



PEMBANGUNAN SUMBER MANUSIA BERHAD berhad  
(Ministry of Human Resource)



# ***HRDF***

## ***Shaping People***

***ANNUAL REPORT 2012***





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## NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF PEMBANGUNAN SUMBER MANUSIA BERHAD WILL BE HELD AT WISMA HRDF, AUDITORIUM WAWASAN, LEVEL 1, JALAN BERINGIN, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR ON THURSDAY, 27 JUNE 2013 AT 10.30 A.M. FOR THE FOLLOWING PURPOSES:

### Agenda

#### As Ordinary Business

1. To receive and adopt the Financial Statements for the year ended 31 December 2012 and the Reports of the Directors and Auditors thereon. **(Ordinary Resolution 1)**
2. To re-appoint Messrs. KPMG as Auditors and to authorise the Directors to fix their remuneration **(Ordinary Resolution 2)**

#### As Special Business

3. To consider and, if thought fit, to pass the following resolution: **(Special Resolution)**

#### Proposed Amendments to the Articles of Association of the Company

"That the existing Article 7.4 of the Articles of Association of the Company be amended by deleting the words "fourteen (14)" and replaced with "twenty-one (21)" and the new Article 7.4 hereby read as follows:-

#### Article 7.4

**At least twenty-one (21) clear days before every meeting, notice specifying the place, the day and the hour of meeting and in case of special business, the general nature of such business, shall be given to members in the manner stated in Article 16 of the Articles; but the accidental omission to give such notice to, or the non-receipt of such notice by any member shall not invalidate the proceedings at any general meeting."**

4. To transact any other ordinary business.

BY ORDER OF THE BOARD

**TAI YIT CHAN**  
**TAN AI NING**  
Secretaries  
Kuala Lumpur

5 June 2013

Note : Under the Articles of Association of the Company, attendance at Annual General Meetings shall be in person.



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## CORPORATE PROFILE

### Vision

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To be the driving force in training and development of the workforce.

### Mission

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To enhance the knowledge and skills of the workforce through effective management of the Human Resources Development Fund (HRDF).

### Objective

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To encourage employers covered under the Pembangunan Sumber Manusia Berhad Act, 2001 to retrain and upgrade the skills of their employees, apprentices and trainees in line with their business needs and the development strategy of the country.

### Functions of PSMB

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The functions of PSMB, as stipulated in the Pembangunan Sumber Manusia Berhad Act 2001, are as follows:

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

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PSMB is committed to provide excellent services in fulfilling its customers' needs through continuous improvement.

## Training Policy

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PSMB is committed to enhance the knowledge, skills and competencies of its staff through continuous training and retraining to improve their deliverables.

## Safety Policy

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It has been PSMB's policy, where possible, to provide a safe and healthy work environment to the staff and to the public. The implementation of the Safety and Health Policy will assist towards achieving PSMB's goals and objectives.

PSMB is truly committed to implement its policy as follows:

- To provide and maintain a safe workplace for PSMB's staff and the public.
- To ensure that all PSMB's staff are working safely without any health risk.
- To adhere to all orders and regulations related to individual and organisational safety.
- Staff are responsible to the matters that are related to occupational safety and health.

To ensure that this policy is enforced, the Safety Officer will monitor and ensure that top priority is given to safety at the workplace.

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## CHAIRMAN'S STATEMENT

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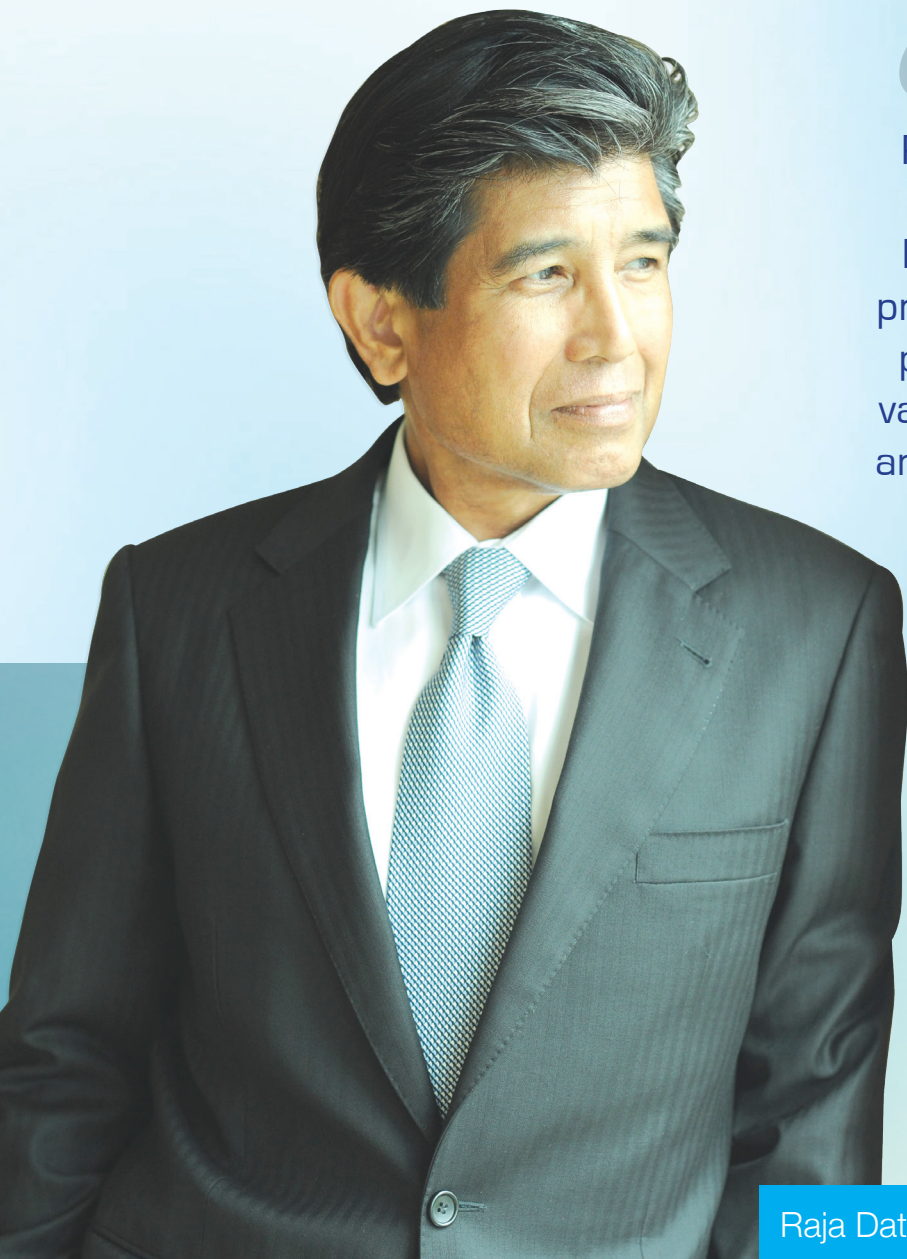
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“  
PSMB played a prominent  
role in enhancing the  
knowledge, innovation and  
productivity of workers in the  
private sector through the  
various initiatives in reskilling  
and skills upgrading in 2012.

”

Raja Dato' Abd. Aziz bin Raja Muda Musa



## CHAIRMAN'S STATEMENT

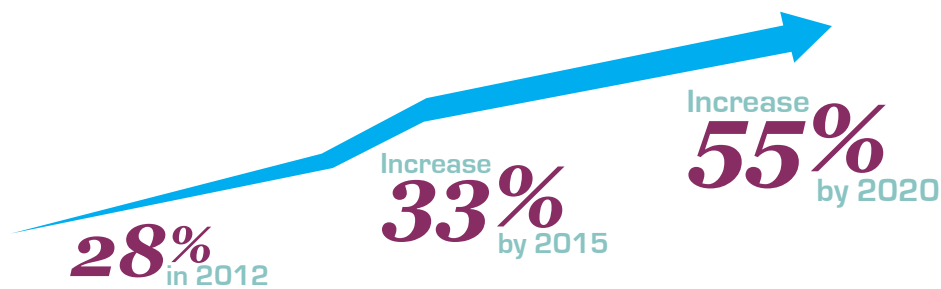


### Salam 1 Malaysia

The global economy grew 3% in 2012 as compared to 3.6% in 2011. This constriction of economic activities was mainly attributed to the Euro debt crisis. Despite the uncertainties, the economy of Malaysia remained resilient to these external shocks. Its Gross Domestic Product (GDP) recorded a credible growth of 5% in 2012 and is envisaged to continue at the same pace in 2013. Credit goes to the sound policies and macro economic management of the Government.

