

**A New
Journey**

Annual Report 2022

About This Report



About This Report

A New Journey

This concept leverages the versatility and adaptability of paper. The folded paper on the cover demonstrates an origami design that can be refolded into a multitude of creative shapes, inviting the reader to embark on a journey of exploration and discovery.

As the reader progresses through the book, they will encounter various iterations of the paper, each showcasing the limitless possibilities that HRD Corp can achieve. The book's immersive visual theme, featuring intricate cutouts, creates an engaging and stimulating environment, elevating the reader's experience to new heights. This concept is a testament to HRD Corp's commitment to pushing boundaries and exploring new frontiers in the field.



This interactive PDF allows you to easily access information, search for a specific item, or navigate between pages and sections.



Content List



Search

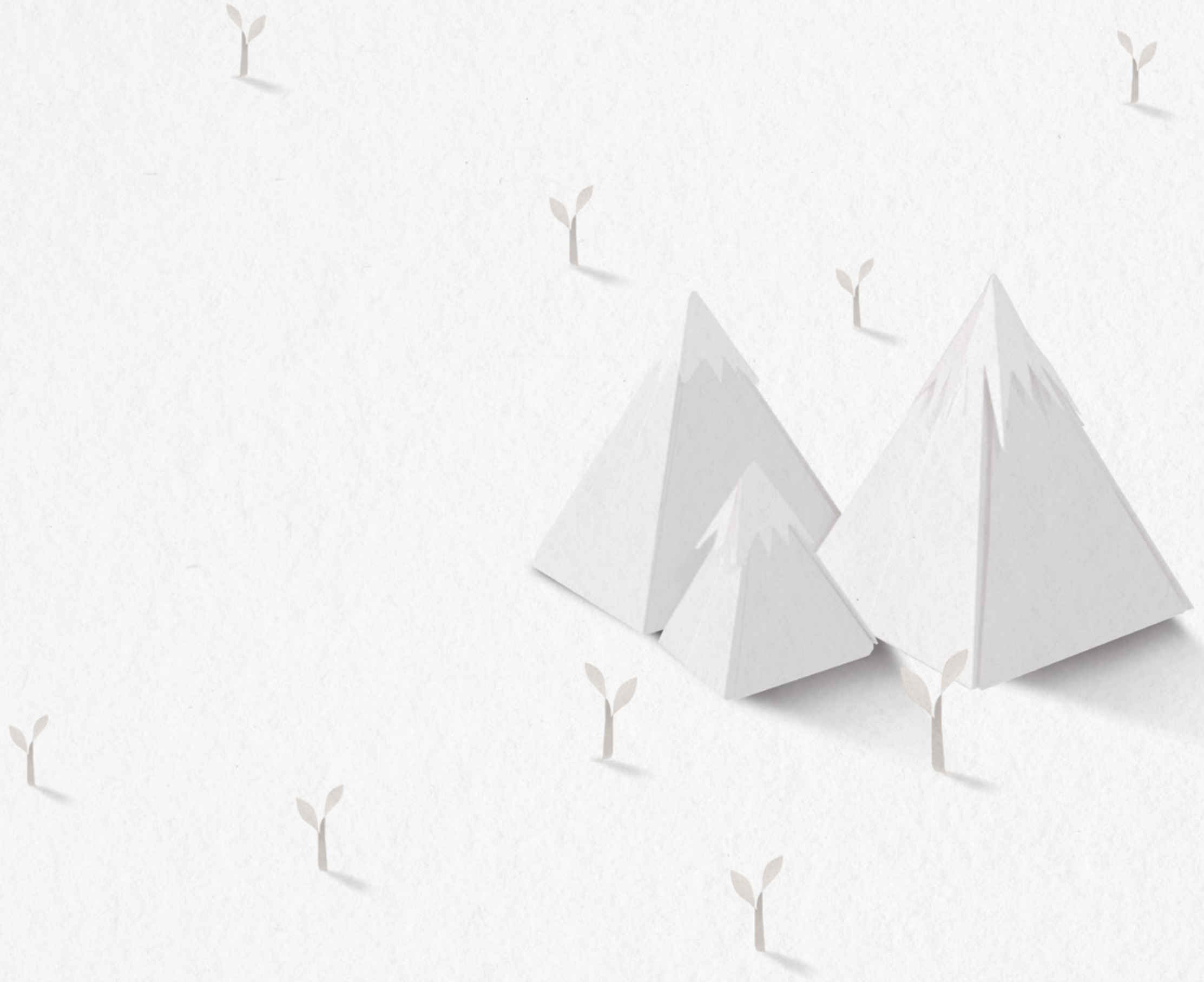


Link

Content

About This Report	2
Our Achievements	
HRD Corp's & Ministry's KPIs & Achievements	6
Overview of HRD Corp	
About Us	14
2022 Highlights	
Open Day: Building Bridges for Tomorrow's Workforce	20
Annual Dinner: Recognising Success, Celebrating Diversity	22
21st AGM: Reviewing Successes and Financial Performance	23
Collaboration and Innovation: Successful Trip to Washington DC	24
First Mega Wellness Day: Promoting Healthy Minds and Bodies	26
Embracing Unity: HRD Corp Celebrates Malaysia's Independence Month	27
HRD Corp Takes Centre Stage as Strategic Talent Enabler at WCIT 2022	28
Empowering Tapah: Opening Our First Training and Community Development Centre	29
NHCCE 2022: The Ultimate HR Conference and Exhibition Experience	30
2023 Priorities	
Ease of Doing Business	34
Future-Proofing Our Training Ecosystem	35
Decentralisation of HRD Corp's Services	36
Training Providers Collaboration	37
Our Initiatives	
MyHRDCORP Super App	40
HRD Corp Placement Centre	42
e-LATIH	48
e-Venue	50
NHRC	51
Leadership	
From the Minister's Desk	57
Message from the Chairman	61
Chief Executive's Review	65
Board of Directors	70
Board Committees	80
Senior Leadership Committee	82
2022 Report	
Training	90
Registered Employers	107
Registered Training Providers	111
Regional Offices	113
Strategic Initiatives	117
Research & Development	121
Financial Statements	132

Our Achievements



2022 Achievements

At a Glance

Total Number of Registered Employers



81,706

Total Number of Training Places



1,497,264

Total Number of Accredited Trainers (Local & International)



1,027

Total Levy Collection



RM1.8 billion

Budget Utilisation



95%

HRD Corp's Corporate KPIs & Achievements for 2022

We identified 10 KPIs at the beginning of 2022 to measure HRD Corp's overall organisational performance for the year. The 10 KPIs were designed to assess four (4) different areas.

1. Stakeholder Engagement	2. Financial Performance
3. Internal Process Efficiency	4. Dissemination of Knowledge

The management of HRD Corp has agreed to adopt a "traffic lights" approach to enable effective monitoring of Key Performance Indicators, providing a realistic representation of the actual KPI figures.

Under this approach, each KPI is classified as **green**, **yellow**, or **red** based on how close it is to achieving its target outcome. The target is measured as a percentage, with 100% indicating that the goal has been fully accomplished.

This resulted in the following KPIs:

- KPI 1 Number of registered employers
- KPI 2 Training places approved under the training grant
- KPI 3 Number of trainers accredited
- KPI 4 Levy collection
- KPI 5 Budget utilisation
- KPI 6 Development of the super app
- KPI 7 Development of the new core system
- KPI 8 Services provided
- KPI 9 No. of national studies, guidelines / references
- KPI 10 No. of opportunities and job seekers

This is further articulated as follows:

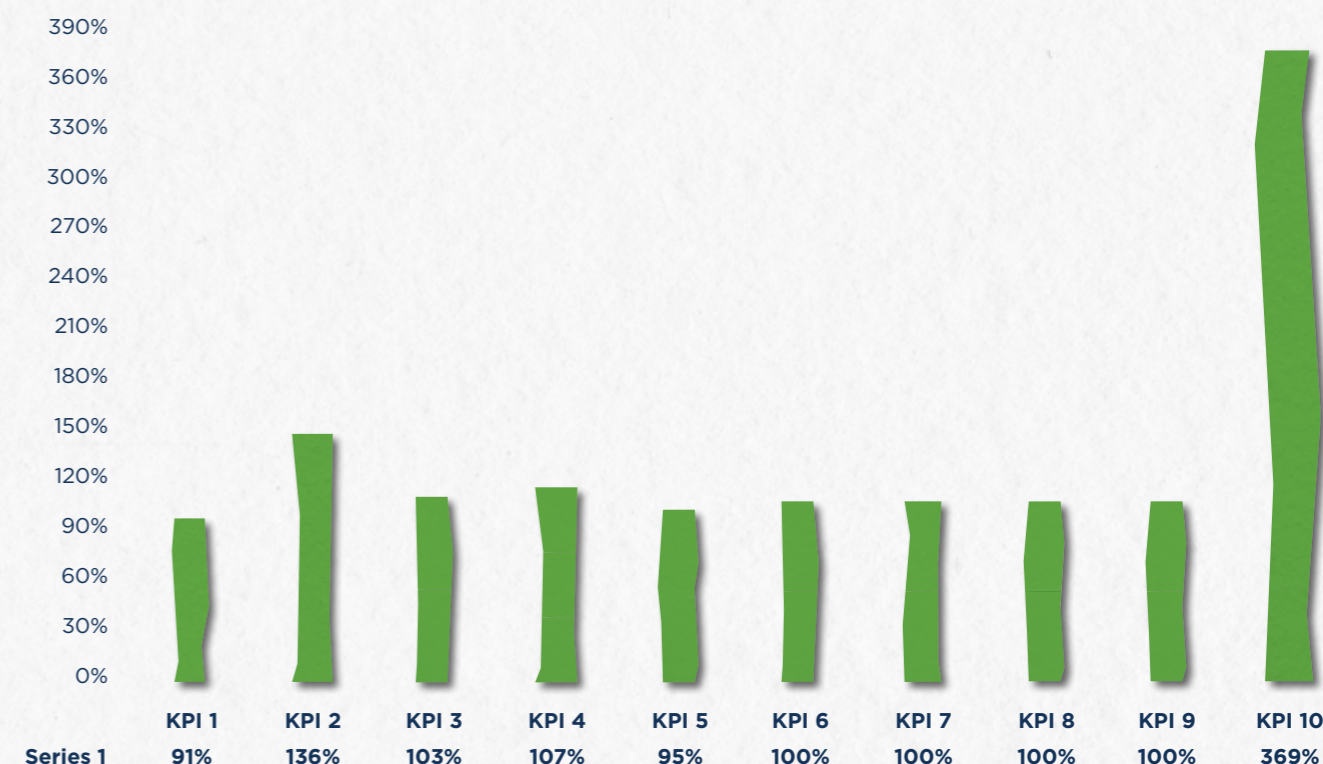


<p>Development of the Super App</p> <ul style="list-style-type: none"> Went live on 10 August 2022 Recorded 15,180 total downloads as of December 2022 	<p>No. of National Studies, Guidelines / Reference</p> <ul style="list-style-type: none"> 100% completion Final reports completed
<p>Services Provided</p> <ul style="list-style-type: none"> 100% completion 6 Sessions completed NTI Framework Development was approved by the Steering Committee (SC) on 25 August 2022 	<p>No. of Opportunities and Job Seekers</p> <ul style="list-style-type: none"> Job Placements - 4,656 Career Fairs - 9 Events Coaching Programmes - 88 Sessions
<p>Development of the New Core System</p> <ul style="list-style-type: none"> The requirement gathering was completed in Q4 2022 	

Performance of HRD Corp Deliverables in 2022

No.	Perspective	Deliverable	Target	Achievement	Percentage
1	Stakeholder	Number of registered employers	90,000 employers	81,706 employers	91%
2		Training places approved under the training grant	1.1 million	1,497,264 training places	136%
3		Number of trainers accredited	1,000 trainers	1,027 trainers	103%
4	Financial	Levy collection	RM1.5 billion Revised Target: RM1.7 billion	RM1.8 billion or RM1,809.46 million	107%
5		Budget utilisation	100%	95%	95%
6	Internal Process	Development of the super app	Go Live in Q3 2022	<ul style="list-style-type: none"> Completed development and Go-Live deployment on 10 August 2022. 15,180 downloads on iOS and Android as of December 2022. 	100%
7		Development of the new core system	Requirement gathering in Q4 2022	Completed all requirement workshop sessions in December 2022.	100%
8	Knowledge	Services provided	<ol style="list-style-type: none"> Development of the National Training Index (NTI) Number of brain trust initiatives - 6 initiatives 	<ul style="list-style-type: none"> Completed 6 sessions. Secured Steering Committee approval for NTI Framework Development on 25 August 2022. 	100%
9		No. of national studies, guidelines / references	1 policy research 1 benchmarking study	Completed the final report.	100%
10	Stakeholder	No. of opportunities and job seekers	<ul style="list-style-type: none"> Job Placements - 10,000 Career Fairs - 5 Events Coaching Programmes - 10 Sessions 	<ul style="list-style-type: none"> Job Placements - 4,656 Career Fairs - 9 Events Coaching Programmes - 88 Sessions 	369%
Total Percentage					133%

Overview of HRD Corp's Corporate KPIs as of 2022



10 Corporate KPIs

- KPI 1** Number of registered employers
- KPI 2** Training places approved under the training grant
- KPI 3** Number of trainers accredited
- KPI 4** Levy collection
- KPI 5** Budget utilisation
- KPI 6** Development of the super app
- KPI 7** Development of the new core system
- KPI 8** Services provided
- KPI 9** No. of national studies, guidelines / references
- KPI 10** No. of opportunities and job seekers

Throughout 2022, HRD Corp demonstrated a remarkable amount of resilience, agility, and innovation. As a result, we exceeded our targets and achieved 133% in our overall performance.

Our outstanding performance can be credited to meeting and exceeding all the targets for ten (10) of our KPIs. These ten (10) KPIs were rated 'green', indicating that we achieved our goals in these areas.

Ministry of Human Resources' KPIs & Achievements for 2022

No.	Minister's KPIs	Target	Achievement
1	Number of Skilled Workers Trained (Skilled Workers)	45,000	129,168
2	Number of Trainees Trained	440,000	879,165

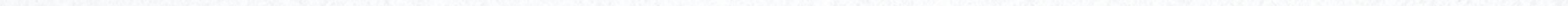
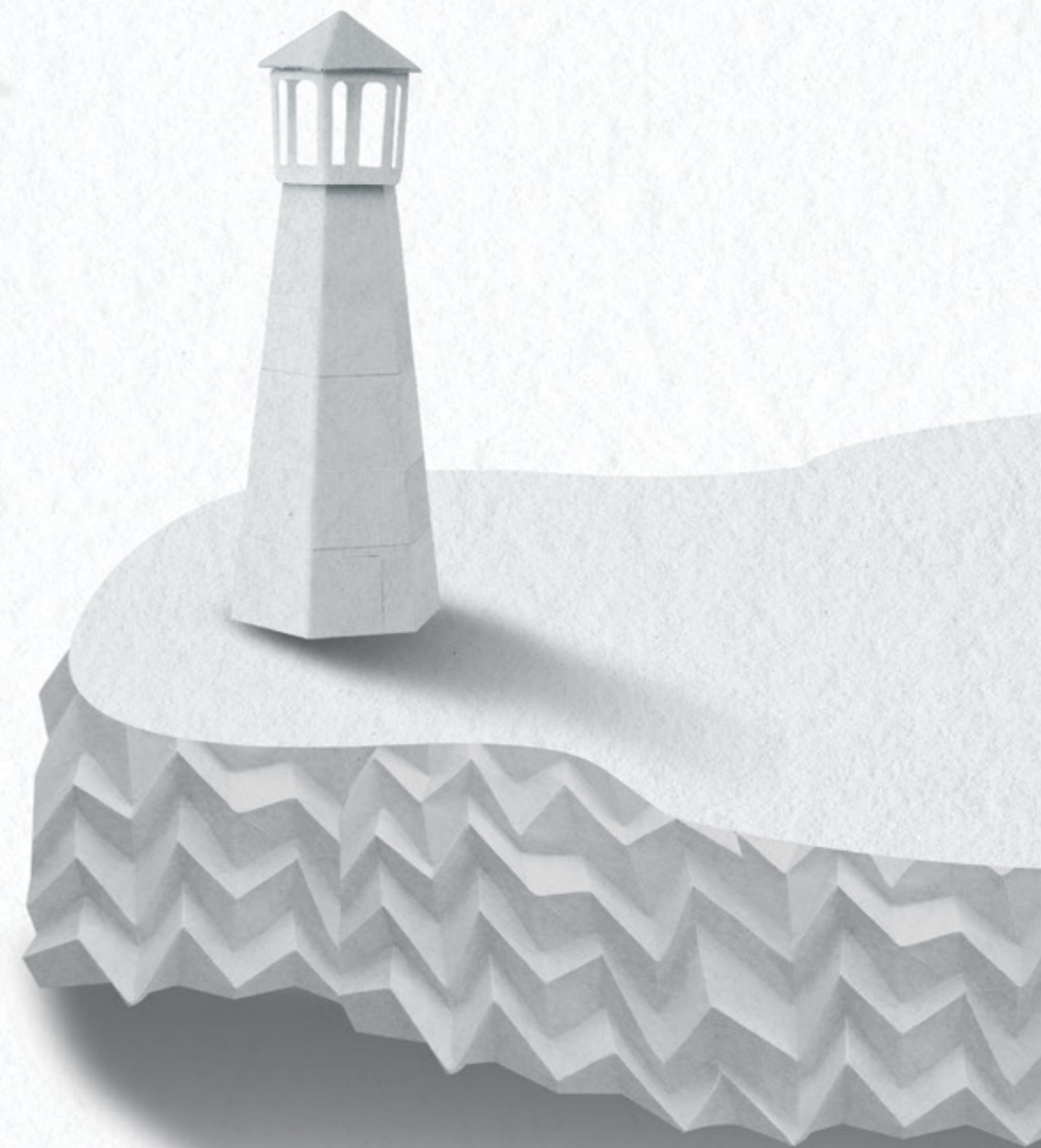
As the custodian of Malaysia's human capital development, it is HRD Corp's prerogative to support the government's efforts in general and the Ministry of Human Resources in particular to achieve this target.

We successfully surpassed the targets for two key KPIs: the Number of Skilled Workers and the Number of Trainees Trained. This achievement was possible because we addressed the needs of employer in training and upskilling their employees. We also engaged with employer associations to promote skills-based trainings through various engagement sessions. Furthermore, we concentrated on identifying employers who meet the eligibility criteria for coverage under the Act. This effort allowed us to reach out to these employers, offer them our services, and provide their employees with training and development opportunities.

In March 2021, the PSMB Act 2001 was expanded to cover all economic sectors in Malaysia. This expansion has played a key role in helping us exceed these KPIs as it allowed us to expand access to training and development opportunities to employees in all sectors. These training programmes are accessible through the human resources development levy paid for by registered employers or government-funded training and skills development initiatives



Overview of HRD Corp



About Us

Human Resource Development Corporation (HRD Corp) was initially established as the Human Resources Development Council (HRDC) in 1993. The aim was to gather funds from key industries and offer training grants to registered employers using its internal mechanism called the Human Resources Development Fund (HRDF). As time went on, the mechanics became synonymous with the organisation, and stakeholders began referring to us as HRDF.

The council grew in importance over the years, becoming a crucial part of Malaysia's human capital development landscape. We expanded our core function to include more sectors and industries while supporting the growth of training providers in the country.

In 2001, the council was incorporated into Pembangunan Sumber Manusia Berhad (PSMB) through the enactment of the Pembangunan Sumber Manusia Berhad Act 2001. Despite the incorporation, the public continued to recognise us as HRDF.

In April 2021, HRDF was rebranded to HRD Corp. The new name reflects our new responsibilities, directions, and mission, which included expanding our upskilling and reskilling efforts to all Malaysian organisations and individuals. We also started providing training, placement, and income-generating opportunities to all communities in need.

Since the rebranding, HRD Corp has continued to empower Malaysia's workforce across all ages and backgrounds. We have introduced several key reskilling and upskilling programmes to help individuals secure the best professional opportunities based on their skillsets, capabilities, knowledge, and experience. We have worked with local and global partners to ensure our talents gain access to quality content and resources, some of which are currently unavailable in Malaysia.

Additionally, we have extended our programmes to underserved communities to provide them with the necessary skills and competencies to generate more income and improve their quality of life. Cognisant of our role, we encourage individuals to enhance their knowledge base through lifelong learning, preparing them for the future of work and building a resilient, agile, and highly-skilled workforce.

Vision

Every Malaysian trained and employable

Mission

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

P.I.L.L.A.R.

Passion:

Believes in our mission to improve the lives of Malaysians, demonstrate a positive attitude and work 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:

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

Loyalty:

Dedicated to protecting the interest of the organisation and striving to achieve all expected deliverables.

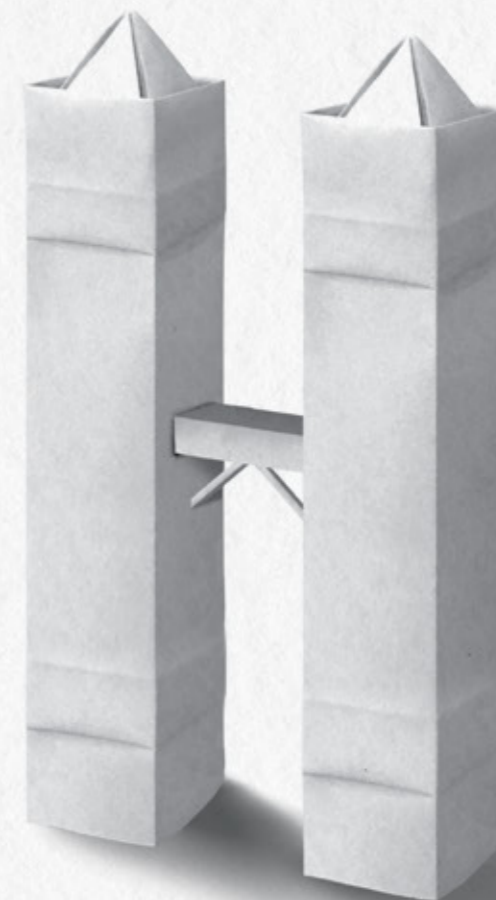
Agility:

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

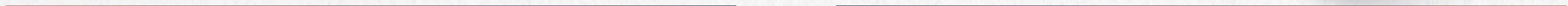
Responsiveness:

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





2022 Highlights



Open Day: Building Bridges for Tomorrow's Workforce



Our inaugural Open Day took place on 10 and 11 March at The Light Hotel in Penang. The event kicked off with the National Forum Series, which was launched by former Minister of Human Resources, YB Datuk Seri M. Saravanan, and included expert speakers from various industries. On the second day, we held a Panel Discussion titled RESET & REDEFINE, which explored topics such as learning technology and building the workforce of the future. Additionally, attendees enjoyed various activities throughout this two-day event, such as the HPC Career Fair that offered more than 5,000 job placement opportunities, a Career Talk and Resume Building Workshop, HRD Corp Meet & Greet, HRD Corp Exhibition, and many more. The success of the first Open Day led us to organise the same in Sabah, Pahang and Sarawak.

Annual Dinner: Recognising Success, Celebrating Diversity



We had our Annual Dinner on 1 April at Berjaya Times Square. The event, themed “Around the World,” showcased our Warga HRD Corp donning glamorous outfits from various cultures and countries, and featured some creative performances by our very own in-house talents. The dinner also served as an opportunity to recognise the contributions and successes of our team in the past year, and to present Long Service Awards to employees who have been with HRD Corp for 5, 10, 20 and 25 years. Beyond the laughter and camaraderie, almost all Warga HRD Corp walked away with lucky draw prizes, including 11 grand prizes, courtesy of our sponsors.



21st AGM: Reviewing Successes and Financial Performance



Our 21st Annual General Meeting (AGM) was held on 22 June at St Regis Kuala Lumpur, chaired by former Chairman YBhg. Datuk Seri Jamil Salleh and attended by other Board Members and Chief Executive YBhg. Datuk Shahul Dawood. At the meeting, we presented our financial performance and achievements in 2021 and provided attending members with an opportunity to ask questions and gain clarification about HRD Corp’s current and future initiatives and activities.



Collaboration and Innovation: Successful Trip to Washington DC



In May, our senior leadership team, led by Chief Executive Datuk Shahul Dawood, visited Washington DC with key representatives from the Ministry of Human Resources to explore partnerships with the United States government and private sector organisations. The trip proved fruitful, resulting in a discussion with the Johns Hopkins University, a new partnership with Microsoft, and the signing of MOUs with Accenture, HR Certification Institute® (HRCI), and World Information Technology and Services Alliance (WITSA). These partnerships support HRD Corp's internationalisation strategy and will benefit Malaysians by providing them with more impactful training and development opportunities.

First Mega Wellness Day: Promoting Healthy Minds and Bodies

We organised our first-ever HRD Corp Mega Wellness Day for Warga HRD Corp, beginning with a mini-marathon within our HQ office in Damansara Heights, followed by health screenings and a fruit festival. Our Chief Executive, Datuk Shahul Dawood, and the Senior Leadership Committee also participated in the activities. As the saying goes, “a healthy mind promotes a healthy body,” and at HRD Corp, we are proud to offer our people the opportunity to achieve both through this programme.



