as 'Tokoh Maal Hijrah' in 2016 for his continuous support and contributions to the state's affairs.

He has enjoyed a long and diverse career which comprises his current role as the Deputy Treasurer to the Sabah Council of Datuks and an Advisor in Kota Kinabalu Polytechnic.

He received a Business Management Certificate from Kota Kinabalu Commercial College.

Board of

# Directors

09



## Dato' Raiha Azni Abd Rahman

Employer Representative

Appointed on  
11 JAN 2021

Dato' Raiha Azni Abd Rahman is a retiree who has enjoyed an illustrious 35-year career with PETRONAS. At PETRONAS, she oversaw thousands of people and worked in various leadership roles, including serving as the Senior Vice President of Group Human Resources Management. Dato' Raiha was also previously the Chairman of the Board of Directors for PETRONAS, University of Technology and PETRONAS Leadership Centre.

Dato' Raiha is currently a board member of the Asia School of Business Management (a collaboration between Bank Negara Malaysia & MIT Sloan School of Management), an Academic Advisory Board Member for Putra Business School, Universiti Putra Malaysia, and a council member of Terengganu Petroleum Council.

She earned her Bachelor of Science in Marketing from Syracuse University, New York and has participated in various senior management development programmes.



Board of

# Directors

10



## Dato' Palaniappan Joseph

Employer Representative

Appointed on  
**16 MAY 2021**

Dato' J. Palaniappan is a Council Member of the Federation of Malaysian Manufacturers (FMM).

He is passionate about policy formulation that empowers corporations and individuals through various human capital initiatives, with a specific focus on Technical and Vocational Education and Training (TVET).

Dato' Palaniappan currently helms numerous leadership positions both at national and regional levels. He currently serves as Managing Director of Satake Technologies Sdn. Bhd. He is also the Founding Chairman of ASEAN Future Workforce Council which comprises businesses and industry representatives from the 10 ASEAN Member States (AMS). He was recently appointed as the Focal Point for the ASEAN TVET Council (ATC).

He graduated from Universiti Malaya with a Bachelor of Jurisprudence. He also earned a Bachelor of Economics as well as a Master's in Science (Quality & Productivity Improvement) from Universiti Kebangsaan Malaysia.

Board of

# Directors

11



## Datuk Chia Hui Yen

Employer Representative

Appointed on  
**21 AUG 2021**

Datuk Chia Hui Yen is the National Vice President of SME Association of Malaysia.

She started her career in the financial industry 27 years ago and has held many key positions in her areas of expertise. These included being the country lead for some of the world's leading banks and insurance companies. She received extensive training in India, Hong Kong, the US and UK throughout her career and possesses vast experience in investment services, consumer and retail banking, as well as corporate and retail insurance. She has also worked within the international banking, private banking and SME banking sectors, where she honed her expertise in business sustainability and corporate social responsibility.

Her successes in the financial services industry led her to become an entrepreneur seven years ago, where she ventured into the orthotic and foot business, food manufacturing and restaurant retail chains at both the local and regional level. Under her leadership, these businesses received multiple business awards from reputable industry bodies. She is also currently the Executive Director for Popular Meadow Sdn Bhd and Dr Kong Group of Companies.

Datuk Chia received a bachelor's degree majoring in Social Development and Administration and minored in Management from Universiti Sains Malaysia. She later received her Master of Business Administration from the University of Nottingham, where she specialised in business strategy.



Board of

# Directors

12



## Datuk Rajasekharan Ramasamy

Employer Representative

Appointed on  
**21 AUG 2021**

Datuk Rajasekharan is the Chairman of Disciplinary Committee in the Advocates & Solicitors Disciplinary Board Malaysia.

He is actively involved with the National Chamber of Commerce & Industry Malaysia, serving as a Council Member. Given his strong leadership capabilities, he is also the President of Melaka Indian Entrepreneur Association.

Datuk Rajasekharan earned his LLB (Hons) Law from the University of Thames Valley, London, United Kingdom.

Board of

# Directors

13



## Datin Erni Dekritawati Yuliana Buhari

Employer Representative

Appointed on  
**15 APR 2020**

Datin Erni Dekritawati Yuliana Buhari is the Chief Executive Officer of Nouvelle Beauty Centre and the Managing Director of EREE International Sdn Bhd. She also established Victoria Sloane, a women's fashion brand that draws inspiration from Asian and Italian designs.

In 2021, she launched a restaurant, which subsequently grew into a food and beverage franchise called Wak's Peyek. The franchise incorporates her family's Javanese recipes into their menu, resulting in the cuisine gaining widespread popularity and success.

She gained her innate sense of entrepreneurship from her family background, which helped her start and grow her successful business empire. She has also given more than a hundred motivational talks across conventional and social media.

As a result of her entrepreneurial zeal, Datin Erni was honoured as one of the 60 Wanita Inspirasi Nona in 2015 and received the honour of one of the Top 100 Most Influential Young Entrepreneurs in 2017. In the same year, she was named as one of Asia Pacific Women Entrepreneurs of 2017. Her active involvement as an entrepreneur and owner of multiple online businesses led Shopee to appoint her as a member of their Shopee Celebrity Squad since 2019.

Datin Erni holds an undergraduate degree in Art and Design and a Bachelor of Arts from Universiti Teknologi MARA. She also has a Master of Management and International Business from Nottingham Trent University, United Kingdom. She is currently pursuing her Doctorate in Philosophy at Universiti Utara Malaysia.



Board of

# Directors

14



## Datuk Nicole Wong Siaw Ting

Independent Director

Appointed on  
15 APR 2020

Datuk Nicole Wong Siaw Ting is the Chairperson of the Malaysian Chinese Association of National Youth.

An active spokesperson for youth empowerment, she is often found speaking up and helping local youths through a myriad of avenues. In 2014, she initiated the Youth Care Movement in response to the devastating floods in Malaysia with the goal of helping flood victims with aftermath relief works. Prior to that, she also coordinated many successful community movements with the China Youth Centre for International Exchange. She is also currently a member of Kuala Lumpur City Advisory Board.

She holds a Master's in Business Administration from Universiti Tun Abdul Razak and a Diploma in Travel Management from Reliance College, Kuala Lumpur.

Board of

# Directors

15



## M. Vickneswari R. Muthukrishnan

Independent Director

Appointed on  
27 APR 2020

M. Vickneswari R. Muthukrishnan is the Deputy National Women Leader of the Malaysian Indian Congress.

She is an advocate of women issues and social empowerment with a strong belief in 'Women Empowering Women'. As a result, she has used her prominent position to represent the voices of women from various backgrounds across Malaysia.

Her passion for women's rights and activism has led her to serve as the trustee and secretary of Yayasan Sosial Wanita Malaysia and a Special Officer to the President's Senate.

She holds a Master's Degree in Counselling from Open University Malaysia, a Diploma in Business Management from Seafeld International College, and a Secretarial Diploma from Bedford College.



Board of

# Directors

16



## Dato' Kamalakannan Kaliaperumal

Employer Representative

Appointed on  
**28 OCT 2020**

Dato' Kamalakannan Kaliaperumal is the Chief Special Officer to the President of the the Senate, Parliament of Malaysia, the President of the Pertubuhan Integrasi Nasional and the Director of the Malaysian Indian Youth Development Foundation.

He began his career in the legal field at MS Skrine & Co before moving into journalism at Sun Media Corporation, where he served for close to a decade. With his extensive leadership experience, he moved into management positions at Utas Asia Sdn Bhd before taking up the role as the Private Secretary to the Parliamentary Secretary for the Minister of Youth and Sports.

Dato' Kamalakannan Kaliaperumal read Law at Aberystwyth University and holds a Diploma in Human Resources Management from Optima International College. He also has an A-levels for Law from the Systematic Business Training Centre.

Board of

# Directors

17



## Mohd Syukri Ahmad Sudari

Employer Representative

Appointed on  
**5 DEC 2020**

Mohd Syukri Ahmad Sudari serves as the Vice President and a Council Member of the Malaysian Employers Federation (MEF) and a member of the National Advisory Council. He is also the Group Chief People Officer at Affin Bank Berhad.

As someone who possesses over 24 years of experience in strategic human capital management, which covers a diversified industry including financial, telecommunications, aerospace, engineering and insurance sectors, he values creation through human resource transformation and has always been keen to help organisations achieve this transformation.

An accomplished leader, he has won several awards throughout his 24-year career, including CHRO of the year 2020 and "100 Most Inspirational LinkedIn Icon in Malaysia 2020".

Syukri Sudari has a Bachelor of Human Sciences (Hons) from International Islamic University Malaysia and a Master of Business Administration from Universiti Kebangsaan Malaysia. He is also designated as LUMA Institute Certified Practitioner of Human-Centered Design and accredited Human Synergistics LSI/GSI practitioner.



Board of

# Directors

18

## Dato' Abdul Latif Haji Abu Seman

Representative

Malaysia Productivity Corporation

Appointed on  
26 APR 2021

Dato' Abdul Latif Haji Abu Seman currently serves as the Director-General of Malaysia Productivity Corporation (MPC).

He began his industrious career as a Training & Investigating Officer at MPC back in 1984. He moved up the ranks and became MPC's Sarawak Regional Director in February 2005. In February 2010, he became MPC's Deputy Director-General and later, its Director-General, in August 2019. He is also currently the Chief Secretariat of Special Task Force to Facilitate Business (PEMUDAH) and a Council Member of the National Productivity Council.

Dato' Abdul Latif brings to HRD Corp close to four decades of experience in quality management as he was the lead assessor for many notable awards, namely the Prime Minister Industry Quality Award, Quality Management Excellence Award, Sarawak Chief Minister Quality Award and the Federal Secretary Award. He is also a certified benchmarking instructor by world-renowned Juran Institute, and a recognised expert under the Asian Productivity Organisation Technical Expert Service (APO-TES) in productivity and quality improvement, and regulatory reforms. Over the years, he has built an extensive network with the Australian Government Productivity Commission, American Productivity and Quality Council, The World Bank and Organisation for Economic Co-operation and Development (OECD), to name a few.

Dato' Abdul Latif graduated from Universiti Malaya with a Bachelor of Economics, majoring in Public Administration, and earned a Master's in Policy Studies from Saitama University, Japan. He has also attended the Advance Management Programme of INSEAD, Fontainebleau, Paris, France.

01

# Investment Panel

The Investment Panel (IP) comprises six (6) members, consisting of the independent Non-Executive Directors, representative of the Ministry of Finance and independent members with business and financial experience appointed by the Minister of Human Resources. The Chairman of the Board is the Chairman of the IP, as prescribed in the PSMB Act 2001.

The IP's responsibilities include reviewing HRD Corp's Investment Guidelines, ensuring effective and efficient maximum returns from its investments and evaluating the performance of the corporation's investments.

## Members

Datuk Seri  
Jamil Salleh  
(Chairman)

Dato' Ruhaidini  
Abd Kadir

Datuk Shahul  
Dawood

Datin Sri  
Rahayu Tajuddin

Puvanesan  
Subenthiran

Sharifah Wahaida  
Lailatul Syed  
Hassan Sagaff

02

# Board Operations Committee

The Board Operations Committee (BOC) comprises eight (8) representatives, including its Chairman. Each BOC member has the responsibility to review, guide and provide oversight for the overall operations of HRD Corp. As committee members are mainly members of HRD Corp's Board of Directors, they provide guidance on business operations, including matters pertaining to strategic business direction and business policy implementation.

## Members

Datuk Seri  
Jamil Salleh  
(Chairman)

Dato' Ruhaidini  
Abd Kadir

Datuk Shahul  
Dawood

Datuk Muhd  
Khair Razman  
Mohamed Annuar

Asri Ab  
Rahman

Dr. Kang Tong  
Hum

Dato'  
Kamalakaran  
Kaliaperumal

Datuk Nicole  
Wong Siaw  
Ting

03

# Board Audit and Risk Management Committee

The Board Audit & Risk Management Committee (BARMC) comprises four (4) independent Non-Executive Directors with a collective wealth of knowledge, expertise and experience from different industries and backgrounds.

The BARMC evaluates the adequacy and effectiveness of HRD Corp's internal control systems and deliberates on issues identified by its internal-external auditors and Management.

Throughout the year, the BARMC was continuously briefed on the corporation's corporate governance practices, updates of the Malaysian Financial Reporting Standards, as well as other audit and risk management activities and requirements.

The BARMC also reviews the engagement and independence of the corporation's external auditors, their audit plan, and reports to HRD Corp's Board, covering the nature, approach, scope, and other examinations of external audit. Their responsibilities also include assessing the corporation's internal audit function.

## Members

Dato' Palaniappan  
Joseph (Chairman)

Datuk Abdul Kadir  
M.E. Sikkandar

Dr. Zainah Shariff

Mohd Syukri  
Ahmad Sudari



04

# Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee (BNRC) comprises four (4) representatives, including its Chairman.

The BNRC is empowered to decide on all Human Resource remuneration policies of HRD Corp. These include providing an independent and unbiased review, assessment, and determination of HRD Corp's remuneration structure and policies. The Committee also evaluates and makes recommendations on matters pertaining to increments and bonus payments of the corporation's employees. Additionally, the BNRC also reviews employee appointments, confirmation, and promotions.

## Members

Dato' Raiha  
Azni Abd Rahman  
(Chairperson)

Datuk Chia  
Hui Yen

Datin Erni  
Dekritawati Yuliana  
Buhari

M. Vickneswari  
R. Muthukrishnan

05

# Training Levy and Review Committee

The Training Levy & Review Committee (TLRC) comprises six (6) representatives from the HRD Corp Board members.

The TLRC was established to review employers' levy-based programmes. The Committee also identifies the necessary approach required to maximise employer's levy in terms of utilisation, structural improvements and training participation.

## Members

Datuk Chia  
Hui Yen  
(Chairperson)

Dato' Palaniappan  
Joseph

Dato' Raiha  
Azni Abd Rahman

M. Vickneswari  
R. Muthukrishnan

Dato' Abdul Latif  
Haji Abu Seman

Mohd Syukri  
Ahmad Sudari

# Senior Leadership Committee



**DATUK SHAHUL  
DAWOOD**

Chief Executive



**DATO' ARIFF  
FARHAN DOSS**

Chief Operating  
Officer



**RONY AMBROSE  
GOBILEE**

Chief Strategy &  
Programmes Officer



**RAGUNATHAN  
GOPALAKRISHNAN**

Chief Technology  
Officer



**SITI SURYATI  
KAMA ASNAWI**

Chief Human Resources  
Officer



**MERLE  
FERNANDEZ**

Chief Legal Officer  
& Company Secretary



**SITI FATIMAH  
ABDULLAH**

Chief Risk, Integrity  
& Governance Officer

# The Profiles

## SENIOR LEADERSHIP COMMITTEE

### DATUK SHAHUL DAWOOD

Chief Executive

01

Datuk Shahul Dawood was appointed as the Chief Executive of HRD Corp on 15 April 2020. As the CE, he is instrumental in ensuring that HRD Corp remains profitable, with the organisation boasting one of its best revenues to date, this year. He skilfully led the organisation in navigating the pandemic to achieve most of its KPIs. He has also been at the forefront of developing and introducing many of HRD Corp's key initiatives in the last two years, including its digital transformation roadmap and the internationalisation of HRD Corp's products and services.

Datuk Shahul possesses over 25 years of experience across numerous industries, beginning his career in the education sector as a lecturer at Informatics College. He then rose through the ranks to become the Assistant Director of Informatics Corporate Training Malaysia, leading the organisation into the frontiers of IT Training and Education.

Following his successful stint at Informatics, he moved to JobsDB, where he propelled the organisation to greater prominence, making it one of the largest jobs search portals in Southeast Asia.

An entrepreneur at heart, he left JobsDB to start My Events International, an event management company with presence in eight countries worldwide. Utilising his knowledge and experience, he expanded his business across various industries, ranging from tourism and travel, recruitment, publication, and IT solutions. He is also deeply involved in several youth-related NGOs and training activities.

### DATO' ARIFF FARHAN DOSS

Chief Operating Officer

02

Dato' Ariff Farhan has over 20 years of experience in academic and corporate training. As the COO, he is instrumental in supporting HRD Corp's realignment and crafting out its five-year strategic plan.

Prior to joining HRD Corp, he served as a lecturer and administrator at Stamford Group of Colleges, SAL Group of Colleges and Olympia Business School. He was also a Legal Advisor to a public listed company and is currently serving on the Board of many charitable organisations. His other experiences include being a research fellow with the Institute of Strategic and International Studies and a part of the development of the K-Economy Master plan for the country. He was also involved in crafting the curriculum for Malaysia's National Service Programme.

Dato' Ariff read law at Aberystwyth University in the UK and has an Honour's Degree in Management from Universiti Sains Malaysia. He also has a Master's in Civilisational Studies from University of Malaya and a Master's in Business Administration from UNITAR International University.

Today, he also serves as an Adjunct Professor at Taylor's University and is a member of the Industry Expert Panel for Universiti Sains Malaysia.



**RONY AMBROSE GOBILEE**

Chief Strategy &amp; Programmes Officer

03

Rony possesses over 24 years of experience in human capital development. As the CSPO, his main portfolio includes formulating and executing strategies for the organisation, managing HRD Corp's levy-based training grant operations, handling HRD Corp's training providers and the quality of their courses as well as overseeing the National Human Resource Centre (NHRC), including its research and development functions.

Rony is a veteran of the organisation, having been with HRD Corp for over 19 years. He previously worked in a manufacturing multinational corporation in various capacities. Through both, he honed his expertise in strategic formulation, transformation management, analytics and business insights as well as training needs' analysis among others.

Rony holds a Master's in Business Administration and a Bachelor's in Corporate Administration from Universiti Teknologi MARA. He also received senior management training from INSEAD, IMD Business School, Harvard Business School and ESMT Berlin.

**RAGUNATHAN GOPALAKRISHNAN**

Chief Technology Officer

04

Ragunathan brings over 22 years of broad exposure in development, technical and operations leadership. As the CTO, he is responsible in leading the architecture vision, strategy and digital transformation roadmap for HRD Corp.

He was previously with Maxis Communications Berhad, where he holds a track record of delivering complex, high risk, high value projects through various development, programme management and product management initiatives.

Ragunathan holds a Bachelor of Science in Electrical Engineering from Western Michigan University, USA. He was the President of SAS User Group Malaysia (SUGMa) and has sat on the Industry Advisory Panel for the School of Computing & Technology, Asia Pacific University of Technology & Innovation.

**SITI SURYATI KAMA ASNAWI**

Chief Human Resources Officer

05

Suryati possesses over 16 years of experience in Human Resources across the private and public sectors. As the CHRO, she brings over her vast experience and ability in managing the various and wide spectrum of Center of Excellence (CoE) in HR such as developing and executing human resource strategy, particularly for talent management, change management, organisational and performance management, training and development, compensation, and succession planning.

Prior to joining HRD Corp, she held key roles within manufacturing, property, retail, multi-national companies, government agencies and government linked companies. Most recently, she led the team at UMW Corporation where she was responsible and recognised as the Champion of the HR transformation mainly in process re-engineering, HR digital and digitalisation and HR analytics, as well as revamping HR Operations & Services.

Suryati holds a Bachelor's Degree in Business Management, Hons. in Human Resources from Universiti Teknologi MARA. She is also a Certified Senior Professional in Human Resource - International (SPHRi), by the Human Resources Certification Institute® (HRCI).

**MERLE FERNANDEZ**

Chief Legal Officer &amp; Company Secretary

06

Merle Fernandez brings 24 years of experience as a Legal Counsel and Company Secretary. As the CLO, she is responsible for all legal affairs of the corporation, including providing legal counsel to the board of directors, chairman of the board, chief executive, and senior management. She is also HRD Corp's company secretary where she provides her expertise in corporate governance and ensures the organisation's regulatory compliance.

Prior to joining HRD Corp, Merle practiced law for a few years before working with the Antah Group and the FGV IFFCO Group of Companies as Head of Legal and Company Secretary.

She holds a bachelor's degree in Law (LLB) from University of London, Certificate in Legal Practice (CLP) and is a Licensed Company Secretary. She is also a certified internal auditor for various organisations including for Round Table Sustainable Palm Oil (RSPO).

**SITI FATIMAH ABDULLAH**

Chief Risk, Integrity &amp; Governance Officer

07

Siti Fatimah is a seasoned compliance assurance and governance expert with close to 30 years of experience in local and multinational companies within the financial and capital market industries. Her role as the CRIGO entrusted her with the responsibility to undertake strategic planning and implementation initiatives on the prevention of fraud, malpractices and corruption and ensuring ethical and transparent conduct across all levels of the organisation.

Prior to joining HRD Corp, she was with the Labuan Financial Services Authority, the Malaysian Building Society Berhad and HSBC among others, where she honed her experience and expertise across the full spectrum of regulatory compliance, audit and risk. She is well versed in formulating and developing risk assessment frameworks as well as spearheading fraud and risk analysis as part of the initiatives under the National Strategic Action Plan for Malaysian Mutual Evaluation Exercise.

Siti has a Bachelor's Degree in Accountancy from Universiti Teknologi MARA. She is also a Chartered Accountant, Certified Anti-Money Laundering Specialist, Certified Financial Investigation Practitioner, and an Associate Member of the Institute of Internal Auditors. She is currently pursuing a Master's in Technology and Innovation Management from the Malaysia-Japan International Institute of Technology, Universiti Teknologi Malaysia.

# Our Initiatives at a Glance







## HRD CORP PLACEMENT CENTRE

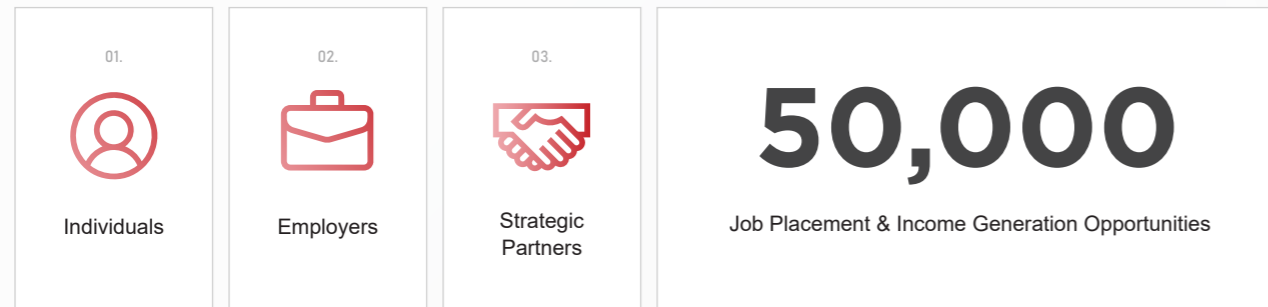
A one-stop online portal that provides employment and income-generating opportunities to Malaysians through job matching and placement, training and development, as well as career counselling and coaching.