In the last one year, the country managed to attract higher Foreign Direct Investment (FDI) following significant improvements in the position of Malaysia's competitiveness and the cost of doing business. This had provided the much needed boost for private investment which was the key contributor to the growth of the country's GDP. Further, Malaysia continued to benefit from the success of the Economic Transformation Programme (ETP), which relied largely on the private sector to drive for greater productivity and innovation through up-skilling and reskilling of the workforce. In this context PSMB played a prominent role in enhancing the knowledge, innovation and productivity of workers in the private sector through the various initiatives in reskilling and skills upgrading in 2012.

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In support of the Government's aspiration to increase the number of skilled workers from 28% to 33% by 2015, and to 50% by 2020

In support of the Government's aspiration to increase the number of skilled workers from 28% to 33% by 2015, and to 50% by 2020, new rates of financial assistance were introduced for training programmes under PSMB. Course fees for training programmes in up-skilling, re-skilling or cross skilling, English proficiency enhancement and technical skills were made eligible for financial assistance at a rate of 110% instead of 100%. A new higher rate of monthly allowance of RM500.00 for apprentices was also implemented for PSMB Apprenticeship Scheme. The Future Workers' Training Scheme, where financial assistance was given for public programmes was extended to in-house training programmes. The initiatives together with the on-going promotion by PSMB, resulted in an approval for 754,324 training places at a total financial assistance of RM459.76 million, out of which, RM354.8 million had been disbursed to employers.

**754,324**

training places

RM **459.76**  
million

financial assistance

RM **354.80**  
million

disbursed to employers.

In the year, improvements to our quality and delivery of service to registered employers were also put in place. PSMB established a new branch at the Melaka Urban Transformation Centre (UTC) on 1 June 2012 mainly for the benefit of registered employers in Melaka and Negeri Sembilan. Internally, we were ISO 9001:2008 certified. A new auditorium with a capacity of 145 seats was built on Level 1 at Wisma HRDF. Our e-book library collection expanded from 185 to 562 titles covering subjects on human resource management, leadership and training and development.



In tandem with the Government's policy, HRDF continued to place high priority to the development of the Small and Medium Enterprises (SMEs). In recent years, Malaysian SMEs had performed impressively. The GDP of SMEs expanded at an average annual growth rate of 6.8%, which was well above the country's average overall GDP growth of 4.9% per annum in the period 2004 – 2010. In the quest to provide quicker and easier access to HR Solutions services, on 9 February 2012, the National Human Resource Centre (NHRC) was officially launched at Wisma HRDF by the Honourable Minister of Human Resources. A new portal for NHRC, [www.nhrc.com.my](http://www.nhrc.com.my), was established to provide assistance and solutions related to HRM. The scope of contents cover 25 HRM subjects.

Meanwhile, PSMB continued to be recognised as an efficient and effective organisation under the Ministry of Human Resources (MoHR). In 2012, we were given the responsibility to implement three (3) Government-funded programmes. In the course of the year, we implemented the Accelerated Skills Enhancement Training (ASET) programme attracting the participation of 5,032 trainees. RM52.75 million was given out as financial assistance to the programme in 2012. As at 2012, a cumulative total of 2,045 trainees were also trained under the Specialised Training and Advanced Recruitment (STAR) programme. The financial assistance given out on this specialised training was of RM12.47 million. Finally, PSMB also implemented the Special Programme for Implementation of Community Entrepreneurship (SPICE) for 822 trainees. A financial assistance totalling RM4.55 million was given out for this programme in 2012.

At PSMB, we take pride in placing great importance to the effectiveness of programmes we undertake. Success and impact are measured and tracked. Proudly, our achievements are cited in the SME Masterplan 2012 – 2020. The Government, in collaboration with the World Bank, carried out an impact study on 15 SME development programmes. Amongst others, the report looked at the impact on investment, capital intensity and productivity of SMEs. Consistent with independent studies of the previous year commissioned by PSMB, the results confirmed that our training programmes had effectively inculcated a training culture that produced increased knowledge and skills for the workforce of participating companies.

Within the organisation, PSMB also charted a number of achievements in the area of Innovation and Quality initiatives. Two of our Innovative and Creative Circle (ICC) groups won the Gold Award in their inaugural participation at the Malaysia Productivity Corporation's (MPC) Southern Region Convention. One of the groups, UFO, went on to participate in the National ICC Convention on 15 October 2012 and attained a 3-STAR ranking (highest in the rank) and was listed amongst the top ten winners from more than one hundred (100) participating teams from all over Malaysia. This team was invited to represent Malaysia at the International ICC Convention in 2013 scheduled to be held in Taiwan.

On behalf of the PSMB Board of Directors, I would like to thank registered employers and training providers for the strong support given to PSMB in 2012. We look forward to their continued support in facing the challenges to enhance the competitiveness and productivity of the nation's workforce through continuous retraining and skills upgrading.

As an organisation under the MoHR, PSMB has benefitted from the unwavering support of the

**HRDF SHAPING  
PEOPLE**



***I wish to record my sincere appreciation  
to all members of the Board for their  
contribution and invaluable advice.  
I also wish to thank  
the management and employees  
of PSMB for their commitment and dedication in  
discharging their duties and responsibilities in 2012.  
I am sure the good work shall continue in 2013.***



Government of Malaysia. We will continue to work closely with the Ministry in support of the Government of Malaysia's mission to develop skilled, knowledgeable and competitive workforce.

Finally, I wish to record my sincere appreciation to all members of the Board for their contribution and invaluable advice. I also wish to thank the management and employees of PSMB for their commitment and dedication in discharging their duties and responsibilities in 2012. I am sure the good work shall continue in 2013.

Thank You

**Raja Dato' Abd. Aziz bin Raja Muda Musa**  
Chairman of the Board of Directors  
Pembangunan Sumber Manusia Berhad







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## BOARD OF DIRECTORS

### CHAIRMAN

#### **Raja Dato' Abd. Aziz bin Raja Muda Musa** **Federation of Malaysian Manufacturers (FMM)**

Raja Dato' Abd Aziz bin Raja Muda Musa has a Bachelor of Arts degree from University of Malaya. He started his career with Guinness Malaysia Berhad in 1971 and left in 1982 as a Training Manager. From 1982 to December 1994, he was with Nestlé (Malaysia) Berhad as a Factory Manager, Manager-Personnel Development and subsequently as the Regional Sales Manager of Ipoh Branch. From 1995 to 1999, he was the Chief Executive Officer of International Food Corporation Private Limited in Papua New Guinea (a wholly-owned subsidiary company of FIMA Berhad). He was the Chief Executive Officer of Gandour (Malaysia) Sendirian Berhad from February 1999 – March 2000. He joined Johan Ceramics after that as Managing Director, in 2000 until now. Presently, he is one of the Vice-Presidents of the Federation of Malaysian Manufacturers and Chairman of Malaysian Ceramic Industry Group of FMM. He is also the Chairman of the Customs Committee of FMM. He was also a member of the Advisory Panel of Royal Malaysian Custom Academy from 2008 to 2010. In 2008, he was selected to represent FMM in the Board of Directors of Pembangunan Sumber Manusia Berhad (PSMB). From 27 June 2011, he was appointed by the Honourable Minister of Human Resources to be the Chairman of PSMB.

### DEPUTY CHAIRMAN

#### **Dato' Haji Mohd. Shariff bin Hussin** **Ministry of Human Resources**

Dato' Haji Mohd. Shariff bin Hussin is the Deputy Secretary-General (Operation) of the Ministry of Human Resources. He graduated with Honours in History from the University of Malaya and holds a Master in Public Administration from Western Michigan University, United States. He began his career as the Assistant Director in the Public Service Department (PSD) and served for five years as Administrative Officer in the Community Development Division of the Ministry of National and Rural Development before returning to the PSD as Senior Deputy Director of Policy and Service Development. He was appointed as the Deputy Secretary-General (Operation) of the Ministry of Human Resources in 2006 until now.



**Dato' Hafsah binti Hashim**  
**SME Corporation Malaysia (SME Corp.)**

Dato' Hafsah Hashim has held the position of Chief Executive Officer since March 2005. As the Chief Executive Officer of SME Corporation Malaysia, she is responsible in coordinating and overseeing policies for the overall development of SMEs in this country. As an alumni of Tunku Kurshiah College (TKC) she serves as the Vice President of the Old Girl's Association. She graduated with a Bachelor in Applied Science from Universiti Sains Malaysia and a Master in Business Administration (MBA) from Aston University, United Kingdom.