Embracing Unity: HRD Corp Celebrates Malaysia's Independence Month



We celebrated Independence Month with a unifying spirit, as all Warga HRD Corp donned traditional attires representing the diverse ethnicities and cultures in Malaysia. The event included a prize presentation for an inter-departmental Merdeka spirit competition and a motorcycle parade by the PSMB Bikers Club. We hope the spirit of independence continues to thrive in the hearts of all Warga HRD Corp.



HRD Corp Takes Centre Stage as Strategic Talent Enabler at WCIT 2022



As Malaysia's primary custodian of talent development initiatives, we are dedicated to fostering digital and innovative talent growth for the nation. As part of this commitment, we were proud to serve as the 'Strategic Talent Enabler' for the 26th edition of the World Congress on Innovation & Technology (WCIT) in Penang. Considered the "Olympics of the technology sector", the three-day event featured leading global IT businesses, subject matter experts, and industry leaders and was officiated by the Tuan Yang Terutama Tun Dato' Seri Utama Ahmad Fuzi bin Haji Abdul Razak, Yang di-Pertua Negeri Pulau Pinang, together with YAB Dato' Sri Ismail Sabri Yaakob, former Prime Minister, YAB Tuan Chow Kon Yeow, Chief Minister of Penang, and honourable ministers.



Empowering Tapah: Opening Our First Training and Community Development Centre



We opened our first Training and Community Development Centre in Tapah, Perak, with the aim of supporting the local community through various learning, development, and socioeconomic initiatives. These programmes included upskilling and reskilling in areas that will enhance the marketability and employability of community members, as well as preparation for admission to higher education institutions, Technical and Vocational Education and Training (TVET) institutions, and National Dual Training System (SLDN) programmes. The centre's launch also featured a Memorandum of Understanding (MOU) signing between HRD Corp and the SME Association of Malaysia, aimed at developing upskilling and reskilling programmes in Smart Farming Technologies for the Orang Asli community.

NHCCE 2022:

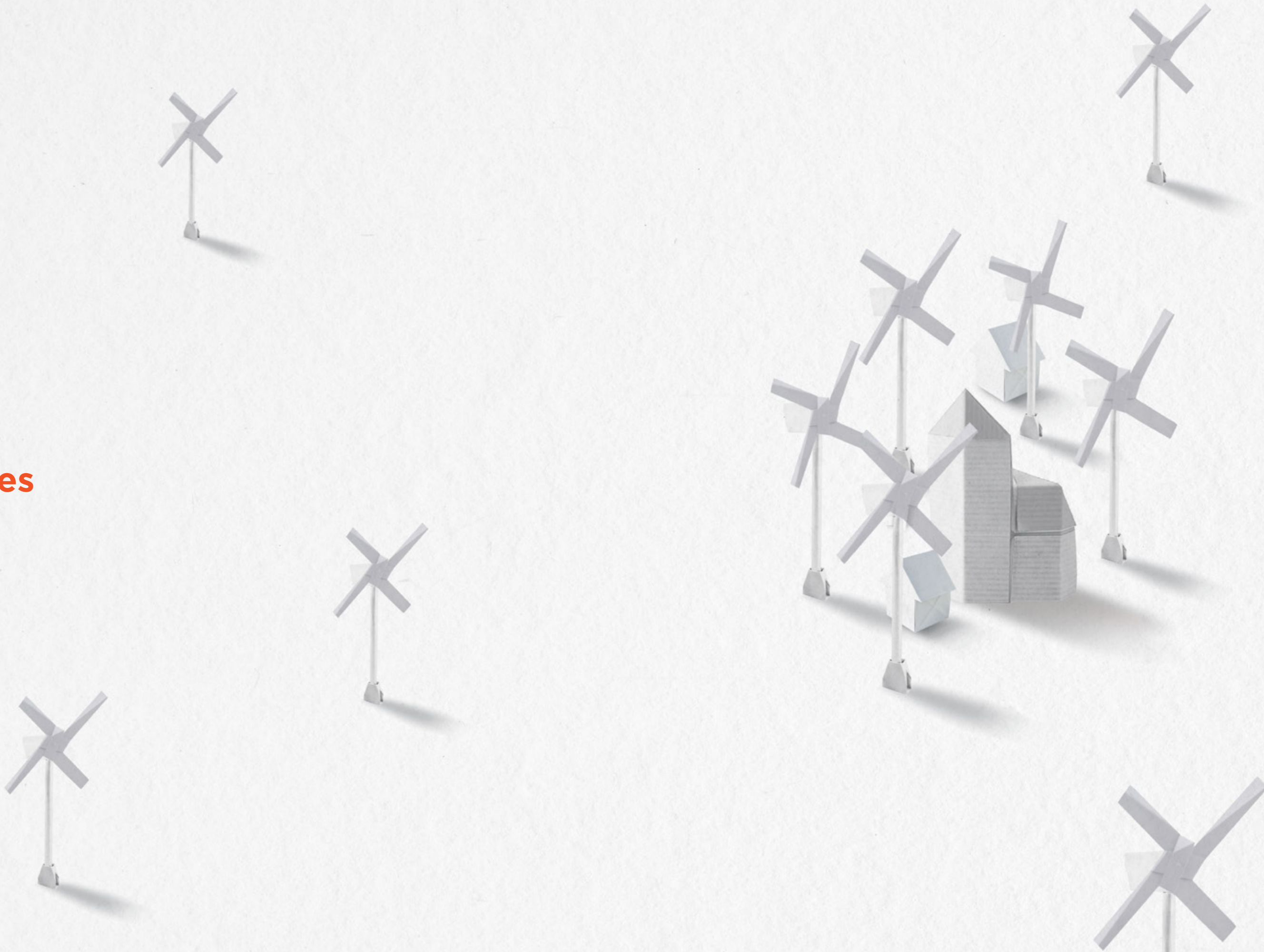
The Ultimate HR Conference and Exhibition Experience



The National Human Capital Conference & Exhibition (NHCCE) 2022, previously known as the HRDF Conference & Exhibition, made a comeback after a two-year break with a fresh new name. This flagship event brought together over 2,500 delegates to attend sessions conducted by 30 renowned local and international speakers across six discussion tracks. This event also featured over 200 exhibitors from various industries. Themed **HR 5.0: The Next Evolution in Human Resource Development**, NHCCE 2022 aimed to empower HR leaders and practitioners to adopt a new approach in their respective roles by embracing new technology and processes, building critical skills and competencies, and ensuring employee health and well-being.



2023 Priorities



2023 Priorities

2022 was an exciting and productive year for our organisation. Our successes in the past year has inspired us to do more for Malaysians in general and our stakeholders in particular, in 2023. This is important as we strive to build a sustainable pipeline of highly skilled, knowledgeable and dynamic workforce and talent pool.

At our core, our organisation is dedicated to empowering the Malaysian people by providing them with the tools and resources they need to succeed in today's rapidly changing market. As the world becomes increasingly competitive, it is more important than ever that we invest in our people and help them acquire the skills and knowledge they need to thrive, on top of providing the best streamlined efforts for our stakeholders.

Here are our four (4) key priorities in 2023:

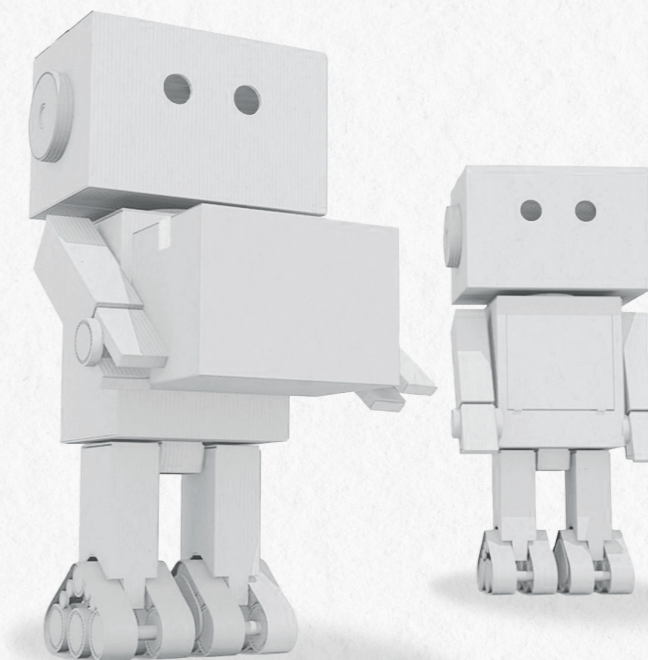
Ease of Doing Business



- Self-declaration of documents for grant submission
- Same day review and conditional approval
- Reduction in waiting time from 48 to 24 hours

Starting from 9 January 2023, we will be streamlining the grants application process for all training programmes that fall under the HRD Corp Claimable Courses scheme. Employers will only need to provide a self-declaration for all submitted documents, which will enable the system to conduct a preliminary appraisal and provide conditional approval. As a result, the waiting time for approval will be reduced from 48 hours to 24 hours.

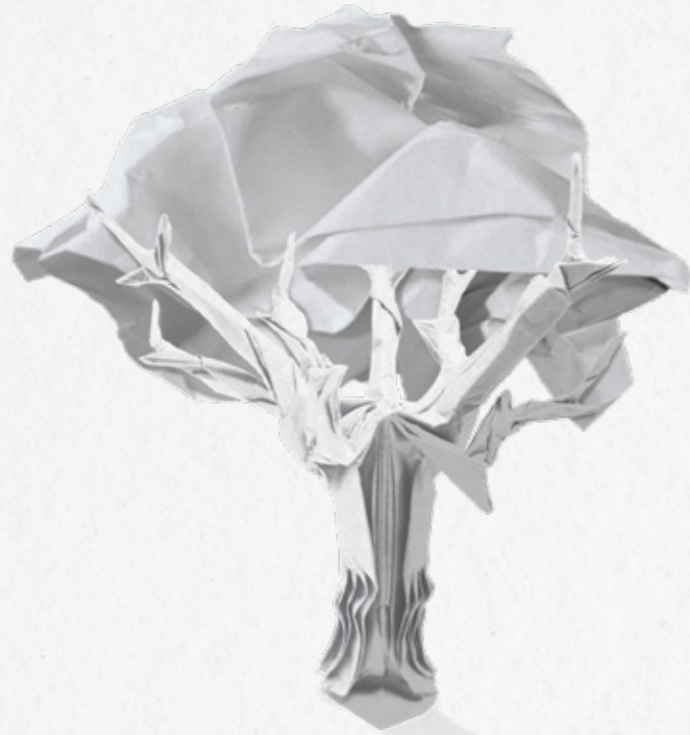
Future-Proofing Our Training Ecosystem



- 6 bootcamps for registered trainers and training providers
- Building Essential Skills for Training (BEST)
- Strengthening Trainers' Development Framework

Starting from February 2023, HRD Corp is set to introduce six bootcamp-style training programmes that will be exclusively available to 600 of our most active and high-performing trainers and training providers. During these training sessions, participants will have the opportunity to learn from some of the best coaches and instructors in the field. The bootcamp will have a particular focus on Building Essential Skills for Training (BEST). Additionally, HRD Corp is also working towards strengthening our Trainers' Development Framework to cultivate a pool of highly competent trainers.

Decentralisation of HRD Corp's Services

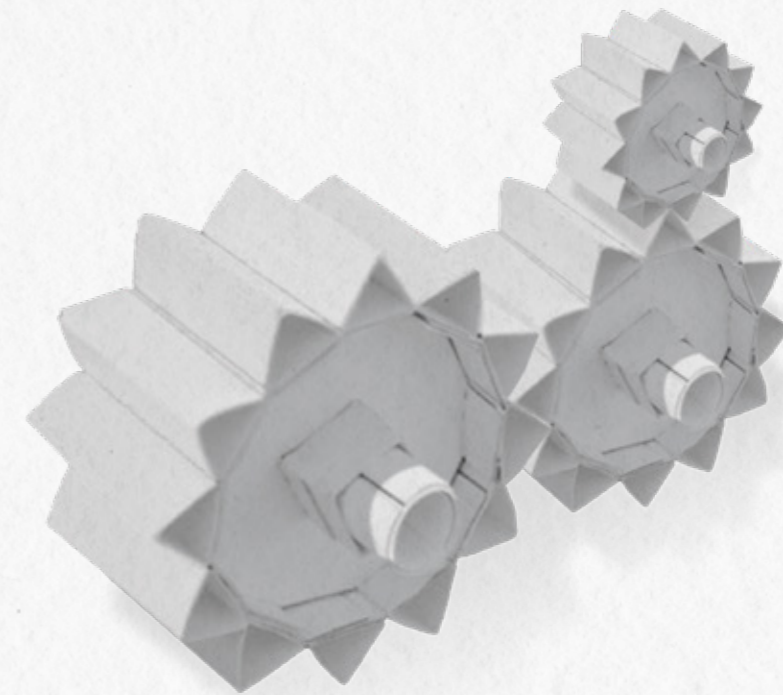


- Empowering branch offices to take charge
- Handling matters swiftly for regional stakeholders
- Training room offer to training providers in branch offices at minimum cost

As part of our ongoing efforts to enhance our services, we have implemented a new strategy aimed at empowering our branch offices by grouping them into regional offices. These regional offices will be located in various regions throughout Malaysia, including the Northern Region Office in Penang, the Southern Region Office in Johor, and the East Coast Office in Pahang, as well as offices in Sabah and Sarawak.

The main objective of these regional offices is to better serve and address the needs of employers and training providers in their respective regions. This includes streamlining the grants submission, processing, and approval process, which will be handled directly by the regional offices. Additionally, we will also offer training rooms in some of our branches to trainers and training providers at minimal cost.

Training Providers Collaboration



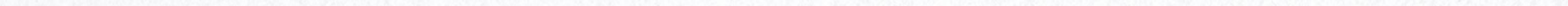
- Link training providers with international partners
- Facilitate new joint training programmes of international standing

As an organisation with a wide-ranging network of higher learning institution partners around the world, we take pride in our ability to connect these institutions with our training providers. We recognise that creating new programmes and developing innovative training offerings can be a daunting task, which is why we are committed to helping our training providers connect with our network of partner institutions.

We believe that this approach will not only benefit our training providers but also contribute to the growth and advancement of the training industry. By fostering partnerships between our network of higher learning institutions and our training providers, we can drive innovation and enable the development of new training programmes that meet the evolving needs of the workforce. Ultimately, this will result in a more skilled and competitive workforce, which will benefit not only businesses but also individuals and society as a whole.



Our Initiatives



MYHRDCORP SUPER APP

MyHRDCORP Super App (MyHRDCORP) is a new, interactive application introduced by HRD Corp in August 2022, aimed at providing the latest information on the company's products and services to our various stakeholders. The super app is designed to cater to individuals, employers, training providers, and trainers, offering a comprehensive user experience for all.

The tagline, "One App, One Login, One User Experience - Many Services," speaks to the app's all-in-one approach. By providing a single login, users can access all of HRD Corp's products and services, ranging from personal development programmes to business training and support services.

This integrated approach means that users no longer need to navigate multiple systems or applications to find the information they need. MyHRDCORP streamlines the process, making it easier and more convenient for stakeholders to access and engage with HRD Corp's offerings.

All these features are aimed at providing a more personalised and engaging user experience, ensuring that stakeholders get the most out of their interactions with HRD Corp.

Overall, MyHRDCORP is a significant development for HRD Corp, demonstrating the company's commitment to innovation and providing greater



value to our stakeholders. Through this new platform, HRD Corp can better serve its diverse range of customers, providing them with the tools and resources they need to succeed in their personal and professional lives.

Total Downloads as of December 2022

15,180

Among Current Features

Employers

- **Hire talents**
Attract the best talents to grow in the organisation
- **Get instant updates**
Access information on claims, levy, and grant status
- **Book training venues**
Search and book preferred training or meeting rooms via e-Venue

Individuals

- **Job application**
Find and apply for jobs anywhere, anytime
- **Upskilling & reskilling programmes**
Level up with courses and programmes
- **Individual training list**
View and keep tabs on all trainings enrolled
- **Training attendance**
Monitor training location via geo-location

Training Providers

- **Promote training courses and programmes**
Advertise training courses and programmes to the right target audience
- **View claims status**
Access claims information on the go
- **View trainers' list**
Check out list of Trainer's Development Management System (TDMS)-registered trainers

Trainers

- **View training details**
Check trainees' attendance and assessment summary
- **View training profiles**
Access info on levy-related or government-funded courses
- **Book training venues**
Search and book training rooms based on exact needs and budgets

Future Features

- Levy payment
- Attendance system - eKYC (Electronic Know Your Customer)
- e-certificates for training completion
- Rating system for trainers and training providers
- Leaderboard for trainers and training providers

Deployment at the NHCCE 2022

In addition to providing an all-in-one platform for accessing HRD Corp's products and services, MyHRDCORP was also deployed at the company's flagship event, the National Human Capital Conference & Exhibition (NHCCE) 2022. Participants at the conference downloaded the app to view details of the event, including the agenda, speaker profiles, and other important information. With the app's interactive features, attendees could also interact with speakers, participate in polls and surveys, and connect with other participants.

The deployment of the MyHRDCORP Super App at the NHCCE highlighted HRD Corp's commitment to leveraging technology to enhance and improve

stakeholder experience. By providing an app that serves as a one-stop-shop for event information and engagement, HRD Corp was able to streamline the conference experience and provide attendees with a more personalised and interactive way to engage with the event's content. This approach aligns with HRD Corp's overall mission of providing innovative and value-added solutions to its customers.

HRD Corp Placement Centre



opportunities that match their skills and interests. The portal also provides access to training and development resources, helping job seekers acquire new skills and enhance their existing ones.

In addition to job matching and training, the HPC also offers career counselling and coaching services. This includes guidance on career planning and development, as well as advice on how to navigate the job market and build a successful career. Through this holistic approach, the HPC aims to support Malaysians in their journey towards employment and career success, while also meeting the needs of the industry by providing skilled and qualified workers.

The HPC is an important initiative that demonstrates HRD Corp's commitment to providing innovative and value-added solutions to its stakeholders. By offering a comprehensive programme that is driven by industry needs and supported by a virtual portal for employment and income-generating opportunities, HRD Corp is helping Malaysians succeed in the workforce and contributing to the growth and development of the economy.

The HRD Corp Placement Centre (HPC) provides a comprehensive and holistic programme for future workers. The programme is driven by the needs and participation of the industry, with the aim of providing job seekers with the skills and knowledge they need to succeed in the workforce. The programme covers a range of topics, including job matching, placement, training and development, and career counselling and coaching.

One of the key components of the HPC is its virtual portal, which provides employment and income-generating opportunities to Malaysians. The portal offers job matching and placement services, enabling job seekers to find suitable employment

2022 HIGHLIGHTS

JANUARY

- HPC Placement Interview

FEBRUARY

- Bring into Partnership - McDonald's & Silverlake Axis Ltd

MARCH

- Strategic Partnership with Malaysia Career & Training Fair 2022

APRIL

- Bring into Partnership - Mydin, Posim Petroleum, SOGO KL, Shopee & FLEX

MAY

- Bring into Partnership - Intel, Shin-Etsu, Gigagigs, YTL Cement & Daythree

JUNE

- HRD Corp Open Day Sabah - Career Talk and Resume Writing Workshop
- *Simposium Kerjaya & Apresiasi Veteran ATM*
- Bring into Partnership - 4Fingers

JULY

- Conducted Employee Recruitment Survey: *Attracting the Right Talent*
- *Ekspo Kerjaya Jamin Kerja Keluarga Malaysia @ WTC, KL & KBS Youth Career Carnival @ Sabah & Pahang*
- Bring into Partnership - Prasarana & Fairview International School

AUGUST

- MSU Career and Lifelong Learning Education Fair 2022
- IMU Graduate Career Fair
- Career Talk at UUM

SEPTEMBER

- Employer Intervention Programme (EIP)
- *Karnival Gegar Kerjaya 2022*
- Mega Careers & Study Fair
- Event Collaboration with TalentCorp

OCTOBER

- Career Talk with UiTM's Senior Lecturers
- Employer Intervention Programme (EIP)
- Career Talk with UiTM Deputy Rector @ UiTM Tapah

NOVEMBER

- NHCCE Placement Interview with HPC Career Partners
- Career Talk with HR Director of Impiana Hotel

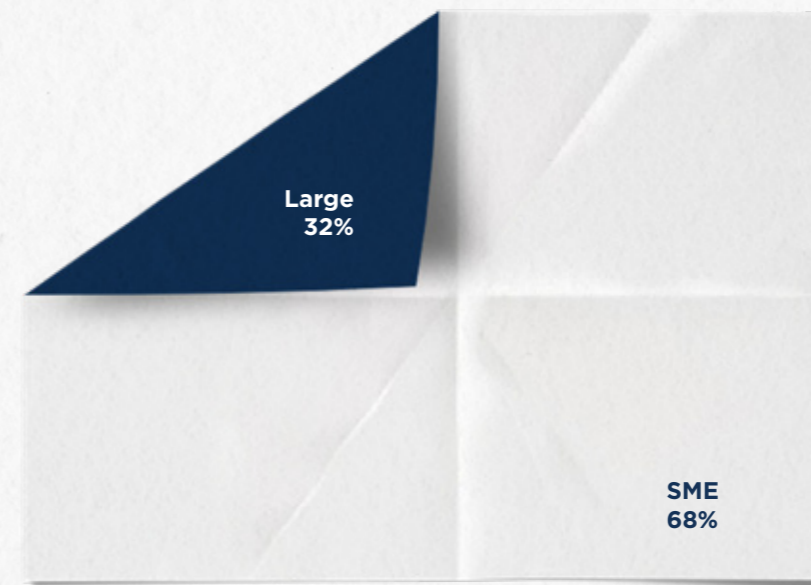
Industrial Insight – Talent Acquisition

According to the Labour Market Review for Quarter 4 of 2022 by the Department of Statistics Malaysia (DOSM), the labour force continued to show positive momentum, with the number of employed persons increasing by 3.2% to 15.94 million, while the number of unemployed persons declined by 13.5% to only 600,000. However, from an industry perspective, the Annual Salary Survey by Robert Walters revealed that 95% of companies that participated in the survey were concerned about talent shortages in their respective industries. This concern was also reiterated during HPC's engagement sessions with industry players.

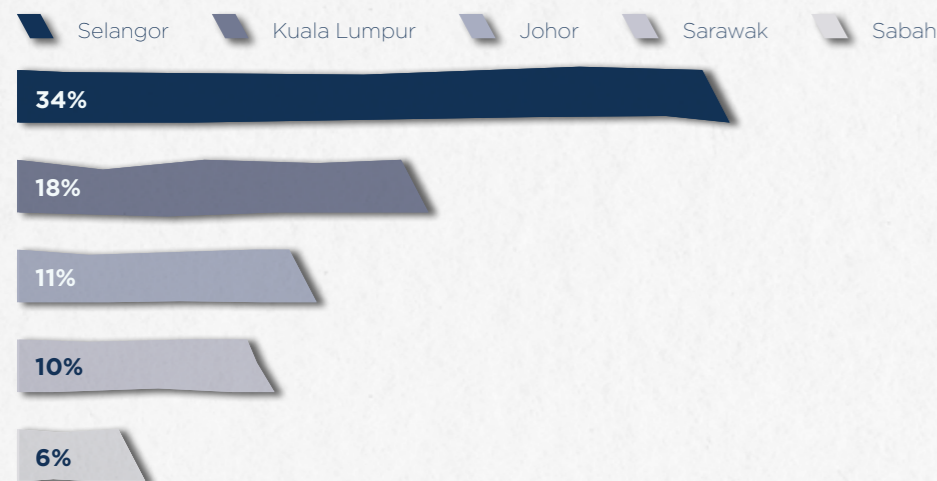
As a result, HPC took the initiative to conduct a survey named "Employee Recruitment Survey: Attracting the Right Talent" from 18 July to 1 September 2022. The aim of the survey was to gain valuable insights from registered employers regarding the challenges they faced in attracting the right talents for their company and to find better ways to overcome the issue from an HRD Corp perspective.

The survey involved 1,387 respondents from various industries and consisted of four parts: demographics of respondents (employers), obstacles in talent sourcing, issues in hiring talents, and proposed initiatives to overcome the issue.