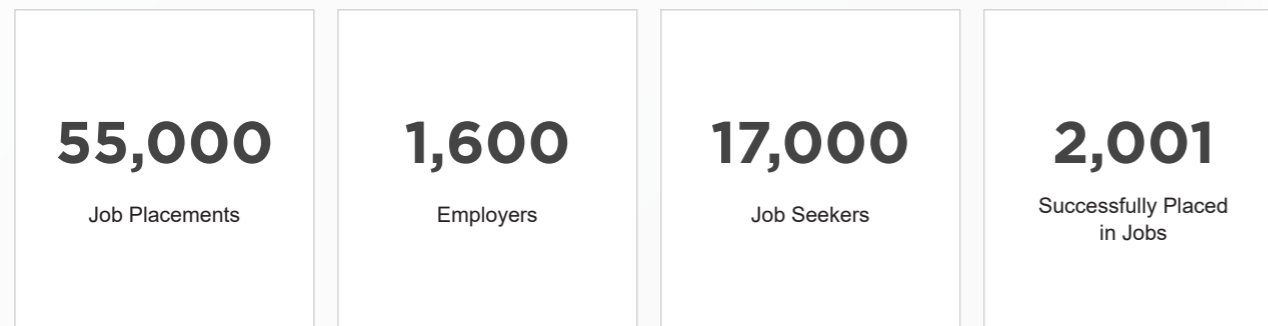
A valuable platform to assist employers in finding the right candidates to fill immediate vacancies.

### FOCUS GROUP

### 2021 TARGET



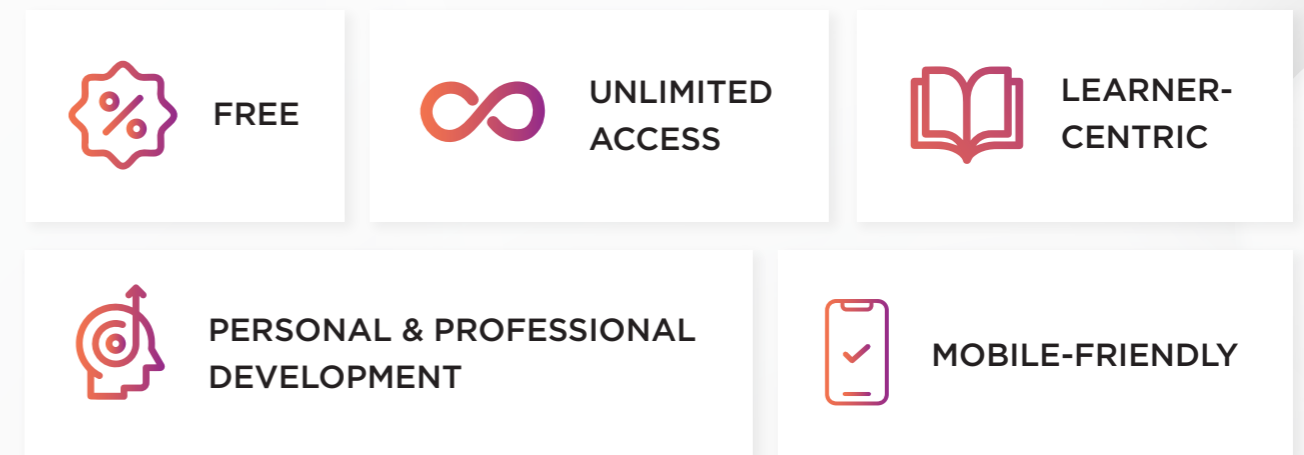
### 2021 ACHIEVEMENTS



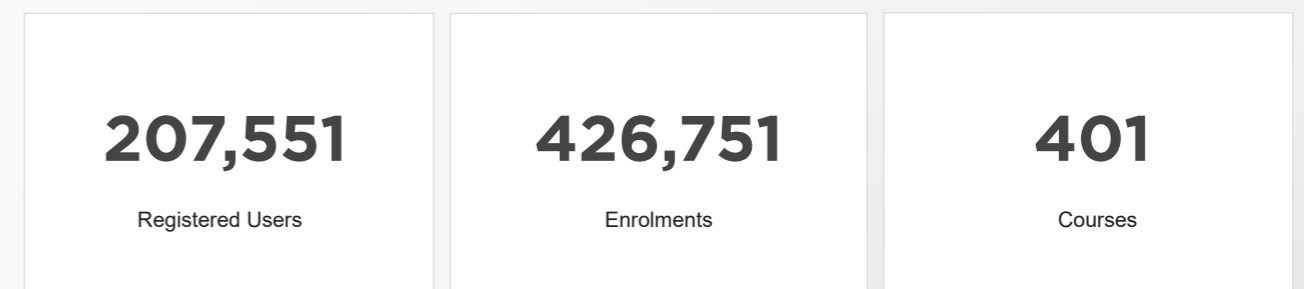
The nation's premier e-learning platform which offers all Malaysians unlimited access to FREE online courses.



To encourage and cultivate a culture of lifelong learning via easily accessible learning resources that are customised to the needs of the Malaysian industry.



### 2021 ACHIEVEMENTS





Malaysia's first e-commerce platform that combines B2B and B2C products and service offerings all in one dynamic marketplace.



Developed as a joint effort between Human Resource Development Corporation (HRD Corp) and Skills Development Fund Corporation (PTPK).

## UNIQUE SELLING PREPOSITION

### End-to-end Seller Support

Continuous training and development, market access, funding, advertising and promotion and much more.

### Financial Assistance

Provides revolving capital for sellers to scale up or take on bulk orders.

## 2021 ACHIEVEMENTS

**2,986**

Total Active Sellers

**2,033**

Total Registered Buyers

**3,112**

Total Published Products

**132,155**

Total Traffic



## National Human Resource Centre

NHRC is a think tank established under the auspices of HRD Corp to provide strategic and operational HR competencies for all Malaysian industries.



The NHRC has also been tasked with developing and influencing HR policy-making, thereby supporting the national agenda of raising the competitiveness of Malaysian industries on the international stage.

## NHRC DUAL CERTIFICATION PROGRAMME

The first joint Human Resources Certification Programme in Malaysia, comprising:

- HRCI international certificates from the United States covering human resources principles and global best practices AND
- NHRC Human Resources Certificate which provides relevant information on labour law, employment law and business law in Malaysia.

### MALAYSIA



Associate Professional in Human Resources - International



Professional in Human Resources - International



Senior Professional in Human Resources - International



Certified Associate Professional in Human Resources - Malaysia (MyCA)



Certified Professional in Human Resources - Malaysia (MyCP)



Certified Senior Professional in Human Resources - Malaysia (MyCSP)





## What is Upskill Malaysia?



National single platform for upskilling, reskilling, multi-skilling, and cross-skilling programmes offered and funded by various government ministries and agencies.

## What are its aims?

**01**

Centralised portal for upskilling, reskilling, cross-skilling and multi-skilling programmes offered and funded by the Government.

**02**

Comprehensive skills repository for individual skills, experiences, qualifications and trainings in one place.

## How does it work?



**01**

Ministries and Agencies upload their course information onto the portal.

**02**

Individuals and Employers can obtain information on their preferred courses.

**03**

Individuals can apply for courses that match their profile and interests.

**04**

Notification will be sent to respective Ministries or Agencies to process these applications.

**05**

Ministries or Agencies can view their course performance dashboard.



## SECOND CHANCES & OPPORTUNITIES FOR PEOPLE TO EXCEL (SCOPE)



An initiative developed in collaboration with the Malaysian Prison Department to help current and former detainees by providing them with income-generation and employment opportunities.

This will be done by providing them with skills development programmes, training as well as employment and placement opportunities with our partner organisations. SCOPE supports former prisoners in rebuilding their lives and reintegrating into society.

## 2021 ACHIEVEMENTS

**1,000**

former prisoners trained and placed in employment in pilot project

**152**

employers in 5 key sectors; agriculture, manufacturing, construction, transportation, services, mining and quarrying.

## GOALS

**5,000**

prisoners trained and employed in 2022

**15,000**

prisoners trained and employed in 2023



# 2021 Report





# Strategic Initiatives

The Strategic Initiatives (SI) Schemes were developed to provide Malaysian talents, organisations and industries with training, employment and income generation opportunities.

This is in line with HRD Corp's goal of ensuring that every Malaysian is trained and employable.

SI Schemes are focused on Small and Medium Enterprises (SME) and dedicated target groups across various categories.

The effectiveness of the implementation of these SI schemes was measured through three (3) important mechanisms; cost sharing, employer centric and outcome based.

<b>Cost Sharing</b>	Delivered through funds from partners and financial assistance or incentives from HRD Corp.
<b>Employer Centric</b>	Developed based on the current needs of HRD Corp-registered employers and the industry.
<b>Outcome-based</b>	Evaluated through comprehensive studies based on outcomes upon completion of the programmes.

## SCHEME FOR EMPLOYMENT MARKET:

### Recognition of Prior Experiential Learning Scheme (RPEL)

RPEL is an initiative to enable workers to gain recognition on their skills and competencies, according to the levels determined by the Department of Skills Development (also known as JPK) and internationally-recognised bodies.

RPEL's primary objective is to support the national agenda of developing skilled workers, in line with the Vision for Common Prosperity 2030. To this end, we have targeted to reform the country's talent and energy resources in order to produce highly-skilled, knowledgeable, competitive and productive talents.

This RPEL is open to individuals who have relevant years of experience as determined by JPK and whose qualification is less than a Diploma, Level 4 or its equivalent.

In 2021, the total allocation received from the Ministry of Human Resources under the Twelfth Malaysia Plan (12MP) for RPEL was RM5 million where the course fee per pax amounted to RM1,300. The maximum cost that could be claimed by each trainee was RM1,300, which covers certification fees and other costs incurred throughout the certification processes. The cost for competency gap training is not covered by HRD Corp.

HRD Corp also introduced a new platform that is not limited to Sijil Kemahiran Malaysia (SKM) certification under industry-recognised certification bodies regardless of whether it is a Malaysian or non-Malaysian certification body. To that end, HRD Corp established joint collaborations with selected certification bodies and appointed vendors to facilitate the internal processes of the RPEL certification. A total of RM1,000, subject to the fee specified by the certification body (per trainee) can be claimed by each trainee.

There were three approaches to the 2021 RPEL programme; Employer, Appointed Vendor and Individual.

- Employer** HRD Corp-registered employers can submit their proposals to HRD Corp. For those individuals who are from non-HRD Corp registered employers, they can apply through HRD Corp's approved appointed vendors under the scheme.
- Appointed Vendor** To become an approved appointed vendor, Government Agencies and Private Accredited Centres that are registered with JPK as assessment centers and with HRD Corp as registered training providers are eligible to submit their proposals.
- Individual** Registered and non-registered individuals with HRD Corp are eligible to participate in this scheme under the Individual approach. However, they need to register with JPK under the HRD Corp RPEL scheme.

A total of 2,420 trainees with financial assistance amounting to RM2.9 million were approved under the RPEL programme. Out of 2,420 trainees, Selangor recorded the highest number at 1,181 followed by Kuala Lumpur with 326 trainees, involved.

LOCATION	TOTAL TRAINEES
Selangor	1,181
Perak	113
Kuala Lumpur	326
Melaka	109
Negeri Sembilan	105
Pulau Pinang	17
Johor	145
Kedah	7
Pahang	186
Perlis	1
Putrajaya	3
Sabah	209
Sarawak	11
Kelantan	7
<b>TOTAL</b>	<b>2,420</b>

#### UPSKILLING EMPLOYEES PRIOR TO SME TECHNOLOGY TRANSFORMATION:

## RiSE4WRD for Industry4WRD

RiSE4WRD is an initiative by HRD Corp to support the national IR4.0 policy, Industry4WRD. Industry4WRD is Malaysia's plan to drive digital transformation in the manufacturing sector and its related services, by enabling companies to embrace Industry 4.0 in a systematic and comprehensive manner, supported by individuals with a strong technical knowledge base. This will be delivered through a clear and complete focus on people, processes and technology.

RiSE4WRD provides an avenue for SMEs from the manufacturing sector which have undergone the Readiness Assessment (RA) to train their employees with the required knowledge and skills, prior to any high technology adoption. Eligible SMEs will receive the necessary funds to train its employees as identified in the RA for up to RM25,000 per company.

The key objectives of RiSE4WRD are:

- 01** To create a platform for SMEs which participated in the RA and identify suitable skillsets or training programmes.
- 02** To help the SMEs by providing funds for identified skills or training programmes.
- 03** To ensure people-readiness of SMEs, prior to high technology adoption or transformation.

For 2021, 55 SMEs benefitted by participating in RiSE4WRD, with a total of 363 employees trained. Those that participated in the training focused mainly on IR4.0-related areas such as manufacturing, automation, digital technology and transformation, smart manufacturing and more.



## SCHEME FOR UPSKILLING SMES:

## SME SKILLS SCHEME

The SME Skills Scheme is a programme designed for SMEs, focusing on functional areas which are identified and implemented in collaboration with government agencies or employers' associations.

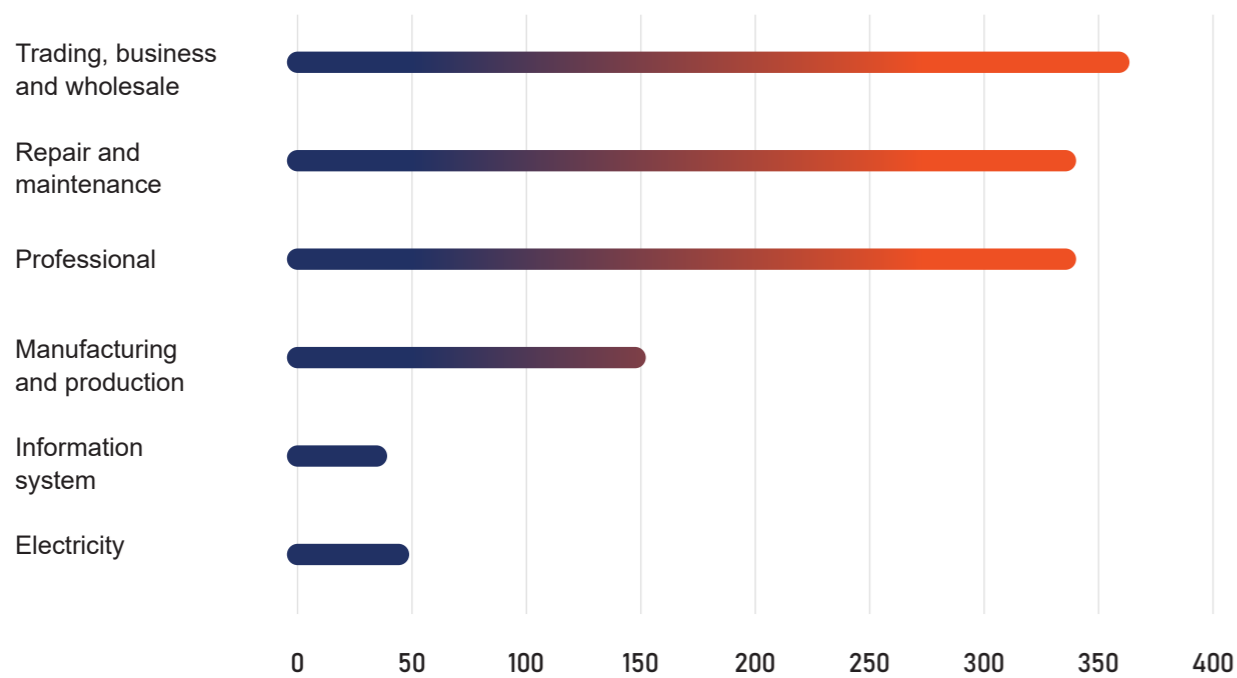
Programme objectives:

- Motivate SME employees to enhance their career development by expanding their skillsets;
- Encourage SME employers to continuously and systematically train their employees to increase their competency levels and produce more skilled workers

All of these will help to strengthen the industries' competitive advantage and sustainability in the global market.

As of 2021, the SME Skills Scheme has approved 1,275 training places involving 19 Training Providers and 33 training courses.

### Approved Training Places by Industry



# Research & Development

## SOLUTION LAB UNIT INITIATIVES

### Industry Training Participation (ITP)

#### REPORT 2020

The HRD Corp Industry Training Participation Report of 2020 provided stakeholders with valuable insights into various industries' training participation during the pandemic. The report examined and compared the training performances of 63 subsectors covered under the PSMB Act 2001 between 2019 and 2020.

In 2020, only 12% to 14% of the individuals were trained, which is close to only half when compared to pre-pandemic levels at 24% to 25%. On average, most employers invested in approximately one to two training programmes per employee in 2020. These findings revealed that although the pandemic impacted training activities in Malaysia, employees were still encouraged and given the opportunity to attend upskilling and reskilling training programmes. In addition, it also highlighted that training providers should evaluate if investments into virtual training is required.

Based on insights gained from previous years, organisations will be able to set benchmarks in their respective industries and proactively develop policies and measures that will ensure employees are trained, even during these difficult times.

Five (5) indicators were selected to measure the training participation of the industries involved:

- Effective Training Duration
- Employees Trained Ratio
- Training Opportunity Ratio
- Training Places Approved
- Industry Investment in Training

## Human Capital Insights Report

Rich in content and information, the Human Capital Insights Report features the most exciting future trends in our nation and from here, HRD Corp will assist through financial assistance schemes and upskilling programmes, to facilitate the growth and development of emerging industries.

The reports looked into the current skillsets acquired by the nation's workforce and its impact in shaping the future of the nation. As a result, robust and relevant training programmes will be created to spearhead the enhancement of Malaysia's human capital development landscape.

In 2021, a total of five (5) captivating Human Capital Insights Reports were published:

ISSUE 01 Real Learning in a Virtual World;

ISSUE 02 Digital Marketing: A Skyrocketing Industry;

ISSUE 03 Smart Agriculture in the Emerging Industrial Revolution 4.0;

ISSUE 04 Effectiveness of Online Training; and

ISSUE 05 Smart Tourism.

## Industrial Insights Report

The Industrial Insights Report was developed to share the latest training-related updates and insights for selected industries covered by the PSMB Act 2001. This report serves as a reference for all stakeholders on current issues and the work involved in improving the nation's human capital development.

It comprises highlights on the general industry outlook, as well as training trends derived from HRD Corp and employers' qualitative feedback. The report comprehensively covers the importance of the industry, training overview, industry demographics, related skill areas, training challenges and their impact.

This is geared at driving improvements within HRD Corp to better meet the changing needs of registered employers. In 2021, four (4) Industrial Insights Reports were published:

ISSUE 01 Healthcare Industry;

ISSUE 02 Manufacturer Industry Chemicals Products, Manufacturer of Plastics Products, Manufacturer of Rubber Products;

ISSUE 03 Hypermarket / Supermarket / Departmental Store, Direct Selling, Sale and Repair of Motor Vehicles; and

ISSUE 04 Shipping, Port Services, Postal or Courier.

## Industrial Intelligence Report

The Industrial Intelligence Report aims to share the latest advances in human capital development across industries and sectors. Topics reviewed included training trends as well as challenges confronting industries and learning ecosystems based on HRD Corp's internal data and market developments.

By diving deep into these topics, the collective insights gained from these reports enable HRD Corp, our partners and stakeholders to formulate relevant programmes and services to create a more robust talent ecosystem. This can be done in tandem with building a local workforce ready to capitalise on new and emerging opportunities

In 2021, a total of four (4) Industrial Intelligence Reports were produced:

ISSUE 01 Training Supply in Malaysia;

ISSUE 02 Employer, Employee and Macroeconomic Indicator Analysis;

ISSUE 03 Jobseeking in a Shifting Labour Market; and

ISSUE 04 A Future of Work that Works for Women.

## Quick Bite Report

This is a bite-sized publication that provides an overview of HRD Corp's training scenario with an analysis of several key parameters to determine highlights and focus areas moving forward.

Parameters such as financial assistance, training place, mode of training, skill areas and active subsectors were included in the report. These reports were presented in an easy-to-digest infographic format for the convenience of our readers. From here, readers will discover new training trends and quick facts every month while employers will be able to gauge their training performance and investments, relative to the industry average.

In 2021, a total of 12 Quick Bite Reports were published.



## Sectorial Information of Newly Covered Subsectors Based on Expansion of the PSMB Act 2001

The Expansion of the PSMB Act Information Report provided stakeholders with valuable insights into the respective industries' training landscape. These reports were developed for engagement sessions with external stakeholders due to the expansion of the PSMB Act, 2001, covering 18 sectors and 238 subsectors, up from 3 and 63 previously.

Topics discussed comprised current and future skillsets and competencies required by industries; local and international benchmarking to identify the professional and accreditation bodies offering training courses; and value proposition suggestions to assist the respective sectors in filling training gaps.

In 2021, 19 Expansion of the PSMB Act Information Reports were produced.

## International Study Visit to Dubai, United Arab Emirates (UAE)

HRD Corp, in collaboration with the Ministry of Human Resources, conducted an International Study Visit to Dubai, United Arab Emirates (UAE) from 16 to 22 October 2021. The purpose of the visit was to deepen HRD Corp's understanding of human capital development practices in other countries that could then be applied to HRD Corp's activities.

During the visit, HRD Corp signed an MoU with the Emirates Aviation University (EAU) to develop skills and talents for the aviation industry in Malaysia and UAE.

EAU is the Middle East's leading educational institution for aeronautical engineering, aviation management, business management, aviation safety and security studies. It is the education arm of the Emirates Group, known worldwide for its commitment to the highest quality standards in every aspect of its business.

Through this partnership, HRD Corp will be able to offer a broader range of training and development programmes from across the world to its registered employers, especially for highly specialised and niche programmes that may not be available locally.

## DESIGN LAB UNIT INITIATIVES

### New Strategic Initiatives

The Unit was entrusted with developing HRD Corp Signature Programmes, a set of exclusive co-branded training programmes developed in collaboration with local and international subject matter experts, merging the human capital development needs of the industry with aspirations of the Malaysian government.

These co-branded Signature Programmes benefit employers by providing them with access to exclusive training content from recognised providers. This enables their employees to obtain certifications that are either locally or internationally recognised.

The Design Lab Unit initiated collaborative efforts with two Training Providers to offer certified co-branded training programmes for the Malaysian workforce. The programmes that are currently offered as HRD Corp Signature Programmes are:

### Digital Bootcamps

Bootcamps that enable employers to equip their employees with in-demand digital skills and award-winning globally-recognised certifications.

Nine (9) digital bootcamps are offered through this programme:

Certified Data Analyst

Certified Data Scientist

Certified Front-End Web Developer

Certified Product Manager

Certified Python Programmer

Certified JavaScript Developer

Certified React Developer

Certified User Experience Designer

Certified Visual Designer

These digital bootcamps were developed by a panel of global industry experts. Assessment of trainees based on industry-centric projects will also be carried out.

### Entrepreneur Development

A Credit Securing Strategies Programme to provide Malaysian SMEs and aspiring entrepreneurs with highly engaging training content that will help propel their business to the next level. It helps entrepreneurs identify avenues to strengthen their business, discover new opportunities and gain clarity on issues and challenges faced by business enterprises, particularly with regards to financial management.

This is a unique and effective entrepreneur development programme that includes the completion of a workable business plan to help secure business credit.