Having served under the Ministry of International Trade and Industry, Ministry of Agriculture, and Ministry of Primary Industries, Dato' Hafsah has acquired many years of experience and knowledge that has allowed her to be entrusted to hold top positions in the civil service. She is also a Board Member, Council Member, Advisory Panel and member of various esteemed and well-known organisations, corporations, councils, and committees. Currently, she is the Vice President, Asia and Oceania under the International Small Business Congress (ISBC) Steering Committee and a resource speaker in various international fora on SME development. Apart from that, Dato' Hafsah is also the Co-Chair on Business Ethics among ASEAN Economic Community (AEC) Economies.

For her commitment and contribution to the country, the private sector has bestowed her with the Anugerah Tokoh Ketua Eksekutif from PERDASAMA in 2012, the Honorary Fellow of AFEO (Asean Federation of Engineering Organisations) in 2010. In addition, the Malaysian Government bestowed upon her the Ahli Mangku Negara (AMN) in 1994 and the Excellence Service Award in 1993 and 2000. She also received the Darjah Setia Pangkuan Negeri (DSPN) for the Penang State Government in 2006.

**Datuk Haji Mohd. Ilyas bin Zainol Abidin**  
**Malaysian Association of Hotels (MAH)**

A resourceful and dynamic person, Datuk Haji Mohd Ilyas has over 34 years of experience in the hospitality industry, 20 years of which with Hilton International Hotels.

Datuk Haji Mohd Ilyas is the Managing Director of Biztel Sdn Bhd, the company that manages De Palma Hotels. He carries out studies, market research, especially new hotel development around the region.

He holds many portfolios in the NGOs, such as President of the Malaysian Association of Hotels (MAH), President of Asean Hotel & Restaurant Association (AHRA), Secretary-General for ASEAN Tourism Association (ASEANTA). He is also Board Member of Tourism Malaysia.

His passion in the hotel industry and in human capital development resulted in him being appointed Adjunct Fellow in Universiti Utara Malaysia, received Honorary Fellow Award from the Institute of Hospitality Management Ireland, and Honorary Fellow from The Institute of General Management, United Kingdom.





#### **Dato' Low Kian Chuan**

##### **The Associated Chinese Chambers of Commerce & Industry of Malaysia (ACCCIM)**

Dato' Low Kian Chuan is the Secretary-General of the Associated Chinese Chambers of Commerce & Industry of Malaysia (ACCCIM), and also Chairman of the ACCCIM's Coordination Committee and Editorial & Publication Committee. He graduated in Economics at the Wilfrid Laurier University, Canada, in 1983, from which he also gained an Advanced Diploma in Business Administration the following year. In addition, he holds a Certificate in Advanced Marketing Strategies from the University of California, Berkeley, US. He is the Executive Chairman of Low Fatt Wood Industries Sdn. Bhd. and is a Director of Gong Badak Industrial Park Sdn Bhd.

#### **Datuk Ketheeswaran a/I M. Kanagaratnam**

##### **Malaysian Associated Indian Chambers of Commerce & Industry (MAICCI)**

Datuk Ketheeswaran is the President of the Malaysian Associated Indian Chambers of Commerce & Industry (MAICCI). He was elected as the President of MAICCI on 14 June 2008, for a two-year term and continued to retain the position uncontested in year 2010 and 2012. He concurrently holds the position as the Vice President of the National Chamber of Commerce and Industry of Malaysia (NCCIM) since 2008. In the corporate arena, Datuk Ketheeswaran is the Executive Deputy Chairman of Pinehill Pacific Bhd & Executive Chairman of The ABN Media Group Sdn Bhd.





**Dato' Dr. Palaniappan a/I Ramanathan Chettiar**  
**Independent Member**

Dato' Dr. Palaniappan known as Palan is the Chairman and Chief Executive Officer of SMR Technologies Berhad, a public listed company on Bursa Malaysia Securities Berhad. An alumnus of the Harvard Business School, he is the author of 15 Human Resources and management related books. A widely experienced Human Resources expert and entrepreneur, he has been in human resource capacity building since 1980. He has worked on human resource initiatives in 30+ countries.

Palan is a Fellow of the British Institute of Learning & Development, U.K. He is also the recipient of the CSP Award (Certified Speaking Professional) from the National Speakers Association of USA. He graduated from Madras University with a B.Sc. (New College) and a Masters in Social Sciences (Madras School of Social Work). Subsequently, he completed a M.Sc. (Psychology) from the Leicester University, UK before completing his studies at the Harvard Business School, USA. He completed his PhD. from California Coast University and is currently researching with the University of Ballarat, Australia for another PhD. on the impact of Vocational Training Policies on Employment.

**Datuk Manimaran Anthony**  
**Maruwa (M) Sdn Bhd**

Datuk Manimaran Anthony is the Executive Director of Maruwa Japan Company Limited, Chief Executive Officer (CEO) for Maruwa (M) Sdn. Bhd., Managing Director of Maruwa Trading, Managing Director of Maruwa Electronic (India) Pvt. Ltd., Managing Director for Maruwa (Melaka) Sdn. Bhd. and Managing Director of Maruwa Lightings Sdn. Bhd. He graduated with honours in Information Technology from Toyohashi University of Technology, Japan and holds a Master in Information Technology from Toyohashi University of Technology, Japan. He began his career as an Overseas Operation Manager with Maruwa Japan Company Limited where he served for four years and a further four years as Managing Director of both, Maruwa (M) Sdn Bhd and Maruwa Trading before assuming to his current position which he has held since year 2000.

### **Dr. Mohd. Mazlan bin Haji Che Mat**

**Malay Chamber of Commerce, Malaysia (DPMM)**

Dr. Mohd. Mazlan Che Mat was a former Associate Professor in the Faculty of Built Environment at Universiti Teknologi Malaysia with a background in Quantity Surveying and Value Management. He was also the former Quantity Surveying, Head of Department at UTM. He used to work with PETRONAS and Public Works Department (PWD) from 1981-1984. He holds a Bachelors Degree in Quantity Surveying, Master in Business Administration and a PhD. in Value Management. He is a registered Quantity Surveyor with the Board of Quantity Surveyors, Malaysia. He was the first Non-Australian to be admitted as a member of the Institute of Value Management, Australia in 1990 and the first Malaysian to be conferred the Fellowship status by the Institute of Value Management Malaysia (IVMM) in 2001. He was elected to be the Fellow of the Royal Institution of Surveyors Malaysia in 2000. He is also the Fellow of the Malaysian Institute of Management. He is an International member of the Society of American value Engineers (SAVE), USA. He is also a Certified Value Manager by CIDB Malaysia and IVMM. Internationally, his firm MCM Associates Sdn Bhd used to practice QS services in Melbourne and Sydney, Australia and a few Middle East Countries. He sits on the Board of Pembangunan Sumber Manusia Berhad (PSMB) of Human Resource Ministry and Technical Committee member of Economic Planning Unit (EPU), Prime Minister's Department (2008-2009). He operates Value Management activities, Value Engineering & Life Cycle Costing under MCM Value Sdn Bhd of whom he is the President, also the Executive Chairman of MCM Associates Sdn Bhd, a Quantity Surveying firm. He is the founding President of the Institute of Value Management (IVMM) and currently the Advisor to the IVMM.



### **Abdul Wahab bin Abu Bakar**

**Malaysian Employers Federation (MEF)**

Abdul Wahab bin Abu Bakar is the Vice President of the Malaysian Employers Federation and Chairman of DBM Holdings Sdn Bhd. He is a graduate in Economics (Applied Economics) from University of Malaya, alumni of International Management Development, Lausanne, Switzerland and London Business School. He has more than 35 years of substantive corporate experience covering both local corporations and multinational companies ranging from airlines, oil & gas, mining, financial institution and food & beverage (manufacturing & retails). He also serves as Advisor for a few companies.





**Wong Nan Fay**

**Association of the Computer and Multimedia Industry of Malaysia**

Wong Nan Fay or fondly known as David is a business graduate (Honours) from the Dalhousie University, Canada. He has more than 25 years of track record and experience in the Information Technology and Logistic Industry.