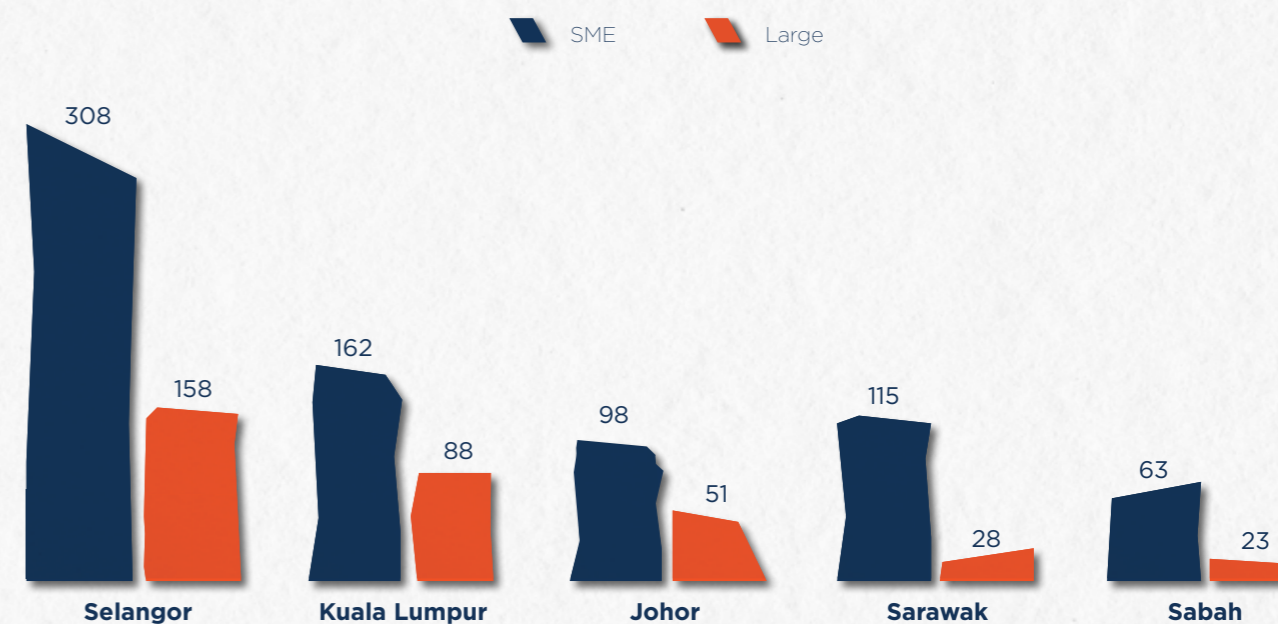
Types of Company



Top 5 Respondents by State



Respondents from Top 5 States According to Types of Company



Frequency of Open Vacancies in a Year



The charts shows data related to Talent Acquisition and Learning & Development (L&D). From the 1,387 respondents, the majority (68%) were from SMEs.

Top 5 Respondents by Industry %

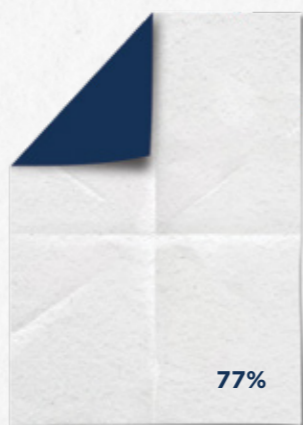
Manufacturing	27.0%
Construction	11.0%
Services	9.0%
Wholesale & Retail Trade; Repair of Motor Vehicles & Motorcycles	8.0%
Information and Communications	6.0%

The new competition for talent is not just about employers competing with one another to find the best talents. It is about employers acknowledging the various job options available to job seekers in the market and finding effective ways to compete against all those options.

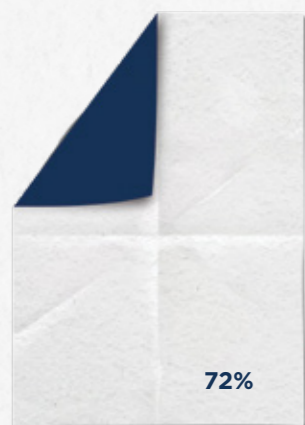
According to the survey, 73% of respondents had a tough time finding talents in the market, while only 4% responded otherwise and 23% gave a neutral feedback. This indicated that three out of four employers are experiencing difficulties in talent sourcing. The reasons are:



Talents are not skilled or experienced enough / Low number of quality applications



Talents expecting higher salary and perks



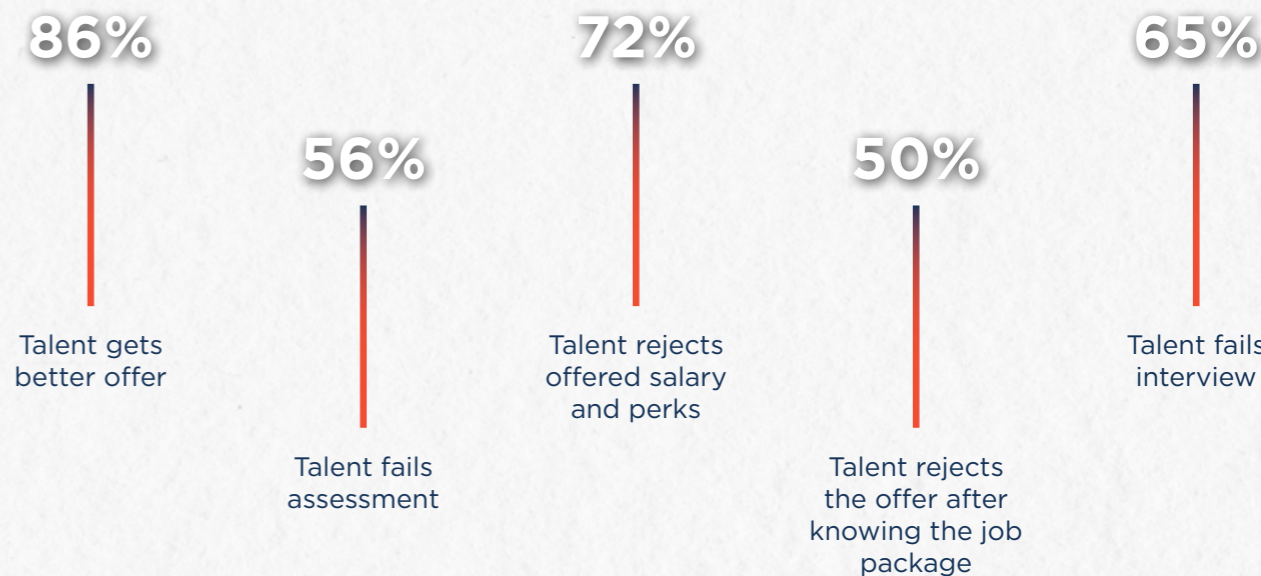
Competition to get quality talents with other companies



Talent's resume did not pass the screening stage

Respondents also agreed that various initiatives and activities are available to them to get the right talents for their available vacancies. Most responded that they had posted their job opportunities in various external job portals (81%), walk-in interviews (68%), shout-out on social media (67%) and career sites (65%) for better reach.

Even so, the challenges of finding the right high quality talents remain a peak issue among HR practitioners. The survey revealed that most of the identified talents had turned down their offer due to the following reasons:



Despite the presence of candidates who have applied for the vacancies and have been successfully hired, the respondents expressed concern regarding the quality of these candidates. To address this issue, over 60% of respondents agreed that they need assistance from HPC to acquire the right talents for their job opportunities. Here are the top five services or initiatives expected from HPC:

- Free upskilling initiatives for talents
- Utilisation of the HPC portal for job posting
- Hiring incentives
- Basic workshops for talents
- Walk-in interview sessions

Way Forward for HPC

Going into 2023, HPC intends to embark on more collaborative efforts between industry, educational institutions, and agencies to leverage one another's strengths to bridge the supply and demand in the job market while addressing employability needs.

We will continue to focus on doing what we do best - facilitating the necessary upskilling, reskilling, or competency training to help secure employment. We aim to provide continuous insights and reports on talent and skills requirements for all our stakeholders.

We are mindful that the job market will become tougher for all HR practitioners out there. Thus, we must always adapt and respond to new trends and norms in talent acquisition and L&D while balancing our efficiency and effectiveness accordingly.



e-LATiH is an online learning platform aimed at promoting lifelong learning among Malaysians. The platform was launched by HRD Corp on 6 February 2021, and it offers free, unlimited access to a wide range of online courses in various skill areas. This means that learners can access the courses at any time, from anywhere, as long as they have an internet connection.

The development of e-LATiH was in line with the Twelfth Malaysia Plan, which emphasised the importance of promoting a culture of lifelong

learning in the country. The platform provides learners with the opportunity to acquire new skills and knowledge, regardless of their educational background or career level. By doing so, it helps to ensure that Malaysians are equipped with the necessary skills and competencies to meet the demands of a rapidly changing economy and job market.

e-LATiH represents a significant step forward in the effort to promote lifelong learning in Malaysia, and it is expected to have a positive impact on the personal and professional development of individuals across the country, in the long term.

2022 Key Statistics

Total registered users: 260,000+

Learners' Demography

Nationality

Malaysians	259,000+
Non-Malaysians	700+

Gender

Female	57%
Male	43%

Top 3 Locations

Selangor	28%
Kuala Lumpur	13%
Johor	9%

Qualifications

Bachelor's degree/equivalent	56%
STPM/A-Level/Diploma/equivalent	18%
SPM/O-Level/SVM/equivalent	13%

Employment Status

Working	57%
Not working	27%
Self-employed	16%

Enrolment

Total number of courses:

1,700+

Total number of enrolments:

722,000+

Average enrolment per month:

36,000+

Average enrolment per user:

3

Note: one individual learner enrolled in a minimum of 3 courses.

Top 3 enrolled free courses:

**Tips Ajaib Menggunakan MS Excel
Social Media Marketing
Critical Thinking Skills for Professionals**

Key Achievements & Activities in 2022

- Organised e-LATiH Giveaway 2022 to increase learning on e-LATiH.
- Introduced e-LATiH Premium – provides the opportunity for HRD Corp registered training providers to market their e-learning courses on e-LATiH.
- Introduced e-LATiH Corporate Access – a learning & development system that enables employers to track and monitor their employees' learning journey.
- Conducted more than 200 engagements with corporate companies, universities, associations, and content providers.

HRD Corp e-Venue

e-Venue is a comprehensive online platform that provides users with a hassle-free experience of booking training venues and facilities. The platform is easily accessible through both web and mobile phones, making it convenient for users to book their preferred venues anytime and anywhere.

The platform features various venues that users can browse, compare, and filter based on their preferred locations, budgets, and other specifications. With e-Venue, users can easily find the ideal training

venue that meets their specific needs, saving them the time and effort of searching for suitable locations themselves.

In addition to the convenience of using the platform, e-Venue also offers affordability and flexibility to its users. The platform provides discounted rates for its venues, enabling users to save on costs while still accessing quality training facilities. Furthermore, e-Venue offers a multitude of payment options, making it easy for users to pay for their bookings in a way that suits them best.

e-Venue is a user-friendly and affordable platform that enables users to find and book their preferred training venues and facilities with ease.

Key Features

Convenient and seamless process

Remove the manual quotation search and hours of negotiation call to book or reserve training venues.

Various types of venues available

There are over 1,000 training venues across Malaysia, including various hotel and convention centres encompassing meeting and training rooms.

Instant booking

It's accessible and convenient anytime and anywhere.

Discounted rates guaranteed

HRD Corp takes the initiative to offer users with discounted rates and flexibility through a multitude of payment options.

Dedicated customer service support

To ensure prompt assistance for user requests and inquiries, our customer support team is available through WhatsApp chat from 9:00 am to 9:00 pm daily.

2022 Key Statistics

Total number of registered users:

112

Total number of venue providers:

209

Total number of training venues:

1,135

NHRC



National Human Resource Centre

The National Human Resource Centre (NHRC) is a dynamic think tank dedicated to enhancing the skills and capabilities of HR professionals in Malaysia. Through new courses, certifications, and collaborations with strategic partners, researchers,

and industry experts, NHRC provides strategic and operational HR advisory support to industries.

As a leading think tank, NHRC influences national-level HR policy decisions by engaging in continuous industry dialogue and conducting comprehensive research. By understanding the evolving needs of Malaysian talents and industries, NHRC develops collaborative action plans with the government and stakeholders to address these needs effectively.

NHRC recognises the pivotal role of HR in supporting workforce and industry development, ensuring their readiness and global competitiveness. By working closely with public and private sector partners, NHRC strives to drive impactful change and create a strong future for all.

2022 Highlights

1.0 Development of the National Training Index (NTI) Framework

In 2022, HRD Corp partnered with 19 expert entities to create the National Training Index (NTI). This annual assessment analyses lifelong learning conditions and performance across five key economic sectors. It offers valuable insights for the government, investors, and industry to make informed decisions on workforce competency development. Through meetings and engagements with various committees and representatives, the NTI framework was established to measure the effectiveness of training and lifelong learning activities across sectors, generating an overall index for the nation.

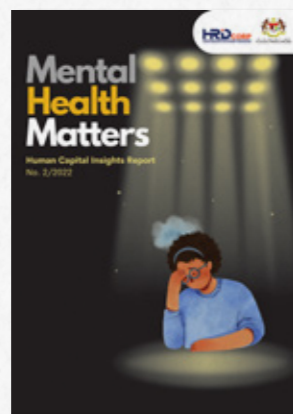
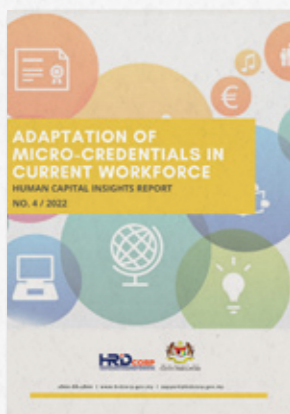
Approved by the Steering Committee in August 2022, the first NTI report will be published in 2023. With three dimensions and 19 indicators, the NTI provides a comprehensive analysis of lifelong learning in Malaysia, considering employer readiness, worker skills development, and training provider effectiveness. All data is sourced from the HRD Corp internal database.

2.0 HRD Corp Industry Training Participation Report 2021



This report offers crucial insights into training participation across industries in the year 2021. Examining 238 subsectors under the PSMB Act 2001, the report revealed that, on average, employers invested in one to two training programmes per employee in 2021. As remote online learning gains prominence, training providers and employers should prioritise investments in self-paced upskilling and reskilling methods, platforms, and solutions, reducing the reliance on physical training. By leveraging past insights, organisations can establish industry benchmarks and proactively develop policies to ensure continuous employee training in challenging times, thereby fostering resilience and success.

3.0 Human Capital Insights Reports



Rich in content and information, the Human Capital Insights Report presents the latest advancements in human capital development in our nation. It covers training trends, industry-specific challenges, and learning ecosystems based on HRD Corp's internal data and market developments. By delving into these topics, the report provides valuable insights that enable HRD Corp, along with our partners and stakeholders, to design relevant programmes and services, fostering a stronger talent ecosystem. This aligns with our goal of developing a skilled local workforce that can seize new and emerging opportunities.

In 2022, a total of 4 captivating Human Capital Insights Reports were published:

- Issue 1: **Adaptation of Microcredentials in the Current Workforce**
- Issue 2: **Mental Health Matters**
- Issue 3: **Flexible Working Arrangement and the Future of Employment**
- Issue 4: **Return-to-Office: Adjusting to the 'Old Norm'?**

4.0 NHRCI Dual Certification Programme

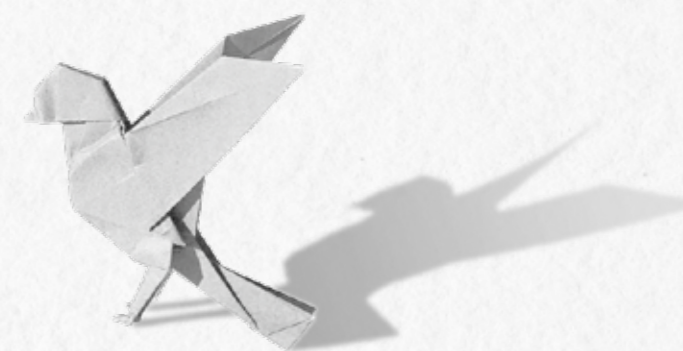
Effective HR management is vital for developing a knowledgeable and skilled workforce. It fosters a positive work culture, boosts productivity, and drives long-term business growth. Collaboration between senior management and HR professionals is key to achieving success. To stay ahead, HR professionals need to stay updated on human capital development and relevant areas in their industry.

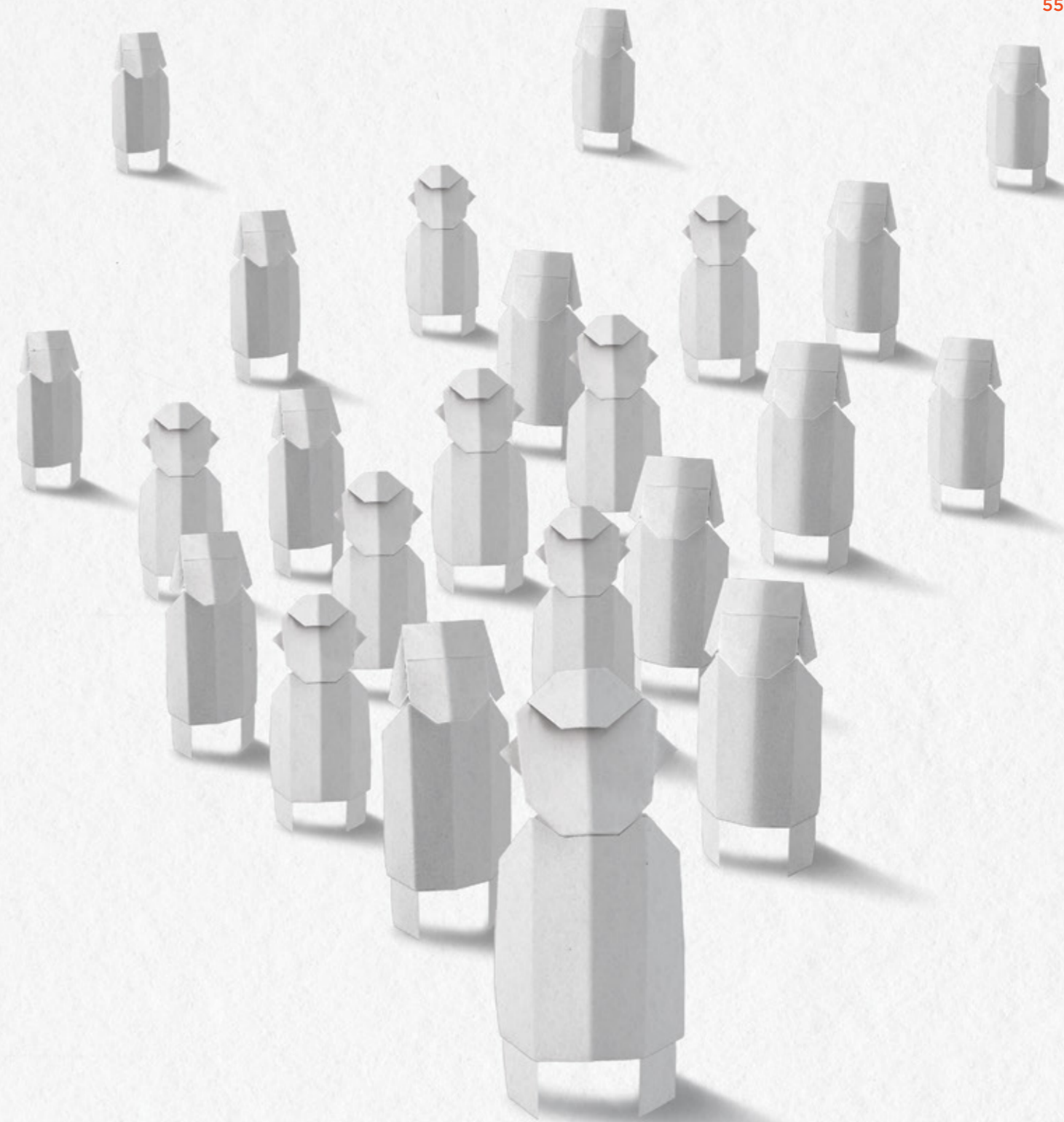
Realising this, NHRC has collaborated with the HR Certification Institute® (HRCI) in Malaysia to offer the NHRCI Certification to HR professionals in the country. The NHRCI Certification is the nation's first joint certification programme that combines HR principles and global best practices from the prestigious U.S.-based HRCI International Certification with knowledge of Malaysia's labour, employment, and business legislations. The NHRCI offers three types of certifications to meet the varied needs of HR practitioners and professionals at different stages of their careers.

5.0 Brain Trust Initiatives

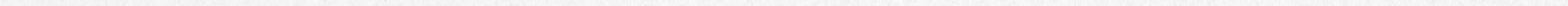
In order to address common challenges in human capital development in Malaysia, NHRC published six (6) policy briefs in 2022. These briefs aim to enhance understanding of the latest trends and developments in HR. The topics covered are as follows:

- Issues, Challenges, and Solutions for Forced Labour
- Human Capital Migration and its Impact on Sabah
- Malaysia at a Crossroad - Living Wage vs Minimum Wage and its Impact on National Productivity
- Gender Equity, Women Empowerment, and its Impact on the Labour Market
- Labour Shortage: The Disconnect and Possible Solutions
- Post-Retirement Social Securities and Benefits





Leadership





The last 12 months have been a period of transition and transformation. We witnessed the full scale of businesses resuming operations as the threat of post-COVID-19 decreased. Despite global market volatility and uncertainties, we collaborated with different ministries and agencies to introduce new job opportunities via numerous programmes and initiatives to people across all segments of society to ensure no one was left behind.

Overall, our collective efforts led to a decrease in unemployment, declining by 13.5% to 600,000 in the fourth quarter of 2022, while the number of employed persons grew by 3.2% to 15.94 million. With more people joining the labour force, this positively impacted the country's performance, as Malaysia registered a GDP growth of 8.7% in 2022, exceeding all previous forecasts made.

Tuan V. Sivakumar

Minister of Human Resources



From the Minister's Desk

Creating Value

From the onset, we realised that the pandemic had completely changed the dynamics of the workplace. The workplace has evolved to become more fluid, driven by new technologies that went beyond the traditional physical space. Meanwhile, it has also resulted in more employees identifying the work environment that best suits their needs and highlighting critical areas of concern that may hinder them from achieving job satisfaction and their career aspirations.

Against this backdrop, we took the first step by amending the Employment Act 1955 (Act 265) to increase and improve employee protection and welfare. These amendments included flexible working arrangements, reduction in working hours, increase in maternity leave from 60 to 98 days, seven (7) days paid paternity leave, separating hospitalisation and sick leave, and non-discrimination in employment. The amendments, which will be enforced on 1 January 2023, are expected to benefit 14.04 million employees, particularly the B40 group, who earn less than RM4,000 a month.

Another key milestone for 2022 was the implementation of a minimum wage of RM1,500 through the Minimum Wage Order 2022, which impacted 2.15 million workers in the country. This alone will enable workers to rise above the poverty line and improve their standard of living. Following this was

the introduction of the Housewives' Social Security Scheme (SKSSR), which provides comprehensive social security protection to housewives for domestic accidents and invalidity.

The implementation of these new policies and frameworks demonstrated our proactive efforts to deliver value, improve the workplace environment and lay a solid foundation for the workforce of the future.

Improving Employability Through Lifelong Learning

We recognise that policies and frameworks alone will not be sufficient in bolstering Malaysia's human capital or achieving our goal of becoming a high-income and developed nation. It requires effective implementation and constant monitoring in all areas, working together with all stakeholders.

To support Malaysia's growth ambitions, we have been constantly focused on building a workforce that is ready to work beyond boundaries, equipped with new skills and a strong knowledge base. They must also be agile and digitally savvy. Throughout the years, HRD Corp has been a long-standing partner in driving

this goal, as it has constantly introduced multiple programmes and initiatives to upskill, reskill, cross-skill and multi-skill the population.

In 2022, a constant push for the HRD Corp Placement Centre (HPC) and the HRD Corp e-LATiH initiatives proved to be a step in the right direction as it has taken a holistic approach to enhancing jobseekers' competencies, productivity, marketability, and earning capabilities. We believe these programmes will go a long way in producing a steady stream of quality talents. Working closely with HRD Corp, we conducted exploratory discussions with the United States government and its private sector industry players. This resulted in strategic partnerships with Microsoft, Accenture, HR Certification Institute, and World Information and Technology and Services Alliances (WITSA), as well as discussions with John Hopkins University, to name a few.

Building a workforce of the future requires a multifaceted approach. Hence, the Ministry also introduced various other programmes such as the Nurturing Expert Talent (mynext) profiling platform, MYFutureJobs portal, National Structured Internship Programme (MySIP) and the Young Employable Students (YES) initiative. By multiplying our impact through partnerships, we were able to introduce a spectrum of opportunities for job seekers, ranging from job matching, psychometric evaluations, career coaching and counselling to intensifying the availability of industry training opportunities. Alongside the various career fairs by HRD Corp, MOHR also collaborated with academia to gain a better understanding of the needs of our young talents.

In 2022, greater attention was given to helping job seekers and young people gain new skill sets via Technical and

Vocational Education and Training (TVET) programmes, in line with our goal of moving from labour-intensive to high-end industries via a skills-driven economy. Concerted efforts were made to collaborate with various TVET institutions to introduce reskilling, upskilling and lifelong learning programmes to elevate our talent pool further. Other initiatives included encouraging industries to shift towards automation, digital literacy, and ground-breaking technologies, which will lead to new employment opportunities.