## Benchmarking Studies

Apart from developing co-branded Signature Programmes, the Design Lab Unit also produced relevant benchmarking reports related to new schemes and initiatives. Like the previous year, the benchmarking reports were developed to document and identify exemplary human capital development initiatives and programmes practiced by other nations. The aim was to discover unique training and development initiatives, which can be explored by HRD Corp to produce recommendations for future initiatives. The study was conducted in nine (9) countries, spanning all continents based on the accessibility of complete information in each country.

In 2021, the unit conducted three additional (3) phases of the study, featuring 26 countries in total. Selected countries were prioritised based on their ranking in the Global Human Capital Report 2017 by the World Economic Forum which measures the countries' training and development programmes and initiatives.

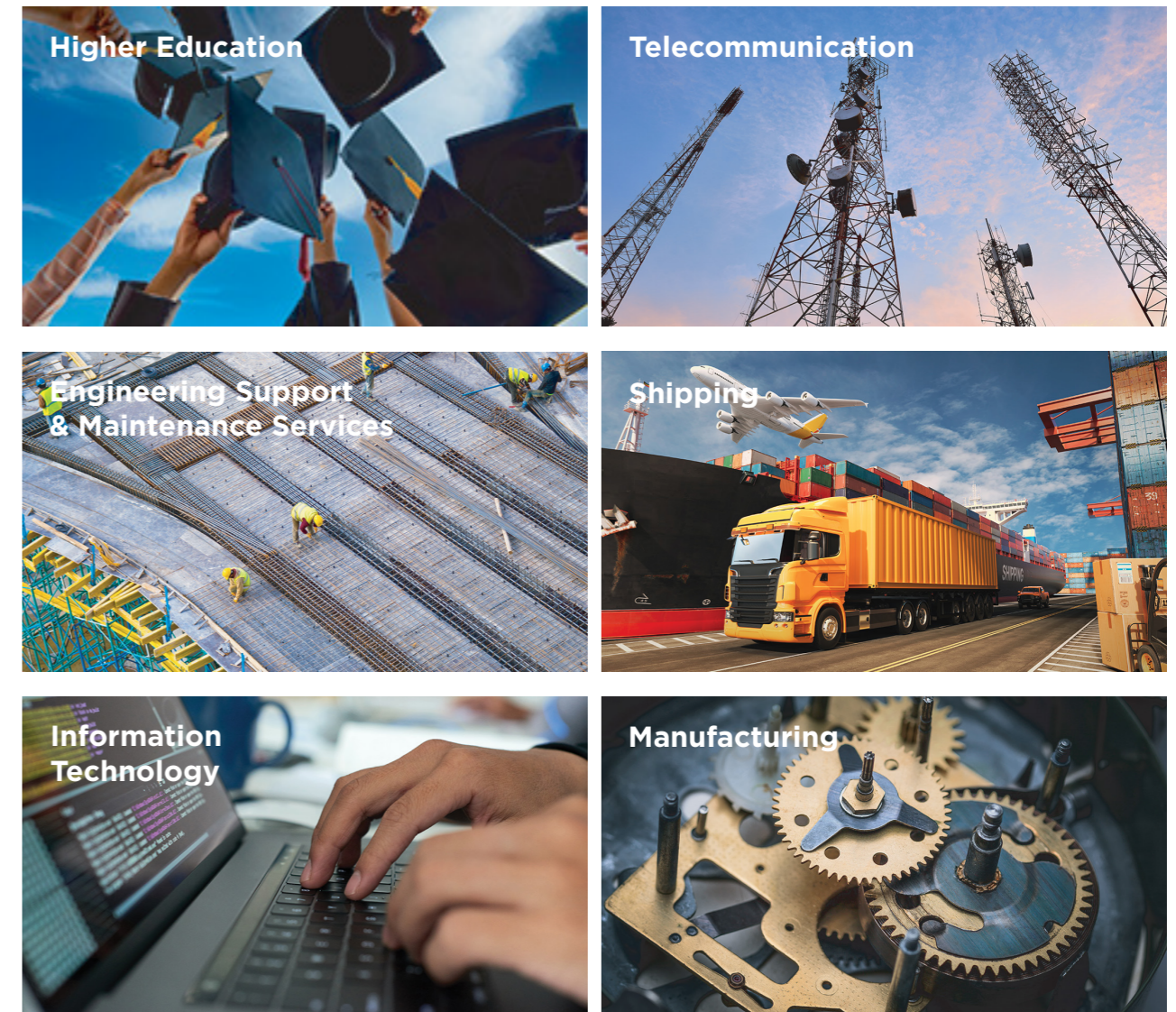
The Design Lab also discovered unique training and development initiatives such as an Intermediate Business Training Programme which may be prioritised and recommended as a future HRD Corp initiative.



## Focus Group Discussions

The Design Lab Unit conducted Focus Group Discussions to determine the practicalities and effectiveness of new initiatives and concepts, namely Digital Technology Training Programme and Special Needs Courses.

These sessions were conducted with 28 individuals from various backgrounds, including employers, training providers and association members. The 28 individuals represented the following industries:



Apart from organising the Focus Group Discussions, the Unit also conducted one-on-one engagements with various Training Providers to identify the programmes that are unique and able to add value to our current suite offerings.

Through these engagements, two (2) programmes were deemed feasible to be placed under the HRD Corp Signature Programmes, namely Digital Bootcamps and Entrepreneur Development programmes.



## COMMUNITY HUMAN CAPITAL DEVELOPMENT UNIT INITIATIVES

### Go Technical and Vocational Education and Training (TVET) Programme

HRD Corp introduced the Go Technical and Vocational Education and Training (TVET) Orang Asli programme in December 2019. This initiative aims to increase the involvement of Orang Asli youths in TVET courses.

The main objectives of this programme are:

- 01 To raise awareness and expose the Orang Asli community to TVET skills training opportunities;
- 02 To recruit Orang Asli into TVET Centres and TVET Programme; and
- 03 To monitor the progress of Orang Asli students throughout their training.

HRD Corp appointed 10 Ground Coordinators among Orang Asli graduates from various Orang Asli tribes such as Semai, Semelai and Kuala to implement the Go TVET Orang Asli programme. These Ground Coordinators act as facilitators to promote the Go TVET Orang Asli programme and its benefits to their respective communities.

In the early stages, HRD Corp implemented a pilot TVET Orang Asli programme at 16 Orang Asli villages in Cameron Highlands, Pahang, from January to June 2020. Due to the success of the pilot, HRD Corp then expanded this programme to 77 Orang Asli villages in Tapah, Perak, as well as the wider Orang Asli communities throughout Malaysia starting from July 2020. The official launch of the Go TVET Orang Asli programme for the Orang Asli community was held at Dewan Arena Merdeka Tapah, Perak on 8 August 2020. This event was officiated by YB Datuk Seri M. Saravanan, the Minister of Human Resources.

In 2021, the Go TVET Orang Asli programme, achieved the following:

#### 01

##### Enrolled Orang Asli youths into *Institut Latihan Perindustrian (ILP) Ipoh, Perak.*

Promoted 11 TVET courses for Orang Asli youths at ILP Ipoh.

- Students who completed their studies between 21 and 27 months (varies according to courses) will obtained *Sijil Kemahiran Malaysia (SKM) Level 2 and Level 3 certificates.*

#### 02

##### Enrolled Orang Asli youths as apprentices at McDonald's Vocational Academy and McDonald's restaurants under the *Sistem Latihan Dual Nasional (SLDN) programme.*

Promoted *Sijil Kemahiran Malaysia Penyediaan dan Perkhidmatan Makanan Segera.*

- Apprentices who completed the 18-month training courses were awarded the *Sijil Kemahiran Malaysia (SKM) Level 2 and Level 3 certificates.*

#### 03

##### Recruited Orang Asli youths in any available job placement opportunity.

Promoted direct job placements at various McDonald's restaurants in Malaysia.

In 2021, Ground Coordinators managed to enrol a total of 53 Orang Asli youths into the Go TVET Orang Asli programme in which:

- Two (2) Orang Asli youths were enrolled into ILP Ipoh. The individuals will be taking their *Sijil Teknologi Seramik (Sijil Kemahiran Malaysia Level 3)* and *Sijil Teknologi Pembuatan Perkakasan-Dai (Sijil Kemahiran Malaysia Level 3)* courses.
- 26 Orang Asli youths enrolled into SLDN McDonald's Programme to take the *Sijil Kemahiran Malaysia Penyediaan dan Perkhidmatan Makanan Segera (Sijil Kemahiran Malaysia Level 3)* course
- 23 Orang Asli youths and one (1) Malay youth obtained job placement at McDonald's Cameron Highlands, and
- One (1) Malay youth obtained job placement at McDonald's Tanjung Malim.

Moving into 2022, the Community Human Capital Development (CHCD) unit will expand its existing services into various community activities and initiatives apart from the Go TVET Orang Asli programme. Firstly, it will establish a HRD Corp Community Human Capital Development Centre in Tapah, Perak, where this centre will act as a one-stop centre for all community development programmes in Tapah. If implemented successfully, this will be the first end-to-end community development model in Malaysia.

Next, the CHCD unit aims to enrol 500 youths in various TVET courses or SLDN programmes nationwide. Thirdly, the CHCD unit will support the community in delivering entrepreneurship and social development activities. Lastly, the CHCD unit will seek support and establish cooperation with employers, NGOs and agencies for upcoming programmes or initiatives.

## Enrolment for GO TVET Orang Asli Programmes in 2021

PROGRAMME	NUMBER OF YOUTHS
ILP Ipoh Sessions 2021 (02/08/2021 - 22/02/2021)	2 OA Youths
<b>SLDN McDonald's</b>	
1st Intake (15/03/2021)	7 OA Youths
2nd Intake (13/04/2021)	7 OA Youths
3rd Intake (22/04/2021)	3 OA Youths
4th Intake (23/08/2021)	1 OA Youth
5th Intake (09/09/2021)	1 OA Youth
6th Intake (15/09/2021)	4 OA Youths
7th Intake (04/10/2021)	2 OA Youths
8th Intake (22/12/2021)	1 OA Youth
<b>Job Placement</b>	
McDonald's Cameron Highlands	24 OA Youths
McDonald's Tanjung Malim	1 OA Youth
<b>Total Enrolment in 2021</b>	<b>53 Youths</b>

## INDUSTRIAL SKILLS FRAMEWORK UNIT INITIATIVES

The Industrial Skills Framework (IndSF) Unit is responsible for identifying in-demand skill sets and competencies for the local multi-industry workforce. The unit oversaw two initiatives, with the first being the development of the IndSF document in collaboration with industry partners. The IndSF document identifies comprehensive vital skills and competencies utilised at different job levels within various industries.

Complementing this framework is the list of recommended training programmes and certifications to upskill the workforce in both critical technical and non-technical skills and competencies. The IndSF document complements existing skill frameworks to cater to the industry's skills demands, including the National Occupational Skills Standard (NOSS).

The second initiative focuses on identifying experts for 24 skill areas across various industries under the Industry Expert Committee (IEC), with nine (9) members for each skill area.

The COVID-19 pandemic and the implementation of the Movement Control Order since 2020 continued to be a challenge to the IndSF Unit. Nevertheless, the unit has seamlessly adapted to hybrid working arrangements and successfully delivered on its initiatives. It is HRD Corp's aspiration that the framework will help the industry to continuously assess and resolve any skill gaps while setting out a progressive career pathway for upskilling and reskilling the workforce.



## INITIATIVE 01

# Industrial Skills Framework (IndSF)

The IndSF document was developed to benefit the following target audiences:

### 01 EMPLOYEE/INDIVIDUAL

To make decisions on education and training, as well as career development and upskilling based on the sector, employment and occupation/job role;

### 02 EMPLOYER

To design progressive human resource management and talent development plans; and

### 03 TRAINING PROVIDER

To enable a demand-driven training ecosystem that suits the needs of the industry in providing training programmes.

The IndSF document provides valuable information via its four components - sector information, career pathway, jobs and skills description, and lastly, training/certification programmes for skills upgrading and mastery.

#### i. Sector information

Information on the industry (workforce strength, levy utilisation, etc.)

#### ii. Career pathway

Illustrates how career progression for the respective industry is structured progressively and laterally based on sector norms.

#### iii. Jobs and skills description

Outlines the skills for each job position within the career pathway, aligned to the sub-sectors/critical areas/department/sections. It provides information on the job description and corresponding skills.

#### iv. Training programmes

Information on skills required for potential entrants as well as required skills and competencies for in-service personnel to progress to the next level of their career.

Each IndSF takes between ten (10) to twelve (12) months to be developed, involving active participation of various key industry players and associations.

Below is the established methodology in developing the framework:



*\*Stage 3 is the most critical phase. This phase involves subject matter experts from the industry actively providing their feedback through a series of workshops.*

*The framework may be reviewed and updated sporadically, if needed, through collaboration and coordination with an extensive variety of stakeholders and IECs.*

## Developed IndSF Documents

In 2021, three (3) IndSF documents were successfully developed, with one of them published, and made accessible to the public:

INDUSTRIAL SKILLS FRAMEWORK FOR

### Higher Education Industry

INDUSTRIAL SKILLS FRAMEWORK FOR

### Aerospace Industry: Manufacturing

INDUSTRIAL SKILLS FRAMEWORK FOR

### Logistics and Warehousing Industry

## INDUSTRIAL SKILLS FRAMEWORK FOR

**Higher Education Industry**

IndSF for Higher Education Industry was developed by HRD Corp in collaboration with:

- i. National Association of Private Educational Institutions (NAPEI)
- ii. Malaysian Association of Private Colleges & Universities (MAPCU)

This document focuses on (3) critical areas that have been identified: Academic Pathway (Leadership Track), Academic Pathway (Scholarly Track) and Non-academic Pathway (Functional Leadership Track).

A total of 81 job roles were identified with 20, 35, 26 classified under each stream, respectively. This document is available to the public and can be downloaded from HRD Corp's website.

## INDUSTRIAL SKILLS FRAMEWORK FOR

**Aerospace Industry: Manufacturing**

IndSF for Aerospace Industry: Manufacturing was developed by HRD Corp in collaboration with:

- i. Malaysia Aerospace Industry Association (MAIA)
- ii. National Aerospace Industry Coordinating Office (NAICO)
- iii. Selangor Darul Ehsan Aerospace Industry Coordination Office (S-DAICO)

This document focuses on (3) critical areas that have been identified: Production/Operations, Engineering and Quality. A total of 81 job roles were identified with 20, 35, 26 classified under each stream, respectively.

## INDUSTRIAL SKILLS FRAMEWORK FOR

**Logistics and Warehousing Industry**

IndSF for the Logistics and Warehousing Industry was developed by HRD Corp in collaboration with:

- i. Selangor Freight Forwarders and Logistics Association (SFFLA)
- ii. Malaysian Institute of Freight Forwarders (MIFF)
- iii. Federation of Malaysian Freight Forwarders (FMFF)
- iv. International Air Transport Association (IATA)

This document focuses on air freight, sea freight and air cargo and was developed by 36 subject matter experts from the logistics and warehousing industry. It covers 67 job positions and has 247 recommended training programmes as identified by the subject matter experts.

**Enhanced IndSF Documents**

HRD Corp adopted two (2) methods in enhancing the IndSF documents:

01. Existing IndSF documents in the HRD Corp portal were reviewed and updated based on the current needs and demands within the respective industry, in terms of skills, competencies and training programmes.
02. New focus areas were added to the currently available IndSF documents to further enrich the documents.

In 2021, five (5) enhanced IndSF documents were successfully developed. Out of these, four (4) were published and made accessible to the public. The five documents are:

## INDUSTRIAL SKILLS FRAMEWORK FOR

**01 Aerospace Industry: Maintenance, Repair & Overhaul (MRO)**

## INDUSTRIAL SKILLS FRAMEWORK FOR

**02 Digital Technology Industry: Application Software**

## INDUSTRIAL SKILLS FRAMEWORK FOR

**03 Digital Technology Industry: Digital Global Business Services**

## INDUSTRIAL SKILLS FRAMEWORK FOR

**04 Digital Technology Industry: Fintech**

## INDUSTRIAL SKILLS FRAMEWORK FOR

**05 Digital Technology Industry: Digital Marketing**

## INDUSTRIAL SKILLS FRAMEWORK FOR

**Aerospace Industry: Maintenance, Repair & Overhaul (MRO)**

IndSF for the Aerospace Industry: Maintenance, Repair & Overhaul (MRO) was developed by HRD Corp in collaboration with Malaysia Aerospace Industry Association (MAIA) together with subject matter experts from the Aerospace industry.

This document focuses on three (3) areas: Aircraft Maintenance (Engineering Workshop), Technical, and Quality (CAMO and Part 145), with a total of 64 job roles, ranging from Technician Trainee to General Manager.



## INDUSTRIAL SKILLS FRAMEWORK FOR

## Digital Technology Industry: Application Software

IndSF for the Digital Technology Industry: Application Software was developed by HRD Corp in collaboration with:

- 01 Malaysia Digital Economy Corporation (MDEC)
- 02 National Tech Association of Malaysia (PIKOM), and
- 03 Nine (9) Subject Matter Experts from the Digital Technology industry.

This document covers 15 job roles with their respective technical skills, soft skills and certification programmes.

## INDUSTRIAL SKILLS FRAMEWORK FOR

## Digital Technology Industry: Digital Global Business Services

IndSF for the Digital Technology Industry: Digital Global Business Services was developed by HRD Corp in collaboration with:

- 01 Malaysia Digital Economy Corporation (MDEC);
- 02 National Tech Association of Malaysia (PIKOM); and
- 03 Six (6) Subject Matter Experts from the Digital Technology industry.

This document covers 14 job roles with their respective technical skills, soft skills and certification programmes.

## INDUSTRIAL SKILLS FRAMEWORK FOR

## Digital Technology Industry: Fintech

IndSF for the Digital Technology Industry: Fintech was developed by HRD Corp in collaboration with Malaysia Digital Economy Corporation (MDEC) and subject matter experts from the Digital Technology industry.

This document covers 13 job roles.

## INDUSTRIAL SKILLS FRAMEWORK FOR

## Digital Technology Industry: Digital Marketing

IndSF for the Digital Technology Industry: Digital Marketing was developed by HRD Corp in collaboration with Malaysia Digital Economy Corporation (MDEC) and subject matter experts from the Digital Technology industry.

This document covers 15 job roles.

## INITIATIVE 02

## Industry Expert Committee (IEC)

In order to elevate the human capital development of the local multi-industry workforce, it is vital for HRD Corp to ensure training content offered by training providers are aligned closely with the industries' needs for competencies, skills and knowledge. This objective is achieved through the establishment of the Industry Expert Committee (IEC).

The Committee consists of experts from the industry responsible for reviewing and evaluating current training content for the registration of training providers. The IEC objectives are to:

- a. Review and evaluate current training courses offered by HRD Corp-registered Training Providers; and
- b. Provide technical input or advice on training courses to the Training Levy Review Committee (TLRC) for endorsement.

The IECs were formed based on the below-mentioned areas:

1. Industry 4.0	13. Safety
2. Health	14. Regulation and Certification Based
3. Logistics, Warehousing and Supply Chain	15. Sales, Marketing, Customer Service and Retail
4. Building, Construction, Maintenance or Landscaping	16. Medical and Medical Service Related
5. Healthcare	17. Legal
6. Productivity	18. Scientific or Technical, Statistics or Research and Development
7. Operation Management	19. Security
8. Engineering	20. Linguistics
9. Sustainability	21. Management and Leadership
10. Gig Economy	22. Quality
11. Finance and Accounting	23. Hospitality and Tourism
12. Digitalisation	24. Creative Arts, Journalism or Entertainment

This strategic collaboration and partnership between HRD Corp and experts from the industry are also expected to facilitate a focused and guided utilisation of training funds. A minimum of five (5) members have been appointed per the 24 committees. As of 31st December 2021, 189 members have already been appointed to the IEC.

## HRD CORP WEBINAR 2021

The COVID-19 pandemic has brought about significant changes within the Malaysian economic landscape, most notably in the form of business disruption and loss of revenue. Sectors such as aviation and hospitality have been the hardest hit, letting go of many employees and contributing to the rise in the nation's unemployment rate in the past year. Having survived a difficult year however, these industries are eager to kick into high gear and rebuild their businesses.

HRD Corp is dedicated to helping industry players achieve this goal through human capital development. With this in mind, HRD Corp has initiated a webinar series to call for a discussion on post COVID-19 workforce recovery plans. The series featured five (5) themes.

<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>
<b>The Current Workforce Scenario</b>	<b>The Future of Work in the Healthcare Industry</b>	<b>Post-Covid Recovery: Adapting to New Mindsets</b>	<b>Managing Industrial Relations Effectively</b>	<b>Compensation and Benefits in the New Era</b>

In addition to this, the Design Lab Unit has also produced four (4) Training Digest articles to provide stakeholders with key information from the HRD Corp Webinar Series 2021. The articles were published on the HRD Corp official website.

### SERIES 01

## The Current Workforce Scenario

The first webinar series was held on 26 February 2021 via Webex and moderated by Dr. Amanina Abdul Rahman, Economist (Social Protection & Jobs), World Bank Group. The Human Resources Minister, YB Datuk Seri M. Saravanan was the keynote speaker. A total of 2,753 participants joined the webinar. The panellists were:

- YB Datuk Wira Hjh Mas Ermieyati Haji Samsudin, Deputy Minister of Entrepreneur Development Cooperatives; and
- Dr. Jasmine Begum, Director, Legal & Government Affairs, SEA New Markets, Microsoft Malaysia.



This webinar shares data on the industry's human capital development efforts and provides insights into how to conduct training amidst the pandemic.

### SERIES 02

## The Future of Work in the Healthcare Industry

The second webinar series was held on 30 March 2021 via Webex and moderated by Mr. Rony Ambrose Gobilee, Chief Strategy and Programmes Officer, HRD Corp. 402 participants joined the webinar. The panelists were:

- Dr. Ahmad Khairil Faizi bin Rosli, Director of Ethics and Legal Division, Malaysian Medical Council (MMC);
- Datuk Dr. Hishamshah bin Mohd Ibrahim, Deputy General of Health (Research and Technical Support), Ministry of Health (MOH); and
- Ms. Christiane Wiskow, Senior Health Sector Specialist, Sectoral Policies Department, International Labour Organization (ILO).



As we pull through the Movement Control Order 3.0 (MCO 3.0) and with the National COVID-19 Immunisation Programme well underway, healthcare workers were once again placed front and center to ensure the country's continuity during these challenging times. With the spread of new COVID-19 variants, it was important that we conduct our services in the best way possible.

To shed some light on how the healthcare industry has been impacted and shaped by COVID-19 moving forward, the HRD Corp hosted the second instalment of its 2021 Webinar Series, focusing on the Future of Work in the Healthcare Industry. In order to provide some much-needed insights on this theme, three topics were thoroughly covered during the session, including:

- How COVID-19 Shook the Healthcare Industry: Ethical Challenges Faced by Frontliners;
- Surviving in the COVID-19 Pandemic: Technological Advancements in the Healthcare Industry; and
- Skills Development During the Pandemic: Skill Set Required for the Healthcare Industry.

The advancement of technology has dramatically facilitated Malaysia's fight against the deadly virus. Healthcare is one of the fastest industries to adopt new technology, with the Ministry of Health spearheading three significant areas – digital health, precision medicine, and clinical trials. Regardless of the pandemic's presence, the need for digital transformation in the healthcare industry moving forward is unquestionable.