David is currently the Advisor of PIKOM, the National ICT Association of Malaysia and was its Past Chairman for year 2008 – 2009. David is also the Co-founder and Chairman of Outsourcing Malaysia (OM), an initiative of PIKOM and a consortium representative of the outsourcing industry. In 2000, he founded and embarked on his new start up, SnT Global Sdn Bhd, where he currently resides as the Group Chief Executive Officer. SnT's core businesses are Lead Logistics Management, Freight forwarding and Training Services.

Under his guidance, SnT has won several major industry awards, and is widely regarded as a pioneer in the field of BPO in Asia. It was also recognized as a leading technology company in the Deloitte Technology Fast 500 Asia Pacific Program for 2004 and 2005. In 2007, SnT was recognized by Global Services Awards as one of the top 100 most innovative outsourcing companies in the world as well as top 10 to watch in Asia. He is currently a Board of Trustees of Yayasan Innovasi Malaysia (YIM), Chairman of YIM Technology Resources, Director of Pembangunan Sumber Manusia Berhad (PSMB), International Affairs Deputy Chairman of PIKOM, Chairman of World IT and Services Alliance (WITSA) Global Trade Committee and Director of Multimedia Development Corporation Sdn Bhd (MDEC).

**Haji Mohd. Ghaus bin Abd. Kadir**

**Department of Polytechnic, Ministry of Higher Education**

Haji Mohd. Ghaus bin Ab. Kadir is the Director of Curriculum Development and Career Training Division, Department of Polytechnic Education, Ministry of Higher Education. He graduated from the University of Liverpool, UK in 1979 with a BEng (Mechanical) before gaining an MSc (Automotive) from the University of Southampton, UK in 1990. He began his career in 1980 as a Lecturer at Polytechnic Ungku Omar and headed the Mechanical Engineering Departments at Batu Pahat and Port Dickson Polytechnics before becoming Director of Dungun Polytechnic (2001-2002) and Port Dickson Polytechnic (2003-2008). He was appointed to the Ministry of Higher Education in 2008 and served as Director of Curriculum and Evaluation Division in the Department of Polytechnic Education before being appointed to his current position.

### Chua Tiam Wee

#### Small and Medium Industries Association of Malaysia

Chua Tiam Wee is the Immediate Past President of SMI Association of Malaysia and Vice-Chairman of APEC SME Service Alliance. With over 20 years of business and professional experience in the steel, building materials, property, education and cigarette industries, Chua holds an MBA from University of East Asia, Macau and Bachelor of Mechanical Engineering (Honours) degree from University of Malaya and is currently the Managing Director of Pinnacle Ventures Sdn Bhd. Prior to this, he has served as Chief Operating Officer of Edubest Resources Sdn Bhd, Vice President of Limkokwing University of Creative Technology and Chief Operating Officer of FACB Industries Incorporated Berhad as well as various management positions in PT Sampoerna JL Sdn Bhd, Southern Wire Sdn Bhd, Hong Leong Industries Berhad and Malaysian Tobacco Company Berhad. Chua is also currently the Director of National SME Council (NASMEC) and is currently serving in several appointments of the Malaysian Government including as Council Member of ASEAN Business Advisory Council, Board Member of ASEAN SME Advisory Board, Council Member of National Council on Safety and Occupational Health and Co-Chairman of PEMUDA Focus Group on Private Sector Efficiency and Accountability on Utility. Currently, he is also the Vice President of Malaysia Investors Association, Deputy President of Malaysia Nepal Business Council and Council Member of Malaysia-India Business Council.



### Haji Ahmad Fadzil bin Mahmud

#### Malaysia Productivity Corporation (MPC)

Haji Ahmad Fadzil bin Mahmud is Deputy Director General I of the Malaysia Productivity Corporation (MPC). He graduated in B.B.A. (Hons.) (Business Administration) at Universiti Kebangsaan Malaysia, in 1983 and obtained his M.A. (Industrial and Organization Psychology) from University of New Haven, US in 1995. In addition, he holds a Diploma in Business Studies. He began his career as Production Supervisor at the Mostek Malaysia Sdn Bhd in 1979 and served as Credit and Marketing Officer at Bank Rakyat before assuming to his current appointment.





**Mohd. Japar bin Abd. Majid**

**President National Union of Telecommunications Employees (NUTE)**

Mohd. Japar bin Abd. Majid is President of the National Union of Telecommunications Employees (NUTE) and Vice-President of the Malaysian Trades Union Council. He began his career as Assistant Administrative Officer in 1975 and was the Secretary-General of NUTE before his current appointment. He holds a Diploma in Personal Management from MIPM in 1997. He is actively involved in Telekom Training Programme, Chairman of Education & Training Unit of NUTE and Chairman of Selection Committee of MTUC.



**Lim Yoke Cheong**

**President of Malaysian Automotive Component Parts Manufacturers**

Lim Yoke Cheong is the Executive Director for United Industries Holding Sdn Bhd, United Vehicle Industries Sdn Bhd, United Sanoh Industries Sdn Bhd and United Industries Sdn Bhd. He has been actively involved in the automotive associations since 1980s. Apart from being the President of Malaysian Automotive Component Parts Manufacturers, he is also the Vice Chairman of Automotive Federation of Malaysia and Council Member of Federation of Malaysian Manufacturers. He graduated from University of Bath, UK with an MBA.

### Givananadam a/I Kalinan

#### Ministry of Finance Malaysia

Givananadam a/I Kalinan is the Deputy Director of Budget, at Budget Management Division Ministry of Finance Malaysia. He obtained his Bachelor of Science B. Sc. (Hons) from the University of Malaya Kuala Lumpur in 1982, Diploma in Public Management from the National Institute of Public Administration Kuala Lumpur in 1984, and his MBA (Finance) from Michigan State University East Lansing Michigan, U.S.A in 1997.

He began his career in 1984 as an Assistant Secretary at Ministry of Defence before joining Ministry of Housing & Local Government. He was appointed to the Ministry of Finance in 1997 as a Senior Assistant Director before being appointed to his current position.

### Amirnuddin bin Mazlan

#### Pembangunan Sumber Manusia Berhad

Amirnuddin bin Mazlan is the Chief Executive Officer of Pembangunan Sumber Manusia Berhad. He holds an honours degree in Accounting from Universiti Kebangsaan Malaysia and is a Chartered Accountant since 1987. He began his career as Treasury-Accountant at the Accountant-General Department and had served in the Ministry of International Trade and Industry (Assistant Secretary), Ministry of Domestic Trade, Co-operative and Consumerism (Senior Assistant Secretary) and Ministry of Defence (Principal Assistant Secretary). He had also served as the Finance Director of the Human Resources Development Council from 1998-2001 and General Manager of Finance cum Company Secretary of PSMB from 2001-2008 before being promoted to Deputy Chief Executive (Management) in 2008. He assumed his present position in 2010.



**ALTERNATE MEMBERS**

Dato' Sri Mustapa Kamal bin Maulut  
Datuk Santhakumar a/I Sivasubramaniam  
Dr. Mohd Rashahidi @ Rusdi bin Mohamood  
Lim Kheng Chye  
Reginald Thomas Pereira  
Cheah Kok Hoong  
Christopher Sakayaraj  
Teh Kee Sin  
Jeffery Tan Keat Hui  
Burhanuddin bin Saidin  
Fadzilah binti Ahmad Din  
Davies Danavaindram a/I Arputhasamy

**COMPANY SECRETARY**

Tai Yit Chan (MAICSA 7009143)  
Tan Ai Ning (MAICSA 7015852)

**AUDIT COMMITTEE**

Dr. Mohd. Mazlan bin Che Mat  
(Chairman)  
Chua Tiam Wee  
Mohd. Japar bin Abd. Majid  
Lim Kheng Chye

**ESTABLISHMENT & BENEFITS  
COMMITTEE**

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

**TENDER COMMITTEE A**  
(for acquisitions valued at RM20 million  
or more)

Raja Dato' Abd. Aziz bin Raja Muda Musa  
(Chairman)  
Datuk Ketheeswaran a/I M. Kanagaratnam  
Givananadam a/I Kalinan  
Lim Yoke Cheong

**TENDER COMMITTEE B**  
(for acquisitions valued at RM500,000  
or more but less than RM20 million)

Dato' Haji Mohd. Shariff bin Hussin  
(Chairman)  
Datuk Mohd. Ilyas bin Zainol Abidin  
Haji Ahmad Fadzil bin Mahmud  
Chua Tiam Wee

### FINANCE COMMITTEE

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

### HUMAN RESOURCE MANAGEMENT COMMITTEE

Abdul Wahab bin Abu Bakar  
[Chairman]  
Dato' Haji Mohd. Shariff bin Hussin  
Wong Nan Fay  
Haji Mohd. Ghaus bin Ab. Kadir