Sharpening Malaysia's Competitive Edge

With our economy expected to moderate to 4.1% in 2023 after expanding 8.7% in 2022 due to the softening of global markets, tighter credit conditions and fading pent-up demand, it is imperative that we work together to build a diverse talent pool. We play important role in building a strong qualified workforce, which is key to fuelling inclusive, broad-based, and sustainable economic growth.

While we have made good progress throughout 2022, we are also aware of the challenges. We are actively studying trends, identifying gaps and working closely with HRD Corp to conduct the necessary interventions, uncover new opportunities, identify new career pathways, and implement new effective programmes. The impact stemming from our collective actions to unlock the potential of our workforce will be manifold as it will accelerate economic growth, improve individual income levels, and cultivate stronger communities. More importantly, we are working towards building a Malaysian workforce and a future-ready global talent pool that is highly skilled, bold, innovative, empowered, and agile.

Building a high-performance talent pool will take several years, requiring a whole-of-government approach. Together with HRD Corp, our goal is to ensure that our talent has access to the best employment opportunities and can contribute meaningfully towards the nation's growth. This will no doubt help us in fulfilling our Malaysia MADANI aspirations for the long term.

Thank you.

Tuan V. Sivakumar
Minister of Human Resources



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In the last three years, we have gone through changes that have transformed the way we live, work and how we engage with those around us. We were impacted by the COVID-19 pandemic, the Russian-Ukraine war, and ongoing COVID-19 lockdowns in China, all of which led to accelerated advancements in digital and other technologies, disruptions in global supply chains, and dampened economic growth.

Given the challenging operating environment, this has prompted employers to seek out our innovative programmes to upskill and reskill their employees as this would not only enhance business resilience and efficiency but also, positively impact their overall productivity and growth. To support them in achieving these aspirations, we have also upped the ante by advancing our plans to build a future-ready talent pool.

Datuk Rajasekharan Ramasamy

Chairman of HRD Corp

Message from the Chairman

Staying Relevant

Through my interactions with people from all walks of life, the underlying nuances throughout these conversation threads tend to veer towards rapid changes experienced in these last few years and their impact on their work and personal lives. While some have managed to adapt quickly, some are still trying to find their way. I've always viewed change positively as it allows us to rethink and reshape for the better. In the workspace environment, it means accelerating progress, driving meaningful transformations, and understanding the importance of remaining relevant.

In the human capital environment, HRD Corp has remained at the epicentre of these changes, helping Malaysian workers acclimatise themselves and understand its impact on their career paths. Aware of the structural changes taking place in the human capital industry and the lack of talents in certain areas, we pushed forward to introduce new training initiatives that will reshape the local workforce, especially in high-demand industries.

We introduced relevant yet innovative training programmes to address the skills gap and build expertise in the required areas, leveraging on digital technology. We even expanded our reach to underprivileged communities, housewives, senior citizens, physically impaired individuals, and even former prisoners. We did this because we believe that every individual has the ability

to be productive. Hence, we took it upon ourselves to not only upgrade the skills of our workforce but also improve their employability. For us, it was about building a talented, high-performance talent pool as this will determine the nation's ability to seize new opportunities, supported by an economy on the path towards recovery.

To achieve this, we designed new programmes, leveraging digital technology and other advanced technologies to improve our reach, and quality as well as create new value. For instance, one of our most popular programmes, e-LATiH continues to be one of Malaysia's premier e-learning platforms that offer participants unlimited access to high-quality, internationally-recognised skills development courses at no charge. The courses under e-LATiH were provided via remote learning and remained in high demand throughout 2022. Today, e-LATiH has more than 260,000 users.

In future-proofing our workforce, we expanded our role within the training ecosystem by taking a comprehensive approach to enhancing the quality of our local talent pool. We went beyond training to improve capabilities and moved into providing job placements, coaching, and counselling.

Earlier, I mentioned structural changes in this industry where human resources

practitioners and employers are dealing with a spectrum of new developments, ranging from new ways of working to the rising importance of diversity and inclusion. The paradigm shift occurring across this industry also meant employer needs were also shifting.

To deepen our understanding of their evolving needs, we regularly engaged with employers from various industries through our Open Day, career fairs and various other platforms. With the pandemic in retreat, we reintroduced the National Human Conference and Exhibition (NHCCE) 2022, with the theme “HR 5.0: The Next Evolution in Human Resource Development”. Through this conference, we discussed the expanding role of human resources, the importance of reinvention and continuous dialogue as well as efforts that can be carried out to ensure the overall health and wellbeing of employees.

Undeterred by these challenges, our efforts to ramp up learning and development initiatives demonstrated strong growth. During the year in review, 1,497,264 training places were taken up, a staggering 164% increase from 566,474 training places in 2021. This increase is attributed to higher demand for training as businesses started operating fully, employees returned to their offices physically as well as pent-up demand for upskilling and reskilling programmes. Our total levy collection amounted to RM1.8 billion for 2022.

Strengthening Governance

As the primary custodian of the country’s human capital, maintaining the overall integrity of HRD Corp, our employees, stakeholders and partners throughout our value chain remained a priority. Towards this end, we introduced our very own Integrity Pact which reinforces the importance

of good governance, and transparency, decreases wastage and eliminates abuse of power throughout our procurement and work processes. This pledge is aligned with the Malaysian Anti-Corruption Commission Act 2009, HRD Corp Code of Conduct for Business Ethics (COBE), HRD Corp’s Anti-Bribery and Corruption Policy and Pembangunan Sumber Manusia Berhad Act 2001 (PSMB Act 2001).

Growing Our Talent Base

The workforce of today is a key contributor to our growth as a nation. Therefore, it is imperative that we move forward confidently and transform, in order to capitalise on trends and new opportunities in the world of work.

At HRD Corp, we will continue to strengthen our training ecosystem, reaching out to Malaysians across all segments of society and injecting them with new skills and competencies, all while strengthening their knowledge base. In addition to nurturing a diverse talent pool, we will also promote lifelong learning as this allows them to continuously elevate their capabilities and improve their relevance to future jobs.

In strengthening the nation’s talent pipeline, we will continue to support the government in building a highly skilled, agile and adaptable team of workers in Malaysia through various industry-leading initiatives. We will also encourage employers to step up investments to train their employees in digital core competencies covering automation, AI, and the Internet of Things (IoT). These areas will be paramount in ensuring wider employment opportunities, improving operational efficiencies and ensuring higher income generation capabilities.

Acknowledgements

On behalf of the Board of Directors, I would like to take this opportunity to record our sincere appreciation to Datuk Seri Jamil Salleh for his valuable contributions as the former Chairman of HRD Corp. I would also like to thank Warga HRD Corp for their strong commitment, determination and resilience in ensuring our programmes run smoothly. The teamwork demonstrated throughout 2022 has been truly meaningful and beneficial to the company.

As we chart our way forward in 2023, HRD Corp remains committed to curating cutting-edge programmes and initiatives that will unleash the potential of our workforce to meet upcoming challenges. I strongly believe that it is the beginning of a new era for the human capital industry. Our team is ready to work hard and deliver on our key strategies that will help shape Malaysia’s workforce of the future.

Thank you.

Datuk Rajasekharan Ramasamy
Chairman of HRD Corp



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2022 proved to be an eventful yet challenging year. At HRD Corp, we remained relentless in our pursuit of fulfilling our purpose as the custodian of Malaysia's human capital development efforts. We executed on strategy, improved on processes and introduced programmes and resources responsibly to support the evolving needs of employers and individuals.

Our long-standing experience, combined with the depth of our insights in human capital development, placed us in a strong position to not only understand the future of work, but also adapt to capture new opportunities.

Datuk Shahul Dawood

Chief Executive of HRD Corp

Chief Executive's Review

Changing Workplace

The world of work has been in a state of constant flux in the last few years. The accelerated advancement of technology and digital platforms has given organisations and employees broader career options and opportunities. In addition to the rising demands for high-quality talents, increasing attention has been placed on the importance of employee-centric benefits which include flexible or hybrid work arrangements, improved working conditions as well as greater focus on employee health and overall wellness. Businesses have also realised that their investments in these meaningful benefits will not only motivate employees but also, deepen loyalty and increase productivity.

We also saw due recognition given to housewives with the implementation of the Housewives Social Security Scheme (SKSSR) to protect them from domestic accidents. I believe this is a good start as we strive to improve working conditions that often impact the overall health and well-being of employees.

Nevertheless, businesses were still impacted by the volatile economic environment. Instead of downsizing or laying off employers following the challenges brought forth by the impact of macroeconomic uncertainties, employers focused on developing their current talent base to fit the new workplace model which

focused on high-value digital economic jobs such as cybersecurity, Artificial Intelligence (AI), Investor Relations 4.0 (IR 4.0). As it required new or upgraded skill sets and deeper knowledge, increased investments were made to upskill and reskill employees to transform their workforce to meet the changing needs of the business.

We remained at the centre of these developments as employers and individuals turned to us for relevant upskilling and reskilling programmes. We amplified efforts to introduce multiple programmes as well as lifelong learning offerings and resources, thus underscoring our commitment to empowering Malaysians from all walks of life, especially those from underserved segments of the community. This would also improve their employability, allowing them to earn a consistent income and more importantly, unearth their potential.

The intense need to upskill and reskill employees was reflected in our training data where in 2022 alone, the number of employees trained surged to 879,165, compared to 452,814 in 2021. Employer levy collected also grew in tandem with the growth, increasing to RM1.81 billion in 2022, an increase of 113% from the previous year.

We also made good progress in increasing Training Places, achieving a new high of 1,497,264 in 2022. Financial Assistance

on the other hand, went up by 197% to RM974.90 million in 2022 from RM327.90 million in 2021.

Our positive performance in 2022 was also a result of the changes made over the years to strengthen the implementation of our programmes and solidify our track record in the industry.

Harnessing Technology for Growth

Digital technology continued to drive innovation in the human capital development industry in 2022. When we embarked on a digital transformation programme in 2020, our goal was to improve our programme capabilities, and services as well as increase learning and development platforms as this would set the foundation for future growth. This digital transformation journey focused on five key priorities namely, Channel Expansion, Platform Modernisation, Delivering an Analytics Centre of Excellence, Improving Operational Efficiency and Strengthening Cybersecurity. For us, it is imperative that we become a fully digitalised organisation by 2025, paving the way to fortify the impact and value we deliver to all our stakeholders.

We set the ball rolling internally, starting with the creation of a technology infrastructure that enabled us to introduce our very own hybrid multi-cloud ecosystem that improved speed, efficiency, and agility while providing employees with the safety and flexibility to work anytime, anywhere. Once this stabilised, we tackled our external transformation to improve stakeholders' experience and ensure ease of doing business with HRD Corp.

Through our concerted efforts and persistence, I am delighted to share that we emerged as the first government organisation to deploy its very own super app, MyHRDCORP, in 2022. MyHRDCORP is designed to consolidate all our services on one platform. Given our wide range of responsibilities, the MyHRDCORP Super App allows users, namely HRD Corp's Employers, Training Providers, trainers, and individuals looking for employment and upskilling opportunities to access this super app to gain updates on our latest offerings, all within one platform. The app recorded 15,180 downloads since its introduction in August 2022.

As part of this new technology infrastructure, we also launched an AI Chatbot, Bella, that enabled customers to not only gain faster access to information about HRD Corp's products and services, but also reach out to our representatives for further enquiries. This translated into improved satisfaction scores and faster turnaround time.

Deepening Capabilities

Remaining relevant in a rapidly evolving environment is one of the greatest challenges faced by our talents today. That is why in today's environment, **training is no longer a luxury, but a necessity**. Cognisant of this, we strengthened our resolve and defied the odds to nurture our local talent pipeline with future-enabled skill sets, raising their employability in a competitive marketplace.

Throughout 2022, some of our more popular initiatives and programmes were the HRD Corp Placement Centre (HPC), e-LATiH, and HRD Corp Claimable Courses. The HPC achieved a higher number of

registered users, from 33,322 in 2021 to 54,251 in 2022. We also witnessed this positive trend for our e-LATiH initiative, where registered users increased from 200,000 in 2021 to 260,000 users in 2022. I am delighted that e-LATiH has also become Malaysia's premier e-learning platform as it offers unlimited access to free, high quality and internationally recognised skills development courses to all Malaysians.

Meanwhile, the HRD Corp Claimable Courses emerged as one of the most popular training programmes as it enabled employers with cash flow challenges to conduct training for their workers. For organisations with cash flow challenges, HRD Corp would deduct the training fees from their levy instead. This, however, was only for HRD Corp Registered Employers who were able to meet the quality standards specified.

Based on the increasing number of Training Places taken up throughout 2022, it was very clear that businesses, organisations and even individuals were constantly seeking possible options to shore up appropriate competencies and deepen their knowledge bank. Leveraging this need, we rolled out a wide variety of programmes to meet the specific needs of the workforce.

HRD Corp's First Training and Community Development Centre

At HRD Corp, we believe in making a positive difference in the lives of people around us. For us, it is important that everyone becomes productive members of society who can contribute to nation-building. In this regard, we established HRD Corp's first Training and Community Development Centre in Tapah, Perak to

support the local communities through a wide range of learning, development, and socioeconomic initiatives.

The Training and Community Development Centre, which commenced operations on 1 November 2022, aided community members who were interested in gaining admission to higher education institutions, Technical and Vocational Education and Training Institutions (TVET) and the National Dual Training System (SLDN) programmes. By providing them with access to upskilling and reskilling programmes, we are able to help community members boost their marketability and employability. Today, more than 600 community members have benefited from the programmes conducted.

Interestingly, this Centre is managed by 11 of our own employees who are local champions from the various Orang Asli tribes. Research and analysis will also be carried out to pinpoint the skill gaps within the community as this will allow us to roll out relevant sustainable needs-based programmes.

Collaboration with LinkedIn

To further ramp up our learning and development offerings, we established a partnership with LinkedIn, the world's largest professional network to accelerate Malaysia's move towards a skills-based economy. With this partnership, HRD Corp Registered Employers will gain access to LinkedIn Learning courses via HRD Corp's e-LATiH platform at a lower rate.

LinkedIn will also support HRD Corp in promoting greater levy utilisation among its Registered Employers, providing data and insights through a series of co-organised skills workshops on the

future of jobs, job placement trends, and current skills requirements. Additionally, LinkedIn will support HRD Corp in mapping out its talent development programmes by offering insights on hiring and job trends in Malaysia, including skills gap analysis. Since its launch, the LinkedIn Learning courses have received positive responses from users accessing this programme.

Unlocking Talent

People undeniably have a key role to play in moving our nation forward. Most times, they just need a nudge in the right direction, to help them discern the right career paths, based on their skill sets to realise their potential. We know it will take several years for them to really master these new competencies but for now, we are confident that we have set them on the path to success.

For us at HRD Corp, we have built strong momentum on several fronts in the area of human capital development. We have also proceeded to ascertain other areas that will enable us to reach out to more people and strengthen Malaysia's talent pipeline. Nonetheless, it has not been just about implementing training programmes. It has also been about introducing holistic solutions, from quality upskilling and reskilling opportunities to providing quality job placements, coaching, and mentoring through various partnerships.

It has been an exciting and meaningful year for HRD Corp as we have helped transform the lives of many individuals. We have journeyed with them, helping them

find new career options, transition into different jobs and for some, establish new entrepreneurial pathways. This is how we fulfil our responsibilities and deliver added value.

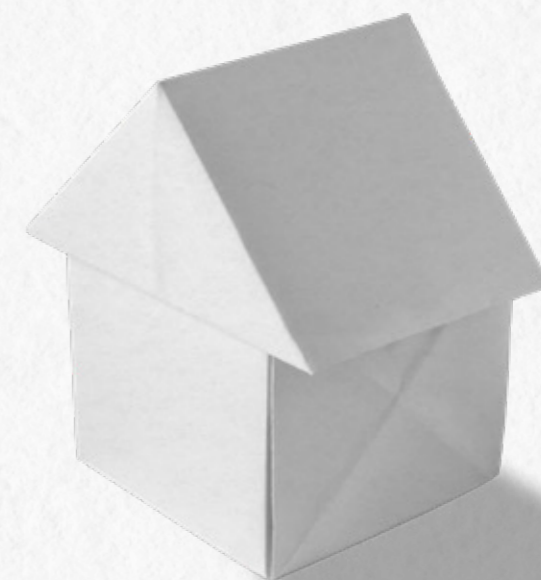
Moving forward, while the overall global macroeconomic outlook remains volatile, we believe there's a strong cause to remain optimistic. Our focus will be on ensuring we are nurturing a talent pool with the competencies and knowledge that will allow them to take advantage of any market situation. Guided by our Five-Year Plan, we remain relentless in our pursuit of building Malaysia's future-ready, competitive workforce.

I am proud of our achievements throughout the year, all of which have been seamlessly executed by our very capable and experienced team. Despite the sheer large number of activities and initiatives, our Warga HRD Corp have played a crucial role in cementing our position as the custodian of Malaysia's human capital development. Each of you has demonstrated strong passion, determination, and hard work in shaping the future of Malaysia's workforce.

Thank you, Warga HRD Corp!

Here's to achieving greater milestones together, as we fulfill our responsibilities to the nation, not just for today, but for decades to come.

Datuk Shahul Dawood
Chief Executive of HRD Corp



Board of Directors

**Datuk Rajasekharan
Ramasamy**



**Datuk Shahul
Dawood**

Datuk Rajasekharan Ramasamy

Chairman of HRD Corp

Appointed as Director on 21 August 2021
Appointed as Chairman on 20 March 2023

Datuk Rajasekharan is an Advocate and currently the managing partner of M/S J. Azmi & Associates.

In addition to his legal career, he has worked in a financial institution for 10 years. Presently, he holds numerous positions in various associations.

For the past 11 years, he has been the Chairman of the Disciplinary Committee of the Advocates & Solicitors Disciplinary Board Malaysia. He is also a council member of the Malaysian Associated Indian Chambers of Commerce and Industry and the President of the Melaka Indian Entrepreneur Association.

Further, he is a Board Member of the Infant Jesus Convent Secondary School Melaka and previously served as a Board Member at St. Francis Xavier Secondary School Melaka and Chairman of PIBG IJC of the secondary and primary school. He has also been appointed as a Trustee of the Melaka Indian Association and provides legal advisory services to several NGOs and Temples in Melaka. Besides the advisory role, Datuk Rajasekharan is also the current deputy President of Sri Subramaniam Thuropathai Amman Temple in Melaka.

Datuk Rajasekharan read Law at Thames Valley University, London, United Kingdom, in 1989.

Datuk Shahul Dawood

Chief Executive of HRD Corp

Appointed on
15 April 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 presence in eight countries worldwide. Utilising his knowledge and experience, he expanded his business across various industries, including tourism and travel, recruitment, publication, and IT solutions. He is also deeply involved in several youth-related NGOs and training activities.

Board of Directors

**Dr Zainah
Shariff**



**Datuk Haji Abdul Kadir
M.E Sikkandar**



Dr Zainah Shariff

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 resources, 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 in Human Resource Development. She also holds a PhD in Human Resource Development from the University of Victoria, Melbourne, Australia.

Datuk Haji Abdul Kadir M.E Sikkandar

Employer Representative

Appointed on
4 July 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 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 includes his current role as the Deputy Treasurer to the Sabah Council of Datuks and an Advisor for Kota Kinabalu Polytechnic.

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

Board of Directors

**Dato' Raiha Azni
Abd Rahman**



**Datuk Chia
Hui Yen**



Dato' Raiha Azni Abd Rahman

Independent Member

Appointed on
11 January 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) and a council member of the 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.

Datuk Chia Hui Yen

Employer Representative

Appointed on
21 August 2021

Datuk Chia Hui Yen is the National Vice President of the 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 nine years ago, where she ventured into the orthotic and foot business, food manufacturing, and restaurant retail chains at both the local and regional levels. Under her leadership, these businesses received multiple awards from reputable industry bodies. She is currently the Executive Director of her own group of companies.

Datuk Chia received her Bachelor's in Social Development & Administration, from Universiti Sains Malaysia, where she also minored in Management. She later received her Master of Business Administration from the University of Nottingham, where she specialised in business strategy.

Board of Directors

**Mohd Syukri
Ahmad Sudari**



**Datuk Rosli
Yaakub**

Mohd Syukri Ahmad Sudari

Employer Representative

Appointed on
5 December 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 Labour Advisory Council (NLAC). He is also the Group Chief People Officer at Affin Bank Berhad and the Executive Committee member of the Malayan Commercial Banks' Association.

As someone who possesses over 26 years of experience in strategic human capital management, which covers a diversified range of industries 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 26-year career, including 40 Most Influential HR Leaders Across Southeast Asia by Peoplehum.com, March 2022, CHRO of the year 2020 and "100 Most Inspirational LinkedIn Icons 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.

Datuk Rosli Yaakub

Ministry of Finance

Appointed on
27 June 2022

Datuk Rosli Yaakub currently serves on the Board of Directors for Technology Depository Agency Berhad, Innocorp Venture Sdn Bhd, and Syarikat Perumahan Negara Berhad (SPNB). His profound insights and expert guidance have been instrumental in driving the growth and development of these organisations.

Datuk Rosli has gained extensive experience in the financial services and business administration sectors throughout his career. He has held several significant positions in various organisations and is recognised for his exceptional strategic thinking and decision-making abilities.

He holds a Bachelor of Arts (Hons) from Universiti Malaya, a Diploma in Public Administration from the National Institute of Public Administration (INTAN), and a Master's in Business Administration from Universiti Kebangsaan Malaysia. His academic credentials reflect his exceptional level of knowledge and expertise in his field.

Board of Directors

**Dato' Seri Chan
Kong Yew**



**Joseph Tan
Huang Kew**



Dato' Seri Chan Kong Yew

Independent Member

Appointed on
16 January 2023

Dato' Seri Chan Kong Yew serves as the Managing Director of Infinity Logistics & Transport Sdn Bhd, the wholly owned subsidiary of the holding company, Infinity Logistics and Ventures Limited, listed on the Main Board of the Stock Exchange of Hong Kong Limited in 2020. He founded the organisation in 2003 and the organisation has grown to be a prominent player in the logistics industry with presence in over 25 countries under his leadership.

He also serves as the Independent Non-Executive Director of listed company, Orgabio Holdings Berhad. He is a member of the Board of Directors of the Penang Port Commission and Johor Port Authority where his vast experience in the logistics industry is highly appreciated. He is also a chartered member of The Chartered Institute of Logistics and Transport, a lifetime member of the Klang Chinese Chamber of Commerce and Industry, and a member of the Selangor Freight Forwarders & Logistics Association.

Dato' Seri Chan obtained his degree in Social Science (major in Political Science) from Universiti Sains Malaysia.

Joseph Tan Huang Kew

Employer Representative

Appointed on
16 January 2023

Joseph Tan Huang Kew serves as the association affairs advisor for the Perak Chinese Chamber of Commerce and Industry (PCCCI), as well as the committee chairman for the archway project in the Ipoh City Octagon area. The project, a joint effort between PCCCI and the Ipoh local government, aims to promote local tourism, with twin archways commissioned in 2023.

In 1999, he joined ICA Plastics Industries Sdn Bhd, part of the Chek Hup group, and initiated the polyethylene extrusion lamination project, upgrading the dry lamination process with state-of-the-art Japanese technology.

In 2004, he founded Innovate Instant Coffee Sdn Bhd, a venture into instant beverages for the Chek Hup Group, successfully marketing the product to 15 countries. He later restructured the organisation and became the group managing director of Chek Hup Holding Sdn Bhd in 2008. Joseph is also involved in CSR initiatives, collaborating with various NGOs to cultivate leadership and strengthen positive values amongst youths.

Joseph holds a Bachelor of Engineering (Chemical) from the University of Melbourne.

Board Committees

1

Investment Panel

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

2

Board Operations Committee

The Board Operations Committee (BOC) 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.

3

Board Audit & Risk Management Committee

The Board Audit & Risk Management Committee (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 on 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.

4

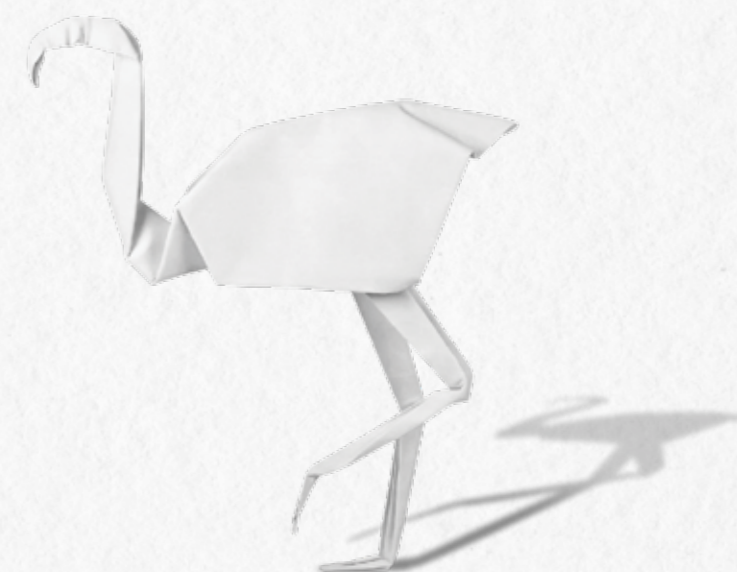
Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee (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 to the corporation's employees. Additionally, the BNRC also reviews employee appointments, confirmations, and promotions.