Recognising the current trend of technological advancement within the healthcare industry (e.g., artificial intelligence, genomics and proteomics), the future of work will generally require strategies that ensure lifelong learning, flexible education, and training systems that can anticipate the skills demanded from the sector. This will ensure that all workers are up-to-speed.

This webinar shed some light on how the healthcare industry was impacted and shaped by COVID-19 as well as its plans moving forward.

## SERIES 03

# Post-Covid Recovery: Adapting to New Mindsets

The third webinar series was held on 30 April 2021 via Webex and moderated by Mr. Rony Ambrose Gobilee, Chief Strategy and Programmes Officer, HRD Corp. Datuk Shahul Dawood, Chief Executive of HRD Corp was the keynote speaker. There were 819 participants in this webinar. The panellists were:

- Ms. Cheong Sue Jen, Executive Director, Malaysian Mental Health Association (MMHA)
- Mr. Mohd Asril bin Idris, Head of Employee, Engagement and Culture, Telekom Malaysia Berhad (TM)
- Mr. Samuel Kim, Project Leader, National Skills Strategy, Organisation for Economic Co-operation and Development (OECD)

This webinar focused on the causes of mental health challenges, issues exacerbated by the COVID-19 pandemic and how employers can play their roles in supporting their employees.

## SERIES 04

## Managing Industrial Relations Effectively

The fourth webinar series was held on 19 November 2021 via Webex and moderated by Ms. Siti Suryati Kama Asnawi, Chief Human Resources Officer, HRD Corp. There were 685 participants in this webinar. The panellists were:

- Ms Azma Abdul Rahman, Senior Assistant Director, Research & Policy Planning Division, Department of Industrial Relations Malaysia (JPPM);
- Mr. Mohd Azmi Muhammad, Deputy Director, Department of Trade Union Affairs (JHEKS); and
- Mr. John Ritchotte, Labour Relations Specialist, International Labour Organization (ILO).

**HRD CORP WEBINAR 2021**  
 SERIES 4:  
**MANAGING INDUSTRIAL RELATIONS EFFECTIVELY**  
 Disagreements and conflicts are inevitable at the workplace. In organisations, it is vital for HR or team leaders to mediate any issues between workers to ensure that the company culture remains positive and productive. So how can this be done in an effective and constructive manner? Take it from industry captains in this upcoming webinar on how to reframe the situation where everyone can win by collaborating to achieve mutually beneficial solutions.

FRIDAY | 19 NOVEMBER 2021 | 3:00 PM - 5:30 PM | WEBEX

**TOPICS AND PANELLISTS**

 <b>AZMA ABDUL RAHMAN</b> Senior Assistant Director Research & Policy Planning Division Department of Industrial Relations Malaysia (JPPM)	 <b>MOHD AZMI MUHAMMAD</b> Deputy Director Department of Trade Union Affairs (JHEKS)	 <b>JOHN RITCHOTTE</b> Labour Relations Specialist International Labour Organization (ILO)	 <b>SITI SURYATI KAMA ASNAWI</b> Chief Human Resources Officer Human Resource Development Corporation (HRD Corp)
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**REGISTER NOW FOR FREE!**  
 Registration link: <http://bit.ly/hrdcorpwebinar2021series4>

#hrdcorpwebinarseries

This webinar explores various perspectives by industry experts on the strategies for managing industrial relations in the post-pandemic landscape.

## SERIES 05

## Compensation and Benefits in the New Era

The fifth and final webinar series was held on 10 December 2021 via Webex and moderated by Ms. Siti Suryati Kama Asnawi, Chief Human Resources Officer, HRD Corp. There were 896 participants in this webinar. The panellists were:

- Mr. Abdullah bin Monshie, Head (Human Capital Expertise), Group Human Resource Management, PETRONAS;
- Ms. Mary Chua, Senior Client Partner, Korn Ferry Advisory; and
- Mr. Xavier Estupinan, Regional Wage Specialist (Decent Work Team) for East and South-East Asia and the Pacific, International Labour Organization (ILO).

**HRD CORP WEBINAR 2021**  
 SERIES 5:  
**COMPENSATION AND BENEFITS IN THE NEW ERA**  
 The pandemic has dramatically reshaped the workforce and awoken new economic realities. This has shifted the way organisations manage their workforce, retain talents and administer their compensation and benefits plan. Join us and learn how to refine and strengthen your compensation and benefits package to meet new demands in the post-pandemic landscape.

FRIDAY | 10 DECEMBER 2021 | 3:00 PM - 5:30 PM | WEBEX

**TOPICS & PANELLISTS**

 <b>ABDULLAH BIN MONSHIE</b> Head (Human Capital Expertise) Group Human Resource Management PETRONAS	 <b>MARY CHUA</b> Senior Client Partner Korn Ferry Advisory	 <b>XAVIER ESTUPINAN</b> Regional Wage Specialist (Decent Work Team) for East and South-East Asia and the Pacific International Labour Organization (ILO)	 <b>SITI SURYATI KAMA ASNAWI</b> Chief Human Resources Officer Human Resource Development Corporation (HRD Corp)
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**REGISTER NOW FOR FREE!**  
 Registration link: <https://bit.ly/hrdcorpwebinar2021series5>

#hrdcorpwebinarseries



# Registered Employers

## Expansion of the PSMB Act, 2001

Effective 1 March 2021, the PSMB Act was expanded to all industrial sectors in Malaysia through the 1st Schedule Amendment Order number P.U. (A) 84 which was approved on 26 February 2021 by the Minister of Human Resources. This amendment involved the addition of three (3) new key economic sectors that are now eligible to be registered with HRD Corp.

NO.	OLD SECTOR	NEW SECTOR
01.	Manufacturing	⊕ Agricultural
02.	Services	⊕ Financial
03.	Mining & Quarrying	⊕ Construction

The expansion of the Act involves 238 sub-sectors of the economy compared to 63 sub-sectors previously. Based on the 2016 Economic Census released by the Department of Statistics Malaysia (DOSM), it is estimated that 6.1 million workers will be eligible for training under HRD Corp scheme, compared to 2.5 million workers before the expansion of the Act, an increase of 144%.

The expansion is in line with the mandate given by the government to HRD Corp under the Eleventh Malaysia Plan (11MP) which is, Accelerating Human Capital Development for an Advance Nation, under the focus area of Improving Lifelong Learning for Skills Enhancement.

The steps undertaken to qualify and quantify training and development programmes will not only improve employees core competencies for HRD Corp-registered employers, but would also enhance their overall business sense. This expansion is also a crucial step towards the overall development of Malaysia's human capital, creating an increased number of skilled local workers that are responsive to business needs.

Below is the list of all sectors covered under 1st Schedule of PSMB Act, 2001:

### MANDATORY CATEGORY

- ⊕ Employers with a minimum of 10 local employees.

### OPTIONAL CATEGORY

- ⊕ Employers with a minimum of 5 to 9 local employees.
- ⊕ Employer with five or more but less than five hundred thousand employees which is a non-governmental organisation and carrying out any activity in respect of: -
  - labour union
  - religious organisation;
  - political organisation;
  - nursing care facilities including nursing home for elderly, disable person orphanages, chemicals abusers or any welfare services; or
  - social work without lodging.

## Registered Employers by Sector in 2021

As at 31 December 2021, the number of employers registered with HRD Corp were 67,125, an increase of 101.57% from the previous year. Meanwhile, the number of employees registered amounted to 35,205 in 2021, compared to only 4,202 in 2020.

Out of the 67,125 employers registered in 2021, the sector with the biggest number of employers registered was the Services sector at 43,768, followed by Manufacturing at 14,947.

### Total Employers by Sector

No. of registered	Manufacturing	Services	Mining & Quarrying	Financial	Construction	Agricultural	Total
<b>Employers</b>	14,947	43,768	361	1,331	4,883	1,835	67,125
<b>Employees</b>	1,195,194	2,195,835	26,733	246,561	169,982	102,563	3,936,868

### Total Registered Employers in 2021 by Sector

No. of registered	Manufacturing	Services	Mining & Quarrying	Financial	Construction	Agricultural	Total
<b>Employers</b>	2,226	24,825	105	1,331	4,883	1,835	35,205
<b>Employees</b>	52,844	904,885	3,876	246,561	169,982	102,563	1,480,711

Apart from the expansion of the Act, the high increase in employer registration in 2021 is also due to the strategies that were carried out by the Customer Acquisition Department throughout 2021. These included:

- a. Collaboration with employers' associations and relevant stakeholders to promote the expansion of this Act to members and employers registered under them. A total of 130 engagement webinar sessions were conducted with employers' associations, potential employers and stakeholders throughout 2021.
- b. Levy exemption for new employers from new sectors until December 2021.
- c. Issuance of 70,000 letters to potential eligible employers nationwide, calling on them to register with HRD Corp.

## Registered Employers by Size and Sector from 1993 to 2021

From 1993 to 2021, SMEs have continuously made-up a significant number of HRD Corp's registered employers. In 2021, 60,579 employers were SMEs, compared to 29,188 in 2020 representing an increase of 107%.

Number of Registered Employers by Size and Sector from 1993 to 2021

No. of Employers		Large Employers	SME Employers	Total
Manufacturing Sector	Total	1,045	13,902	14,947
	2021	9	2,217	2,226
Service Sector	Total	4,572	39,196	43,768
	2021	1,770	23,055	24,825
Mining & Quarrying Sector	Total	24	337	361
	2021	3	102	105
Financial Sector	Total	278	1,053	1,331
	2021	278	1,053	1,331
Construction Sector	Total	360	4,523	4,883
	2021	360	4,523	4,883
Agriculture Sector	Total	267	1,568	1,835
	2021	267	1,568	1,835
Total	Total	6,546	60,579	67,125
	2021	2,687	32,518	35,205

In 2021, a total of 32,518 new SME registered employers with HRD Corp. This is an increase of 707% from 4,027 new SME employers who registered in 2020.

## De-registration of Employers in 2021

A total of 1,531 employers were de-registered in 2021, an increase of 136% from 648 de-registered employers in 2020. At 63%, the highest number of de-registrations was recorded in the Services sector.

The de-registration that occurred in 2021 were mostly due to organisations ceasing operations, which amounted to 961 employers. This is followed by 457 employers that had shrunk their operations and had less than 10 employees, making it non-mandatory for them to continue being a HRD Corp registered employer.

Number of De-registered Employers from 1993 to 2021

Reasons for Deregistration	Manufacturing		Service		Minig & Quarrying		Agriculture		Construction		Financial		Total
	2021	1993-2021	2021	1993-2021	2021	1993-2021	2021	1993-2021	2021	1993-2021	2021	1993-2021	
Cessation from being employer	381	3,448	574	2,209	4	7	1	1	2	-	-	-	5,667
Business activities not covered under the PSMB Act	2	314	10	404	-	3	-	-	-	-	-	-	721
Less than 10 employees	106	555	326	1,623	2	10	4	4	15	15	4	4	2,211
Companies that have merged with other companies	43	945	53	794	5	9	-	-	-	-	-	-	1,748
Total	532	5,262	963	5,030	11	29	5	5	17	17	4	4	10,347



# Engagement

**“Innovation needs to be part of your culture. Customers are transforming faster than we are, and if we don’t catch up, we’re in trouble.”**

Ian Schafer, the CEO and co-founder of Kindred

Undoubtedly, customers are an important component in any organisation. In light of this, customer engagement is the ongoing cultivation of a bond between the company and consumer, going far beyond the transaction itself. It is an intentional, consistent approach by a company to offer added value at every customer interaction, thus increasing loyalty.

Notwithstanding the global pandemic, the manner in which we approach our stakeholders or learn has continued to evolve, more so with the increasing use of virtual technologies and digital solutions to drive customer engagement.

For the Customer Engagement Department, 2021 proved to be another challenging yet fulfilling year. Since the onset of the COVID-19 pandemic, digital adoption has become a key factor in the survival of every organisation. In this regard, HRD Corp witnessed exponential growth for approved training places for remote online learning following the aggressive numerous engagement initiatives done by the respective departments. The high level of proactiveness demonstrated through the various initiatives resulted in the engagement of 92,114 customers through 54,188 virtual and physical sessions.

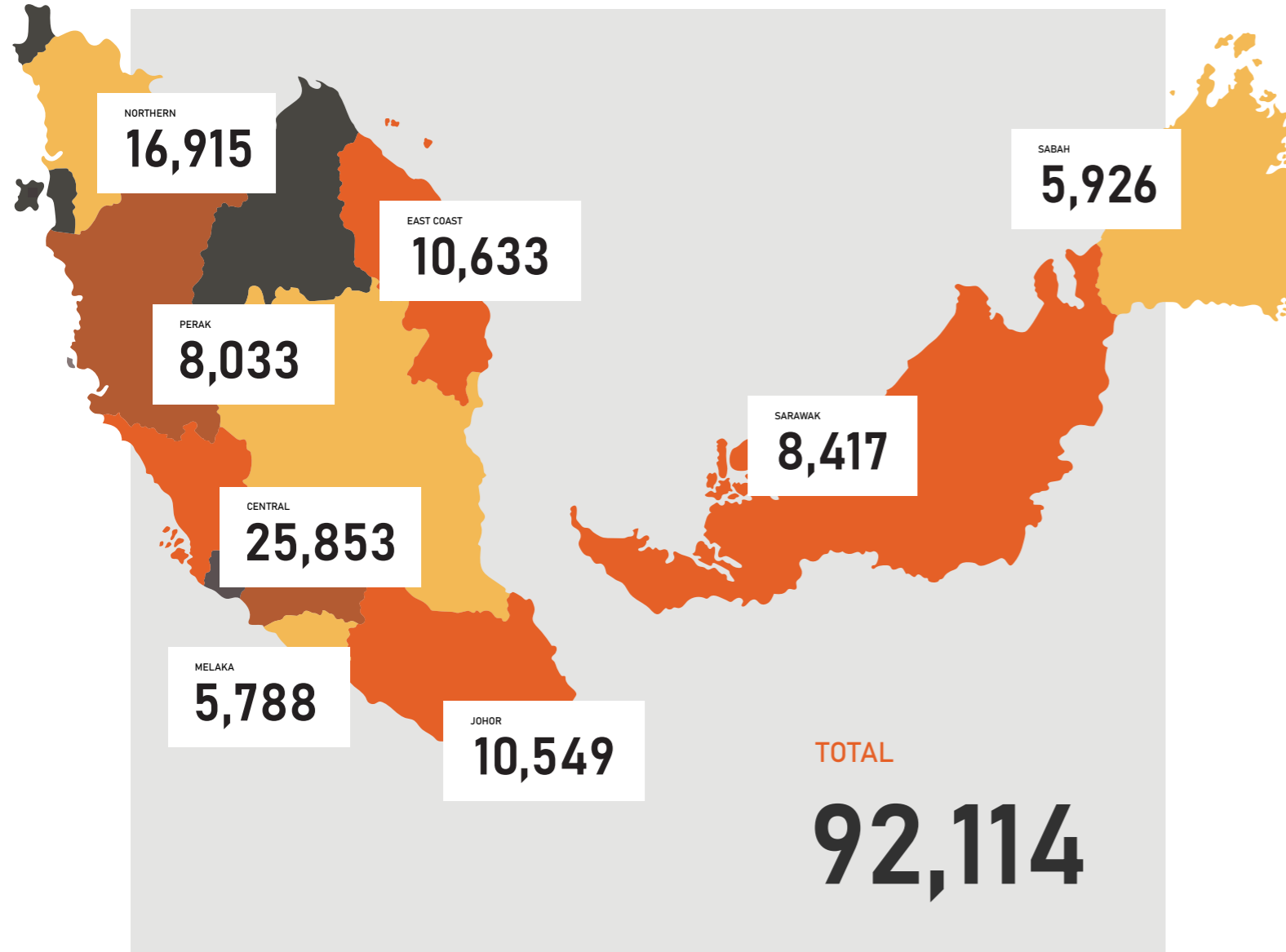
## Summary of Initiatives

TABLE 01

Activities	Number of Sessions	Number of Employers
Think Levy Think Training Briefing	1,050	21,105
Onboarding Session	268	4,008
Collaboration Programme	106	1,870
Special Advisory Services	2,074	2,074
Verification Visits	2,361	2,361
Focus Group (TNA For Existing Employers)	68	778
Employers' Association Engagement	45	826
Potential Liable Employers' Briefings	104	950
HRD Corp Meet & Greet	102	3,888
Special Briefing (Claim/Levy/Rise4wrld Etc.)	148	4,613
Specific Initiatives	39	1,299
Personalised Consultations	3,236	3,236
EPLI Roadshows	62	581
Phone Calls / Emails	44,525	44,525
<b>Total</b>	<b>54,188</b>	<b>92,114</b>

## Number of Engaged Employers by Regions

The following graphic further illustrated the breakdown of engaged employers by respective regional offices throughout the nation.



The COVID-19 pandemic has immensely impacted the training and development landscape in Malaysia, compelling us to change and adapt to the new normal. As the custodian of Malaysia's learning and skill development ecosystem, HRD Corp through its Customer Engagement Department will continue to engage with stakeholders in order to drive levy utilisation and meet the training needs of their workforce.

## Training

COVID-19 accelerated the push for technology and digitalisation in ways we never expected. This in turn caused many employers to rethink their operation, talent gaps and growth potential. For employees and individuals, remote and hybrid work arrangements had changed the workspace dynamics, causing many to reassess their career paths given their current skillsets. Despite the disruptions, we recognised a positive headline emerging – new skillsets, competencies and continuous learning were central components that were shaping the future of work.

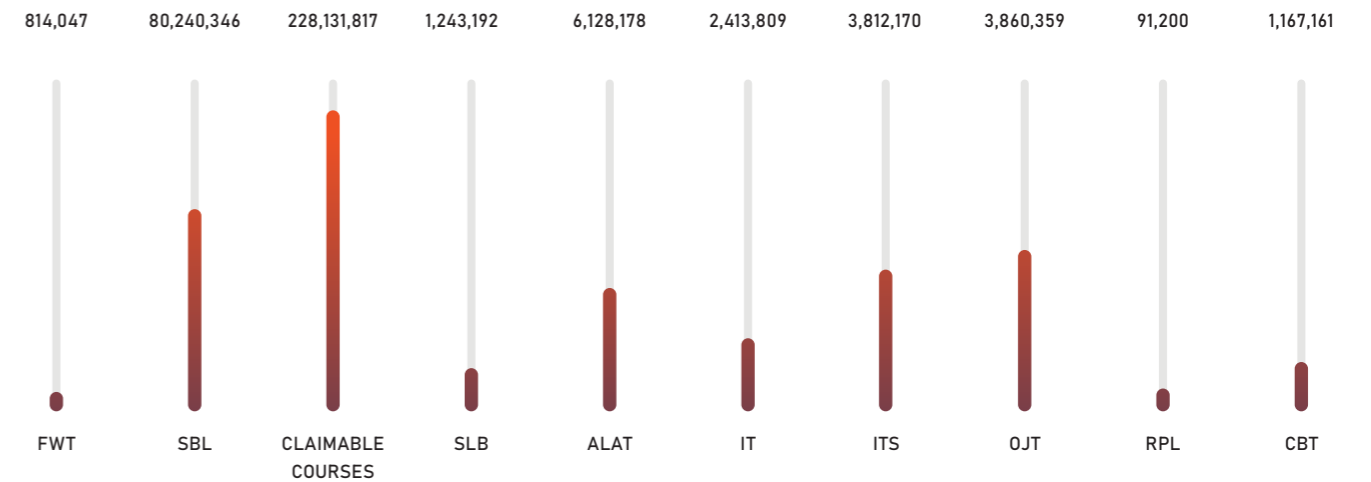
This is why HRD Corp continuously introduces a wide variety of relevant training programmes and initiatives to help employees reskill and upskill to meet the future of work requirements. These programmes have been introduced to help our local talents improve their current competencies, gain new skills and develop a growth mindset in order to cope with the disruptions occurring in the workplace environment as well as capitalise on new opportunities.

Recognising that training programmes are not just class-room based, we have also taken a hybrid approach, where our trainees will also be exposed to a combination of on-the-job training and classroom training. The levy collected enables us to work with third-party trainers and training providers to gain access to financial assistance, coaching and mentoring programmes to help individuals improve their livelihood for a better future.

In 2021, HRD Corp approved **RM327 million** for the purpose of levy utilisation and financial assistance for **566,474** training places as applied by registered employers. This was done across our ten (10) schemes that were offered for the purpose of training grants.

## Approved Financial Assistance by Scheme in 2021

CHART 01

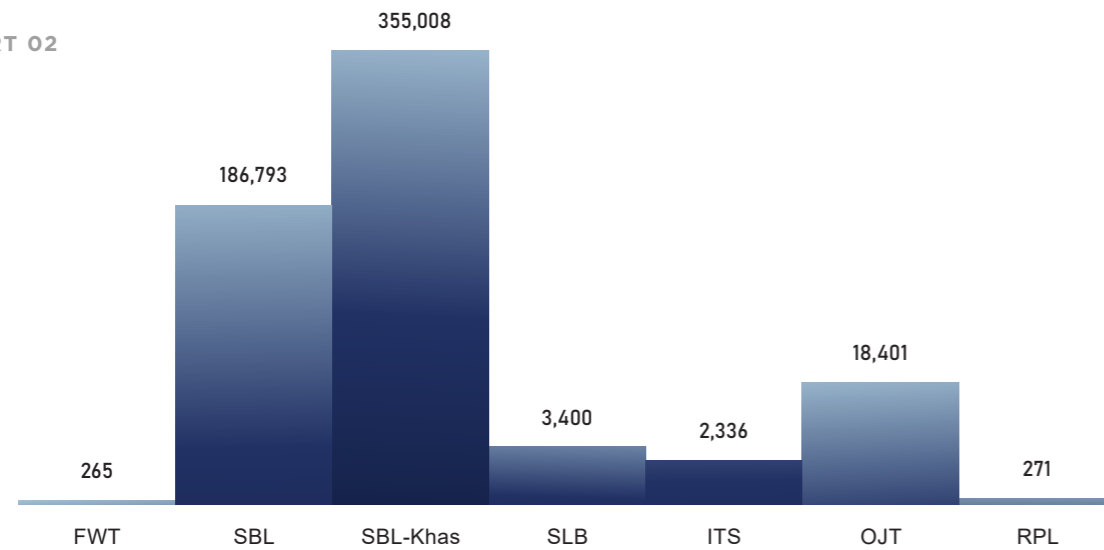


For 2021, the approved Financial Assistance (FA) for ten (10) schemes offered for training grants amounted to **RM327 million**, with the highest being for HRD Corp Claimable Courses.