### MANAGEMENT COMMITTEE

Raja Dato' Abd. Aziz bin Raja Muda Musa  
[Chairman]  
Dato' Dr. Palaniappan a/l Ramanathan Chettiar  
Abdul Wahab bin Abu Bakar  
Lim Yoke Cheong

### ICT2.0@HRDF PROJECT STEERING COMMITTEE

Wong Nan Fay  
[Chairman]  
Haji Ahmad Fadzil bin Mahmud  
Amirnuddin bin Mazlan

### INVESTMENT PANEL

Raja Dato' Abd. Aziz bin Raja Muda Musa  
[Chairman]  
Amirnuddin bin Mazlan  
Senator Dato' Jaspal Singh  
Datuk Mohd. Ilyas bin Zainol Abidin  
Dato' Anthony Manimaran  
Dr. Chin Yoong Kheong  
Kuppamal a/p Ramasamy

## COMMITTEE OF INQUIRY AND APPEALS

### Members of Panel of Domestic Inquiry, Disciplinary and Disciplinary Appeal Committee for Deputy Chief Executive [Grade SM2] and General Manager [Grade SM3]

#### PANEL OF DOMESTIC INQUIRY

Datuk Mohd. Ilyas bin Zainol Abidin  
[Chairman]  
Haji Ahmad Fadzil bin Mahmud  
Lim Yoke Cheong

#### DISCIPLINARY COMMITTEE

Dato' Hafsa binti Hashim  
[Chairperson]  
Wong Nan Fay  
Mohd. Japar bin Abd. Majid  
Haji Ahmad Fadzil bin Mahmud

#### DISCIPLINARY APPEAL COMMITTEE

Raja Dato' Abd. Aziz bin Raja Muda Musa  
[Chairman]  
Datuk Ketheeswaran a/I M. Kanagaratnam  
Dato' Dr. Palaniappan a/I Ramanathan Chettiar  
Dato' Low Kian Chuan  
Dato' Anthony Manimaran

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

#### PANEL OF DOMESTIC INQUIRY

Three General Managers of PSMB,  
with one being appointed as Chairman

#### DISCIPLINARY COMMITTEE

Dato' Hafsa binti Hashim  
[Chairperson]  
Wong Nan Fay  
Mohd. Japar bin Abd. Majid  
Haji Ahmad Fadzil bin Mahmud

#### DISCIPLINARY APPEAL COMMITTEE

Dato' Haji Mohd. Shariff bin Hussin  
[Chairman]  
Givananadam a/I Kalinan  
Chua Tiam Wee

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

#### PANEL OF DOMESTIC INQUIRY

Three PSMB's staff holding the post higher than  
the accused staff, with one being appointed as  
Chairman

#### DISCIPLINARY COMMITTEE

Chief Executive of PSMB [Chairman]  
Deputy Chief Executive [Management] of PSMB  
General Manager of Corporate Affairs and Human  
Resources Division

#### DISCIPLINARY APPEAL COMMITTEE

Dato' Hafsa binti Hashim  
[Chairperson]  
Wong Nan Fay  
Mohd. Japar bin Abd. Majid  
Haji Ahmad Fadzil bin Mahmud



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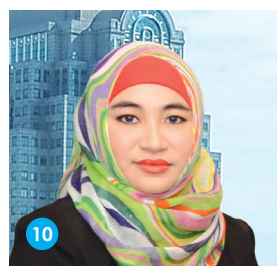
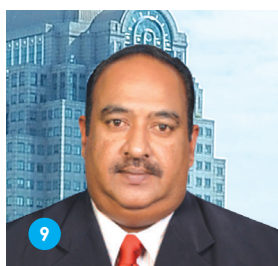


MANAGEMENT TEAM

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## MANAGEMENT TEAM



**1 Amirnuddin bin Mazlan**  
Chief Executive

**2 Wan Yon Shahima binti Wan Othman**  
Deputy Chief Executive (Management)  
(Effective 24 April 2012)  
  
General Manager,  
Information Technology and Multimedia Division  
(July 2004 to 23 April 2012)

**3 CM Vignaesvaran a/I Jeyandran**  
Deputy Chief Executive (Operation)  
(Effective 24 April 2012)  
  
General Manager,  
Training Grant Division  
(June 2010 to 23 April 2012)

**4 Lim Kah Cheng**  
General Manager,  
Corporate Affairs and Human Resource  
Division

**5 Encik M. Zaba bin Mohamad Zaham**  
General Manager,  
Training Grant Division  
(Effective 1 October 2012)

**6 Muhammad Ghazali bin Abd Aziz**  
General Manager,  
Training Resources Development Division

**7 Wan Mohd. Nazarudin bin Wan Chik**  
General Manager,  
Accounts and Finance Division

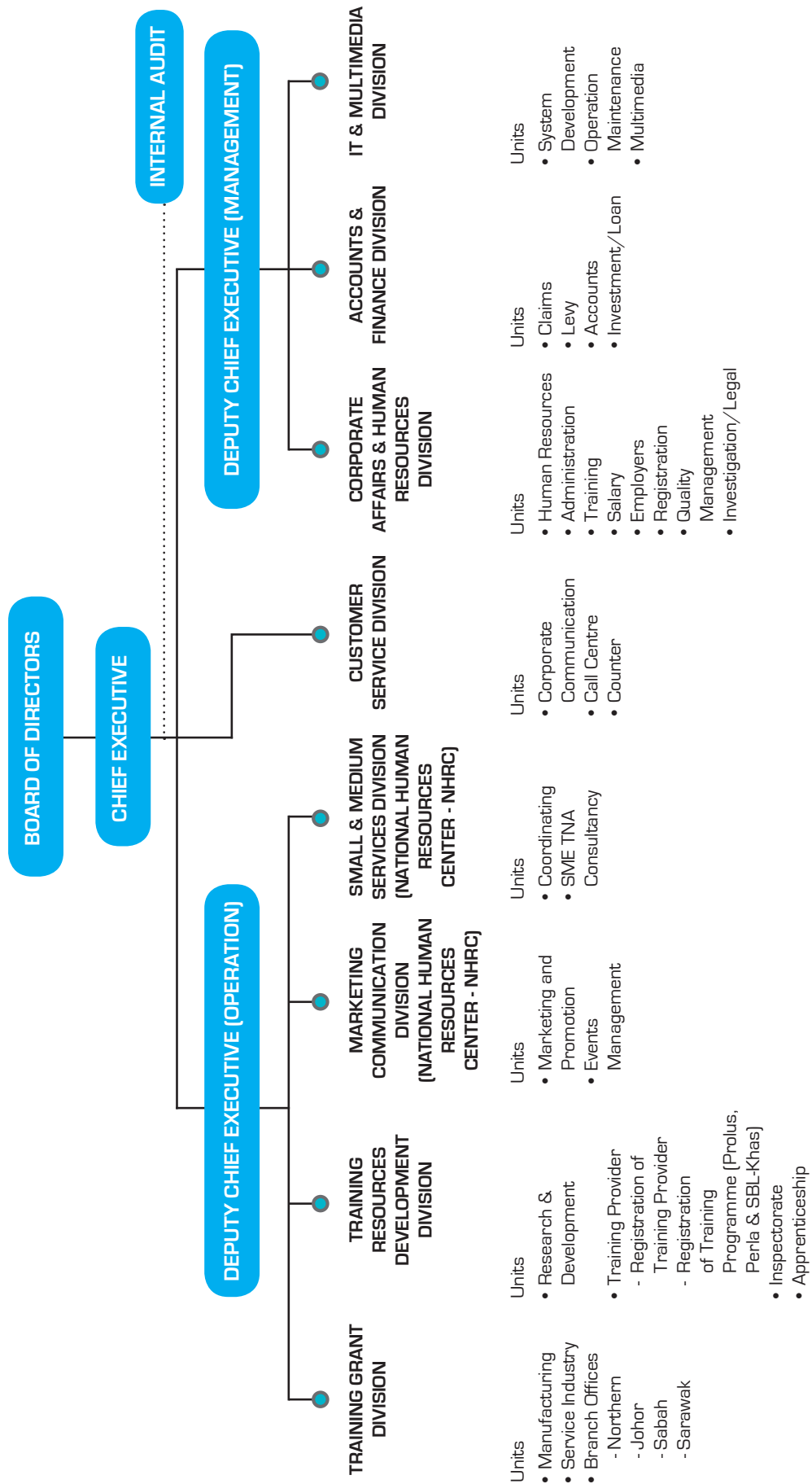
**8 Morni binti Bujang**  
General Manager,  
Marketing Communication Division