5

Training Levy & Review Committee

The Training Levy & Review Committee (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.



Senior Leadership Committee



Datuk Shahul Dawood
Chief Executive



Datuk Ariff Farhan Doss
Chief Operating Officer



Mohamad Farizul Yahaya
Chief Financial Officer



Rony Ambrose Gobilee
Chief Strategy 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



Wan Yon Shahima Wan Othman
Chief Customer Officer



Soffian Mohammed Amin
Chief Programmes Officer

Datuk Shahul Dawood

Chief Executive

Datuk Shahul Dawood was appointed as the Chief Executive (CE) 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 three 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, including tourism and travel, recruitment, publication, and IT solutions. He is also deeply involved in several youth-related NGOs and training activities.

Datuk Ariff Farhan Doss

Chief Operating Officer

Prior to joining HRD Corp, Datuk Ariff Farhan served on the boards of many corporate and charitable organisations. He is also an Adjunct Professor at Taylor's University and UNITAR International University.

He holds a Master's in Civilizational Studies from Universiti Malaya, a Master's in Business Administration from UNITAR International University, and has read law at Aberystwyth University in the UK. Additionally, he has an Honours Degree in Management from Universiti Sains Malaysia.

Datuk Ariff is a member of the Chartered Institute of Marketing Malaysia and is qualified as an International Arbitrator. He is an active member of society and sits on the Disciplinary Committee of the Olympic Council of Malaysia and the Badminton Association of Malaysia. He also serves as a Council Member of the Kuala Lumpur Badminton Association.

Mohamad Farizul Yahaya

Chief Financial Officer

Farizul possesses over 18 years of experience in finance across the private and public sectors. He brings with him vast knowledge and ability in managing and transforming various areas in finance, such as strategic management, business planning, financial reporting, finance operations, financial

management and analysis, strategic procurement, risk management, governance, and taxation.

Before joining HRD Corp, he held key roles within multinational companies, government agencies, and government-linked companies.

Most recently, he served as the Chief Financial Officer at MYNIC Berhad, where he was responsible for leading and directing the Finance and Procurement team while driving business transformation initiatives such as an enhanced business model, strategic procurement framework and policy, and other business strategies to add value to the company.

Farizul holds a Master of Business Administration (MBA) from Victoria University, Melbourne, Australia, and a Bachelor of Accountancy from Universiti Teknologi MARA under the Fast-Track programme. He is also a qualified management accountant from the Chartered Institute of Management Accountants (CIMA), UK, and a Chartered Accountant from the Malaysian Institute of Accountants (MIA).

Rony Ambrose Gobilee

Chief Strategy Officer

Rony possesses over 25 years of experience in human capital development. As the CSO, 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 21 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, and 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

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

He was previously with Maxis Communications Berhad, where he held 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

Suryati possesses over 17 years of experience in Human Resources across the private and public sectors. As the CHRO, she brings 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, multinational companies as well as government agencies and government-linked

companies. Most recently, she led the team at UMW Corporation where she was recognised as the Champion of the HR transformation in process re-engineering, HR digital and digitalisation and HR analytics, as well as revamping the organisation's 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 & Company Secretary

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 practised 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 the University of London, Certificate in Legal Practice (CLP) and is a licenced company Secretary. She is also a certified internal auditor for various organisations, including Round Table Sustainable Palm Oil (RSPO). Merle has also participated as a speaker at various legal conferences and summits, such as Marcus Evans.

Siti Fatimah Abdullah

Chief Risk, Integrity & Governance Officer

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, malpractice, 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 Accounting from Universiti Teknologi MARA. She is also a Chartered Accountant, a Certified Anti-Money Laundering Specialist, a 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.

Wan Yon Shahima Wan Othman

Chief Customer Officer

Wan Yon has 33 years of diverse experience in various industries, including banking, manufacturing, and services. She has held leading roles in IT, HR, Finance, Operations, Marketing, Vendor & Programme Development, Customer Acquisition, and Outreach. She excels at ensuring operational efficiency and providing satisfactory services to stakeholders and customers.

As the CCO, Wan Yon plays a crucial role in delivering high-quality services to HRD Corp's stakeholders and customers. She deeply understands the organisation's operations, stakeholders' needs, and customer-related activities. Wan Yon is passionate about women's leadership development and actively contributed to a government project from 2012 to 2017, empowering latent educated women to participate in the country's economic growth.

With 19 years at HRD Corp, Wan Yon has led critical business functions and managed the entire customer journey, from acquisition to compliance with the PSMB Act 2001.

Wan Yon holds a Bachelor of Science in Computer Science and Business Administration from the University of Alabama in Birmingham, USA, and an associate degree from Indiana University. Her credentials also include certifications in Human Resources, High Performance Leadership, ASEAN Global Leadership, and Big Data Analytics from reputable institutions. She is a Professional Member of the Australian Human Resources Institute (MAHRI) and has completed the Women Director Programme from the NAM Institute for the Empowerment of Women (NIEW).

Soffian Mohammed Amin

Chief Programmes Officer

Soffian has garnered extensive experience in vendor management, operations, and quality control throughout his 26-year professional career. As the CPO, his primary responsibility is to establish the Governance Centre for training-related experience and quality across HRD Corp's operations.

His portfolio encompasses leading policy formulation and managing training providers, ensuring compliance with grants

and claims, and developing training course quality assurance frameworks. Additionally, he oversees training course registration and evaluation processes while reviewing related policies and procedures.

Soffian obtained a Bachelor of Engineering in Electrical & Electronics from Universiti Kebangsaan Malaysia and is a Certified Senior Professional in Human Resources - International (SPHRI).

2022 Report



Training

Since last year, the training industry experienced a significant uptick in demand as more and more individuals recognised the importance of continuous learning and professional development. As the economy began to fully recover, many companies were investing in their employees' skills and knowledge to stay competitive in their respective industries. This led to a surge in demand for training programmes and initiatives, which contributed to the flourishing of the training industry.

This is in stark contrast to the situation in the previous two years, where remote work arrangements and social distancing led the training industry to pivot to virtual and online training programmes. While this allowed individuals to continue learning and upskilling from the safety and comfort of their own homes, some felt that the lack of physical interaction and networking opportunities made it difficult to fully engage in the learning process. However, with the easing of restrictions in 2022, the training industry was able to resume physical trainings or classes, which provided individuals with the opportunity to learn in a more interactive and hands-on manner.

Moving forward, the training industry is expected to continue to grow as individuals recognise the importance of continuous learning and

upskilling to stay competitive in today's rapidly evolving economy. While virtual or online training programmes will continue to have their place, the return of physical trainings or classes will provide individuals with a more well-rounded and holistic learning experience. As the training industry continues to flourish, individuals will have more opportunities than ever before to enhance their skills, knowledge and career prospects.

In 2022, HRD Corp approved a ground-breaking RM975 million in training levy and financial assistance for an astounding 1,497,264 training places as requested by registered employers. This is a significant increase from the previous year's disbursement of only RM327 million for 566,474 training places.

Such a remarkable number reflects HRD Corp's unwavering commitment to upskilling and reskilling the nation's workforce, empowering them to thrive in a rapidly changing economy. The impact of this number is immeasurable, as it paves the way for countless individuals to gain the knowledge and expertise needed to unlock new career opportunities and drive economic growth.

Approved Financial Assistance by Scheme in 2022

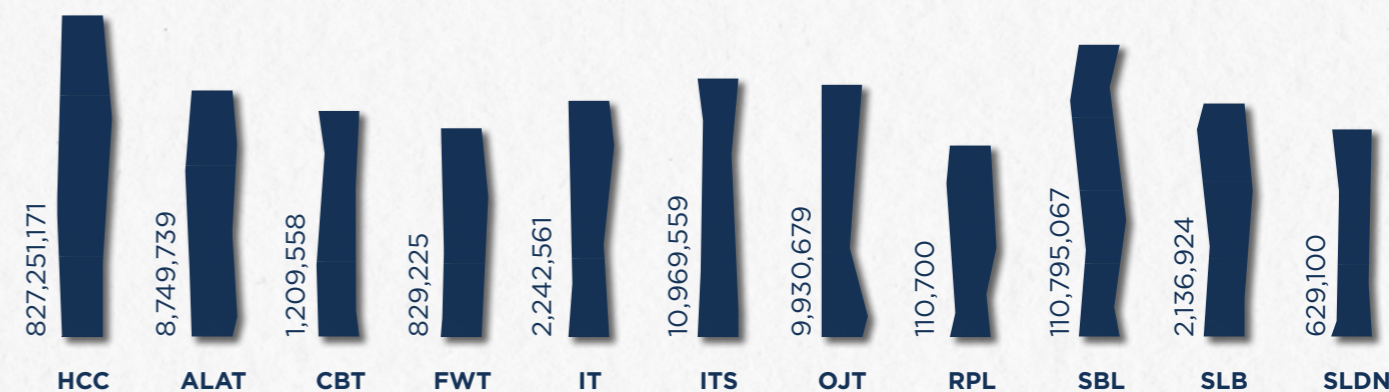


CHART 1

In 2022, a total of RM975 million in Financial Assistance was approved for eleven (11) schemes offered under the levy-based training grants, with HRD Corp Claimable Courses (HCC) receiving the highest allocation of RM827 million.

Approved Training Places by Scheme in 2022

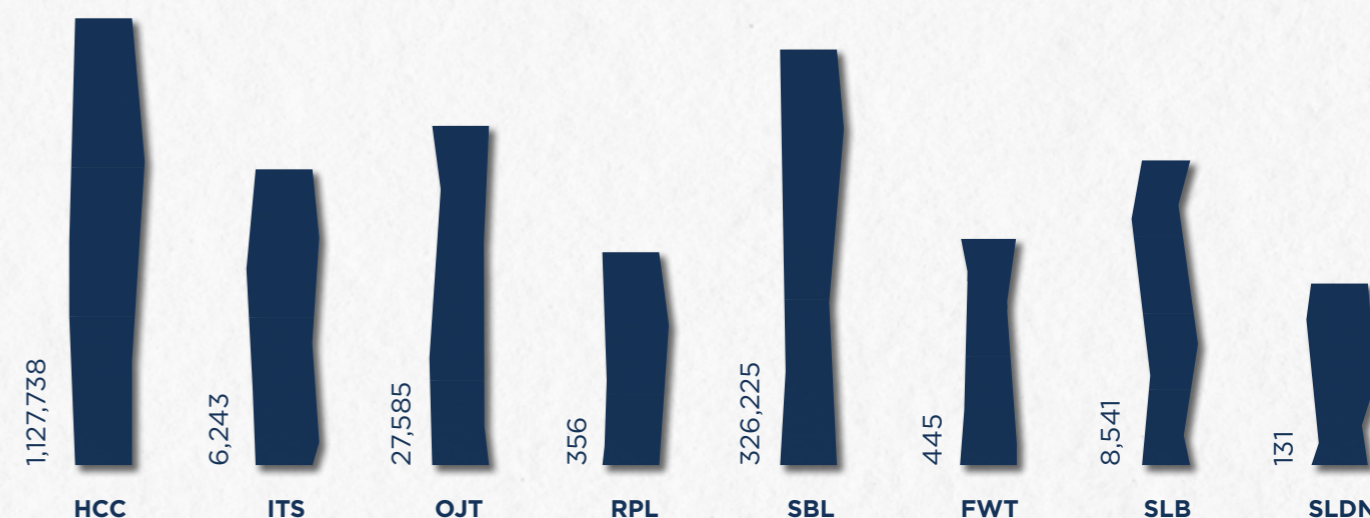


CHART 2

In line with the approved Financial Assistance shown in Chart 1, the number of approved Training Places (as shown in Chart 2) shows HCC as the highest contributor with a total of 1,127,738 approved Training Places in 2022.

Approved Training Places by Sector and Employer Size in 2022

Accommodation and Food Service Activities



Administrative and Support Service Activities



Agriculture, Forestry and Fishing



Arts, Entertainment and Recreation



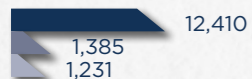
Construction



Education



Electricity, Gas, Steam and Air Conditioning Supply



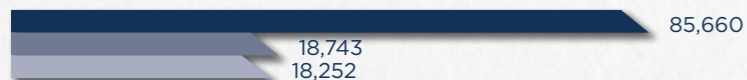
Financial and Insurance/Takaful Activities



Human Health and Social Work Activities



Information and Communications



Manufacturing



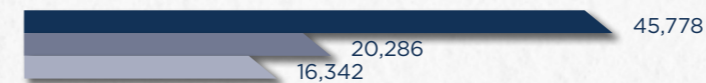
Mining and Quarrying



Other Service Activities



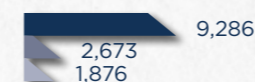
Professional, Scientific and Technical Activities



Public Administration and Defence; Compulsory Social Security



Real Estate Activities



Transportation and Storage



Water Supply; Sewerage, Wasted Management and Remediation Activities



Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles



CHART 3

Chart 3 provides detailed information on the approved Training Places by sectors and employer sizes. Compared to the previous year, the business sectors were only divided into three main sectors. However, following the expansion of Act 2001, effective 1 March 2021, the business sectors have been categorised into 19 main sectors. The highest number of approved Training Places is for employees in the Manufacturing Sector, followed by employees in the Financial and Insurance/Takaful Activities Sector.

Approved Financial Assistance by Sector and Employer Size in 2022

Accommodation and Food Service Activities



Administrative and Support Service Activities



Agriculture, Forestry and Fishing



Arts, Entertainment and Recreation



Construction



Education



Electricity, Gas, Steam and Air Conditioning Supply



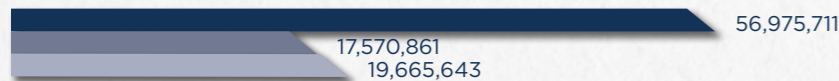
Financial and Insurance/Takaful Activities



Human Health and Social Work Activities



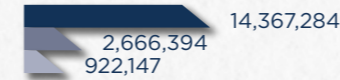
Information and Communications



Manufacturing



Mining and Quarrying



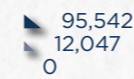
Other Service Activities



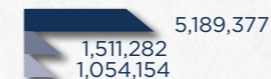
Professional, Scientific and Technical Activities



Public Administration and Defence; Compulsory Social Security



Real Estate Activities



Transportation and Storage



Water Supply; Sewerage, Wasted Management and Remediation Activities



Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles

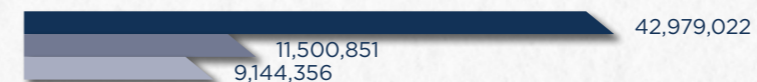


CHART 4

Like Chart 3, Chart 4 shows that the Manufacturing sector received the highest approved Financial Assistance totaling RM373 million in 2022.

Approved Training Places and Total Number of Registered Employers by Industry in 2022

	Sectors	Training Places*	Percentage (%)	No. of Registered Employers	Average Training Places per Employer
1	Accommodation and Food Service Activities	73,018	5	5,085	14
2	Activities of Extraterritorial Organisations and Bodies	0	0	2	0
3	Activities of Households as Employers; Undifferentiated Goods and Services - Producing Activities of Households for Own Use	0	0	1	0
4	Administrative and Support Service Activities	43,318	3	3,872	11
5	Agriculture, Forestry and Fishing	12,236	1	2,362	5
6	Arts, Entertainment and Recreation	1,967	0	466	4
7	Construction	22,717	1	6,800	3
8	Education	51,659	3	2,604	20
9	Electricity, Gas, Steam and Air Conditioning Supply	15,026	1	372	40
10	Financial and Insurance/Takaful Activities	149,648	10	1,687	89
11	Human Health and Social Work Activities	41,230	3	1,415	29
12	Information and Communications	122,655	8	3,567	34
13	Manufacturing	593,048	40	15,960	37
14	Mining and Quarrying	11,668	1	421	28
15	Other Service Activities	7,413	0	929	8
16	Professional, Scientific and Technical Activities	82,406	5	6,850	12
17	Public Administration and Defence; Compulsory Social Security	59	0	7	8
18	Real Estate Activities	13,835	1	1,260	11
19	Transportation and Storage	115,576	8	5,158	22

20	Water Supply; Sewerage, Waste Management and Remediation Activities	26,977	2	373	72
21	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	112,808	8	22,515	5
Grand Total		1,497,264	100	81,706	18

*Note: HCC schemes and exception to HCC schemes - SBL, SLB, FWT, SLDN, ITS, RPL, and OJT.

TABLE 1

Based on the data reported for the year 2022 in Table 1, the Manufacturing Sector has the highest number of approved Training Places at 593,048, compared to the other sectors. On average, 18 Training Places per employer were approved in 2022, based on the total number of Registered Employers.

Approved Financial Assistance and Levy Collection from 2018 to 2022

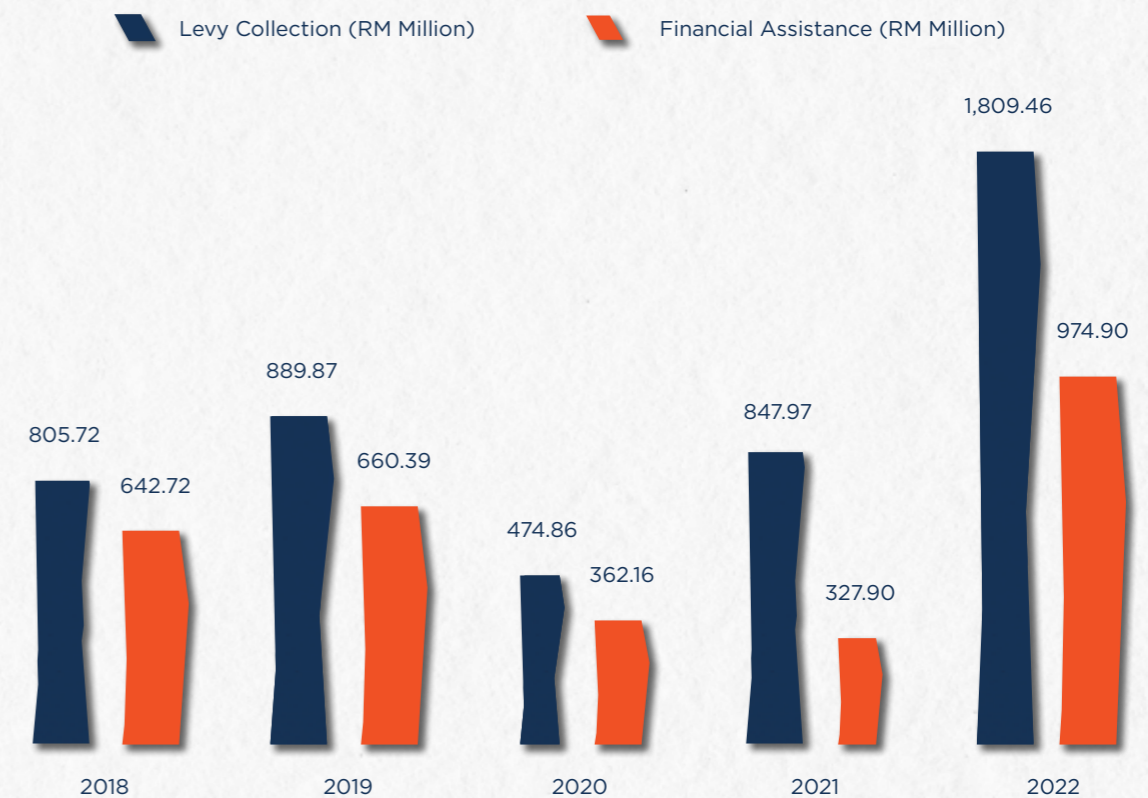


CHART 5

Chart 5 illustrates a comparison of the total amount of levy collected over five years (2018 - 2022). The levy collected for 2022 was significantly higher compared to previous years, in line with the expansion of the PSMB Act 2001, which came into effect on 1 March 2021.

Approved Financial Assistance and Levy Collection by Employer Size in 2022

Industry/ Employer	Financial Assistance (RM Million)	Levy Collection (RM Million)	Difference (Levy Collection - Financial Assistance)
Large	572.76	945.84	373.09
Medium	176.75	348.03	171.28
Small	225.35	515.59	290.24
	974.86	1,809.46	834.61

TABLE 2

In 2022, a total of RM945.84 million in levy was collected from large employers, RM348.03 million from medium employers, and RM515.59 million from small employers. Financial Assistance disbursed in 2022 were in line with levy collection.

Approved Training Places by Skills Area in 2022

	Skills	Total	
		Training Places	%
1	Building, Construction, Maintenance	1,175	0.08%
2	Creative Arts or Journalism	19,878	1.36%
3	Digitalisation	89,547	6.12%
4	Engineering	30,680	2.10%
5	Finance and Accounting	75,157	5.14%
6	GIG Economy	13	0.00%
7	Health	3,513	0.24%
8	Healthcare	1,681	0.11%
9	Hospitality and Tourism	37,736	2.58%
10	Industry 4.0	927	0.06%
11	Legal and Law	38,371	2.62%

12	Linguistics	152,986	10.45%
13	Logistics, Warehousing and Supply Chain	13,474	0.92%
14	Management and Leadership	371,729	25.40%
15	Medical and Medical Service Related	17,744	1.21%
16	Operation Management	91,630	6.26%
17	Productivity	16,006	1.09%
18	Quality	129,397	8.84%
19	Regulation and Certification Based	2,912	0.20%
20	Safety	284,167	19.42%
21	Sales, Marketing, Customer Service and Retail	62,037	4.24%
22	Scientific, Technical or Statistics	5,781	0.40%
23	Security	15,588	1.07%
24	Sustainability	1,276	0.09%
	Grand Total	1,463,405	100.00%

*Note: HCC schemes and exception to HCC schemes - SBL, SLB, and FWT.

TABLE 3

Based on the total number of approved Training Places in 2022, Management and Leadership was the most preferred skills area among employers. This skills area alone covers approximately 371,729 approved Training Places, representing 25.4% of the total number of Training Places approved.

Approved Financial Assistance by Skills Area in 2022

	Skills	Total	
		Financial Assistance (RM)	%
1	Building, Construction, Maintenance	1,120,017	0.12%
2	Creative Arts or Journalism	14,912,863	1.58%
3	Digitalisation	87,933,119	9.34%
4	Engineering	40,827,444	4.34%
5	Finance and Accounting	42,247,984	4.49%
6	GIG Economy	23,598	0.01%
7	Health	2,618,124	0.28%
8	Healthcare	1,190,682	0.13%
9	Hospitality and Toursim	9,827,910	1.04%
10	Industry 4.0	1,596,079	0.17%
11	Legal and Law	17,817,541	1.89%
12	Linguistics	84,934,189	9.02%
13	Logistics, Warehousing and Supply Chain	11,685,351	1.24%
14	Management and Leadership	264,083,269	28.06%
15	Medical and Medical Service Related	12,800,757	1.36%
16	Operation Management	70,972,936	7.54%
17	Productivity	10,177,478	1.08%
18	Quality	62,482,840	6.64%
19	Regulation and Certification Based	2,540,034	0.27%
20	Safety	155,301,412	16.50%
21	Sales, Marketing, Customer Service and Retail	27,148,446	2.89%
22	Scientific, Technical or Statistics	6,161,980	0.66%
23	Security	11,605,348	1.23%
24	Sustainability	1,121,104	0.12%
	Grand Total	941,130,505	100.00%

*Note: HCC schemes and exception to HCC schemes - SBL, SLB, and FWT.

TABLE 4

Similar to Table 3, the highest financial assistance provided by skills areas for the year 2022 is in Management and Leadership. This amounted to RM264.10 million or 28.06% of the total Financial Assistance approved for the year.

Approved Training Places by Job Position Categories for 2021 and 2022



CHART 6

The data also shows that the number of approved Training Places for employees in Executive positions is significantly higher than for employees in Non-Executive positions. This trend is similar in both 2021 and 2022. However, the gap between the number of Training Places taken up between these positions narrowed significantly from 40.38% in 2021 to 23.02% in 2022.

Approved Training Places by 19 Sectors in 2022

	Sectors	Training Places	Percentage (%)
1	Accommodation and Food Service Activities	73,018	4.88%
2	Administrative and Support Service Activities	43,318	2.89%
3	Agriculture, Forestry and Fishing	12,236	0.82%
4	Arts, Entertainment and Recreation	1,967	0.13%
5	Construction	22,717	1.52%
6	Education	51,659	3.45%
7	Electricity, Gas, Steam and Air Conditioning Supply	15,026	1.00%
8	Financial and Insurance/Takaful Activities	149,648	10.00%
9	Human Health and Social Work Activities	41,230	2.75%
10	Information and Communications	122,655	8.19%
11	Manufacturing	593,048	39.61%
12	Mining and Quarrying	11,668	0.78%
13	Other Service Activities	7,413	0.50%
14	Professional, Scientific and Technical Activities	82,406	5.50%
15	Public Administration and Defence; Compulsory Social Security	59	0.00%
16	Real Estate Activities	13,835	0.92%
17	Transportation and Storage	115,576	7.72%
18	Water Supply; Sewerage, Waste Management and Remediation Activities	26,977	1.80%
19	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	112,808	7.54%

*Note: HCC schemes and exception to HCC schemes - SBL, SLB, FWT, SLDN, ITS, RPL, and OJT.