## Approved Training Places by Scheme in 2021

CHART 02

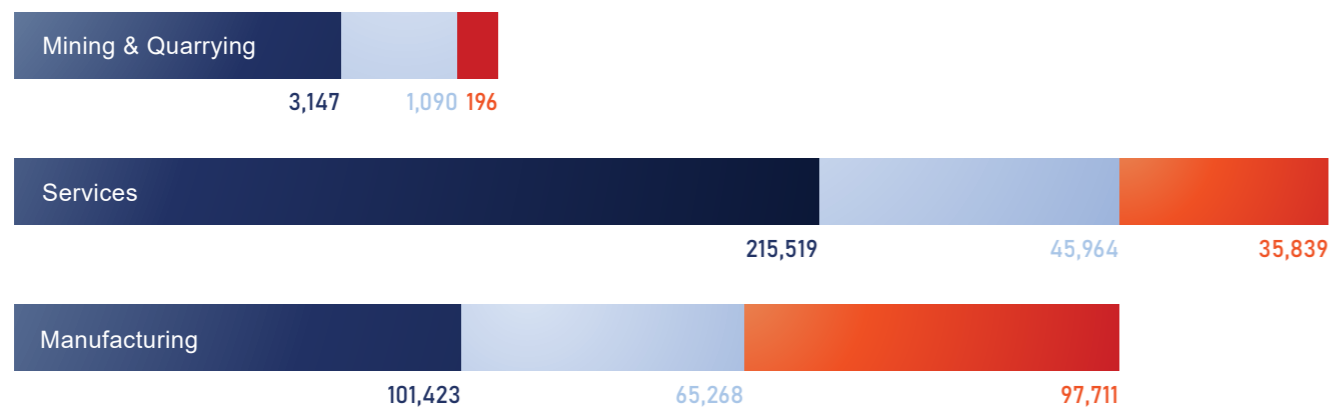


In line with the approved FA shown in Chart 1, the number of approved Training Places (TP) (as shown in Chart 2) indicates that the SBL schemes achieved the highest contribution with a total approved TP of **566,474** in 2021.

## Approved Training Places by Sector and Size of Employer in 2021

CHART 03

Large Medium Small



Out of total number of approved TP, 52% was represented by employees in the Services Sector, 47% from the Manufacturing Sector while another 1% from Mining & Quarrying.

Detailed information on the approved TP by sector and employer sizes is illustrated in Chart 3.

HRD Corp adheres to the definitions set out by SME Corp Malaysia for the size and categories of organisations, as follows:

	MANUFACTURING	SERVICES & OTHER SECTORS
<b>MICRO</b>	Sales Turnover RM300,000 or less No. of Employees 5 or less	Sales Turnover RM300,000 or less No. of Employees 5 or less
<b>SMALL</b>	Sales Turnover RM300,000 to RM15 million No. of Employees 5 to 75	Sales Turnover RM300,000 to RM3 million No. of Employees 5 to 30
<b>MEDIUM</b>	Sales Turnover RM15 million to RM50 million No. of Employees 75 to 200	Sales Turnover RM3 million to RM20 million No. of Employees 30 to 75
<b>LARGE</b>	Sales Turnover More than RM50 million No. of Employees More than 200	Sales Turnover More than RM50 million No. of Employees More than 75

## Approved Training Places and Total Number of Registered Employees by Industry in 2021

TABLE 01

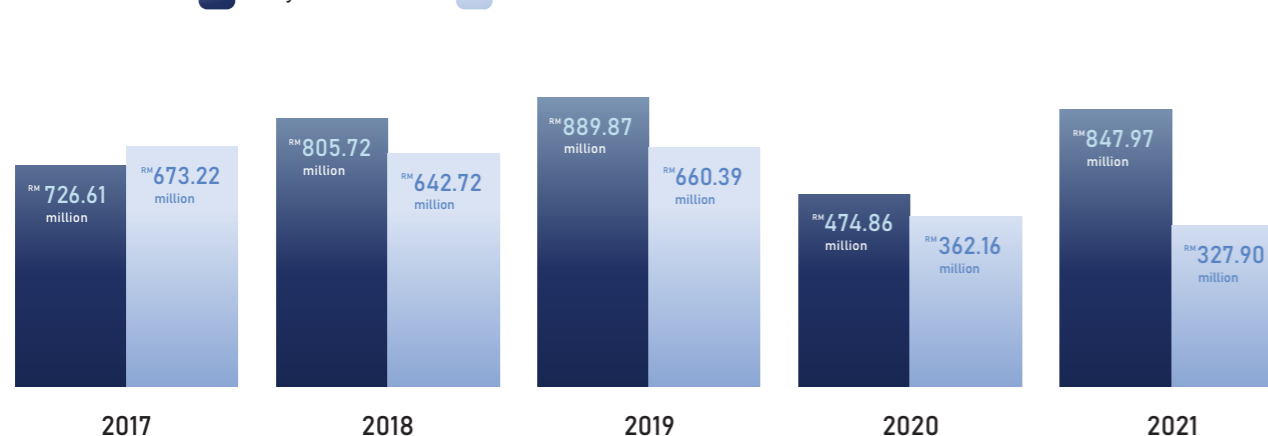
SECTOR	TRAINING PLACES*	PERCENTAGE (%)	NO. OF REGISTERED EMPLOYERS	AVERAGE TRAINING PLACES PER EMPLOYER
Manufacturing	264,402	47	6,104	43
Service	297,394	52	6,510	46
Mining & Quarrying	4,703	1	128	37
<b>Grand Total</b>	<b>566,499</b>	<b>100</b>	<b>12,742</b>	<b>44</b>

Note: FWT, SBL, SBL-Khas & SLB schemes only.

Based on the data reported for year 2021 (Table 1), the Services sector registered the highest number of approved TP with **297,394** training places compared to the other two (2) sectors. On average, registered employers had 44 training places in 2021, as compared to 15 in 2020.

## Approved Financial Assistance and Levy Collection from 2017 to 2021

CHART 04



Comparison of five (5) years (2017 - 2021) on the total amount of levy collected as shown in Chart 4.

## Approved Financial Assistance and Levy Collection by Size of Employer for 2021

TABLE 02

INDUSTRY /EMPLOYERS	FINANCIAL ASSISTANCE (RM Million)	PERCENTAGE (%)	LEVY COLLECTION (RM Million)	DIFFERENCE (Levy Collection - Financial Assistance)
Large	176.70	54	426.60	249.90
Small & Medium	151.20	46	421.37	270.17
Total	327.90	100	847.97	520.07

In year 2021, the total levy collected amounted to **RM426.60 million** for Large employers and **RM421.37 million** for Small and Medium employers. Financial assistance disbursed in 2021 were in line with levy collection.

## Approved Training Places by Skill Areas in 2021

TABLE 03

SKILLS	TP	%
Accounting or Finance	12,176	1.85%
Actuarial or Statistics	1,890	0.29%
Administration or Clerical	6,120	0.93%
Audit or Tax	16,035	2.43%
Aviation	6,242	0.95%
Biotechnology or Chemistry	747	0.11%
Computer or Information and Technology	51,063	7.75%
Creative Design	799	0.12%
Creativity and Innovation	3,294	0.50%
Education or Training	81,301	12.34%
Engineering	19,525	2.96%
Food and Beverages	22,704	3.45%



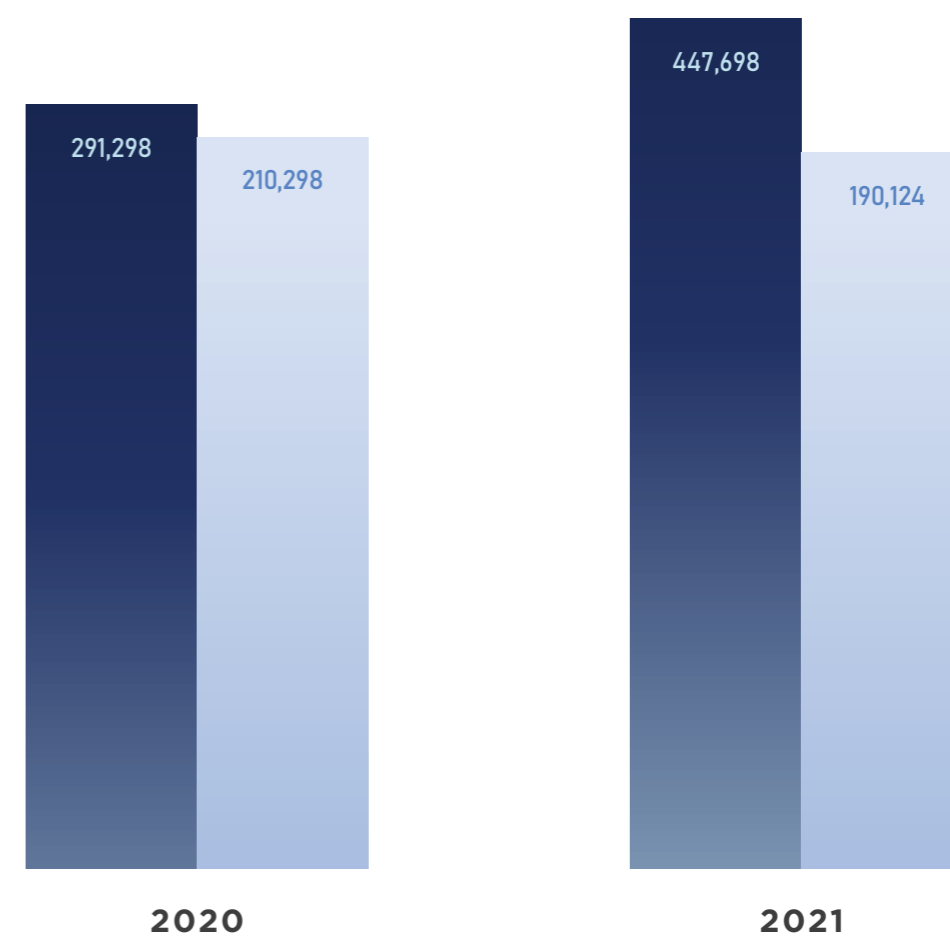
Hotel or Tourism	2,712	0.41%
Human Resources	24,257	3.68%
Journalist or Publishing or Communication or Media	10,164	1.54%
Language	4,274	0.65%
Legal and Law	11,467	1.74%
Maintenance or System and Control	10,167	1.54%
Management or Strategic Management	64,679	9.82%
Manufacturing or Production	17,945	2.72%
Marketing and Sales	14,174	2.15%
Medical or Healthcare	9,675	1.47%
N/A	12,359	1.88%
New or High Technology	909	0.14%
Port Management	366	0.06%
Process and Operation	15,209	2.31%
Public Relations or Customer Service	11,789	1.79%
Purchasing or Logistics or Supply Chain	6,521	0.99%
Quality and Productivity	70,524	10.71%
Research and Development	1,424	0.22%
Retail or Merchandising	4,773	0.72%
Safety and Health	109,814	16.67%
Security or Armed Forces	2,857	0.43%
Shop or Maritime Handling	1,103	0.17%
Supervisory	13,175	2.00%
Team Building or Motivation	16,377	2.49%
<b>Grand Total</b>	<b>658,610</b>	<b>100.00%</b>

Note: According to Skill Areas for FWT, SBL, SBL Khas & SLB

From the total approved TP by skill areas for 2021, Safety and Health emerged as the most preferred skill area, with 109,814 places, representing 16.67% of the total.

## Approved Training Places by Job Position Under SBL and SBL-Khas Schemes for 2020 and 2021

CHART 05 Executive Non-Executive



Data analysis presented in Chart 2 shows that the SBL and SBL-Khas schemes were the top two (2) schemes based on approved TPs. In 2021, the number of individuals in Executive positions who attended trainings, were higher than those in Non-executive positions.

## Approved Training Places by 63 Sub-Sectors for 2021

TABLE 04

	TP	PERCENTAGE (%)
Activities of holding companies	117	0.02%
Administration of the state and the economic and social policy of the community	16	0.00%
Advertising	3107	0.47%
Architectural and engineering activities and related technical consultancy	26,348	4.00%
Beverage serving activities	1,260	0.19%
Casting of metals	121	0.02%
Cleaning activities	1179	0.18%
Combined facilities support activities	2,223	0.34%
Computer programming, consultancy and related activities	32,089	4.87%
Courier activities	1,878	0.29%
Data processing, hosting and related activities; web portals	10,178	1.55%
Educational support activities	44	0.01%
Electric power generation, transmission and distribution	14,643	2.22%
Electrical, plumbing and other construction installation activities	33	0.01%
Event catering and other food service activities	1,495	0.23%
Extraction of crude petroleum	3,843	0.58%
Extraction of natural gas	19	0.00%

	TP	PERCENTAGE (%)
Freight air transport	49	0.01%
Higher education	25,652	3.89%
Hospital activities	17,020	2.58%
Inland water transport	4	0.00%
Landscaping and maintenance service activities	3	0.00%
Leasing of intellectual property and similar products, except copyrighted works	93	0.01%
Maintenance and repair of motor vehicles	1,010	0.15%
Management consultancy activities	21	0.00%
Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	25,648	3.89%
Manufacture of basic iron and steel	7,094	1.08%
Manufacture of basic precious and other non-ferrous metals	4	0.00%
Manufacture of beverages	175	0.03%
Manufacture of coke oven products	288	0.04%
Manufacture of computers and peripheral equipment	78	0.01%
Manufacture of consumer electronics	51	0.01%
Manufacture of dairy products	350	0.05%
Manufacture of electric lighting equipment	2	0.00%
Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	80,800	12.27%
Manufacture of electronic components and boards	6,821	1.04%
Manufacture of footwear	327	0.05%
Manufacture of furniture	3,045	0.46%
Manufacture of games and toys	2	0.00%



	TP	PERCENTAGE (%)
Manufacture of gas; distribution of gaseous fuels through mains	635	0.10%
Manufacture of general-purpose machinery	9,689	1.47%
Manufacture of glass and glass products	1,767	0.27%
Manufacture of grain mill products, starches and starch products	65	0.01%
Manufacture of jewellery, bijouterie and related articles	123	0.02%
Manufacture of medical and dental instruments and supplies	18	0.00%
Manufacture of motor vehicles	23,450	3.56%
Manufacture of musical instruments	8	0.00%
Manufacture of non-metallic mineral products not elsewhere classified (n.e.c.)	9,431	1.43%
Manufacture of other chemical products	137	0.02%
Manufacture of other electrical equipment	10	0.00%
Manufacture of other fabricated metal products; metalworking service activities	85	0.01%
Manufacture of other food products	5,031	0.76%
Manufacture of other textiles	6	0.00%
Manufacture of paper and paper products	7,116	1.08%
Manufacture of parts and accessories for motor vehicles	272	0.04%
Manufacture of pharmaceuticals, medicinal chemical and botanical products	193	0.03%
Manufacture of plastics products	16,818	2.55%
Manufacture of prepared animal feeds	151	0.02%
Manufacture of refined petroleum products	7,396	1.12%
Manufacture of rubber products	21,290	3.23%
Manufacture of special-purpose machinery	44	0.01%

	TP	PERCENTAGE (%)
Manufacture of structural metal products, tanks, reservoirs and steam generators	20,075	3.05%
Manufacture of tobacco products	553	0.08%
Manufacture of transport equipment not elsewhere classified (n.e.c.)	57	0.01%
Manufacture of vegetable and animal oils and fats	715	0.11%
Market research and public opinion polling	438	0.07%
Materials recovery	88	0.01%
Mining and quarrying not elsewhere classified (n.e.c.)	38	0.01%
Mining of hard coal	316	0.05%
Mining of iron ores	268	0.04%
Mining of non-ferrous metal ores	2	0.00%
Monetary intermediation	4	0.00%
Motion picture, video and television programme activities	1,474	0.22%
Office administrative and support activities	115	0.02%
Organisation of conventions and trade shows	717	0.11%
Other accommodation	2	0.00%
Other amusement and recreation activities	1	0.00%
Other education	6,761	1.03%
Other financial service activities, except insurance and pension funding activities	12	0.36%
Other human health activities	2,380	0.36%
Other information service activities	672	0.10%
Other land transport	1,006	0.15%
Other manufacturing not elsewhere classified (n.e.c.)	132	0.02%
Other professional, scientific and technical activities not elsewhere classified (n.e.c.)	1	0.00%
Other reservation service and related activities	66	0.01%

	TP	PERCENTAGE (%)
Other social work activities without accommodation not elsewhere classified (n.e.c.)	51	0.01%
Other specialised construction activities	1	0.00%
Other specialised wholesale	4	0.00%
Other telecommunications activities	357	0.05%
Passenger air transport	15,054	2.29%
Plant propagation	317	0.05%
Postal activities	6,179	0.94%
Pre-primary and primary education	4,095	0.62%
Printing and service activities related to printing	8,749	1.33%
Private security activities	6,350	0.96%
Processing and preserving of fish, crustaceans and molluscs	115	0.02%
Processing and preserving of fruit and vegetables	474	0.07%
Processing and preserving of meat	38,033	5.77%
Quarrying of stone, sand and clay	1,580	0.24%
Radio broadcasting	79	0.01%
Remediation activities and other waste management services	98	0.01%
Renting and leasing of motor vehicles	1	0.00%
Renting and leasing of other machinery, equipment and tangible goods	5	0.00%
Research and experimental development on natural sciences and engineering	4,344	0.66%
Restaurants and mobile food service activities	27,219	4.13%
Retail sale in non-specialised stores	16,511	2.51%
Retail sale of other goods in specialised stores	138	0.02%
Retail sale of other household equipment in specialised stores	4,663	0.71%
Retail trade not in stores, stalls or markets	3,388	0.51%

	TP	PERCENTAGE (%)
Sale of motor vehicle parts and accessories	1,261	0.19%
Sale of motor vehicles	6,971	1.06%
Sale, maintenance and repair of motorcycles and related parts and accessories	443	0.07%
Satellite telecommunications activities	72	0.01%
Sawmilling and planing of wood	2,773	0.42%
Sea and coastal water transport	2,625	0.40%
Security systems service activities	9	0.00%
Sewerage	921	0.14%
Short term accommodation activities	14,425	2.19%
Sound recording and music publishing activities	73	0.01%
Specialised design activities	2	0.00%
Spinning, weaving and finishing of textiles	2,691	0.41%
Steam and air conditioning supply	855	0.13%
Support activities for petroleum and natural gas extraction	44	0.01%
Support activities for transportation	17,815	2.70%
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur	1,562	2.88%
Technical testing and analysis	3	0.00%
Television programming and broadcasting activities	4,082	0.62%
Transport via railways	18,994	2.88%
Travel agency and tour operator activities	897	0.14%
Veterinary activities	199	0.03%
Warehousing and storage	1,236	0.19%
Waste collection	70	0.01%
Waste treatment and disposal	203	0.03%

	TP	PERCENTAGE (%)
Water collection, treatment and supply	10,853	1.65%
Wholesale of food, beverages and tobacco	4	0.00%
Wholesale of household goods	3,256	0.49%
Wholesale of machinery, equipment and supplies	12	0.00%
Wired telecommunications activities	21,016	3.19%
Wireless telecommunications activities	680	0.10%

Note: SBL, SBL-Khas, SLB, ITS, RPL, FWT and OJT schemes for Training Places.

In 2021, the manufacture of electric motors, generators, transformers and electricity distribution and control apparatus were the most active industries in retraining and upskilling their workers. A total of 80,800 training places were approved for these industries. Processing and preserving of meat represented the second highest number of training places approved at 38,033. The third most active industry was computer programming, consultancy and related activities, recording 32,089 approved training places.

Detailed information is shown in Table 4.

## Number of Unique Trainees from 2017 to 2021

CHART 06

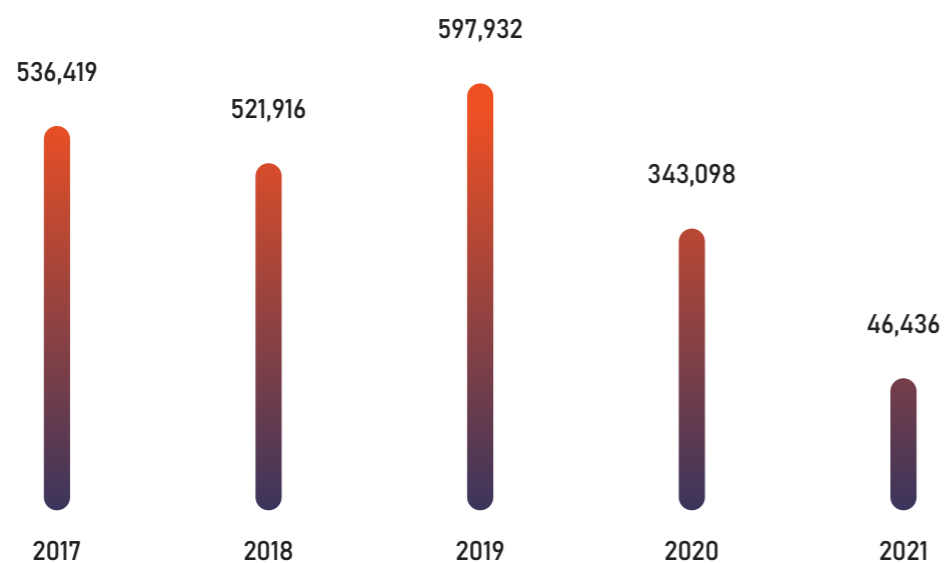


Chart 6 shows the number of individual trainees benefitted from HRD Corp since 2017 until 2021.

In line with HRD Corp's mandate to train more Malaysians, in 2021 HRD Corp assisted 46,436 employees from registered employers to attend various training and development programmes.