**9 Ramesh a/I Rajagopal @ Rasamanikam**  
General Manager,  
SME Services Division  
(Effective 3 December 2012)

**10 Mimi Saifura binti Abdul Wahab**  
Head,  
Customer Service Division



## ORGANISATIONAL STRUCTURE



## CORPORATE OFFICES



### REGISTERED OFFICE

#### HEADQUARTERS

Pembangunan Sumber Manusia Berhad (545143-D)  
Wisma HRDF  
Jalan Beringin, Damansara Heights  
50490 Kuala Lumpur

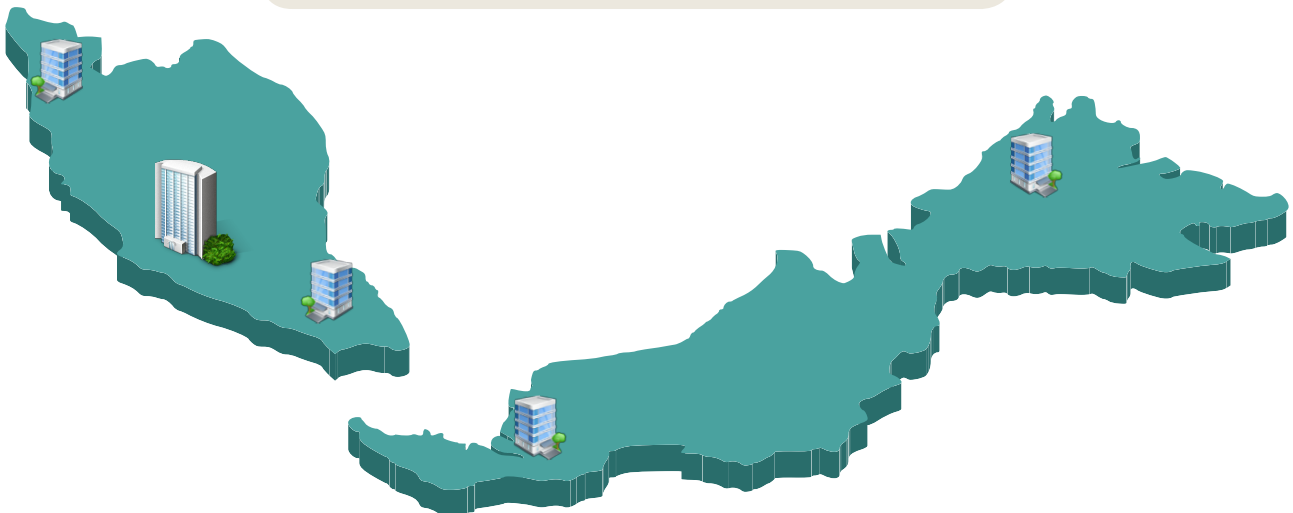
Toll Free Line : 1 800 88 4800

General Line: (03) 2096 4800

General Fax : (03) 2096 4999

Website : [www.hrdf.com.my](http://www.hrdf.com.my) [www.nhrc.com.my](http://www.nhrc.com.my)

HRDF Facebook & Twitter : MY HRDF



## BRANCH OFFICES

### Northern Branch

Tingkat 2, Wisma PERKESO  
Lebuh Tenggiri 2  
13700, Seberang Jaya  
Pulau Pinang

Tel : (04) 3970779  
Fax : (04) 3987350

#### Branch Manager

Mr. Jais bin Abu Hasan

### Johor Branch

No. 50 & 50-01  
Jalan Setia 3/7  
Taman Setia Indah  
81100 Johor Bahru  
Johor

Tel : (07) 3538121  
Fax : (07) 3538217

#### Branch Manager

Ms. Zamrulida binti Zanziba

### Melaka Branch

Lot 4-04, Wisma UTC  
Jalan Tan Chay Yan  
Off Jalan Hang Tuah  
75300 Melaka

Tel: (06) 282 1537  
Fax: (06) 282 1536

#### Branch Manager

En. Azhari Bin Abu Bakar

### Sabah Branch

Lot B5, Tingkat 5  
Bangunan KWSP  
88598 Kota Kinabalu  
Sabah

Tel : (088) 260 114  
Fax : (088) 252 114

#### Branch Manager

Ms. Farah binti Bidin

### Sarawak Branch

No. 6, Lot 2338, Tingkat 1  
Bormill Estate Commercial Centre  
Jalan Tun Ahmad Zaidi Adruce  
93150 Kuching  
Sarawak

Tel : (082) 254 721  
Fax : (082) 254 795

#### Branch Manager

Ms. Tuty binti Bujang



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## PSMB IN SUPPORTING THE NATIONAL AGENDA

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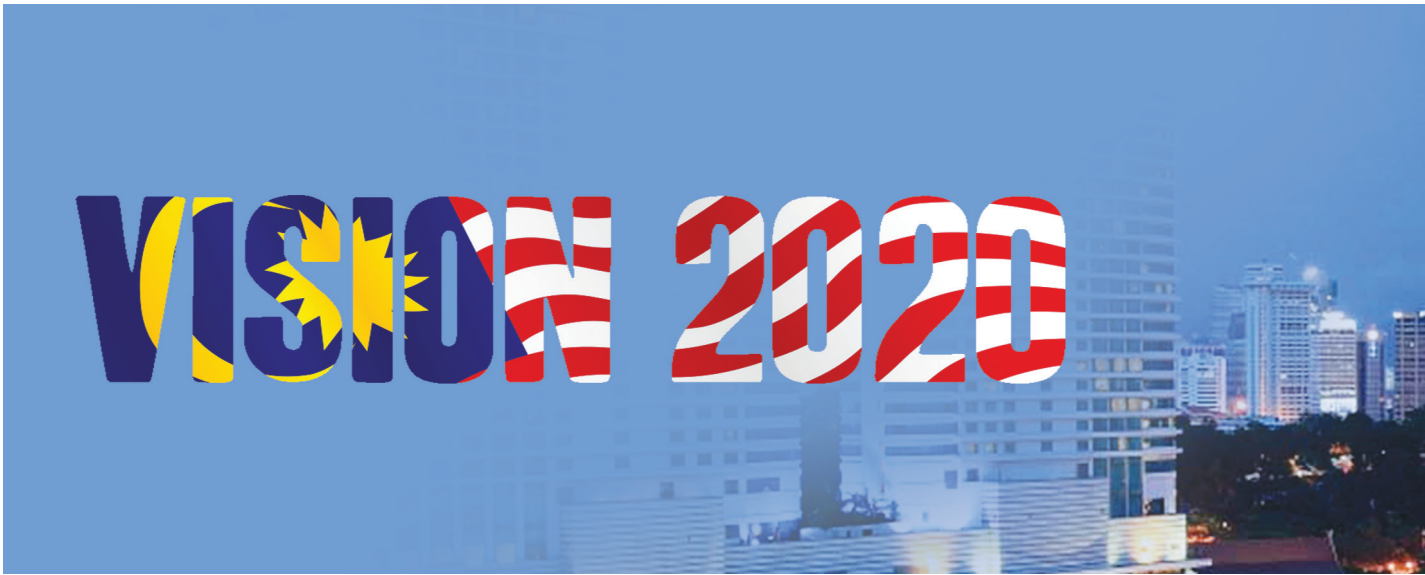
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## PSMB IN SUPPORTING THE NATIONAL AGENDA



On 16 September 2010, Prime Minister Dato' Sri Mohammad Najib bin Tun Haji Abdul Razak introduced the nation to the 1Malaysia programme which calls for the cabinet, government agencies, and civil servants to strongly emphasise ethnic harmony, national unity, and efficient governance. The concept of the programme was People First, Performance Now. A year later then, what had begun with the launch of the 1Malaysia programme soon progressed into a well mapped out sequel of noteworthy transformation programmes (see Figure 1) which comprise of the Government Transformation Programme (GTP) and the Economic Transformation Programme (ETP). These transformation programmes are devised to embrace change and tackle several issues namely, moving the country forward towards becoming a united, advanced and progressive society with higher living standards.