TABLE 5

In 2022, the Manufacturing sector was the most active industry in retraining and upskilling their workers. A total of 593,048 Training Places were approved for this industry. Financial and Insurance/Takaful Activities represented the second highest number of approved Training Places at 149,648. The third most active industry was Information and Communications, with a total of 122,655 approved Training Places.

Detailed information is provided in Table 5.

Number of Unique Trainees from 2018 to 2022

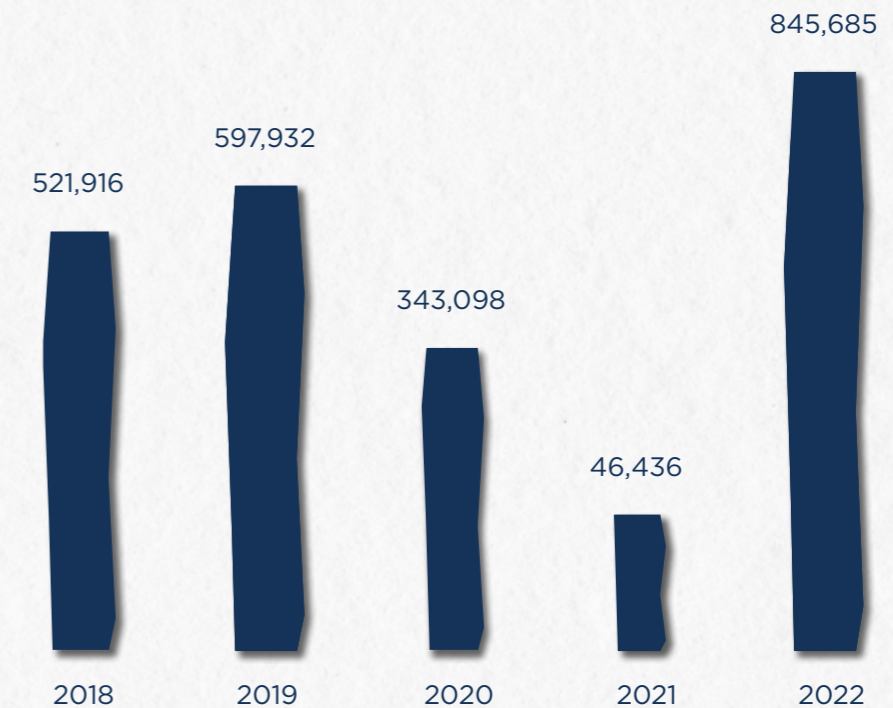


CHART 7

In 2022, HRD Corp provided invaluable assistance to 845,685 employees from Registered Employers to attend trainings to upskill and reskill themselves. This marks a significant increase compared to the previous year, when only 46,436 employees were trained.

Number of Training Places from 2018 to 2022

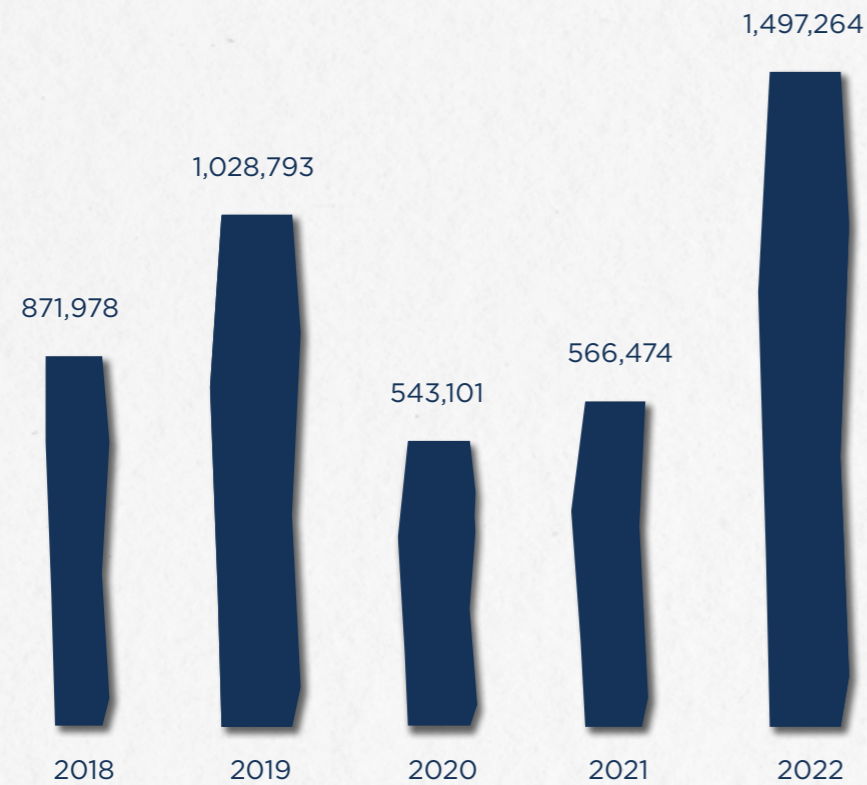


CHART 8

At 1,497,264, HRD Corp broke all records for Training Places approved in 2022, surpassing the previous highest number of Training Places approved in 2019, of 1,028,793.

The number of Training Places approved in 2022 also more than tripled that of the previous year. The significant increase could be attributed to two key factors; the removal of Movement Control Orders (MCO) and other COVID-19-related restrictions, and the expansion of the PSMB Act 2001, which led to a higher number of Registered Employers.

The former led to the resumption of regular physical and face-to-face training activities for most industries, while the latter resulted in a higher number of companies registered with HRD Corp, and therefore more employees eligible for training.

Certification Training Places by Sectors in 2022

	Sectors	*Training Places	Percentage (%)
1	Accommodation and Food Service Activities	1,110	7.80%
2	Administrative and Support Service Activities	43	0.30%
3	Agriculture, Forestry and Fishing	35	0.25%
4	Arts, Entertainment and Recreation	13	0.09%
5	Construction	388	2.73%
6	Education	226	1.59%
7	Electricity, Gas, Steam and Air Conditioning Supply	22	0.15%
8	Financial and Insurance/Takaful Activities	855	6.01%
9	Human Health and Social Work Activities	3	0.02%
10	Information and Communications	1	0.01%
11	Manufacturing	3	0.02%
12	Mining and Quarrying	227	1.60%
13	Other Service Activities	198	1.39%
14	Professional, Scientific and Technical Activities	1	0.01%
15	Public Administration and Defence; Compulsory Social Security	9,941	69.86%
16	Real Estate Activities	579	4.07%
17	Transportation and Storage	36	0.25%
18	Water Supply; Sewerage, Waste Management and Remediation Activities	1	0.01%
19	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	547	3.84%
	Grand Total	14,229	100%

*Note: Inclusive of Diploma, Degree, Master, Ph.D, Professional Certificate, and SKM.

TABLE 6

Table 6 shows the number of certification courses approved by HRD Corp in 2022. The top three sectors that were active in certifying their employees in 2022 are Public Administration and Defence; Compulsory Social Security, with 9,941 (69.86%) Training Places. This is followed by employers in Accommodation and Food Service Activities with 1,110 (7.80%) Training Places, and thirdly, employers in Financial and Insurance/ Takaful Activities with 855 (6.01%) Training Places.

Number of Training Places Based on Types of Training in 2022

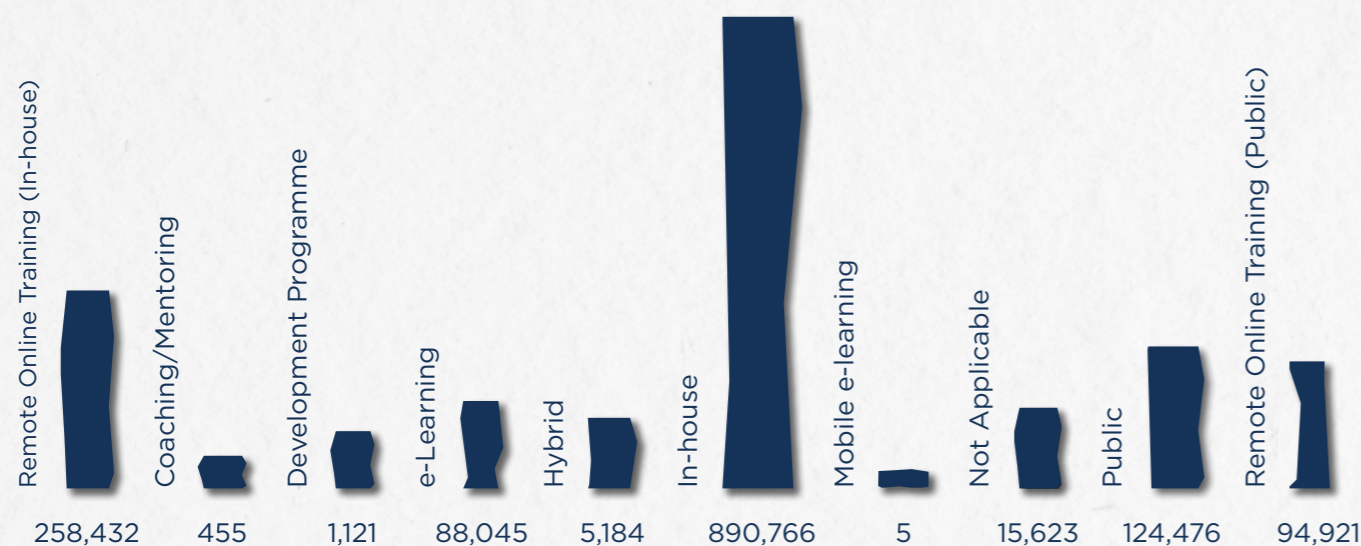


CHART 9

The breakdown of Training Places based on the types of training reveals that the most popular form of training is In-House, while the least utilised is Mobile e-Learning. This trend suggests that many employers have returned to in-house training following the lifting of COVID-19 restrictions by the government. The data underscores the importance of in-house training for Malaysian businesses in achieving their organisational goals and cultivating a skilled workforce capable of meeting the challenges of a rapidly evolving job market.

Registered Employers

As of 31 December 2022, the impact of HRD Corp's efforts to support employers and employees across Malaysia is staggering. The number of Registered Employers surged to an all-time high of 81,706, marking a remarkable increase of 21.72% from the previous year. Even more impressively, the number of employees covered under HRD Corp also surged to 4.3 million, an increase of 11.34% from last year.

Based on the total number of Registered Employers, the Services sector stood out as the largest, with 54,476 employers registered with HRD Corp. The Manufacturing sector followed closely behind, with 15,960 employers.

The hard work of HRD Corp continues to pay off as we registered 16,279 new employers in 2022, a testament to our dedication in conducting various engagement programmes, briefings, and outreach initiatives. The Services sector welcomed the largest number of new employers with an impressive 11,840, followed by the Construction sector with 2,053 new employers.

With the registration of new employers comes an increase in the number of employees covered. In 2022 alone, we saw 420,057 new employees benefitting from our services. We remain committed to our mission to support employers and employees in Malaysia and look forward to another year of impact and growth.

Total Registered Employers & Employees by Sectors (Cumulative)

	Manufacturing	Services	Mining & Quarrying	Financial	Construction	Agriculture	Total
Employers	15,960	54,476	421	1,687	6,800	2,362	81,706
Employees	1,253,756	2,524,040	30,209	233,599	213,918	127,628	4,383,150

Total Registered Employers & Employees by Sectors (in 2022)

	Manufacturing	Services	Mining & Quarrying	Financial	Construction	Agriculture	Total
Employers	1,372	11,840	68	388	2,053	558	16,279
Employees	32,227	307,014	2,223	14,442	47,033	17,118	420,057

Registered Employers from 1993 to 2022

For nearly three decades, small and medium-sized enterprises (SMEs) have been the driving force behind HRD Corp’s mission to provide support to employers and employees in Malaysia. In 2022, SMEs once again stood out, accounting for a remarkable 91.05% of Registered Employers - a total of 74,396 - with 1,848,110 employees covered.

What’s even more impressive is that the number of SMEs registered with HRD Corp has grown by an astounding 22.80% from the previous year, showcasing the vital role that these businesses play in the country’s economic landscape. However, despite their dominance in terms of Registered Employers, SMEs only accounted for 42% of the total employees covered by HRD Corp.

In 2022, 15,715 new SMEs registered as employers with HRD Corp, making up a staggering 96.53% of all new employers registered that year. Of these new SMEs, the Services sector was the most active, with 11,411 SMEs registered, followed closely by the Construction sector, which recorded 1,990 new SMEs.

The growing contribution of SMEs to HRD Corp’s mission is testament to our commitment to supporting small businesses and promoting inclusive economic growth for all.

Number of Registered Employers & Employees by Size and Sector from 1993 to 2022

No. of Employers		Large		SME		Total	
		Employers	Employees	Employers	Employees	Employers	Employees
Manufacturing	Total	1,054	705,795	14,906	547,961	15,960	1,253,756
	2022	6	2,415	1,366	29,812	1,372	32,227
Services	Total	5,166	1,452,617	49,310	1,071,423	54,476	2,524,040
	2022	429	83,790	11,411	223,224	11,840	307,014
Mining & Quarrying	Total	25	17,352	396	12,857	421	30,209
	2022	-	-	68	2,223	68	2,223
Financial	Total	324	201,935	1,363	31,664	1,687	233,599
	2022	34	7,036	354	7,406	388	14,442
Construction	Total	451	77,981	6,349	135,937	6,800	213,918
	2022	63	7,374	1,990	39,659	2,053	47,033
Agriculture	Total	290	79,360	2,072	48,268	2,362	127,628
	2022	32	6,040	526	11,078	558	17,118
Total	Total	7,310	2,535,040	74,396	1,848,110	81,706	4,383,150
	2022	564	106,655	15,715	313,402	16,279	420,057

Engagement with Potential Employers

In 2022, HRD Corp went above and beyond to create awareness and build strong relationships with potential employers and relevant stakeholders, including employer associations, government agencies, and other related bodies. Through a series of powerful engagement initiatives, we were able to establish a strong foothold and make a meaningful impact in the communities we serve.

Our engagement activities were multi-faceted, ranging from physical road shows to webinars and meetings with related stakeholders. These initiatives were designed to provide valuable insights and knowledge to potential employers, enabling them to make informed decisions when it comes to their workforce management.

Throughout the year, we engaged with a wide range of associations and government bodies, including but not limited to:

1. Associations of Authorised Land Surveyors Malaysia (Pejuta)
2. Master Builders Associations Malaysia (MBAM)
3. Dong Zong
4. Perbadanan Kemajuan Ekonomi Negeri Perlis (PKENPs)
5. Perbadanan Kemajuan Ikhtisad Negeri Kelantan
6. Perbadanan Kemajuan Negeri Pahang
7. Yayasan Pembangunan Usahawan Negeri Terengganu
8. Sarawak Chamber of Commerce & Industry (SCCI)
9. Miri Port Authority
10. Malaysia Institute of Architect (PAM)
11. Sabah Economic Development and Authority (SEDIA)
12. Iskandar Regional Development Authority (IRDA)
13. Malaysia Retail Chain Association (MRCA)
14. Johor Master Builder Associations (JMBA)
15. Perbadanan Kemajuan Negeri Kedah
16. Small and Medium Associations (SEMENTA)
17. Dewan Perniagaan Melayu Malaysia (DPMM)

The two main objectives of these engagements are:

- To create awareness of the PSMB Act 2001
- To acquire new liable employers under the PSMB Act 2001

De-Registration of Employers in 2022

The year 2022 saw a concerning increase in the number of de-registered employers, with a total of 1,729 employers - a 12.86% increase from the previous year. Most of these employers, (1,165) or 67.37%, were from the Services sector.

In total, the de-registration impacted 37,523 employees, signalling a major setback for both employers and employees alike. The majority of de-registered employers, comprising 56.85%, were businesses with less than 10 employees, while others had ceased operations altogether.

This unfortunate trend is likely attributed to the challenging economic climate, as businesses face increased pressure to cut costs and streamline operations. However, HRD Corp remains committed to supporting and empowering businesses and employees, with a renewed focus on providing relevant and impactful training initiatives that can help businesses and their employees thrive in the face of adversity.

De-Registered Employers from 1993 to 2022

Reasons	Manufacturing			Service			Mining & Quarrying		
	1993-2021	2022	Total	1993-2021	2022	Total	1993-2021	2022	Total
Business activities not covered under the PSMB Act 2001	316	-	316	404	-	404	3	-	3
Cessation from being an employer	3,829	158	3,987	2,209	387	2,596	7	-	7
Company merged with another company	988	42	1,030	794	116	910	9	1	10
Number of employees is less than 10	661	141	802	1,623	662	2,285	10	6	16
Total	5,794	341	6,135	5,030	1,165	6,195	29	7	36

Reasons	Agriculture			Construction			Financial		
	1993-2021	2022	Total	1993-2021	2022	Total	1993-2021	2022	Total
Business activities not covered under the PSMB Act 2001	-	-	-	-	-	-	-	-	-
Cessation from being an employer	1	4	5	2	16	18	-	11	11
Company merged with another company	-	9	9	-	-	-	-	2	2
Number of employees is less than 10	4	21	25	15	131	146	4	22	26
Total	5	34	39	17	147	164	4	35	39

Registered Training Providers

As of 31 December 2022, HRD Corp boasts an impressive 5,110 registered Training Providers, a testament to our unwavering commitment to upholding the highest standards of training delivery. To ensure the provision of quality training, HRD Corp has mandated that all Training Providers must register with us, allowing us to monitor and maintain the quality of training delivery to Registered Employers.

Our Training Providers are critical stakeholders in our mission to provide comprehensive and impactful training programmes that meet the evolving needs of the workforce. By producing knowledgeable and skilled workers, we empower businesses to stay ahead of the competition in today's ever-changing market environment.

Table 1 reveals that a total of 4,211 Training Providers registered or renewed their licenses with HRD Corp between January and December 2022, contributing to the remarkable total of active Training Providers as of 31 December 2022. Table 2 provides additional insights into the total changes in training premises and branch applications.

Training Provider Registration



Table 1

Change of Training Premise and Branch

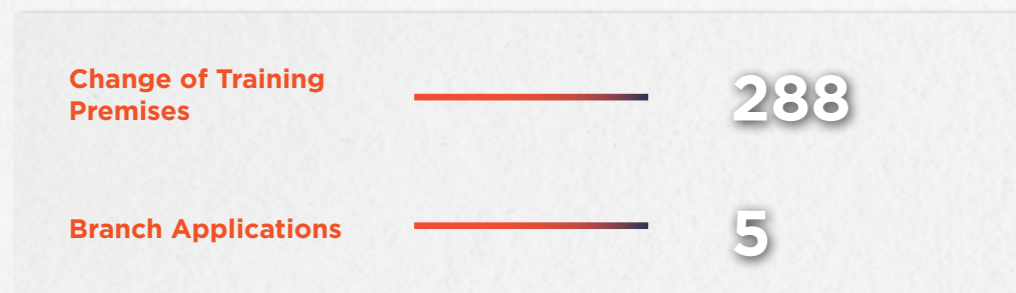


Table 2

Throughout the year, HRD Corp relentlessly engaged with 2,875 Training Providers across the nation to heighten their awareness of our services and offerings, which encompass the esteemed HRD Corp Trainers' Development Framework, as well as our Grant and Claim mechanisms.

Summary of HRD Corp Training Provider Engagement Sessions

Session	No of Sessions	No of Training Providers
TP Orientation and HRD-TEE	61	1,017
HRD Corp Claimable Course Registration	59	836
Trainers' Development Framework (TDF)	17	497
HRD Corp Microcredential Briefing	4	275
Engagement with the CE	6	250
Total	147	2,875

Online	141	2,625
Face-to-face	6	250

Table 3

Regional Offices

HRD Corp's recent initiative to group its branch offices into regional offices marks a significant milestone in its mission to empower individuals and drive the growth of the Malaysian workforce. As the leading custodian of training and employability in the country, HRD Corp's expansion will facilitate the provision of high-skilled training to all target groups nationwide, ultimately accelerating human capital development. This strategic move underscores HRD Corp's unwavering commitment to delivering impactful services that enhance the employability and productivity of the current and future workforce in Malaysia.

Regional Offices Breakdown

Regions	Covered States	Offices
Central - Legacy	Kuala Lumpur - Selangor - Putrajaya	Wisma HRD Corp
Central - New Sector		
Northern	Penang - Perlis - Kedah	Penang
	Perak	Perak
East Coast	Pahang - Kelantan - Terengganu	Kuantan
Southern	Melaka - Negeri Sembilan	Melaka
	Johor	Johor Bahru
Sarawak	Sarawak	Kuching, Sarawak
Sabah	Sabah	Kota Kinabalu, Sabah

*Note: "Legacy" refers to sectors covered prior to the expansion of the PSMB Act 2001, while "New Sector" refers to sectors covered after its expansion.

Overall Performance of Regional Offices

Regional / State	Total Registered Employers	Total Registered Employees	Levy Collection	Levy Disbursement	% Levy Usage
Central Region	36,787	2,327,052	1,159,485,078	441,965,190	38%
Kuala Lumpur	12,545	1,008,551	614,741,538	209,529,388	34%
Putrajaya	170	8,742	3,469,701	1,191,275	34%
Selangor	24,072	1,309,799	541,246,838	231,244,527	43%
East Coast Region	4,964	194,894	52,854,289	26,694,235	51%
Kelantan	1,281	42,853	8,531,971	2,525,985	30%
Pahang	2,293	92,170	27,826,928	14,680,889	53%
Terengganu	1,390	59,871	16,495,391	9,487,361	58%
Northern Region	13,978	732,039	249,351,579	130,810,416	52%
Kedah	2,951	158,390	43,755,796	22,733,126	52%
Penang	6,483	385,967	153,948,263	83,263,683	54%
Perak	4,320	178,230	49,799,523	23,991,454	48%
Perlis	224	9,452	1,847,997	822,153	44%
Sabah Region	4,520	177,140	44,604,787	15,657,704	35%
Labuan	242	11,210	4,033,293	2,213,666	55%
Sabah	4,278	165,930	40,571,494	13,444,038	33%
Sarawak Region					
Sarawak	6,577	275,989	80,525,994	33,972,042	42%
Southern Region	14,880	676,036	222,637,086	114,628,087	51%
Johor	10,568	460,808	153,277,367	74,290,489	48%
Melaka	2,199	109,820	35,317,065	18,969,052	54%
Negeri Sembilan	2,113	105,408	34,042,654	21,368,546	63%

Customer Services

By serving as a focal point for industry players, the Regional Offices provide valuable information on HRD Corp's service offerings in each region.

Industry Outreach

As an upskilling advisor, the Regional Offices provide industry-specific engagement aimed at driving technical and future training initiatives.

Customer Acquisition

The Regional Offices actively identify and engage with potential employers to ensure that all employers are registered and able to benefit from HRD Corp's services.

Grant and Claim Processing

The Regional Offices provide a faster response time to stakeholders' queries and improve processing speed due to their familiarity with local employers' needs.

Roles of Regional Offices

Administration and Building Management

Turning the office into a Centre of Upskilling - in line with HRD Corp's objectives and driving the outcomes of the Centre.

Vendor Management

Increasing the supply at regional levels and ensuring high-quality training for employers.

Regional / State	Total Training Places	Financial Assistance	Total Certification-Based Training Places	Active Registered Training Providers	Total Accredited Trainers (Local)
Central Region	946,334	601,827,881	75,681	3,525	472
Kuala Lumpur	410,093	266,925,368	27,873	1,236	171
Putrajaya	2,685	1,402,991	280	11	4
Selangor	533,556	333,499,522	47,528	2,278	297
East Coast Region	45,030	32,426,804	6,769	116	59
Kelantan	5,599	3,048,473	440	20	3
Pahang	26,031	18,029,386	3,770	50	13
Terengganu	13,400	11,348,954	2,559	46	43
Northern Region	228,535	146,898,160	16,515	554	109
Kedah	38,636	23,036,672	3,144	77	8
Penang	147,756	97,732,813	9,155	342	72
Perak	40,964	25,287,535	4,022	128	29
Perlis	1,179	841,140	194	7	-
Sabah Region	22,916	19,375,048	3,697	106	16
Labuan	3,288	2,994,341	774	7	3
Sabah	19,628	16,380,707	2,923	99	13
Sarawak Region					
Sarawak	47,131	42,004,040	8,576	178	36
Southern Region	207,318	132,322,350	17,938	592	114
Johor	133,033	86,693,879	12,914	345	43
Melaka	35,773	22,467,783	1,938	88	12
Negeri Sembilan	38,512	23,160,688	3,086	159	59

Strategic Initiatives

The Strategic Initiatives (SI) schemes were launched to provide maximum benefits to employers and HRD Corp stakeholders, with a mission to train every Malaysian employee. The SI schemes were developed with the aim of enhancing the quality and employability of Malaysian talents through upskilling and reskilling initiatives.