## Certification Training Places by 63 Sub-Sectors in 2021

TABLE 05

	TP	PERCENTAGE (%)
Activities of holding companies	7	0.02%
Advertising	165	0.36%
Architectural and engineering activities and related technical consultancy	3,055	6.58%
Beverage serving activities	165	0.36%
Casting of metals	10	0.02%
Cleaning activities	9	0.02%
Combined facilities support activities	258	0.56%
Computer programming, consultancy and related activities	3,270	7.04%
Courier activities	31	0.07%
Data processing, hosting and related activities; web portals	840	1.81%
Electric power generation, transmission and distribution	1,647	3.55%
Electrical, plumbing and other construction installation activities	4	0.01%
Event catering and other food service activities	237	0.51%
Extraction of crude petroleum	1,130	2.43%
Extraction of natural gas	10	0.02%
Higher education	532	1.15%
Hospital activities	605	1.30%
Maintenance and repair of motor vehicles	53	0.11%
Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	1,721	3.71%



	TP	PERCENTAGE (%)
Manufacture of basic iron and steel	654	1.41%
Manufacture of beverages	7	0.02%
Manufacture of coke oven products	35	0.08%
Manufacture of dairy products	18	0.04%
Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	4375	9.42%
Manufacture of electronic components and boards	257	0.55%
Manufacture of furniture	103	0.22%
Manufacture of gas; distribution of gaseous fuels through mains	60	0.13%
Manufacture of general-purpose machinery	274	0.59%
Manufacture of glass and glass products	27	0.06%
Manufacture of jewellery, bijouterie and related articles	5	0.01%
Manufacture of medical and dental instruments and supplies	6	0.01%
Manufacture of motor vehicles	622	1.34%
Manufacture of non-metallic mineral products not elsewhere classified (n.e.c.)	382	0.82%
Manufacture of other chemical products	11	0.02%
Manufacture of other electrical equipment	2	0.00%
Manufacture of other food products	247	0.53%
Manufacture of paper and paper products	493	1.06%
Manufacture of parts and accessories for motor vehicles	2	0.00%
Manufacture of pharmaceuticals, medicinal chemical and botanical products	12	0.03%
Manufacture of plastics products	325	0.70%

	TP	PERCENTAGE (%)
Manufacture of prepared animal feeds	15	0.03%
Manufacture of refined petroleum products	1341	2.89%
Manufacture of rubber products	801	1.72%
Manufacture of special-purpose machinery	6	0.01%
Manufacture of structural metal products, tanks, reservoirs and steam generators	562	1.21%
Manufacture of tobacco products	6	0.01%
Manufacture of vegetable and animal oils and fats	44	0.09%
Materials recovery	1	0.00%
Mining and quarrying n.e.c.	5	0.01%
Mining of hard coal	62	0.13%
Mining of iron ores	10	0.02%
Motion picture, video and television programme activities	33	0.07%
Organisation of conventions and trade shows	44	0.09%
Other education	209	0.45%
Other human health activities	120	0.26%
Other information service activities	73	0.16%
Other land transport	26	0.06%
Other manufacturing not elsewhere classified (n.e.c.)	12	0.03%
Other social work activities without accommodation not elsewhere classified (n.e.c.)	3	0.01%
Other specialised wholesale	1	0.00%
Other telecommunications activities	53	0.11%
Passenger air transport	4303	9.27%
Plant propagation	22	0.05%
Postal activities	152	0.33%

	TP	PERCENTAGE (%)
Pre-primary and primary education	543	1.17%
Printing and service activities related to printing	148	0.32%
Private security activities	76	0.16%
Processing and preserving of fish, crustaceans and molluscs	1	0.00%
Processing and preserving of fruit and vegetables	35	0.08%
Processing and preserving of meat	2660	5.73%
Quarrying of stone, sand and clay	135	0.29%
Radio broadcasting	2	0.00%
Remediation activities and other waste management services	6	0.01%
Research and experimental development on natural sciences and engineering	162	0.35%
Restaurants and mobile food service activities	4,819	10.38%
Retail sale in non-specialised stores	638	1.37%
Retail trade not in stores, stalls or markets	21	0.05%
Sale of motor vehicle parts and accessories	25	0.05%
Sale of motor vehicles	200	0.43%
Sale, maintenance and repair of motorcycles and related parts and accessories	1	0.00%
Satellite telecommunications activities	9	0.02%
Sawmilling and planning of wood	63	0.14%
Sea and coastal water transport	337	0.73%
Sewerage	215	0.46%
Short term accommodation activities	846	1.82%

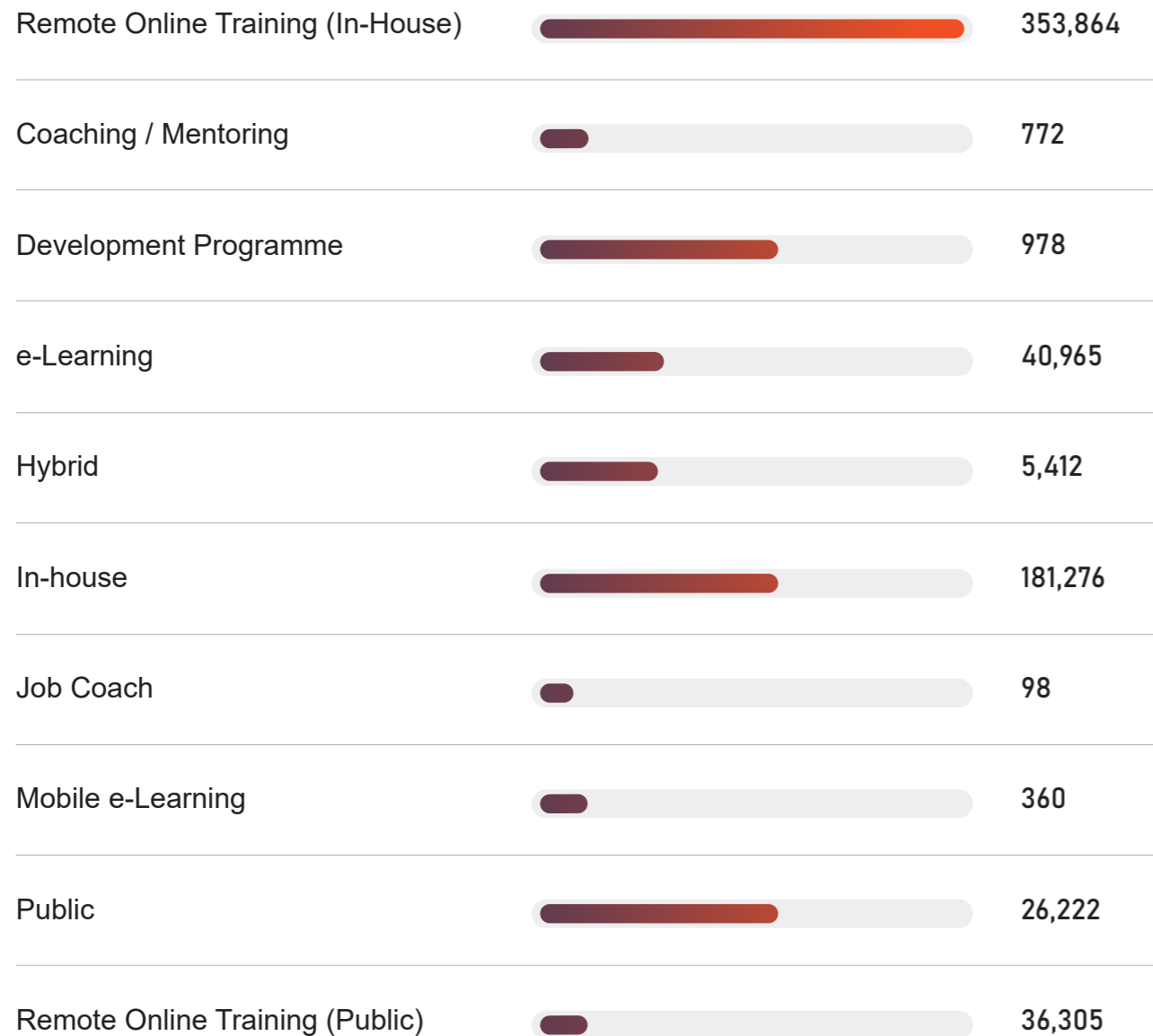
	TP	PERCENTAGE (%)
Sound recording and music publishing activities	1	0.00%
Spinning, weaving and finishing of textiles	117	0.25%
Steam and air conditioning supply	46	0.10%
Support activities for transportation	1,552	3.34%
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur	11	0.02%
Television programming and broadcasting activities	75	0.16%
Transport via railways	1,002	2.16%
Travel agency and tour operator activities	29	0.06%
Veterinary activities	3	0.01%
Warehousing and storage	153	0.33%
Waste collection	1	0.00%
Waste treatment and disposal	6	0.01%
Water collection, treatment and supply	1,099	2.37%
Wired telecommunications activities	1,808	3.89%
Wireless telecommunications activities	21	0.05%

Table 5 depicts number of certification courses approved by HRD Corp in 2021.

The top three sub-sectors actively certifying their employees in 2021 were Restaurants and Mobile Food Service Activities with 4,819 (10.38%) employees, followed by employers from Manufacture of Electric Motors, Generators, Transformers and Electricity Distribution and Control Apparatus with 4,375 (9.42%) employees and thirdly, employers from Passenger Air Transport Sub-Sector with 4,303 (9.27%) employees.

## Number of Training Places According to the Types of Training in 2021

CHART 07



These are the number of training places based on the types of training in 2021. Remote Online Training (In-House) was the most popular with the highest number of Training Place while the least went to the Job Coach category.

# Training Market

## Registered Training Providers

All training providers must be registered with HRD Corp in order to monitor and maintain the quality of training for registered employers. Only registered training providers are allowed to offer in-house and public programmes to employers.

Training providers are HRD Corp's main stakeholders, as they provide quality training programmes to HRD Corp-registered employers to meet their human capital development needs. These programmes are conducted to produce knowledgeable and skilled workers to meet the demands of today's competitive environment.

The total number of active training providers as at 31 December 2021 stood at 6,662. From January to December 2021, a total of 3,483 training providers registered and renewed their license with HRD Corp.

Details on the change of training premises and branch applications are shown in Table 2.

### Training Provider Registration

TABLE 01



### Change of Training Premise and Branch

TABLE 02



Throughout the year, HRD Corp reached out to 3,609 training providers nationwide to increase awareness of our services and offerings. These included updating them on the Trainer Development Framework, Claims and Grants. HRD Corp also held numerous engagement sessions between Training Providers and our Chief Executive, Datuk Shahul Dawood.



## Summary of HRD Corp Training Provider Engagement Sessions

TABLE 03

Session	No of Session	No of Training Provider
TP Orientation	27	1,408
Programme Registration	31	1,536
Claims and Grants	9	608
Chief Executive's Engagement	3	56
Strategic Workshop for TP and Trainer	1	28
TP Briefing for Ministry of Higher Education	1	40
<b>Total</b>	<b>72</b>	<b>3,609</b>
Online	66	3,492
Face-to-face	5	117

## HRD Corp Claimable Courses

The HRD Corp Claimable Courses Scheme was introduced in 2021 to assist employers in conducting training for their workers, despite having cash flow problems. This allows them to utilise and optimise their levy. However, all courses under this Scheme must be registered with HRD Corp to ensure they meet the specified quality standards.

Under this Scheme, employers are not required to pay the training fee to registered training providers. Instead, HRD Corp will pay the fees to the training providers by deducting the amount from the employers' levy.

Number of Active  
Training Programmes

as at 31 Dec 2021

59,914

## Train-the-Trainer Certification Course

The HRD Corp Train-The-Trainer (TTT) Certification Course was introduced for managers, executives, trainers, instructors, team leaders or any individuals who aspire to deliver structured and effective training programmes.

The Course focuses on five (5) key areas:

**PLAN ADULT LEARNING** allows learners to identify appropriate pathways to go through the application of taxonomies, principles and theories. The discovery of learning and training styles will enhance learning relationships and strengthen the outcome of the intended learning.

**TRAINING NEEDS ANALYSIS** exposes learners to the many methods of data gathering to determine training gaps. This is done in order to create the training objectives and outline of a programme.

**DESIGN COMPETENCY-BASED TRAINING** assures careful planning of training resources and effective preparation of training manuals, slides, session plans and evaluation methods to ensure quality content is provided.

**CONDUCT COMPETENCY-BASED TRAINING** ensures impactful, interactive and well-planned time management in the delivery of each module.

**ASSESS PARTICIPANT'S COMPETENCE** prepares the learner to design assessment criteria with appropriate tools and checklist to summarise the result or outcomes of learning through reliable and dependable reports.

## Statistics on TTT Programmes Conducted in 2021

PROGRAMME	NO. OF TRAINING (PUBLISHED)	PARTICIPANTS (ACTUAL)
Organised by Training Provider	153	1,478
In-House Non-Registered Employer	10	155
In-House Registered Employer	36	454
<b>Total</b>	<b>199</b>	<b>2,087</b>

## Train-the-Trainer (TTT) Exemption

As part of our efforts to maintain the quality of trainers, we introduced the requirements where all trainers must be accredited by HRD Corp before they are allowed to conduct any programmes under the HRD Corp schemes. The quality of a training programme does not only depend on the availability of training facilities, but more importantly, on the quality of delivery by trainers.

Before a trainer can be accredited, the pre-requisite for the trainers is to successfully complete the HRD Corp TTT programme or obtain an exemption from attending the programme if they fulfil any of the criteria stated in the Training Provider Circular 4/2009.

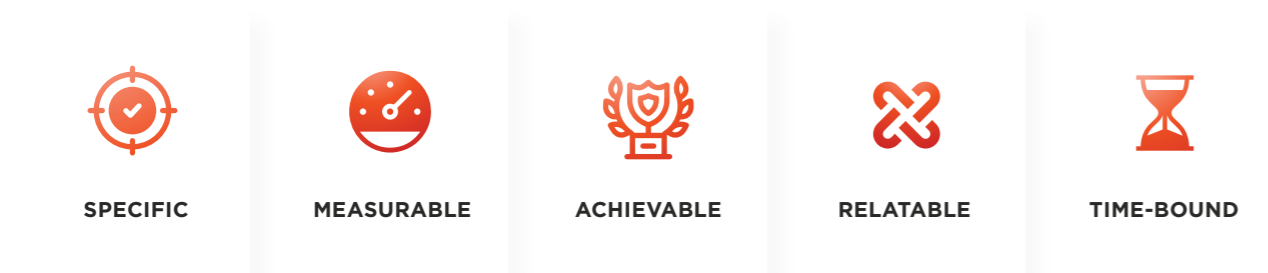
The following is the total number of applications that have been approved for 2021:



## Outcome Assessment

Outcome Assessment is used to measure the overall training experience after a specific duration. This assessment evaluates the actual understanding and application of the skills acquired by the trainees after they have completed the programme. The assessment is issued to trainees around six (6) to twelve (12) months upon completion of the course.

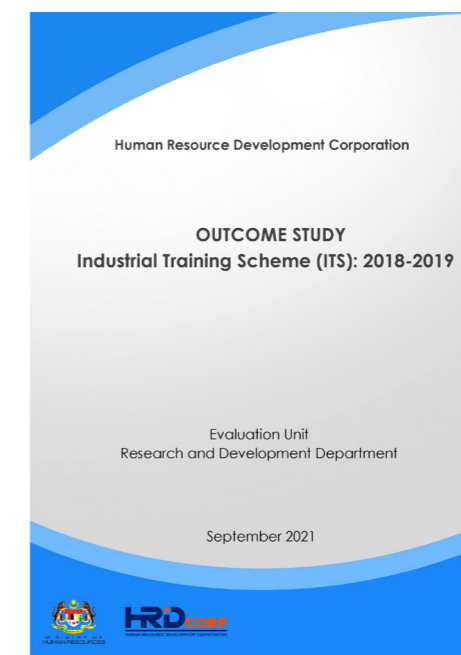
The Outcome Assessment determines whether trainees have successfully achieved the desired objectives of a specific scheme or initiative through the SMART learning indicators:



In 2021, one (1) Outcome Assessment was conducted on HRD Corp Industrial Training Scheme (ITS) that was delivered from 2018 to 2019. The scheme enables employers to obtain financial assistance to sponsor student(s) from a university, college, or training institution for practical training at their work premises. Here, interns were exposed to the working experience, norms and ethics at the workplace. The Outcome Assessment revealed that:

- 72% of employers opined that the financial assistance given through the ITS has helped them in reducing the cost of hiring interns, significantly;
- 91% of employers agreed that ITS increases their motivation to hire an intern;
- 91% of employers agreed that hiring interns through the ITS reduced skills gap in their future employees; and
- 86% of employers re-employed ITS interns as full-time employees in the company.

The Outcome Assessment highlights that Industrial Training Scheme (ITS) is a highly favoured scheme by employers as it reduces the financial burden in the hiring of interns and provided HRD Corp-registered employers with skilled workers for their future needs.



HRD Corp Industrial Training Scheme (ITS) 2018 – 2019 Outcome Assessment



# Financial Statements





# Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2021.

## 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 and development of employees, apprentices and trainees and the establishment and administration of the human resources development fund.

The functions of the Company are:

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

There have been no significant changes in the nature of these activities during the financial year.

## Results

	RM
Net surplus for the financial year	12,061,999

## Reserves and Provisions

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

## Dividend

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2021.

## Directors

The Directors who have held office during the financial year and up to the date of this report are as follows:

Datuk Seri Jamil Bin Salleh (Chairman)	
Dato' Ruhaidini Binti Abd Kadir (Deputy Chairman)	(Reappointed as Director on 15 May 2022)
Datuk Shahul Hameed Bin Shaik Dawood (Chief Executive)	(Reappointed as Director on 15 April 2022) (Reappointed as Chief Executive on 15 April 2022)
Dato' Palaniappan A/L Joseph	
Dr. Helena Eian Yeut Lan (Alternate to Dato' Palaniappan)	
Datuk Haji Abdul Kadir Bin M.E Sikkandar	
Dr. Kang Tong Hum	
Lin Azura Binti Yahya (Alternate to Dr. Kang Tong Hum)	
Datuk Muhd Khair Razman Bin Mohamed Annuar	
Dato' Kamalakannan A/L Kaliaperumal	
Mohd Syukri Bin Ahmad Sudari	
Dato' Raiha Azni Binti Abd Rahman	
Asri Bin Ab Rahman	
Dato' Abdul Latif Bin Haji Abu Seman	
Zahid Bin Ismail (Alternate to Dato' Abdul Latif Bin Haji Abu Seman)	
Dr. Zainah Binti Shariff	(Reappointed as Director on 8 May 2022)
M. Vickneswari A/P R. Muthukrishnan	(Reappointed as Director on 27 April 2022)
Datin Erni Dekritawati Yuliana Binti Buhari	(Reappointed as Director on 15 April 2022)
Datuk Chia Hui Yen	(Reappointed as Director on 21 August 2021)
Datuk Rajasekharan A/L Ramasamy	(Reappointed as Director on 21 August 2021)
Datuk Wong Siaw Ting	(Cessation as Director on 14 April 2022)
Gan Boon Khim	(Cessation as Director on 20 August 2021)
Dato' Ng Yok Gee (Alternate to Gan Boon Khim)	(Cessation as Alternate on 20 August 2021)
James Tan Tien Chong (Alternate to Datuk Chia Hui Yen)	(Cessation as Alternate on 20 August 2021)

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

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects 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.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation 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.

## Directors' Remuneration

The details of Directors' remuneration are disclosed in Note 24 to the financial statements.

## Indemnity And Insurance For Directors, Officers And Auditors

The Company effected Director's liability insurance during the financial year to protect the Directors of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total indemnity and insurance premium paid for the Directors and Officers of the Company amounted to RM30,000.

There were no indemnity given to or insurance effected for the auditors of the Company during the financial year.

## Other Statutory Information Regarding the Company

### (I) As at the End of the Financial Year

- (a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operation of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### (II) From the End of the Financial Year to the Date of this Report

- (c) The Directors are not aware of any circumstances:
  - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due.

### (III) As at the Date of this Report

- (e) There are no charges on the assets of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Company misleading.

## Significant Events During the Financial Year and Subsequent to the End of the Reporting Period

Significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 28 to the financial statements.

## Auditors

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company for the financial year ended 31 December 2021 are disclosed in Note 21(a) to the financial statements.

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

.....  
**Datuk Seri Jamil  
 bin Salleh**

Chairman

Kuala Lumpur  
 31 May 2022

.....  
**Datuk Shahul Hameed  
 bin Shaik Dawood**

Director

## Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 138 to 184 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance and cash flows of the Company for the financial year then ended.

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

.....  
**Datuk Seri Jamil  
 bin Salleh**

Chairman

.....  
**Datuk Shahul Hameed  
 bin Shaik Dawood**

Director

Kuala Lumpur  
 31 May 2022

## Statutory Declaration

I, Datuk Shahul Hameed Bin Shaik Dawood, being the Director primarily responsible for the financial management of Pembangunan Sumber Manusia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 138 to 184 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 abovenamed at )  
 Kuala Lumpur this )  
 31 May 2022 )

**Datuk Shahul Hameed  
 bin Shaik Dawood**

Director

Before me :



# Independent Auditors' Report

## To the members of Pembangunan Sumber Manusia Berhad

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

### Report on the Audit of the Financial Statements

#### OPINION

We have audited the financial statements of Pembangunan Sumber Manusia Berhad, which comprise the statement of financial position as at 31 December 2021 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 138 to 184.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### *Independence and Other Ethical Responsibilities*

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for *Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance or conclusion thereon.

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON (continued)

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRSs, IFRSs, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO PLT**  
LLP0018825-LCA & AF 0206  
Chartered Accountants

**LEE WEE HOONG**  
03316/07/2023 J  
Chartered Accountant

Kuala Lumpur  
31 May 2022

## Statement of Financial Position

At 31 December 2021

Assets	Note	2021 RM	2020 RM
Property, plant and equipment	5	34,965,229	25,774,107
Right-of-use assets	6	1,326,353	2,936,758
Investment property	7	137,303,190	138,937,752
Derivative assets	8	11,142,315	-
Staff loans	9	1,162,169	1,313,694
Investments	10	525,756,939	524,726,399
Accrued interest receivables, deposits, prepayments and other receivables	11	55,695,877	29,137,426
Cash and bank balances	12	1,733,233,990	1,524,443,177
<b>Total Assets</b>		<b>2,500,586,062</b>	<b>2,247,269,313</b>
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
Lease liabilities	6	1,463,655	2,797,397
Derivative liabilities	8	-	15,263,616
Human Resources Development Fund	13	1,958,422,746	1,492,404,594
Strategic Fund	14	6,869,201	138,737,105
Unutilised Levy	15	87,572,954	74,369,844
General Reserves II	16	6,299,305	5,347,466
Government grants	17	38,307,601	125,458,529
Payables and accruals	18	42,447,331	30,689,851
<b>Total Liabilities</b>		<b>2,141,382,793</b>	<b>1,885,068,402</b>
Retained earnings		360,157,949	348,095,950
Reserves	19	(954,680)	14,104,961
<b>Total Equity</b>		<b>359,203,269</b>	<b>362,200,911</b>
<b>Total Equity And Liabilities</b>		<b>2,500,586,062</b>	<b>2,247,269,313</b>

The accompanying notes form an integral part of the financial statements

## Statement of Comprehensive Income

For The Financial Year Ended 31 December 2021

Income	Note	2021 RM	2020 RM
Operating income	20(a)	78,861,752	80,996,830
Non-operating income	20(b)	13,038,203	31,200,617
Development activities income	20(c)	19,765,114	1,460,272
Strategic Fund Income	20(d)	131,867,904	120,033,736
<b>Total Income</b>		<b>243,532,973</b>	<b>233,691,455</b>
<b>Expenses</b>			
Operating expenses	21(a)	(67,257,877)	(54,884,872)
Non-operating expenses	21(b)	(7,333,675)	(27,908,441)
Development activities expenses	21(c)	(25,011,518)	(5,045,255)
Programmes expenses under Strategic Fund	14	(131,867,904)	(120,033,736)
<b>Total Expenses</b>		<b>(231,470,974)</b>	<b>(207,872,304)</b>
Surplus before taxation		12,061,999	25,819,151
Taxation	22	-	-
Net surplus for the financial year		12,061,999	25,819,151
<b>Other comprehensive income, net of tax</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Debt investments measured at fair value through other comprehensive income		(14,970,650)	5,147,150
Reversal of expected credit losses on debt investments measured at fair value through other comprehensive income		(88,991)	(227,989)
Other comprehensive (loss)/income for the financial year		(15,059,641)	4,919,161
<b>Total Comprehensive (loss)/income For The Financial Year</b>		<b>(2,997,642)</b>	<b>30,738,312</b>

The accompanying notes form an integral part of the financial statements

## Statement of Changes in Equity

For The Financial Year Ended 31 December 2021

	Retained earnings RM	Fair value reserves RM	Total RM
At 1 January 2020	322,276,799	9,185,800	331,462,599
Net surplus for the financial year	25,819,151	-	25,819,151
Other comprehensive income	-	4,919,161	4,919,161
<b>Total comprehensive income</b>	<b>25,819,151</b>	<b>4,919,161</b>	<b>30,738,312</b>
At 31 December 2020/1 January 2021	348,095,950	14,104,961	362,200,911
Net surplus for the financial year	12,061,999	-	12,061,999
Other comprehensive loss	-	(15,059,641)	(15,059,641)
<b>Total comprehensive income/(loss)</b>	<b>12,061,999</b>	<b>(15,059,641)</b>	<b>(2,997,642)</b>
At 31 December 2021	360,157,949	(954,680)	359,203,269

The accompanying notes form an integral part of the financial statements



## Statement of Cash Flows

For The Financial Year Ended 31 December 2021

	2021 RM	2020 RM
<b>Cash flows from operating activities</b>		
Cash generated from operations:		
Cash receipts from training providers and others	23,387,078	9,945,731
Cash payment to vendors	(80,536,588)	(103,543,107)
Cash flows changes from operating activities	(57,149,510)	(93,597,376)
Cash from Human Resources Development Fund:		
Receipts from registered employers	766,775,104	465,489,378
Payments to registered employers	(268,472,037)	(298,797,419)
Cash flows changes after Human Resources Development Fund	441,153,557	73,094,583
Cash from Trust Funds and Government grants:		
Payment to registered training providers	(318,716,252)	(242,762,609)
Payment to trainees	-	(268,218)
Payments to Employee (loan subsidy)	(10,852)	(3,997)
Receipts from government allocation	79,881,004	200,585,000
Receipts from registered employers	1,635,148	1,399,122
Cash flows changes after Trust Funds and government grants	(237,210,952)	(41,050,702)
Net cash from operating activities	203,942,605	32,043,881

The accompanying notes form an integral part of the financial statements

## Statement of Cash Flows (continued)

For The Financial Year Ended 31 December 2021

	Note	2021 RM	2020 RM
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment	5	(13,049,275)	(5,216,193)
Acquisition of investments		(53,820,000)	(221,684,986)
Dividends received		2,311,149	908,970
Net repayment from employees		151,525	43,911
Proceeds from disposal of investments		13,305,692	39,352,840
Proceeds from disposal of plant and equipment		150	7,177
Interest received		57,515,578	84,229,358
(Placements)/Withdrawal of deposits with maturity more than three (3) months		(241,181,291)	239,379,630
Net cash (used in)/from investing activities		(234,766,472)	137,020,707
<b>Cash flows from financing activity</b>			
Payments of lease liabilities, representing net cash used in financing activity	6	(1,566,611)	(1,525,561)
Net (decrease)/increase in cash and cash equivalents		(32,390,478)	167,539,027
Cash and cash equivalents at the beginning of financial year		240,025,573	72,486,546
Cash and cash equivalents at the end of financial year	12	207,635,095	240,025,573

The accompanying notes form an integral part of the financial statements

# Notes to the Financial Statements

31 December 2021

## 1. Corporate Information

Pembangunan Sumber Manusia Berhad ("the Company") is a company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office and principal place of the business of the Company is located at Level 7, Wisma HRD Corp, Jalan Beringin, Damansara Heights, 50490 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 31 May 2022.