Figure 1:  
4 Pillars Of National Transformation





Meanwhile, Malaysia has already been introduced to Vision 2020. It was introduced by former Prime Minister Tun Dr Mahathir Mohamad which aims to make Malaysia a highly developed nation. Another ultimate goal of Vision 2020 is to transform Malaysia to be a high income nation. According to Prime Minister Dato' Sri Mohammad Najib bin Tun Haji Abdul Razak, it is believed that through the Government Transformation Programme (GTP) roadmap and the Economic Transformation Programme (ETP) which has at its core, the National Key Economic Activities to drive economic growth and the Strategic Reform Initiatives (SRIs) to enable growth, as well as a host of other initiatives, Malaysia will be on track to achieve the aspirations of Vision 2020. It can be concluded that the Tenth Malaysia Plan, GTP and ETP are all Malaysia's National Agenda in moving towards Vision 2020.

When Prime Minister Dato' Sri Mohammad Najib bin Tun Haji Abdul Razak unveiled the Tenth Malaysia Plan in Parliament on 10 June 2010, he had jump started the nation's journey towards becoming a high income nation. It was then too that the Prime Minister presented eloquently in detail one of the Strategic Reform Initiatives (SRIs) that is a critical component of the Economic Transformation Programme (ETP) – human capital development. This is a direct offset of the New Economic Model (NEM). The goal is to enhance human capital capabilities and address human capital needs to support the execution of all 12 National Key Economic Areas (NKEAs) and thus, contributing towards the nation's aspiration of achieving high income nation status by 2020.

This human capital development SRI takes a two-pronged approach which addresses firstly, the workplace transformation, and secondly, the workforce transformation. The former represents elements that are recommended by the NEM which are essential in attaining effective functioning of the workplace. The latter, on the other hand, focuses on initiatives which complement the government's existing measures to enhance human capital. These measures, that should transform the workforce, therefore emphasise on the need for comprehensive labour market data and up-skilling and upgrading workers. The presentation of this SRI in June of 2010 by the Prime Minister laid the foundation framework for Pembangunan Sumber Manusia Berhad, which is also known as Human Resource Development Fund (HRDF) Malaysia, in helping the nation to realise the human capital development SRI.





Under the theme of workplace transformation, out of the three key points, one of them directly involves HRDF Malaysia that is strengthening Human Resources Management in Small and Medium Enterprises (SMEs). It can be seen later in this report that in February 2012, HRDF Malaysia has realised this key point by officiating the National Human Resource Centre (NHRC) which serves as a one stop centre for all human resources related matter services to all SMEs across the nation. HRDF Malaysia had invested tremendous efforts of promoting NHRC and the services that the centre can offer to the business community at various stages throughout the nation. In total, 27 briefing sessions were held across Malaysia as part of introducing NHRC. Indeed, the establishment has been a proud milestone for PSMB and SMEs in Malaysia considered that the setting up of NHRC was timely to help them with their business management.

As for the theme of workforce transformation, two out of three key points are related to HRDF Malaysia, and they include focusing on up-skilling and upgrading the workforce, and leveraging women's talents to raise productivity. In 2011, HRDF Malaysia had been focusing on skills development, and significant amount of initiatives had been implemented for up-skilling and reskilling programmes. Amongst others, these programmes include the 1Malaysia Training Programme, Recognition Prior Learning Scheme (RPL Scheme), Future Workers Scheme, Specialised Training and Advanced Recruitment programme (STAR), and Skim Bantuan Latihan (SBL Scheme). In the following year, 2012, HRDF Malaysia has still been continuing their mission of up-skilling and reskilling programmes, and also, we have introduced the Housewives Enhancements and Reactivate Talent Scheme which aims at increasing the percentage of employable women in the labour market from 46 per cent to 55 per cent by the year 2020.

Now that it has been two years since the groundwork of the Tenth Malaysia Plan had been laid, HRDF Malaysia has great pride to share that we have worked impeccably hard in supporting Malaysia's National Agenda with the human capital development Strategic Reform Initiative (SRI). In 2012, HRDF Malaysia has continued our effort in supporting the National Agenda by emphasising on certification of the workforce. What this entails is the focusing on increasing the level of up-skilling the workforce, which also means increasing the level of competency among the workforce and having it recognised through certification.



Therefore, this move involves much of the up-skilling programmes mainly the Recognition Prior Learning Scheme (RPL Scheme), Apprenticeship Programme and Future Workers Scheme, but the difference is in this year, HRDF Malaysia is narrowing to the level of that particular programme or scheme offered. For example, instead of SKM Level 1 competency, HRDF Malaysia is keener on programmes or schemes that would focus on SKM Level 2 and 3 competencies. This reflects on how HRDF Malaysia has intensified its focus in increasing the workers' skills competency level.

Due to this focus and emphasis too, HRDF Malaysia has provided incentives in terms of funding only towards certification schemes or programmes such as the Accelerated Skills Enhancement Training programme, Specialised Training and Advanced Recruitment programme, Special Programme on Implementation of Community Entrepreneurship (SPICE). The sole purpose for such incentive is to closely monitor the number of workers that have achieved certification and increased their competency skills level, which in turn would directly contribute to the National Agenda's target of having 50 per cent skilled workforce by 2020.

In short, PSMB is working at full force in realising the initiative of increasing the number of skilled workforce through our very own activities and programmes. Some of the programmes have already been in existence, but in 2012, the emphasis is more on certification programmes and schemes.

In the following pages of this report, it can be seen how HRDF Malaysia has been helping in realising Malaysia's National Agenda framework.





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## HIGHLIGHTS OF PSMB ACHIEVEMENTS IN 2012

### SENIOR MANAGEMENT DEVELOPMENT PROGRAMME

Pembangunan Sumber Manusia Berhad (PSMB) in collaboration with Cambridge Judge Business School and SRW & Co. had organised the Cambridge ASEAN Global Leadership Programme on 22 – 27 April 2012 at Clare College, University of Cambridge, United Kingdom. With the theme “Shaping Our Future in the New Global Economy”, the programme provided excellent learning and networking opportunities for the top executives and business entrepreneurs in the ASEAN region.

Followed suit, on 10 – 16 June 2012, PSMB had collaborated with Said Business School Executive Education Centre and K-Pintar Sdn Bhd in organising the Oxford Global CEO Program with the theme “Leadership and Strategy in an Era of Globalisation” at the Egrove Park, University of Oxford, United Kingdom. Through this programme, business executives and leaders are provided with new skill sets, exposure to new ideas and wider perspective that will ultimately assist them in developing new dynamic leadership capabilities thus help them meet the challenges of globalization.





## SPECIAL TRAINING PROGRAMMES

As a part of the initiatives to reach the nation's aspiration to have 50% skilled workforce by 2020, the Ministry of Human Resources (MoHR) has provided an allocation of fund to selected Malaysians to go for training programmes. In 2012, PSMB has implemented various special training programmes to address the needs for skills upgrading of specific target groups through;

### 1. Accelerated Skills Enhancement Training Programme (ASET)

- a. ASET is a fast track programme specially designed for unemployed graduates, retrenched workers, trainees with SKM level 2 and in-service employees to assist the nation to generate competent workforce with specialised skills in a short duration. Through this approach, the Government's intention of transforming Malaysia to a high income country will be expedited.

### 2. Specialised Training and Advanced Recruitment Programme (STAR)

- a. STAR is a programme to equip unemployed graduates with skills and competencies to secure employment. This programme is open to Malaysians who have graduated with a diploma, degree or equivalent qualifications (SKM level 4 and above) and have remained unemployed for at least 3 months after the completion of their studies.
- b. With the relevant work experience given to the apprentices, the programme is hoped to enhance their employability and secure employment soon after.

### 3. Special Programme on Implementation of Community Entrepreneurship (SPICE)

- a. SPICE is an initiative by PSMB to assist the society to improve their socio-economic conditions by equipping them with skills and competencies that will enable them to become entrepreneurs. The target groups of this programme are youths that are currently seeking for employment, and those who are at the age of 45 and below, who intend to develop themselves to become entrepreneurs.
- b. In line with the country's economic transformation strategy that have been specified under the two Government's main documents namely, New Economic Model (NEM) and Economic Transformation Programme (ETP), SPICE is hoped to assist in achieving economic harmony among multiracial Malaysians by implementing approaches that are capable to increase their household income and segregate the economic resources equally to the society.