Additionally, the SI schemes were designed to provide financial assistance to employers and other stakeholders to train the Malaysian workforce, with a focus on Small and Medium Enterprises (SMEs) and targeted groups from various categories.

To measure the effective implementation of the SI schemes, three important mechanisms were adopted; cost sharing, employer-centric approaches and outcome-based evaluations. By prioritising these mechanisms, the SI schemes can be effectively utilised to achieve its mission of improving the skills and employability of the Malaysian workforce.



Cost Sharing

Provide financial assistance on a cost-sharing basis, supported by HRD Corp's incentives and Financial Assistance.



Outcome-based

Success will be measured through comprehensive evaluation studies conducted upon completion of the programmes.



Employer-centric

Designed to address the current needs of HRD Corp Registered Employers and the industry, with the goal of promoting the development of a skilled and agile workforce.

Recognition of Prior Experiential Learning (RPEL) Scheme

RPEL is an initiative designed to enable workers to get recognition for their skills and competency according to the level determined by the Department of Skills Development (also known as Jabatan Pembangunan Kemahiran (JPK) as well as an international recognition body.

The primary objectives of RPEL are to support the national agenda in developing skilled workers in accordance with the Vision for Shared Prosperity 2030. We have targeted to reform the country’s talent and energy resources and restructure the country’s human capital development to produce highly skilled, knowledgeable, competitive, and productive talents.

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

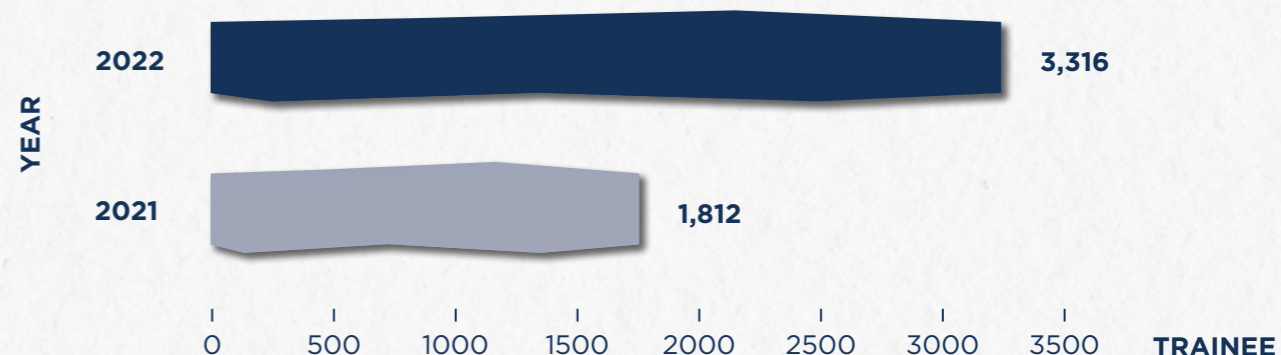
HRD Corp also introduced a new platform that is not limited to Sijil Kemahiran Malaysia (SKM) certification but further expanded its scope to local or international certification bodies, provided that they are an industry-recognised certification body. The Training Provider will collaborate with the selected certification bodies to facilitate the internal processes of the RPEL certification.

This RPEL scheme covers the following :

- **Employer** - Registered Employers who want to submit their proposals to HRD Corp. Individuals from non-HRD Corp Registered Employers, can apply through appointed vendors approved by HRD Corp under the scheme.
- **Appointed Vendor** - Vendors can become approved and appointed and will be eligible to submit their proposals if they are:
 - registered with a government agency or a private *Pusat Bertauliah* that are registered with JPK as an assessment centre, OR
 - registered with HRD Corp as a Training Provider.
- **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.

In 2021, HRD Corp approved RM2.53 million involving 1,812 trainees under the RPEL scheme. This figure increased to 3,316 trainees approved in 2022, with a total Financial Assistance of RM4.62 million.

Number of Trainees Approved Under RPEL



RiSE4WRD for INDUSTRY4WRD

RiSE4WRD is an initiative by HRD Corp to support the national IR4.0 policy Industry4WRD. Industry4WRD is Malaysia’s response to the call for digital transformation in the Manufacturing sector and its related services by enabling companies to embrace Industry 4.0 in a systematic and comprehensive manner.

RiSE4WRD ensure that it provides an avenue for Small & Medium Enterprises (SMEs) from the Manufacturing sector which have undertaken the Readiness Assessment (RA) to train their employees with the required knowledge and skills prior to adopting high technology and driving its ensuing activities. Eligible SME will be receiving funds for training its employees as identified in the RA for up to RM25,000 per company.

The key objectives of RiSE4WRD are:

- To create a platform for SMEs which participated in RA to identify the suitable skillset/training programmes.
- To help these SMEs in funding the identified skills/training programmes.
- To ensure employee readiness prior to high technology adoption or transformation.

For the year 2022, around 93 SMEs benefitted by participating in RiSE4WRD with 503 approved trainees. Participating SMEs mainly focused on IR4.0-related focus areas which included manufacturing automation, digital technology & transformation, smart manufacturing and more.

SME Skills

SME Skills training courses are designed for SMEs which focus on functional areas identified and implemented in collaboration with the respective government agencies, employers' associations, or appointed Training Providers.

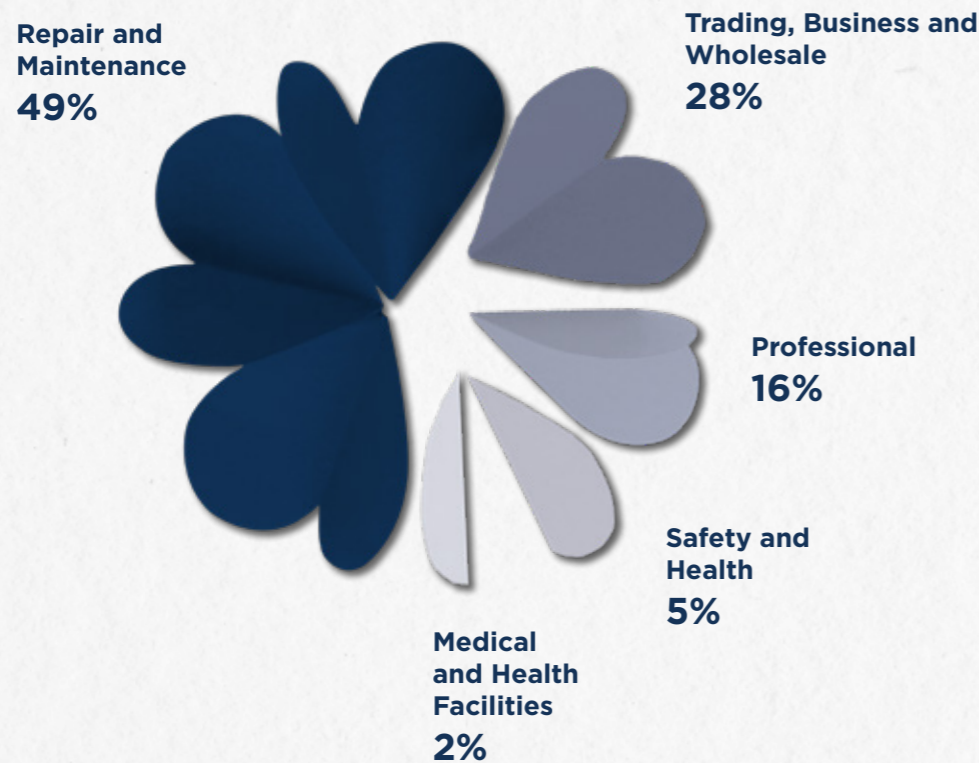
The objectives of this programmes are:

- To motivate SME employees to enhance their career development by increasing their skillsets.
- To encourage SME employers to continuously and systematically train their employees to increase their level of competency.
- To produce more skilled workers for the industries to remain competitive and sustainable in the global market.
- To support SMEs in increasing their productivity and cost-effectiveness in doing business.

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

In 2022, SME Skills approved **1,079 training places** which involved 11 Training Providers and 14 training courses comprising training locations across Malaysia.

Approved Training Places by Industry



Research & Development

Initiatives Development Unit

New Initiatives Development

In 2022, the Design Lab Unit was renamed to the Initiatives Development Unit (IDU) to emphasise its role in the development of new initiatives and the enhancement of existing ones under HRD Corp.

In line with this specific role, IDU has turned its focus to concept exploration and benefits analysis as its primary tasks. These tasks entail the identification of promising and feasible initiatives for incubation, engagement with relevant stakeholders, and experimentation through pilot projects, prior to full-scale development. The following are initiatives developed in 2022:

1. Factory for Education and Teaching (FEaT)
2. SME Training Needs Analysis
3. Homeless Empowerment through Agricultural Livelihood (HEAL)

HRD Corp Signature Programmes & STRIDE

Following the successful rollout of the HRD Corp Signature Programmes, IDU was tasked with the identification of additional collaboration partners through extensive engagement with industry experts. The main goal was to expand our list of co-branded training programmes to cover subjects which are categorised under the nine (9) Focus/Priority Areas highlighted by the Malaysian Government during the Twelfth Malaysian Plan. These include:

1. Industry 4.0;
2. Green Technology / Renewable Energy;
3. FinTech;
4. Smart Construction;
5. Smart Farming;
6. Aerospace Industry;
7. Block Chain;
8. Micro Credential, and;
9. Future Technology.

These exclusive training programmes were developed in collaboration with local and international subject matter experts, benefiting employers by providing them with access to exclusive training content from recognised providers who are either locally or internationally recognised.

As of 31 December 2022, IDU has identified four (4) partners with unique training content offerings. Through these four (4) partners, HRD Corp has created a total of 13 courses under our Signature Programmes:

1. Credit Securing Strategies	7. Certified Front-End Web Developer
2. Professional Programme in Food Processing	8. Certified Product Manager
3. Professional Programme in Aquaponic and Hydroponic Vertical Farming	9. Certified Python Programmer
4. Systems Thinking and Engineering: Framework for Impact	10. Certified JavaScript Developer
5. Certified Data Analyst	11. Certified React Developer
6. Certified Data Scientist	12. Certified User Experience Designer
	13. Certified Visual Designer

Additionally, in March 2021, HRD Corp signed a Memorandum of Understanding (MOU) with Microsoft Malaysia Sdn Bhd to upskill 300,000 Malaysians for Digital Talent Readiness. To facilitate this, in 2022, IDU developed an initiative titled "Skilling for Talent Readiness and Innovation in the Digital Era (STRIDE)". The STRIDE Initiative is a collaboration between HRD Corp and Gold Microsoft Partner(s) to deliver 15 Microsoft courses to HRD Corp Registered Employers. Below are all the courses offered under the STRIDE Initiative:

1. Microsoft Power Platform Fundamentals	9. Microsoft Azure IoT Developer
2. Microsoft Azure Data Fundamentals	10. Microsoft Azure Security Technologies
3. Microsoft 365 Fundamentals	11. Microsoft Azure Administrator
4. Microsoft 365 Identity and Services	12. Developing Solutions for Microsoft Azure
5. Microsoft Power BI Data Analyst	13. Designing Microsoft Azure Infrastructure Solutions
6. Designing and Implementing a Data Science Solution on Azure	14. Microsoft 365 Security Administration
7. Data Engineering on Microsoft Azure	15. Microsoft 365 Mobility and Security
8. Designing and Implementing a Microsoft Azure AI Solution	

International Study Visits / International Collaborations

IDU also coordinated four (4) international study visits in 2022 for the following objectives;

- a) Facilitate knowledge/talent sharing at a global level;
- b) Identify unique training and development initiatives to offer to HRD Corp Registered Employers, and;
- c) Benchmarking of best practices within the field of Human Capital Development.

To that end, IDU conducted visits to Singapore and Japan in 2022 which resulted in the initiation of conversations for strategic collaborations.

Following these visits, HRD Corp has continued our communication and exploration with the following organisations and government agencies:

Singapore

- NUS Business School
- NUS Lee Kuan Yew School
- SAP Asia Pte Ltd
- Oracle Corporation Singapore Pte Ltd
- Institute of Technical Education (ITE)
- LinkedIn
- SkillsFuture Singapore
- InfoComm Media Development Authority
- Workforce Singapore
- Accenture

Japan

- Japan Ability Vocational Development Association

Apart from that, IDU has also established collaborations with Johns Hopkins University (JHU) to offer niche courses to our Registered Employers.

TVET Empowerment Unit

Development of HRD Corp Practical-Centric Guidelines

In 2022, HRD Corp formed the TVET Empowerment Unit to increase the number of TVET courses within the HRD Levy ecosystem as well as to support the Government's TVET agenda.

As a foundation, HRD Corp developed Practical-Centric Guidelines to assist HRD Corp Registered Training Providers, Registered Employers and employees to identify practical-centric courses based on certain indicators highlighted in this guideline.

The **objectives** of the HRD Corp Practical-Centric Guidelines are to:

- ✓ **Identify** Practical-Centric indicators that will assist in mapping out TVET or non-TVET practical courses.
- ✓ **Create** a pathway for targeted policy development that can increase the enrolment of trainees/employees into practical-centric courses.

The Practical-Centric indicators include the following:

Training on job-related skills and knowledge in occupational or entrepreneurship areas with an emphasis on best industry practices. This must also include more than 60% practical training involving:

- I. **Psychomotor; or**
- II. **Technologies; or**
- III. **Related sciences**

Based on the above indicator, HRD Corp will be able to identify practical and non-practical-centric courses offered to employers. This will enable HRD Corp to implement various strategies and initiatives to increase the enrolment of employees into TVET-based courses in future.

Industrial Skills Framework Unit

The Industrial Skills Framework (IndSF) Unit is responsible for identifying in-demand skill sets and competencies for the local multi-industry workforce. The unit oversees 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 associations and subject matter experts across various industries under the Sectorial Training Committee (STC). This initiative is conducted to identify the critical needs of the industry based on actual feedback from industry players and business organisations themselves.

Initiative 1: Industrial Skills Framework (IndSF)

The IndSF document is developed to benefit the following audiences:

- i. **Employee/Individual**
Use to make decisions on education and training, career development and upskilling based on the sector, employment and occupation/job role.
- ii. **Employer**
Use to design progressive human resource management and talent development plans.
- iii. **Training Provider**
Use to create training programmes that meet employee, employer and industry needs.

The document provides valuable information through its four components: sector information, career pathway, jobs and skills description, and training/certification programmes for skills enhancement and mastery. The components are explained below:

- i. **Sectorial information**
The Sector and Employment Information provides information on the industry (workforce strength, levy utilisation, etc.)
- ii. **Career pathway**
The career pathway illustrates how career progression for the respective industry is structured progressively and laterally based on sector norms.
- iii. **Jobs and skills description**
The Skills Map details the skills for each job position within the career pathway and is aligned to the sub-sectors/critical areas/department/sections. It provides information on the job description and corresponding skills.

iv. Training Programmes

Training Programmes provide information on skills acquisition required for potential entrants and skills and competencies for in-service personnel to progress to the next level of their career.

Each IndSF takes between four to six months to be developed and involves active participation of various industry key players and associations. Below is the established methodology that is followed to develop the framework:



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

The framework may be reviewed and updated once every two years (minimum), if needed, through collaboration and coordination with an extensive variety of stakeholders and management.

Developed IndSF Documents

In 2022, three IndSF documents were successfully developed.

3.1.1.1 Industrial Skills Framework for Food & Beverages – Food Manufacturing

Developed by HRD Corp in collaboration with:

- i. AYAMAS Food Corporation Sdn Bhd
- ii. MAFMAG Federation of Malaysian Manufacturers (FMM)

This document covers four (4) focus areas under the food manufacturing industry, namely F&B production, Halal, Research & Development and Quality Assurance. A total of 21 job roles were identified.

3.1.1.2 Industrial Skills Framework for Textile Industry - Manufacturing

Developed by HRD Corp in collaboration with:

- i. Malaysian Textile Manufacturers Association (MTMA)
- ii. Malaysian Knitting Manufacturers Association (MKMA)

This document focuses on (5) critical focus areas, Upstream, Fabric Formation, Fabric Dyeing & Finishing, Fabric Planning & Quality Control and Facilities, Utilities & Compliances. A total of 61 job roles were identified.

3.1.1.3 Industrial Skills Framework for Agriculture – Oil Palm Plantation

Developed by HRD Corp in collaboration with:

- i. Malaysian Palm Oil Board (MPOB)
- ii. Malaysian Palm Oil Association (MPOA)
- iii. *Bahagian Penggalakan Inovasi dan Modal Insan Industri* (PIMI), Ministry of Plantation and Commodities
- iv. FGV Holdings Berhad
- v. Incorporated Society of Planters
- vi. Malaysia Unmanned Drones Activist Society (MUDAS)
- vii. Malaysian Research Accelerator for Technology and Innovation (MRANTI)

- ix. Malaysia Productivity Corporation (MPC)
- x. Malaysia Digital Economy Corporation (MDEC)

This document focuses on five critical focus areas, Nursery, Field Upkeep & Maintenance, Replanting, Harvesting & Collection and Drone Technology. A total of 53 job roles were identified.

Enhanced IndSF Documents

The unit also carried out enhancements to IndSF documents through the following:

- i. 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.
- ii. New focus areas were added to the currently available IndSF documents to enrich the documents further.

In 2022, three IndSF documents were successfully enhanced.

3.1.2.1 Industrial Skills Framework for Oil, Gas & Energy Industry - Onshore Facilities & Downstream Plant Skillsets

IndSF for Oil, Gas & Energy Industry - Onshore Facilities & Downstream Plant Skillsets which focuses on Maintenance, Turnaround and Projects Activities was enhanced by HRD Corp in collaboration with Petroliaam Nasional Berhad (PETRONAS) and the Malaysian Oil, Gas and Energy Services Council (MOGSC) together with Subject Matter Experts (SMEs) of the Oil & Gas industry.

This document focuses on three focus areas, Maintenance Activities, Turnaround Activities and Project Activities. A total of 58 job roles were identified.

3.1.2.2 Industrial Skills Framework for Digital Technology (Artificial Intelligence)

Developed by HRD Corp in collaboration with:

- i. Malaysia Digital Economy Corporation (MDEC)
- ii. Malaysia Productivity Corporation (MPC)
- iii. The National Tech Association of Malaysia (PIKOM)

This document covers 9 job positions that are critical for the Artificial Intelligence industry which includes 69 technical skills, 86 soft skills and 51 certification programmes.

3.1.2.3 Industrial Skills Framework for Machinery & Equipment Industry: Welding

Developed by HRD Corp in collaboration with:

- i. Machinery and Equipment Manufacturers Association (MEMA)
- ii. Machinery and Engineering Industries Federation (MEIF)
- iii. Malaysia Productivity Corporation (MPC)
- iv. Malaysian Welding and Joining Society (MJWS)
- v. 20 Subject Matter Experts (SMEs) from the Machinery and Equipment industry.

This document focuses on three focus areas, Welding Practitioner, Welding Coordination and Welding Inspection. A total of 14 job roles were identified.

Initiative 2: Sectorial Training Committee (STC)

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 second initiative, which is the establishment of the Sectorial Training Committee (STC). The main objective of STC is to understand the critical needs of the industry from the industries' perspectives itself. The 26 STCs formed were based on the following:

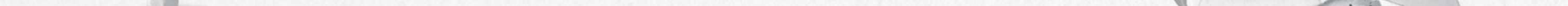
- | | |
|--------------------------------------|---|
| 1. Oil, Gas & Energy | 14. Wholesale & Retail |
| 2. Textile, Apparel & Footwear | 15. Chemicals & Chemical-based products |
| 3. Transportation | 16. Mining & Quarrying |
| 4. Agriculture | 17. Electric & Electronics |
| 5. Wood-based products | 18. Food & Beverage |
| 6. Logistics & Warehousing | 19. Machinery & Equipment |
| 7. Healthcare | 20. Telecommunications |
| 8. Construction | 21. Community Development |
| 9. Utility services | 22. Business & Consultancy |
| 10. Hospitality | 23. Professional Service |
| 11. Education | 24. Financial & Banking |
| 12. Arts, Entertainment & Recreation | 25. Security |
| 13. Digital Technology | 26. Insurance |

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. The committee consisted of experts from various industries, that function as an advisory and consultative committee to HRD Corp regarding training needed by the industry. A total of 26 STCs comprising 238 sub-sectors are expected to be formed. The deliverables of the STC are:

1. Assist in the development of the IndSF document.
2. Provide strategic input for certification-based training programmes and priority areas.
3. Promote levy utilisation.
4. Facilitate the organisation of seminars or conferences to promote the IndSF and HRD Corp's human capital development agenda.



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 2022.

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.

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

RESULTS

Net surplus for the financial year

RM
29,788,862

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 2022.

DIRECTORS

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

Datuk Rajasekharan A/L Ramasamy (Chairman)	(Reappointed as Director on 21 August 2021) (Appointed as Chairman on 20 March 2023)
Datuk Shahul Hameed Bin Shaik Dawood (Chief Executive)	
Datuk Haji Abdul Kadir Bin M.E Sikkandar Dato' Raiha Azni Binti Abd Rahman Dato' Palaniappan A/L Joseph Dr. Helena Eian Yeut Lan (Alternate to Dato' Palaniappan)	(Reappointed as Director on 11 January 2023)
Datuk Chia Hui Yen Datuk Rosli Bin Yaakub Lin Azura Binti Yahya (Alternate to Datuk Rosli Bin Yaakub)	(Appointed as Director on 27 June 2022) (Appointed as Alternate Director on 27 June 2022)
Datuk Muhd Khair Razman Bin Mohamed Annuar Mohd Syukri Bin Ahmad Sudari Dato' Abdul Latif Bin Haji Abu Seman Zahid Bin Ismail (Alternate to Dato' Abdul Latif Bin Haji Abu Seman)	(Reappointed as Director on 12 October 2022) (Reappointed as Director on 5 December 2022)
Dr. Zainah Binti Shariff Dato' Seri Chan Kong Yew Tan Huang Kew	(Appointed as Director on 16 January 2023) (Appointed as Director on 16 January 2023)
Datuk Seri Jamil Bin Salleh (Chairman) Dato' Ruhaidini Binti Abd Kadir Dato' Haji Asri Bin Ab Rahman Datin Erni Dekritawati Yuliana Binti Buhari M. Vickneswari A/P R. Muthukrishnan Dato' Kamalakannan A/L Kaliaperumal Dr. Kang Tong Hum Datuk Wong Siaw Ting	(Cessation as Director on 10 January 2023) (Cessation as Director on 10 January 2023) (Cessation as Director on 10 January 2023) (Cessation as Director on 10 January 2023) (Cessation as Director on 10 January 2023) (Cessation as Director on 10 January 2023) (Cessation as Director on 11 June 2022) (Cessation as Director on 14 April 2022)

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 is currently 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

Directors' remuneration of the Company for the financial year ended 31 December 2022 was as follows:

	2022
	RM
Fees	1,389,000
Salaries, allowances and performance incentive	1,709,207
Defined contribution plan	212,058
	<hr/>
	3,310,265

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.

OTHER STATUTORY INFORMATION REGARDING THE COMPANY (continued)

(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.

AUDITORS

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

The auditors' remuneration of the Company for the financial year ended 31 December 2022 is RM120,000.

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

**DATUK RAJASEKHARAN A/L
RAMASAMY**

Chairman

Kuala Lumpur
12 April 2023

**DATUK SHAHUL HAMEED BIN
SHAIK DAWOOD**

Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 143 to 188 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 2022 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 RAJASEKHARAN A/L
RAMASAMY**

Chairman

Kuala Lumpur
12 April 2023

**DATUK SHAHUL HAMEED BIN
SHAIK DAWOOD**

Director

STATUTORY DECLARATION

I, Mohamad Farizul Bin Yahaya, being the officer primarily responsible for the financial management of Pembangunan Sumber Manusia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 143 to 188 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)
12 April 2023)

Before me:

**MOHAMAD FARIZUL BIN
YAHAYA
CA 33133**

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 2022 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 143 to 188.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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 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.