## 2. 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 and development of employees, apprentices and trainees 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', apprentices' and trainees' 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.

## 3. Basis of Preparation

The financial statements of the Company set out on pages 138 to 184 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

## 3. Basis of Preparation (continued)

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

### Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates that the useful lives of these property, plant and equipment to be within five (5) to fifty (50) years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. A five percent (5%) difference in the average useful lives of these assets from the management's estimates would result in approximately two percent (2%) variance in profit for the financial year.

#### (b) Recoverability of financial instruments

The determination of whether financial instruments are recoverable involves significant management judgement in determining the probability of default investments, appropriate forward looking information and significant increase in credit risk.

#### (c) Determination of the lease term for lease

The Company determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Company is reasonably certain the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Company to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Company.

As at 31 December 2021, there are no undiscounted potential future rental payments that are not included in the lease term.

#### (d) Fair value of derivatives

The determination of fair values of the derivative financial instruments involves significant judgements and assumptions made by the management. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 25 to the financial statements.

### 3. Basis of Preparation (continued)

#### 3.1 New MFRSs adopted during the financial year

The Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 17, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendment to MFRS - 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021*

\*Early adopted by the Company

Adoption of the above Amendments did not have any material effect on the financial performances or position of the Company.

#### 3.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

The Standards and Amendments that are issued but not yet effective up to the date of issuance of financial statements of the Company are disclosed below. The Company intends to adopt these Standards and Amendments, if applicable, when they become effective.

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020 Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Company is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

### 4. Significant Accounting Policies

#### 4.1 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Company and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Company is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation rates are as follows:

	%
Building	2
Renovation	10
Motor vehicles	20
Furniture and office fittings	20
Office equipment	20
Electric and electronic equipment	20
Information and Communication Technologies ("ICT") System	20

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.13 to the financial statements on impairment of non-financial assets).

#### 4.2 Investment property

Investment property comprises completed property which is held either to earn rental income or for capital appreciation or for both. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, completed investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of the investment property to its residual values on a straight line basis over their estimated useful lives. The principal depreciation periods for the investment property is eighty-nine (89) years.



## 4. Significant Accounting Policies (continued)

### 4.2 Investment property (continued)

Investment property is derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected. Any gains or losses on the retirement or disposal of investment property is recognised in profit or loss in the year in which they arise.

### 4.3 Financial instruments

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company commit to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### (a) Financial assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

#### (i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

#### (ii) Fair value through other comprehensive income ("FVTOCI")

##### Debt Investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. The debt investment is not designated as fair value through profit or loss. Interest income calculated using the effective method and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

##### Equity investments

This category comprises investment in equity that is not held for trading, and the Company irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income are not reclassified to profit or loss.

## 4. Significant Accounting Policies (continued)

### 4.3 Financial instruments (continued)

#### (a) Financial assets (continued)

#### (iii) Fair value through profit and loss ("FVTPL")

Assets that do not meet the criteria for amortised cost and FVTOCI are measured at FVTPL. The Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss in the period which it arises.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity, is recognised in profit or loss.

#### (b) Financial liabilities

Human Resources Development Fund, Strategic Fund, Unutilised Levy, General Reserve II, Government grants, other payables and accrued expenditure are classified as other financial liabilities.

Other payables and accrued expenditures represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

A financial liability is classified as FVTPL if it is classified as held-for-trading, a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

#### (c) Equity

The Company subsequently measures all equity investments at fair value. Where the Company's management have elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at FVTOCI are recognised in the statement of comprehensive income as applicable.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

## 4. Significant Accounting Policies (continued)

### 4.4 Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost, and debt instruments measured at fair value through other comprehensive income. The Company measures loss allowances based on general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

### 4.5 Income taxes

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.

### 4.5 Employee benefits

#### (a) Short-term employee benefits

Wages, salaries, paid annual leave, performance incentive, and non-monetary benefits are accrued in the financial year in which the services are rendered by employees of the Company.

#### (b) Defined contribution plans

The Company's contributions to defined contribution plans are charged to statement of comprehensive income in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

## 4. Significant Accounting Policies (continued)

### 4.7 Human Resources Development Fund

Payments of human resources development levy by employers are credited into the Human Resources Development 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 two years, the employers' levy received shall be forfeited by the Company.

### 4.8 Strategic Fund

The objective of the Strategic Fund is to implement several strategic initiatives with the aim of empowering the quality and employability of the Malaysian human capital through re-skilling and up-skilling programmes, for the benefit of both registered and non-registered employers of the sectors covered by the Company.

### 4.9 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 Human Resources Development 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.

### 4.10 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. Government grants allocation and the corresponding expenses are offset and shown as net in the statement of financial position. The purpose and usage of the government grants are as follows:

#### (i) Apprenticeship Fund

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

#### (ii) Small & Medium Enterprises ("SME") Training Incentive Fund

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

#### (iii) Human Resource ("HR") Certification Body Fund

The Company received an allocation from the Government to initiate the HR Certification programmes. Establishment of the HR Certification is one of the strategic approaches identified to enhance the quality of human resource management by human resource practitioners.

## 4. Significant Accounting Policies (continued)

### 4.10 Government grants (continued)

<b>(iv) Housewives Enhancement and Reactivate Talent Scheme (“HEARTS”) Fund</b>	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 specialised skills that would allow them to be self-employed from home.
<b>(v) SME Skill Upgrading Fund</b>	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 to appointed training providers throughout the country to provide training to SMEs.
<b>(vi) 1Malaysia GRIP (“1MGRIP”) Fund</b>	1MGRIP scheme was created to provide opportunity to employees to increase their skills by participating in specific fields to be expert that would enhance their career development and earn higher income. The allocation was injected to company by government to accommodate the course fees under the 1MGRIP programmes.
<b>(vii) Entrepreneurship Enhancement Skills Programme for Indian Community (“Emphatic”) Fund</b>	The Entrepreneurship Enhancement Skills Programme for Indian Community Fund amounting to RM30 million was injected to Pembangunan Sumber Manusia Berhad (“PSMB”) in December 2016. The objective of this fund is to equip trainees with skills and knowledge to enable them to venture into businesses that helps them to increase their income. The programmes identified under this programmes will help the Indian community to improve their socio-economic status as well as support Government’s efforts to improve human capital productivity.
<b>(viii) RPEL (Non-HRDF) Fund</b>	The objective of Recognition of Prior Experiential Learning (“RPEL”) Fund for Non-HRDF is to enable worker who does not have formal qualification to be awarded Sijil Kemahiran Malaysia (“SKM”) certification which in line with the government’s effort to increase the number of skilled workers in Malaysia.
<b>(ix) SME Incentive (Non-HRDF) Fund</b>	The SME Training Incentive Fund for Non-HRDF is to encourage SME employers to continuously and systematically train their employees to increase their level of competency. PSMB has engaged Hay Group to implement the Diagnosis for SMEs to identify the competency gaps.
<b>(x) Outplacement Centre Programme Fund</b>	The objective of 1Malaysia Outplacement Centre is to act as a one-stop centre for Malaysian retrenched workers to assist them by up-skilling or reskilling with the required competencies to enhance their employability and assisting them to secure employment either within the same or different industries. PSMB was injected with the allocation of RM5 million in March 2016.

## 4. Significant Accounting Policies (continued)

### 4.10 Government grants (continued)

<b>(xi) Graduates Enhancement Programme for Employability (“GENERATE”) Fund</b>	The allocation was injected by government to PSMB to enhance the employability of Malaysian graduates. The objectives were to equip, develop and assist unemployed graduates with high end skills and competencies that required by the industries, relevant working experience, exploring new route path for their careers and job placement.
<b>(xii) Enrolment of Students in ILJTM and Other TVET Institutions Fund</b>	The objective of this fund is to create awareness among Indian students in secondary schools about ILJTM and setup a support structure in targeted ILJTMs.
<b>(xiii) Skim Latihan Dual Nasional (SLDN)</b>	The objective of this fund is to increase the supply of skilled workers to the industry. The SLDN programme is a combination of theory and practical at approved training centres with emphasis on structured “on the job” training at the premises of sponsoring employers.
<b>(xiv) Industrial Revolution 4WRD (IndREV 4) – B.11</b>	The objective of this fund is to provide opportunities for Malaysian workers to upgrade their skills by participating in training based on high value-added industry which enhance their career development and to earn better income. The scheme assist SME employers through consultations in the provision of high-tech human resources before the adoption of Industrial 4.0 elements to increase productivity.
<b>(xv) TVET for B40 (LATIHAN TVET B40)</b>	The objective of this fund is to nurture Malaysian talent through skills’ development and capacity building programmes which are geared towards Technical and Vocational Education and Training (TVET) and up-lifting the livelihood of the B40 income group.
<b>(xvi) Kumpulan Wang Covid-19 (KWC-19) Fund</b>	The allocation is under Pelan Jana Semula Ekonomi Negara (PENJANA) and Pakej Perlindungan, Rakyat, Pemulihan Ekonomi (PEMULIH) to finance training programmes conducted for trainees who undergo PENJANA and PEMULIH initiative.
<b>(xvii) Industry 4WRD - Reskilling</b>	The fund is the government allocation under the Ministry of International Trade and Industry (MITI) to finance training programmes in driving digital transformation of the manufacturing and related services sectors in Malaysia.



## 4. Significant Accounting Policies (continued)

### 4.11 Income

- (i) **Dividend income** Dividend income is recognised in “statement of comprehensive income” on the date that the Company’s right to receive payment is established.
- (ii) **Interest income** Interest income is recognised as an accrual basis, using the effective interest method in “statement of comprehensive income”.
- (iii) **Income from fees, services, penalties on late payment of levy and unutilised levy** Income from fees, services, penalties on late payment of levy, and unutilised levy are recognised when the performance obligation is satisfied.
- (iv) **Strategic fund income** Receipts from levy for Strategic Fund is recognised in “statement of comprehensive income” when the performance obligation is satisfied.
- (v) **Lease income** Lease income is recognised on a straight-line basis over the lease term of an ongoing lease.

### 4.12 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.

## 4. Significant Accounting Policies (continued)

### 4.13 Impairment of non-financial assets

Property, plant and equipment and investment property are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (‘cash-generating units’). The impairment loss is charged to the statement of comprehensive income.

### 4.14 Leases

#### The Company as lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (a) Leases of low value assets; and
- (b) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company’s incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (a) Amounts expected to be payable under any residual value guarantee;
- (b) The exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option; and
- (c) Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (a) Lease payments made at or before commencement of the lease;
- (b) Initial direct costs incurred; and
- (c) The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

## 4. Significant Accounting Policies (continued)

### 4.14 Leases (continued)

#### The Company as lessee (continued)

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- (a) If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- (b) In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- (c) If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

#### Identifying leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

## 4. Significant Accounting Policies (continued)

### 4.14 Leases (continued)

#### The Company as lessee (continued)

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable MFRSs rather than MFRS 16.

#### The Company as lessor

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

##### (a) Finance leases

The Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Company derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to MFRS 9 impairment (refer to Note 4.4 on impairment of financial assets). In addition, the Company reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Company revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

##### (b) Operating leases

The Company classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Company recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

## 4. Significant Accounting Policies (continued)

### 4.14 Leases (continued)

#### The Company as lessor (continued)

##### (c) Sublease classification

When the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

##### (d) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

## 5. Property, Plant and Equipment

	Note	2021 RM	2020 RM
<b>Cost:</b>			
Property	(a)	33,880,352	33,880,352
Plant and equipment	(b)	72,514,333	59,473,784
		106,394,685	93,354,136
<b>Accumulated depreciation:</b>			
Property	(a)	19,911,236	19,560,785
Plant and equipment	(b)	51,518,220	48,019,244
		71,429,456	67,580,029
<b>Carrying amounts:</b>			
Property	(a)	13,969,116	14,319,567
Plant and equipment	(b)	20,996,113	11,454,540
		34,965,229	25,774,107



## 5. Property, Plant and Equipment (continued)

### (a) Property

	Freehold land RM	Building RM	Total RM
<b>Cost:</b>			
At 1 January 2020/31 December 2020			
/31 December 2021	1,591,200	32,289,152	33,880,352
<b>Accumulated depreciation:</b>			
At 1 January 2020/31 December 2020/31 December 2021	-	19,210,334	19,210,334
Charge for the financial year	-	350,451	350,451
At 31 December 2020/1 January 2021	-	19,560,785	19,560,785
Charge for the financial year	-	350,451	350,451
At 31 December 2021	-	19,911,236	19,911,236
<b>Carrying amounts:</b>			
At 31 December 2020	1,591,200	12,728,367	14,319,567
At 31 December 2021	1,591,200	12,377,916	13,969,116

## 5. Property, Plant and Equipment (continued)

### (b) Plant and equipment

	Motor vehicles RM	Renovation RM	Furniture and office fittings RM	Office equipment RM	Electric and electronic equipment RM	ICT System RM	Total RM
<b>Cost:</b>							
At 1 January 2020	1,869,199	7,358,236	1,825,213	1,106,877	15,130,861	26,977,218	54,267,604
Additions	-	61,980	2,589	9,458	223,572	4,918,594	5,216,193
Disposal	-	-	-	-	(10,013)	-	(10,013)
At 31 December 2020							
/1 January 2021	1,869,199	7,420,216	1,827,802	1,116,335	15,344,420	31,895,812	59,473,784
Additions	-	-	1,650	-	135,381	12,912,244	13,049,275
Disposal	-	-	-	-	(8,726)	-	(8,726)
At 31 December 2021	1,869,199	7,420,216	1,829,452	1,116,335	15,471,075	44,808,056	72,514,333
<b>Accumulated depreciation:</b>							
At 1 January 2020	1,126,620	3,534,505	1,761,414	993,491	14,497,318	23,000,246	44,913,594
Charge for the financial year	340,858	681,283	49,988	32,281	123,851	1,880,225	3,108,486
Write off/Disposal	-	-	-	-	(2,836)	-	(2,836)
At 31 December 2020							
/1 January 2021	1,467,478	4,215,788	1,811,402	1,025,772	14,618,333	24,880,471	48,019,244
Charge for the financial year	144,123	643,913	9,135	25,600	127,344	2,555,273	3,505,388
Write off/Disposal	-	-	-	-	(6,412)	-	(6,412)
At 31 December 2021	1,611,601	4,859,701	1,820,537	1,051,372	14,739,265	27,435,744	51,518,220
<b>Carrying amounts:</b>							
At 31 December 2020	401,721	3,204,428	16,400	90,563	726,087	7,015,341	11,454,540
At 31 December 2021	257,598	2,560,515	8,915	64,963	731,810	17,372,312	20,996,113

## 6. Leases

### The Company as lessee

#### Right-of-use assets

2021 Carrying amount	Balance as at 1.1.2021 RM	Additions RM	Depreciation RM	Balance as at 31.12.2021 RM
Buildings	1,080,497	-	(487,270)	593,227
Office equipments	219,963	65,720	(97,990)	187,693
ICT Systems	1,636,298	-	(1,090,865)	545,433
	2,936,758	65,720	(1,676,125)	1,326,353

#### Right-of-use assets

2020 Carrying amount	Balance as at 1.1.2020 RM	Additions RM	Remeasure- ment RM	Depreciation RM	Balance as at 31.12.2020 RM
Buildings	1,260,145	320,013	(11,502)	(488,159)	1,080,497
Office equipments	264,188	38,425	(9,978)	(72,672)	219,963
ICT Systems	2,727,163	-	-	(1,090,865)	1,636,298
	4,251,496	358,438	(21,480)	(1,651,696)	2,936,758

#### Lease liabilities

2021 Carrying amount	Balance as at 1.1.2021 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2021 RM
Buildings	1,340,135	-	(587,137)	83,583	836,581
Office equipments	234,536	65,720	(114,982)	18,868	204,142
ICT Systems	1,222,726	-	(864,492)	64,698	422,932
	2,797,397	65,720	(1,566,611)	167,149	1,463,655

#### Lease liabilities

2020 Carrying amount	Balance as at 1.1.2020 RM	Additions RM	Remeasure- ment RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2020 RM
Buildings	1,498,504	320,013	(11,502)	(574,506)	107,626	1,340,135
Office equipments	274,020	38,425	(8,927)	(86,564)	17,582	234,536
ICT Systems	1,964,803	-	-	(864,491)	122,414	1,222,726
	3,737,327	358,438	(20,429)	(1,525,561)	247,622	2,797,397

## 6. Leases (continued)

### The Company as lessee (continued)

(a) The lease terms of right-of-use assets are as follows:

Buildings	Up to 7 years
Office equipment	5 years
ICT Systems	4 years

(b) During the financial year, the Company made the following cash payments to acquire right-of-use assets:

	2021 RM	2020 RM
Acquisition of right-of-use assets	65,720	358,438
Finance by lease liabilities	(65,720)	(358,438)
Cash payments on acquisition of right-of-use assets	-	-

(c) The following are the amounts recognised in profit or loss:

	2021 RM	2020 RM
Depreciation charge of right-of-use assets (included in non-operating expenses)	1,676,125	1,651,696
Interest expense on lease liabilities (included in non-operating expenses)	167,149	247,622
Expense relating to leases of low-value assets (included in operating expenses)	673,303	271,461
	2,516,577	2,170,779

(d) At the end of the financial year, the Company had total cash outflow for leases of RM2,239,914 (2020: RM1,797,022).

## 6. Leases (continued)

### The Company as lessee (continued)

(e) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Company that are exposed to interest rate risk:

	2021 RM	2020 RM
Within 1 year	1,083,243	1,419,421
1 - 2 years	378,705	1,335,766
2 - 5 years	1,707	42,210
	1,463,655	2,797,397
Weighted average incremental borrowing rate per annum (%)	7.51	7.51

(f) The table below summarises the maturity profile of the lease liabilities of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	2021 RM	2020 RM
Within 1 year	1,137,552	1,542,231
1 - 2 years	390,099	1,276,611
2 - 5 years	1,750	43,207
	1,529,401	2,862,049

## 7. Investment Property

	2021 RM	2020 RM
<b>Cost:</b>		
At 1 January/31 December	145,476,000	145,476,000
<b>Accumulated depreciation:</b>		
At 1 January	6,538,248	4,903,686
Depreciation charge for the financial year	1,634,562	1,634,562
	8,172,810	6,538,248
<b>Carrying amounts</b>		
At 31 December	137,303,190	138,937,752
<b>Fair value</b>		
At 31 December	139,414,500	139,414,500

### The Company as lessor

Investment properties are commercial properties that are leased to third parties for two (2) to three (3) years (2020: three (3) to four (4) years) term and renewable at the end of the lease period subject to an increase clause.

The following are recognised in profit or loss:

	2021 RM	2020 RM
Lease income	4,590,990	3,325,043
Direct operating expenses	1,227,558	1,175,452



## 7. Investment Property (continued)

### The Company as lessor (continued)

The Company has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	2021 RM	2020 RM
Less than one (1) year	4,798,714	4,894,065
One (1) to two (2) years	2,451,749	3,184,419
Two (2) to three (3) years	1,138,424	1,317,366
Three (3) to four (4) years	312,125	202,050
Total undiscounted lease payments	8,701,012	9,597,900

### Fair value information

Fair value of the investment property was estimated by the Directors based on a valuation performed by an independent professional valuer, as well as by reference to the market values of comparable properties and categorised as Level 3 in the fair value hierarchy. There is no transfer between levels of hierarchy during the financial year.

## 8. Derivative Assets/(Liabilities)

	2021 RM	2020 RM
<b>Derivatives at fair value through profit or loss</b>		
- Put options	48,915,597	16,087,988
- Call options	(37,773,282)	(31,351,604)
	11,142,315	(15,263,616)

During the financial year, the Company has written put and call options over certain equity investments held. These put options permit the holder to put the shares held by the Company back to the original vendor at the Company's original purchase price plus premium ranged between 8.0% to 9.05% (2020: 7.5% to 8.0%) per annum, while the call options permit the holder to call the shares held by the Company at the Company's original purchase price plus premium ranged between 8.0% to 9.05% (2020: 4.0% to 8.0%) per annum.