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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- (d) 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.
- (e) 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
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
12 April 2023

Lee Wee Hoong
03316/07/2023 J
Chartered Accountant

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

ASSETS	Note	2022 RM	2021 RM
Property, plant and equipment	5	71,680,338	34,965,229
Right-of-use assets	6	247,731	1,326,353
Investment property	7	135,668,628	137,303,190
Derivative assets	8	-	11,142,315
Staff loans	9	996,662	1,162,169
Investments	10	869,697,176	525,756,939
Accrued interest receivables, deposits, prepayments and other receivables	11	195,448,793	55,695,877
Cash and bank balances	12	2,302,068,090	1,733,233,990
TOTAL ASSETS		3,575,807,418	2,500,586,062
EQUITY AND LIABILITIES			
LIABILITIES			
Lease liabilities	6	448,569	1,463,655
Derivative liabilities	8	46,340,439	-
Human Resources Development Fund	13	2,986,024,483	1,958,422,746
Strategic Fund	14	2,384,843	6,869,201
Unutilised Levy	15	57,181,807	87,572,954
General Reserves II	16	8,780,987	6,299,305
Government grants	17	36,964,396	38,307,601
Payables and accruals	18	55,898,047	42,447,331
TOTAL LIABILITIES		3,194,023,571	2,141,382,793
Retained earnings		389,946,811	360,157,949
Reserves	19	(8,162,964)	(954,680)
TOTAL EQUITY		381,783,847	359,203,269
TOTAL EQUITY AND LIABILITIES		3,575,807,418	2,500,586,062

The accompanying notes form an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
Income			
Operating income	20(a)	132,590,998	80,496,900
Non-operating income	20(b)	67,356,658	13,038,203
Development activities income	20(c)	47,242,048	18,129,966
Strategic Fund Income	20(d)	5,391,672	131,867,904
Total income		252,581,376	243,532,973
Expenses			
Operating expenses	21(a)	(107,372,893)	(74,137,265)
Non-operating expenses	21(b)	(62,785,901)	(7,335,839)
Development activities expenses	21(c)	(47,242,048)	(18,129,966)
Programmes expenses under Strategic Fund	14	(5,391,672)	(131,867,904)
Total expenses		(222,792,514)	(231,470,974)
Surplus before taxation		29,788,862	12,061,999
Taxation	22	-	-
Net surplus for the financial year		29,788,862	12,061,999
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Debt investments measured at fair value through other comprehensive income		(7,101,000)	(14,970,650)
Reversal of expected credit losses on debt investments measured at fair value through other comprehensive income		(107,284)	(88,991)
Other comprehensive loss for the financial year		(7,208,284)	(15,059,641)
Total comprehensive income/(loss) for the financial year		22,580,578	(2,997,642)

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Retained earnings RM	Fair value reserves RM	Total RM
At 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)
Total comprehensive income/(loss)	12,061,999	(15,059,641)	(2,997,642)
At 31 December 2021/1 January 2022	360,157,949	(954,680)	359,203,269
Net surplus for the financial year	29,788,862	-	29,788,862
Other comprehensive loss	-	(7,208,284)	(7,208,284)
Total comprehensive income/(loss)	29,788,862	(7,208,284)	22,580,578
At 31 December 2022	389,946,811	(8,162,964)	381,783,847

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM	2021 RM
Cash flows from operating activities		
Cash generated from operations:		
Cash (payments)/receipts from training providers and others	(5,170,955)	23,387,078
Cash payments to vendors	(142,696,655)	(80,536,588)
Cash flows changes from operating activities	(147,867,610)	(57,149,510)
Cash from Human Resources Development Fund:		
Receipts from registered employers	1,805,270,322	766,775,104
Payments to registered employers	(758,336,002)	(268,472,037)
Cash flows changes after Human Resources Development Fund	899,066,710	441,153,557
Cash from Trust Funds and Government grants:		
Payments to registered training providers	(192,518,695)	(318,716,252)
Payments to employees (loan subsidy)	(18,316)	(10,852)
Receipts from government allocation	129,564,602	79,881,004
Receipts from registered employers	11,035,931	1,635,148
Cash flows changes after Trust Funds and government grants	(51,936,478)	(237,210,952)
Net cash from operating activities	847,130,232	203,942,605

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

	NOTE	2022 RM	2021 RM
Cash flows from investing activities			
Acquisition of plant and equipment	5	(38,871,749)	(13,049,275)
Acquisition of property	5	(3,884,863)	-
Acquisition of investments		(324,796,880)	(53,820,000)
Dividends received		4,249,430	2,311,149
Net repayment from employees		165,507	151,525
Proceeds from disposal of investments		27,537,718	13,305,692
Proceeds from disposal of plant and equipment		310,000	150
Interest received		58,178,619	57,515,578
Placements of deposits with maturity more than three (3) months		(645,593,665)	(241,181,291)
Net cash used in investing activities		(922,705,883)	(234,766,472)
Cash flows from financing activity			
Payments of lease liabilities, representing net cash used in financing activity	6	(1,183,914)	(1,566,611)
Net decrease in cash and cash equivalents		(76,759,565)	(32,390,478)
Cash and cash equivalents at the beginning of financial year		207,635,095	240,025,573
Cash and cash equivalents at the end of financial year	12	130,875,530	207,635,095

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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 12 April 2023.

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.

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

3 BASIS OF PREPARATION

The financial statements of the Company set out on pages 143 to 188 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 2022, 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
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
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

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 2023

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosures 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 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Investment property (continued)

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 period for the investment property is eighty-nine (89) years.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

(a) Financial assets (continued)

(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.

(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 are 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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

(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.

4.4 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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Impairment of financial assets (continued)

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.

4.6 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.

4.7 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 SIGNIFICANT ACCOUNTING POLICIES (continued)

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) 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.

(iii) RPEL (Non-HRDF) Fund

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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Government grants (continued)

(iv) SME Incentive (Non-HRDF) Fund

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.

(v) Outplacement Centre Programme Fund

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.

(vi) Graduates Enhancement Programme for Employability (“GENERATE”) Fund

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.

(vii) Enrolment of Students in ILJTM and Other TVET Institutions Fund

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.

(viii) Skim Latihan Dual Nasional (SLDN)

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.

(ix) Industrial Revolution 4WRD (IndREV 4) - B.11

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 assists SME employers through consultations in the provision of high-tech human resources before the adoption of Industrial 4.0 elements to increase productivity.

(x) TVET for B40 (LATIHAN TVET B40)

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 uplifting the livelihood of the B40 income group.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Government grants (continued)

(xi) *Kumpulan Wang Covid-19 (KWC-19) Fund*

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.

(xii) *Industry 4WRD - Reskilling*

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.

4.11 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 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

4.13 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 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 reasonably 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 of 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 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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Leases (continued)

The Company as lessee (continued)

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.

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 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 a 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 recognise 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 investments are 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	2022 RM	2021 RM
Cost:			
Property	(a)	37,765,215	33,880,352
Plant and equipment	(b)	110,545,970	72,514,333
		148,311,185	106,394,685
Accumulated depreciation:			
Property	(a)	20,302,993	19,911,236
Plant and equipment	(b)	56,327,854	51,518,220
		76,630,847	71,429,456
Carrying amounts:			
Property	(a)	17,462,222	13,969,116
Plant and equipment	(b)	54,218,116	20,996,113
		71,680,338	34,965,229

5 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Property

	Freehold land RM	Building RM	Total RM
Cost:			
At 1 January 2021/31 December 2021/1 January 2022	1,591,200	32,289,152	33,880,352
Additions	-	3,884,863	3,884,863
At 31 December 2022	1,591,200	36,174,015	37,765,215
Accumulated depreciation:			
At 1 January 2021	-	19,560,785	19,560,785
Charge for the financial year	-	350,451	350,451
At 31 December 2021/1 January 2022	-	19,911,236	19,911,236
Charge for the financial year	-	391,757	391,757
At 31 December 2022	-	20,302,993	20,302,993
Carrying amounts:			
At 31 December 2021	1,591,200	12,377,916	13,969,116
At 31 December 2022	1,591,200	15,871,022	17,462,222

5 PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Plant and equipment (continued)

	Motor vehicles RM	Renova- tion RM	Furniture and office fittings RM	Office equipment RM	Electric and electronic equipment RM	ICT System RM	Total RM
Cost:							
At 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 January 2022	1,869,199	7,420,216	1,829,452	1,116,335	15,471,075	44,808,056	72,514,333
Additions	1,308,929	-	27,071	56,205	183,056	37,296,488	38,871,749
Disposal	(840,112)	-	-	-	-	-	(840,112)
At 31 December 2022	2,338,016	7,420,216	1,856,523	1,172,540	15,654,131	82,104,544	110,545,970
Accumulated depreciation:							
At 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 January 2022	1,611,601	4,859,701	1,820,537	1,051,372	14,739,265	27,435,744	51,518,220
Charge for the financial year	240,799	535,958	8,584	62,540	487,160	4,251,858	5,586,899
Write off/Disposal	(777,265)	-	-	-	-	-	(777,265)
At 31 December 2022	1,075,135	5,395,659	1,829,121	1,113,912	15,226,425	31,687,602	56,327,854
Carrying amounts:							
At 31 December 2021	257,598	2,560,515	8,915	64,963	731,810	17,372,312	20,996,113
At 31 December 2022	1,262,881	2,024,557	27,402	58,628	427,706	50,416,942	54,218,116

6 LEASES

The Company as lessee

Right-of-use assets	Balance as at 1.1.2022 RM	Additions RM	Remeasurement RM	Depreciation RM	Balance as at 31.12.2022 RM
2022 Carrying amount					
Buildings	593,227	702,229	(593,497)	(543,931)	158,028
Office equipment	187,693	-	-	(97,990)	89,703
ICT Systems	545,433	-	-	(545,433)	-
	1,326,353	702,229	(593,497)	(1,187,354)	247,731

Right-of-use assets	Balance as at 1.1.2021 RM	Additions RM	Depreciation RM	Balance as at 31.12.2021 RM
2021 Carrying amount				
Buildings	1,080,497	-	(487,270)	593,227
Office equipment	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

Lease liabilities	Balance as at 1.1.2022 RM	Additions RM	Remeasurement RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2022 RM
2022 Carrying amount						
Buildings	836,581	702,229	(621,076)	(636,684)	66,529	347,579
Office equipment	204,142	-	-	(114,984)	11,832	100,990
ICT Systems	422,932	-	-	(432,246)	9,314	-
	1,463,655	702,229	(621,076)	(1,183,914)	87,675	448,569

Lease liabilities	Balance as at 1.1.2021 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2021 RM
2021 Carrying amount					
Buildings	1,340,135	-	(587,137)	83,583	836,581
Office equipment	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

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:

	2022 RM	2021 RM
Acquisition of right-of-use assets	702,229	65,720
Finance by lease liabilities	(702,229)	(65,720)
Cash payments on acquisition of right-of-use assets	-	-

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

	2022 RM	2021 RM
Depreciation charge of right-of-use assets (included in non-operating expenses)	1,187,354	1,676,125
Interest expense on lease liabilities (included in non-operating expenses)	87,675	167,149
Expense relating to leases of low-value assets (included in operating expenses)	1,108,322	673,303
	2,383,351	2,516,577

(d) At the end of the financial year, the Company had total cash outflow for leases of RM2,292,236 (2021: RM2,239,914).

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:

	2022 RM	2021 RM
Within 1 year	233,411	1,083,243
1 - 2 years	215,158	378,705
2 - 5 years	-	1,707
	448,569	1,463,655
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:

	2022 RM	2021 RM
Within 1 year	244,233	1,137,552
1 - 2 years	216,155	390,099
2 - 5 years	-	1,750
	460,388	1,529,401

7 INVESTMENT PROPERTY

	2022 RM	2021 RM
Cost:		
At 1 January/31 December	145,476,000	145,476,000
Accumulated Depreciation:		
At 1 January	8,172,810	6,538,248
Depreciation charge for the financial year	1,634,562	1,634,562
At 31 December	9,807,372	8,172,810
Carrying amount		
At 31 December	135,668,628	137,303,190
Fair value		
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 (2021: two (2) to three (3) years) term and renewable at the end of the lease period subject to an increase clause.

The following are recognised in profit or loss:

	2022 RM	2021 RM
Lease income	4,865,778	4,590,990
Direct operating expenses	1,255,186	1,227,558

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:

	2022 RM	2021 RM
Less than one (1) year	3,875,733	4,798,714
One (1) to two (2) years	2,667,474	2,451,749
Two (2) to three (3) years	1,774,110	1,138,424
Three (3) to four (4) years	105,066	312,125
Total undiscounted lease payments	8,422,383	8,701,012

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)

	2022 RM	2021 RM
Derivatives at fair value through profit or loss		
- Put options	39,739,810	48,915,597
- Call options	(86,080,249)	(37,773,282)
	(46,340,439)	11,142,315

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 8.5% (2021: 8.0% to 9.05%) 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 8.5% (2021: 8.0% to 9.05%) 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

	2022 RM	2021 RM
Motor vehicle loans	-	78
Computer loans	50,339	76,218
Housing loans	946,323	1,085,873
	996,662	1,162,169

Staff loans (only motor vehicle loans and housing loans) are granted to eligible employees of the Company, bears interest of 4% per annum (2021: 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

	2022 RM	2021 RM
Fair value through profit or loss:		
Quoted unit trust in Malaysia	81,120,250	33,598,725
Quoted securities - equity in Malaysia	352,472,276	212,888,064
	433,592,526	246,486,789
Fair value through other comprehensive income:		
Quoted securities - bond & sukuk in Malaysia	436,104,650	279,270,150
	869,697,176	525,756,939

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 RM341,560,270 (2021: RM199,958,995) as disclosed in Note 8.

11 ACCRUED INTEREST RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022 RM	2021 RM
Accrued interest receivables	35,133,067	21,041,860
Deposits	120,351,808	553,037
Prepayments	16,197,996	63,973
Other receivables	23,765,922	34,037,007
	195,448,793	55,695,877

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

Included in deposits is an amount of RM120 million (2021: RM Nil) representing the deposit paid for the acquisition of Menara Ikhlas. The planned lease and acquisition of Menara Ikhlas was cancelled during the financial year and the deposit previously paid was refunded on 2 February 2023.

Included in other receivables is an amount of RM16.5 million (2021: RM30.5 million) 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

	2022 RM	2021 RM
Fixed deposits placed with licensed banks	1,353,919,014	931,063,871
Fixed deposits placed with other financial institutions	918,237,578	779,962,206
	2,272,156,592	1,711,026,077
Cash and bank balances	29,911,498	22,207,913
Cash and bank balances in the statement of financial position	2,302,068,090	1,733,233,990
Less: Deposits with maturity of more than three months	(2,171,192,560)	(1,525,598,895)
Cash and cash equivalents in the statement of cash flows	130,875,530	207,635,095

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

12 CASH AND BANK BALANCES (continued)

(b) The range of maturities of the deposits that are readily convertible to cash as at 31 December 2022 is 3 to 88 days (2021: 7 to 85 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")

	2022 RM	2021 RM
At 1 January	1,958,422,746	1,492,404,594
Add: Levy collected	1,809,458,813	847,974,342
Re-registration (Note 16)	140,849	134,634
	3,768,022,408	2,340,513,570
Less: Training grant disbursed	(758,336,002)	(268,472,037)
Transferred to General Reserves II		
- deregistration (Note 16)	(4,538,031)	(3,137,802)
Unutilised levy (Note 15)	(14,935,401)	(29,281,747)
Overpayment of levy refunded	(4,188,491)	(81,199,238)
At 31 December	2,986,024,483	1,958,422,746

14 STRATEGIC FUND

	2022 RM	2021 RM
At 1 January	6,869,201	138,737,105
Add: Receivables from Training Providers	907,314	-
Less: Income recognised for the year (Note 20)	(5,391,672)	(131,867,904)
At 31 December	2,384,843	6,869,201

During the financial year, the Company has incurred RM5.4 million (2021: RM131.9 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

	2022 RM	2021 RM
At 1 January	87,572,954	74,369,844
Add: Transfer from HRDF (Note 13)	14,935,401	29,281,747
Add: Transfer from General Reserve II (Note 16)	1,915,500	2,051,329
	104,423,855	105,702,920
Less: Development activities expenses	(47,242,048)	(18,129,966)
At 31 December	57,181,807	87,572,954

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

	2022 RM	2021 RM
At 1 January	6,299,305	5,347,466
Add: Transfer from HRDF (Note 13)	4,538,031	3,137,802
	10,837,336	8,485,268
Less: Unutilised levy		
- failure to re-register within 2 years (Note 15)	(1,915,500)	(2,051,329)
Re-registration (Note 13)	(140,849)	(134,634)
At 31 December	8,780,987	6,299,305

17 GOVERNMENT GRANTS

	2022 RM	2021 RM
Apprenticeship Fund	3,781,133	3,841,247
HR Certification Body Fund	217,705	272,825
RPEL (Non-HRDF) Fund	8,913,843	8,659,943
SME Incentive (Non-HRDF) Fund	6,594,180	4,884,189
Outplacement Centre Programme Fund	3,191,842	3,191,842
GENERATE Fund (PTPK)	2,856,110	2,856,110
ILJTM and Other TVET	592,296	592,296
GENERATE Fund (B-19)	1,562,270	1,562,270
Skim Latihan Dual Nasional (B-19)	4,127	313,763
Industrial Revolution 4WRD (IndREV 4) - B.11	2,500,000	2,500,000
TVET for B40 (LATIHAN TVET B40)	2,433,668	3,135,515
KWC-19 Fund	-	1,320,885
Industry 4WRD - Reskilling	4,317,222	5,176,716
	36,964,396	38,307,601

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

	2022 RM	2021 RM
At 1 January	38,307,601	125,458,529
Add: Government allocation	129,564,602	79,881,004
	167,872,203	205,339,533
Less: Utilisations	(130,907,807)	(167,031,932)
At 31 December	36,964,396	38,307,601

During the financial year, the government grant allocated to the Company was amounting to RM129.6 million (2021: RM79.9 million) which was mainly for the Kumpulan Wang Covid-19 Initiative and has utilised RM130.9 million (2021: RM167.0 million).

18 PAYABLES AND ACCRUALS

Credit terms of payables are 30 to 45 days (2021: 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

	2022 RM	2021 RM
Fair value reserves	(8,162,964)	(954,680)

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

	2022 RM	2021 RM
(a) Operating income		
Fee income from training providers	7,548,183	5,239,896
Dividend and interest income from fixed deposits and investment	76,519,256	58,437,959
Interest income from loan to staff	40,500	46,279
Interest income from bank balance	21,161	31,779
Other income	699,120	1,698,097
Lease income	4,865,778	4,590,990
Service fee	28,667,842	7,359,321
Penalty on late payment of levy	3,193,227	1,457,431
Income from HRD Corp Event	11,035,931	1,635,148
	132,590,998	80,496,900
(b) Non-operating income		
Fair value changes of investments	67,002,221	8,510,713
Fair value changes of derivatives	-	4,438,499
Gain on disposal of property, plant and equipment	247,153	-
Reversal of expected credit loss impairment	107,284	88,991
	67,356,658	13,038,203

20 INCOME (continued)

	2022 RM	2021 RM
(c) Development activities income		
Human Resource Development Corp Strategic Incentives	47,242,048	18,129,966
(d) Strategic Fund Income (Note 14)	5,391,672	131,867,904
Total income	252,581,376	243,532,973

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

	2022 RM	2021 RM
Revenue from contracts with customers		
Recognised at point in time	50,445,183	15,691,796
Recognised over time	52,633,720	149,997,870
Total revenue from contracts with customers	103,078,903	165,689,666
Other revenue		
Dividend and interest income from fixed deposits and investment	76,519,256	58,437,959
Interest income from loan to staff	40,500	46,279
Interest income from bank balance	21,161	31,779
Other income	699,120	1,698,097
Lease income	4,865,778	4,590,990
Gain on disposal of property, plant and equipment	247,153	-
Fair value changes of investments and derivatives	67,002,221	12,949,212
Reversal of impairment on expected credit loss	107,284	88,991
	149,502,473	77,843,307
Total income	252,581,376	243,532,973

21 EXPENSES

	2022 RM	2021 RM
(a) Operating expenses		
Advertising and promotion	2,583,743	761,237
Auditor's remuneration		
- current year	120,000	98,000
Staff costs	53,716,091	41,281,582
Consultancy services	4,399,608	3,098,610
Directors' fees and remuneration	3,310,265	2,780,395
Event management for seminars, workshop and engagement series	5,685,087	4,098,288
Legal and professional fees	645,514	334,339
Other expenses	1,758,431	1,266,065
Office supplies	472,692	296,244
Stamps and postage	299,702	239,367
Transportation and packaging	16,116	-
Printing expenses	492,021	283,248
Property management	1,986,711	1,897,267
Lease expenses	1,108,322	673,303
Repairs and maintenance	10,482,348	8,256,593
Travelling and accommodation	2,881,961	608,330
Utilities	1,660,971	1,282,845
Motor Vehicle Loan Subsidy	18,316	10,852
Training and consultancy	5,842,468	1,686,450
National HRD Conference	4,042,014	-
Corporate Social Responsibility ("CSR")	5,850,512	5,104,750
Source System Data Cleansing Activity & Development of High-Quality Transactional Report	-	79,500
	107,372,893	74,137,265
(b) Non-operating expenses		
Depreciation for property, plant and equipment	5,978,656	3,855,839
Depreciation for investment property	1,634,562	1,634,562
Depreciation for right-of-use assets	1,187,354	1,676,125
Fair value changes of derivatives	53,880,373	-
Finance cost from lease liabilities	87,675	167,149
Loss on disposal of property, plant and equipment	-	2,164
Loss on termination of lease	17,281	-
	62,785,901	7,335,839

21 EXPENSES (continued)

	2022 RM	2021 RM
(c) Development activities expenses for:		
Human Resource Development Corp Strategic Incentives	47,242,048	18,129,966
22 TAXATION		
There is no tax charged for the current and the previous 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.		
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:		
	2022 RM	2021 RM
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	7,149,327	2,894,880
Tax effect in respect of:		
Non-allowable expenses	30,758,580	36,560,275
Income not subject to tax	(37,907,907)	(39,455,155)
	-	-
23 EMPLOYEE BENEFITS		
	2022 RM	2021 RM
Wages, salaries and performance incentive	43,834,528	33,683,082
Contributions to defined contribution plans	4,884,007	4,205,812
Social security contributions	433,356	359,608
Other benefits	4,564,200	3,033,080
	53,716,091	41,281,582

24 DIRECTORS' FEES AND REMUNERATION

	2022 RM	2021 RM
Fees	1,389,000	1,358,329
Salaries, allowances and performance incentive	1,709,207	1,313,411
Defined contribution plan	212,058	108,655
	3,310,265	2,780,395

25 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

	2022 RM	2021 RM
Financial assets		
Amortised cost		
Accrued interest receivables, deposits and other receivables (excluding prepayment)	179,250,797	55,631,904
Staff loans	996,662	1,162,169
Cash and bank balances	2,302,068,090	1,733,233,990
Fair value through other comprehensive income		
Investments - bond & sukuk	436,104,650	279,270,150
Fair value through profit or loss		
Investments - others	433,592,526	246,486,789
Derivative assets	-	11,142,315
	3,352,012,725	2,326,927,317

25 FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

	2022 RM	2021 RM
Financial liabilities		
Amortised cost		
Human Resources Development Fund	2,986,024,483	1,958,422,746
Strategic Fund	2,384,843	6,869,201
Unutilised Levy	57,181,807	87,572,954
General Reserve II	8,780,987	6,299,305
Government grants	36,964,396	38,307,601
Other payables	44,512,084	37,955,309
Accrued expenditure	11,385,963	4,492,022
Lease liabilities	448,569	1,463,655
Fair value through profit or loss		
Derivative liabilities	46,340,439	-
	3,194,023,571	2,141,382,793

(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.

25 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Investment in debt securities (continued)

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	
	2022 RM	2021 RM
Balance at 1 January	255,247	344,238
Reversal for the financial year	(107,284)	(88,991)
Balance at 31 December	147,963	255,247

(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 2022 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.

25 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Equity price risk (continued)

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)	
	2022 RM	2021 RM
- Increased by 100 points	28,993,342	15,724,534
- Decreased by 100 points	(28,993,342)	(15,724,534)

(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.

25 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

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;

	Effective Interest Rate %	Within 1 year RM	More than 1 year RM	Total RM
2022				
Fixed rate instruments				
Fixed deposits	1.75 - 5.30	1,977,352,165	294,804,427	2,272,156,592
Staff loans	4.00	97,812	898,850	996,662
Investment in debts securities	3.45 - 4.98	5,025,500	431,079,150	436,104,650
		1,982,475,477	726,782,427	2,709,257,904
2021				
Fixed rate instruments				
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
		1,312,312,828	679,145,568	1,991,458,396

25 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

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 RM10,307,000 (2021: RM6,609,000) and RM9,838,000 (2021: RM6,309,000) 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.

(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.

25 FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

In RM	Note	Hierarchy of the underlying variable input used in measuring fair valuation	
		Level 1	Level 3
2022			
Investments	10	869,697,176	-
Derivatives liabilities	8	-	(46,340,439)
2021			
Investments	10	525,756,939	-
Derivatives assets	8	-	11,142,315

Reconciliation of fair value measurements of Level 3 financial instruments

	2022 RM	2021 RM
Financial liabilities designated at fair value through profit or loss		
At 1 January	11,142,315	(15,263,616)
Additions	7,539,934	6,290,732
Settlement	(11,142,315)	15,263,616
Net fair value (loss)/gain recognised in profit or loss	(53,880,373)	4,851,583
At 31 December	(46,340,439)	11,142,315

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 RM0.8 million or increased by approximately RM3.2 million respectively. If the expected volatility increase or decrease by 100 basis points, profit or loss of the Company would have increased by approximately RM2.8 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

	2022 RM	2021 RM
Capital expenditure in respect of purchase of plant and equipment:		
Contracted but not provided	71,102,392	225,143,893

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.



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