The put options are exercisable during the period of 30 days after one (1) year anniversary of the Company's purchase of the equity investment, while the call options are exercisable anytime for a period of one (1) year from the date the Company's purchase of the equity investment. The put options shall lapse upon exercise of the call options respectively, vice versa.

The fair values of the call and put options have been derived using the Black Scholes option pricing model. The key assumptions applied in determining the fair values of put and call options and sensitivity analysis are disclosed in Note 25 (c) to the financial statements.

## 9. Staff Loans

	2021 RM	2020 RM
Motor vehicle loans	78	993
Computer loans	76,218	68,336
Housing loans	1,085,873	1,244,365
	1,162,169	1,313,694

Staff loans (only motor vehicle loans and housing loans) are granted to eligible employees of the Company, bears interest of 4% per annum (2020: 4% per annum). Staff loans 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.

Staff loans are denominated in Ringgit Malaysia.

Information on financial risks of staff loans is disclosed in Note 25 to the financial statements.

## 10. Investments

	2021 RM	2020 RM
<b>Fair value through profit or loss:</b>		
Quoted unit trust in Malaysia	33,598,725	34,599,025
Quoted securities - equity in Malaysia	212,888,064	185,872,574
	246,486,789	220,471,599
<b>Fair value through other comprehensive income:</b>		
Quoted securities - bond & sukuk in Malaysia	279,270,150	304,254,800
	525,756,939	524,726,399

Information on financial risks of investments is disclosed in Note 25 to the financial statements.

During the financial year, the Company has written put and call options over its investments in quoted equity securities of RM199,958,995 (2020: RM168,688,085) as disclosed in Note 8.

## 11. Accrued Interest Receivables, Deposits, Prepayments and Other Receivables

	2021 RM	2020 RM
Accrued interest receivables	21,041,860	22,430,628
Deposits	553,037	342,321
Prepayments	63,973	2,750,460
Other receivables	34,037,007	3,614,017
	55,695,877	29,137,426

Accrued interest receivables, deposits, prepayments and other receivables are denominated in Ringgit Malaysia.

Included in other receivables is an amount of RM30.5 million (2020: RM Nil) representing government grant receivable from Government of Malaysia.

Information on financial risks of accrued interest receivables, deposits, prepayments and other receivables is disclosed in Note 25 to the financial statements.

## 12. Cash and Bank Balances

	2021 RM	2020 RM
Fixed deposits placed with licensed banks	931,063,871	776,090,955
Fixed deposits placed with other financial institutions	779,962,206	713,188,692
	1,711,026,077	1,489,279,647
Cash and bank balances	22,207,913	35,163,530
Cash and bank balances in the statement of financial position	1,733,233,990	1,524,443,177
Less: Deposits with maturity of more than three months	(1,525,598,895)	(1,284,417,604)
Cash and cash equivalents in the statement of cash flows	207,635,095	240,025,573

(a) Cash and bank balances are denominated in Ringgit Malaysia.

(b) The range of maturities of the deposits that are readily convertible to cash as at 31 December 2021 is 7 to 85 days (2020: 33 to 82 days).

(c) Information on financial risks of cash and bank balances is disclosed in Note 25 to the financial statements.

## 13. Human Resources Development Fund (“HRDF”)

	2021 RM	2020 RM
At 1 January	1,492,404,594	1,347,562,991
Add: Levy collected	847,974,342	474,863,656
Re-registration (Note 16)	134,634	46,799
	2,340,513,570	1,822,473,446
Less: Training grant disbursed	(268,472,037)	(298,797,419)
Transferred to General Reserves II - deregistration (Note 16)	(3,137,802)	(2,042,597)
Unutilised levy (Note 15)	(29,281,747)	(19,854,558)
Overpayment of levy refunded	(81,199,238)	(9,374,278)
At 31 December	1,958,422,746	1,492,404,594

## 14. Strategic Fund

	2021 RM	2020 RM
At 1 January	138,737,105	258,770,841
Less: Income recognised for the year (Note 20)	(131,867,904)	(120,033,736)
At 31 December	6,869,201	138,737,105

During the financial year, the Company has incurred RM131.9 million (2020: RM120.0 million) on course fees and trainee allowances mainly on the PENJANA-HRDF Initiative which was implemented in conjunction with the announcement of PENJANA Initiative by the Honourable Prime Minister of Malaysia on 5th June 2020.

## 15. Unutilised Levy

	2021 RM	2020 RM
At 1 January	74,369,844	53,591,779
Add: Transfer from HRDF (Note 13)	29,281,747	19,854,558
Add: Transfer from General Reserve II (Note 16)	2,051,329	984,657
	105,702,920	74,430,994
Less: Expenses	(18,129,966)	(61,150)
At 31 December	87,572,954	74,369,844

This fund relates to employers' levy for employers who have been deregistered due to cessation of business or unutilised levy for a period of two years.

## 16. General Reserves II

	2021 RM	2020 RM
At 1 January	5,347,466	4,336,325
Add: Transfer from HRDF (Note 13)	3,137,802	2,042,597
	8,485,268	6,378,922
Less: Unutilised levy - failure to re-register within 2 years (Note 15)	(2,051,329)	(984,657)
Re-registration (Note 13)	(134,634)	(46,799)
At 31 December	6,299,305	5,347,466

## 17. Government Grants

	2021 RM	2020 RM
Apprenticeship Fund	3,841,247	3,841,247
SME Training Incentive Fund	-	287,366
HR Certification Body Fund	-	272,825
HEARTS Fund	-	418,178
SME Skill Upgrading Fund	-	435,245
1MGRIP Fund	-	3,592,080
Emphatic Fund	-	1,233,884
RPEL (Non-HRDF) Fund	8,659,943	5,767,862
SME Incentive (Non-HRDF) Fund	4,884,189	11,697,536
Outplacement Centre Programme Fund	3,191,842	3,191,842
GENERATE Fund (PTPK)	2,856,110	11,660,942
ILJTM and Other TVET	592,296	765,502
GENERATE Fund (B-19)	1,562,270	3,550,237
Skim Latihan Dual Nasional (B-19)	313,763	4,565,972
Industrial Revolution 4WRD (IndREV 4) – B.11	2,500,000	2,500,000
TVET for B40 (LATIHAN TVET B40)	3,135,515	6,585,000
KWC-19 Fund	1,320,885	63,592,811
Industry 4WRD - Reskilling	5,176,716	1,500,000
	38,307,601	125,458,529

(a) The movement of government grant are as follows:

At 1 January	125,458,529	46,398,237
Add: Government allocation	79,881,004	200,585,000
	205,339,533	246,983,237
Less: Expenses	(167,031,932)	(121,524,708)
At 31 December	38,307,601	125,458,529

During the financial year, the government grant allocated to the Company was amounting to RM79.9 million (2020: RM200.6 million) which was mainly for the Kumpulan Wang Covid-19 Initiative and has utilised RM167.0million (2020: RM121.5million).

## 18. Payables and Accruals

Credit terms of payables are 30 to 45 days (2020: 30 to 45 days). All payables are denominated in Ringgit Malaysia. Information on financial risks of payables is disclosed in Note 25 to the financial statements.



## 19. Reserves

	2021 RM	2020 RM
Fair value reserves	(954,680)	14,104,961

The fair value reserves comprise the cumulative net change in the fair value of debt securities designated at fair value through other comprehensive income/(loss) until the assets are derecognised or impaired.

## 20. Income

	2021 RM	2020 RM
<b>(a) Operating income</b>		
Fee income from training providers	5,239,896	4,364,895
Dividend and interest income from fixed deposits and investment	58,437,959	71,739,961
Interest income from loan to staff	46,279	33,649
Interest income from bank balance	31,779	26,276
Other income	1,698,097	149,992
Lease income	4,590,990	3,325,043
Service fee	7,359,321	-
Penalty on late payment of levy	1,457,431	1,357,014
	78,861,752	80,996,830
<b>(b) Non-operating income</b>		
Fair value changes of investments and derivatives	12,949,212	30,972,628
Reversal of expected credit loss impairment	88,991	227,989
	13,038,203	31,200,617
<b>(c) Development activities income</b>		
Income from unutilised levy	18,129,966	61,150
Participants' fees for Training and Consultancy Fund	1,635,148	1,399,122
	19,765,114	1,460,272
<b>(d) Strategic Fund Income (Note 14)</b>	131,867,904	120,033,736
<b>Total income</b>	243,532,973	233,691,455

## 20. Income (continued)

The Company has disaggregated income into various categories in the following which is intended to depict its nature, amount and timing.

	2021 RM	2020 RM
<b>Revenue from contracts with customers</b>		
Recognised at point in time	15,691,796	7,121,031
Recognised over time	149,997,870	120,094,886
<b>Total revenue from contracts with customers</b>	165,689,666	127,215,917
<b>Other revenue</b>		
Interest income from fixed deposits and investment	58,437,959	71,739,961
Interest income from loan to staff	46,279	33,649
Interest income from bank balance	31,779	26,276
Other income	1,698,097	149,992
Lease income	4,590,990	3,325,043
Fair value changes of investments and derivatives	12,949,212	30,972,628
Reversal of impairment on expected credit loss	88,991	227,989
	77,843,307	106,475,538
<b>Total income</b>	243,532,973	233,691,455

## 21. Expenses

(a) Operating expenses	2021 RM	2020 RM
Advertising and promotion	761,237	1,435,475
Auditor's remuneration - current year	98,000	113,000
Staff costs	41,281,582	36,212,146
Consultancy Services	3,098,610	688,116
Directors' fees and remuneration	2,780,395	2,755,041
Event management	4,098,288	938,350
Legal and professional fees	334,339	759,337
Other expenses	1,266,065	1,065,632
Office supplies	296,244	345,518
Stamps and postage	239,367	69,851
Printing expenses	283,248	197,239
Property management	1,897,267	1,815,127
Lease expenses	673,303	271,461
Repairs and maintenance	8,256,593	6,466,836
Travelling and accommodation	608,330	657,294
Utilities	1,282,845	1,094,449
Loss on disposal of property, plant and equipment	2,164	-
	<b>67,257,877</b>	<b>54,884,872</b>

## 21. Expenses (continued)

(b) Non-operating expenses	2021 RM	2020 RM
Depreciation for property, plant and equipment	3,855,839	3,458,937
Depreciation for investment property	1,634,562	1,634,562
Depreciation for right-of-use assets	1,676,125	1,651,696
Fair value changes of derivatives	-	20,915,624
Finance cost from lease liabilities	167,149	247,622
	<b>7,333,675</b>	<b>27,908,441</b>

(c) Development activities expenses for:	2021 RM	2020 RM
Motor Vehicle Loan Subsidy	10,852	3,997
Training and Consultancy	1,686,450	1,402,101
National HRD Conference	-	8,840
Corporate Social Responsibility ("CSR") Fund	5,104,750	3,489,375
Source System Data Cleansing Activity & Development of High Quality Transactional Report	79,500	79,500
Human Resource Development Corp Strategic Incentives	18,129,966	-
Future Workers Training Fund	-	5,942
OTEP Fund	-	55,500
	<b>25,011,518</b>	<b>5,045,255</b>

## 22. Taxation

There is no tax charged for the current financial year since the Company is exempted from the payment of income tax in respect of statutory income in relation to all of its sources of income for 2 years from year of assessment 2021 until the year of assessment 2022.

In the previous financial year, there was no tax charged since the Company is exempted from the payment of income tax in respect of statutory income in relation to all of its sources of income for 3 years from year of assessment 2018 until the year of assessment 2020.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Company is as follows:

	2021 RM	2020 RM
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	2,894,880	6,196,596
Tax effect in respect of:		
Non-allowable expenses	36,560,275	31,598,311
Income not subject to tax	(39,455,155)	(37,794,907)
	-	-

## 23. Employee Benefits

	2021 RM	2020 RM
Wages, salaries and performance incentive	33,683,082	29,223,648
Contributions to defined contribution plans	4,205,812	3,663,569
Social security contributions	359,608	308,235
Other benefits	3,033,080	3,016,694
	41,281,582	36,212,146

## 24. Directors' Fees and Remuneration

	2021 RM	2020 RM
Fees	1,358,329	1,219,337
Salaries, allowances and performance incentive	1,313,411	1,444,606
Defined contribution plan	108,655	91,098
	2,780,395	2,755,041

## 25. Financial Instruments

### (a) Categories of financial instruments

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

	2021 RM	2020 RM
<b>Financial assets</b>		
<b>Amortised cost</b>		
Accrued interest receivables, deposits and other receivables (excluding prepayment)	55,631,904	26,386,966
Staff loans	1,162,169	1,313,694
Cash and bank balances	1,733,233,990	1,524,443,177
<b>Fair value through other comprehensive income</b>		
Investments - bond & sukuk	279,270,150	304,254,800
<b>Fair value through profit or loss</b>		
Investments - others	246,486,789	220,471,599
Derivative assets	11,142,315	-
	2,326,927,317	2,076,870,236
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
Human Resources Development Fund	1,958,422,746	1,492,404,594
Strategic Fund	6,869,201	138,737,105
Unutilised Levy	87,572,954	74,369,844
General Reserve II	6,299,305	5,347,466
Government grants	38,307,601	125,458,529
Other payables	37,955,309	26,571,906
Accrued expenditure	4,492,022	4,117,945
Lease liabilities	1,463,655	2,797,397
<b>Fair value through profit or loss</b>		
Derivative liabilities	-	15,263,616
	2,141,382,793	1,885,068,402



## 25. Financial Instruments (continued)

### (b) Financial risk management

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

#### (i) 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.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

##### Cash and bank balances

The cash and bank balances are held with banks and financial institutions.

These bank and financial institutions have low credit risks. Therefore, the Company is of the view that the loss allowance is not material and here, it is not provided for.

##### Other receivables, staff loans and deposits

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses as it is negligible.

##### Investment in debt securities

It is Company policy to assess the credit risk of investments before entering contracts. The Company's review includes external ratings, when available, and in some cases bank references. Investments limits are established and approval from the Management Investment Committee is required.

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of a least AA3 from Rating Agency Malaysia ('RAM') and AA- from Malaysian Rating Corporation Berhad ('MARC').

The Company monitors changes in credit risk by tracking published external credit ratings. 12-month and lifetime probabilities of default are based on historical data supplied by Bloomberg for each credit rating.

The movement in the impairment loss for debt securities at FVTOCI during the year was as follows:

	12-month ECL	
	2021 RM	2020 RM
Balance at 1 January	344,238	572,227
Reversal for the financial year	(88,991)	(227,989)
Balance at 31 December	255,247	344,238

## 25. Financial Instruments (continued)

### (b) Financial risk management (continued)

#### (ii) 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 bank balances 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 Company's financial liabilities (other than lease liabilities as disclosed in Note 6 to the financial statements) as at 31 December 2021 have contractual maturity of less than 1 year.

#### (iii) Equity price risk

Equity price risk arises from the Company's investments in equity securities.

##### **Risk management objectives, policies and process for managing the risk**

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

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

##### **Equity price risk sensitivity analysis**

This analysis assumes that all variables remain constant and the Company's equity instruments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI").

A change of 100 points of the KLCI Index at the end of the reporting period would have increased or decreased in the fair value of the equity investment by the amounts as shown below:

KLCI Index	Surplus before tax Increase/ (Decrease)	
	2021 RM	2020 RM
Increased by 100 points	15,724,534	13,549,056
Decreased by 100 points	(15,724,534)	(13,549,056)

## 25. Financial Instruments (continued)

### (b) Financial risk management (continued)

#### (iv) Interest rate risk

The Company's investments in fixed rate debt securities and loans to its staffs are exposed to a risk of change in their fair value due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

#### Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

2021	Effective Interest Rate (%)	Within 1 year (RM)	More than 1 year (RM)	Total (RM)
<b>Fixed rate instruments</b>				
Fixed deposits	1.85 - 5.30	1,302,143,356	408,882,721	1,711,026,077
Staff loans	4.00	102,422	1,059,747	1,162,169
Investment in debts securities	3.75 - 4.98	10,067,050	269,203,100	279,270,150
		1,312,312,328	679,145,568	1,991,458,396
<b>2020</b>				
<b>Fixed rate instruments</b>				
Fixed deposits	1.90 - 5.30	1,200,362,904	288,916,743	1,489,279,647
Staff loans	4.00	110,042	1,203,652	1,313,694
Investment in debts securities	3.75 - 4.98	10,132,900	294,121,900	304,254,800
		1,210,605,846	584,242,295	1,794,848,141

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value except for investment in debts securities which are carried at FVTOCI. Therefore, a change of 10 basis points in interest rates for fixed rate investment in debts securities would have increased or decreased its fair value and subsequently the Company's equity by RM6,609,000 (2020: RM7,580,000) and RM6,309,000 (2020: RM7,217,000) respectively.

#### Cash flow sensitivity analysis

Sensitivity analysis for fixed deposits and staff loans as at the end of the reporting period was not presented as fixed rate instruments are not affected by changes in interest rates.

## 25. Financial Instruments (continued)

### (c) Fair value of financial instruments

The carrying amounts of cash and bank balances, receivables, payables and accruals approximate their fair values and are equivalent to nominal values due to the relatively short term nature of these financial instruments or that they bears interest that approximate market interest rates.

Fair value of investments and derivatives of the Company are categorised as Level 1 and Level 3 in the fair value hierarchy respectively. There is no transfer between levels in the hierarchy during the financial year.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 and 3 based on the degree to which the fair value is observable.

In RM	Note	Hierarchy of the underlying variable input used in measuring fair valuation	
		Level 1	Level 3
<b>2021</b>			
Investments	10	525,756,939	-
Derivatives assets	8	-	11,142,315
<b>2020</b>			
Investments	10	524,726,399	-
Derivatives liabilities	8	-	(15,263,616)

#### Reconciliation of fair value measurements of Level 3 financial instruments

	2021 RM	2020 RM
<b>Financial liabilities designated at fair value through profit or loss</b>		
At 1 January	(15,263,616)	-
Additions	6,290,732	5,652,008
Removal	15,263,616	-
Net fair value gain/(loss) recognised in profit or loss	4,851,583	(20,915,624)
At 31 December	11,142,315	(15,263,616)

## 25. Financial Instruments (continued)

### (c) Fair value of financial instruments (continued)

The fair values of investments of the Company are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.

The fair values of put and call options of the Company are the differences between the strike prices and the underlying prices. The Company has adopted the Black Scholes option pricing model in deriving the fair values of the put and call options. The key inputs and assumptions in estimating the fair values include the underlying share prices, exercise prices, risk free interest rate, dividend yields and volatility.

If the risk free interest rate increase or decrease by 50 basis points, profit or loss of the Company would have decreased by approximately RM0.15 million or increased by approximately RM3.3 million respectively. If the expected volatility increase or decrease by 100 basis points, profit or loss of the Company would have increased by approximately RM1.8 million or increased by approximately RM0.5 million respectively.

### (d) 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.

## 26. Commitments

### (a) Capital commitments

	2021 RM	2020 RM
<b>Capital expenditure in respect of purchase of plant and equipment:</b>		
Contracted but not provided	225,143,893	2,319,499

## 27. Related Parties

For the purpose 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.

The Company is a company limited by guarantee which is being administered by the Minister of Human Resources which is controlled by Government of Malaysia. Entities that are directly controlled by the Government of Malaysia are collectively referred to as government-related entities to the Company. The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Company.

The Company enters into transactions with many of these bodies, which include but are not limited to purchasing of goods, including use of public utilities and amenities, and the placing of bank deposits.

All the transactions entered into by the Company with the government-related entities are conducted in the ordinary course of the Company's businesses on negotiated terms or terms comparable to those with other entities that are not government-related.

The Company is principally involved in the imposition and collection of human resources development levy for the purpose of promoting the training and development of employees, apprentices and trainees and the establishment and administration of the human resources development fund. These services have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties. The Company has collectively, but not individually significant transactions with related parties.



## 28. Significant Events During the Financial Year and Subsequent to the End of the Reporting Period

- (a) During the financial year, the Government of Malaysia imposed various phases of the Movement Control Order (“MCO”) in response to the resurgence of the 2019 Novel Coronavirus infection (“COVID-19”) pandemic, followed by the announcement of the National Recovery Plan (“NRP”) in June 2021, which details a roadmap to control the COVID-19 pandemic while progressively reopening society and the economic sectors towards the new normal under four progressive phases. On 8 March 2022, the Government of Malaysia announced that the country will begin its transition to endemic phase of COVID-19 from 1 April 2022 with the opening of its international borders and abolishment of certain COVID-19 restrictions.

During the financial year, in line with the measures put in place by the Malaysian government to assist businesses and individual affected by the COVID-19 pandemic, certain sectors such as tourism sector, retail sector and other applicable sectors as well as registered employers under non-essential Industries listed under the NRP’s Phase 1 which was announced under the PEMULIH economic aid package on 28 June 2021 by the Honorable Prime Minister were exempted from paying the human resources development levy, which resulted in approximately RM194,723,000 in human resources levy collection being exempted during the current financial year.

Based on the assessment of the Company, the judgements and assumption used in the preparation of the financial statements for the financial year ended 31 December 2021 have not been impacted significantly by the COVID-19 pandemic. The Company will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Company for the financial year ending 31 December 2022, such as expected credit losses of financial assets and impairment assessments of non-financial assets.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Company will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

## 28. Significant Events During the Financial Year and Subsequent to the End of the Reporting Period (continued)

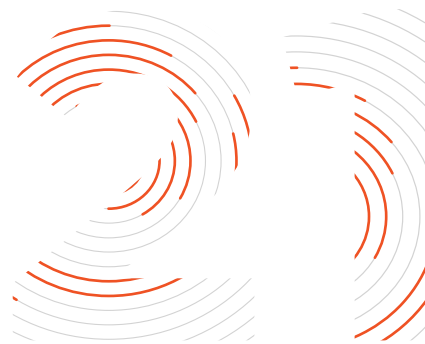
- (b) On 24 February 2021, the Company entered into a sale and purchase agreement and lease to own agreement with Crystal Clear Technology Sdn. Bhd. (“CCT”) to acquire 2 corporate towers known as Menara Ikhlas, which includes a lease arrangement on 125,000 square feet in Menara Ikhlas for 10 years with an option by the Company to purchase Menara Ikhlas at the end of the lease term.

The total purchase consideration is RM202,500,000, of which RM120,000,000 shall be paid to CCT as deposit while the remaining RM82,500,000 shall be paid to CCT via 120 monthly instalments as rental payments for the lease of the 125,000 square feet in Menara Ikhlas by PSMB.

On 19 November 2021, the deposit paid by the Company amounted to RM120,000,000 was refunded by CCT due to delay in the delivery of vacant possession of Menara Ikhlas as stipulated in the stated agreement.

Subsequent to financial year ended 31 December 2021, CCT has revived their intention to deliver the vacant possession to PSMB and is seeking for an extension of time to ensure the completion of sale and purchase agreement. On 5 January 2022, following the agreement to the extension, the Company has paid a deposit of RM120,000,000 in cash to CCT.

As at the date of the authorisation of this financial statements, the sale and purchase agreement has yet to be completed.



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