## RECOGNITION OF PRIOR LEARNING (RPL) SCHEME

In 2012, PSMB has achieved significant success in materialising the aspiration of the nation in increasing the number of skilled workers in the country to 33% by the year 2015 through its RPL scheme. As at 2012, a total of RM778,500.00 of financial assistance has been given to the employees, marking a remarkable increase of RM770,000.00 from year 2011. The total of approved training places also showed an upsurge to 2,596 training places, indicating a total increase of 2,568 from the previous year. Realising the demand for RPL scheme, the scheme will be further reinforced through approved additional financial allocation in order to make an actuate force in driving Malaysia towards becoming a high income country by the year 2020.

## PSMB APPRENTICESHIP PROGRAMME

With the focus to shift the skills to higher level and to ensure the skilled workers trained under PSMB Apprenticeship Scheme are relevant to the industries' needs, PSMB has taken several initiatives to continue adding value to this scheme. Among others are its efforts to enhance the certification level of the existing training programmes under this scheme to SKM Level 3. PSMB had also taken the initiative to develop four (4) new training programmes to address the needs for skilled workers in other specialised areas.



## LAUNCH OF NHRC CALL CENTRE

To further enhance the human resource management services, the National Human Resource Centre (NHRC) was officially launched by Honourable Datuk Seri Dr. S. Subramaniam on 9 February 2012. On its first year, NHRC has also launched its new portal that provides six HR scopes covering 25 areas that are related to HRM in 2012. A total of 114,239 users have benefitted through the portal. NHRC is proven to have the potential to be the catalyst for the rise of the SME industry, hence contribute more in the country's economy.



## PSMB ICT TRANSFORMATION PROJECT (ICT2.0@HRDF): ENHANCING THE IMAGE OF PSMB

In line with the government's aim to have "90% services available online: Services Available Anytime, Anywhere," PSMB has embarked on the PSMB ICT Transformation Project (ICT2.0@HRDF) which will encompass the upgrading of its overall ICT infrastructure and its business applications. The upgrade is expected to enhance the availability and reliability of online transactions, increase the speed of each transaction through simplification and standardisation of affected processes.

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## HRDF 2012 CONFERENCE AND GALA DINNER

The HRDF 2012 Conference & Exhibition with the theme “HR Transformation for Business Excellence” was successfully held at Sunway Pyramid Convention Centre, Petaling Jaya Selangor from 11- 12 September 2012. The prestigious event attracted a total of 1470 participants who were mainly HR practitioners and senior managers involved in the HR field. The conference was officiated by Honourable Datuk Seri Dr. S. Subramaniam on 11 September 2012.

This marked the 12th annual conference since its inception in 2001 and the event had also been a great platform for HR practitioners to gain greater and in-depth knowledge in the spectrum of human capital development. A total of 84 training providers, HR solution providers and government agencies exhibited their training and development products at the conference and it became a one-stop and referral centre for human resource development.

As one of the efforts of appreciation towards registered HRD practitioners, HRDF presented winners of its HRD Award with Pembangunan Sumber Manusia Awards on 27 September 2012 at Marriot Putrajaya. This marked the 12th year of Gala Dinner and HRD Award Presentation for HRDF. The Human Resource Development Awards that consist of Human Resource Minister Awards and Pembangunan Sumber Manusia Awards were given to the selected winner for each category by Honourable Datuk Seri Dr. S. Subramaniam. The award celebration is to encourage employers covered under the PSMB Act 2001 to retrain and upgrade the skills of their employees, apprentices and trainees in line with their business needs and the development strategy of the country.



## INNOVATIVE AND CREATIVE CIRCLE (ICC)

Pembangunan Sumber Manusia Berhad (PSMB) achieved a remarkable success when two (2) of its Innovative and Creative Circle (ICC) teams won the prestigious Gold Award at the Southern Region ICC Convention organised by the Malaysia Productivity Corporation (MPC) at Renaissance Hotel, Malacca from 17 - 18 July 2012. One of the teams, UFO was awarded with a three star achievement and was among the top 10 winners for civil sector in the national convention.







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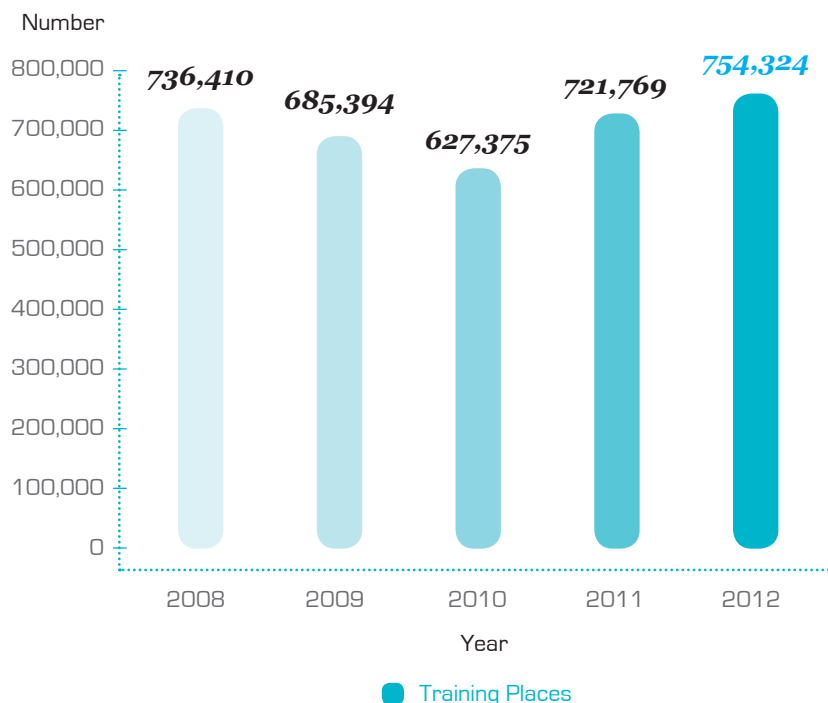
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## KEY PERFORMANCE INDICATORS AND DEVELOPMENTS

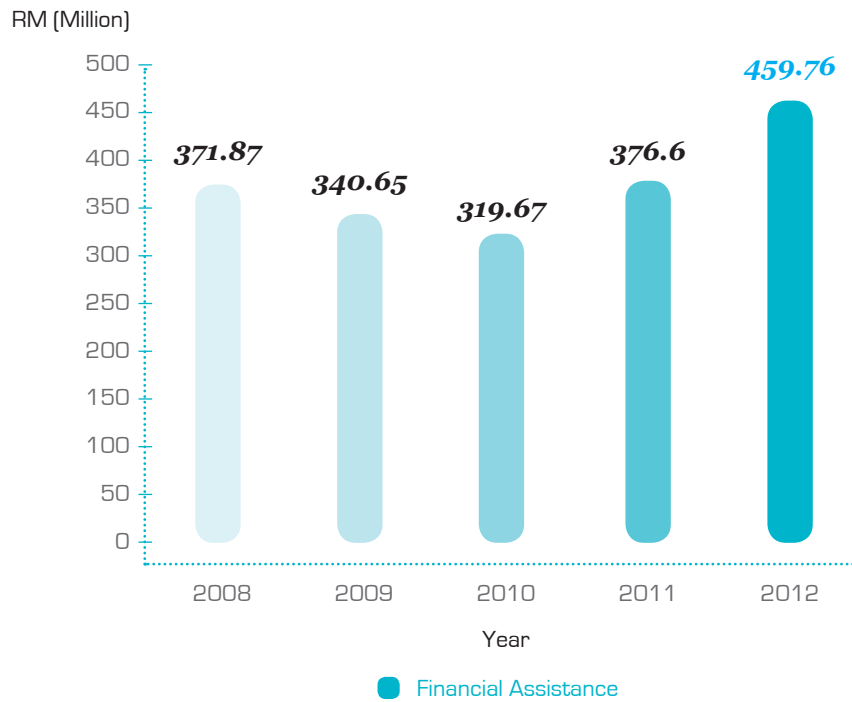
In 2012, most of PSMB's Key Performance Indicators improved as compared to the previous year. The number of training places, approved financial assistance, collection of levy and disbursement of training grant had improved significantly. This is attributed to the numerous initiatives in promoting skills upgrading programmes such as 1Malaysia Training Programme. The increase is also an outcome of the continuous improvement that PSMB implemented with regard to the simplification of training grant application and claims disbursement procedures.

In terms of processing efficacy, PSMB was able to sustain the commendable achievement of average processing time for approval of training grant applications, despite the increase in the number of applications received over the last 5 years. PSMB had also achieved a breakthrough in the average processing time for disbursement of training grant where an outstanding reduction of 2.6 times can be seen over the last 5 years.

APPROVED TRAINING PLACES



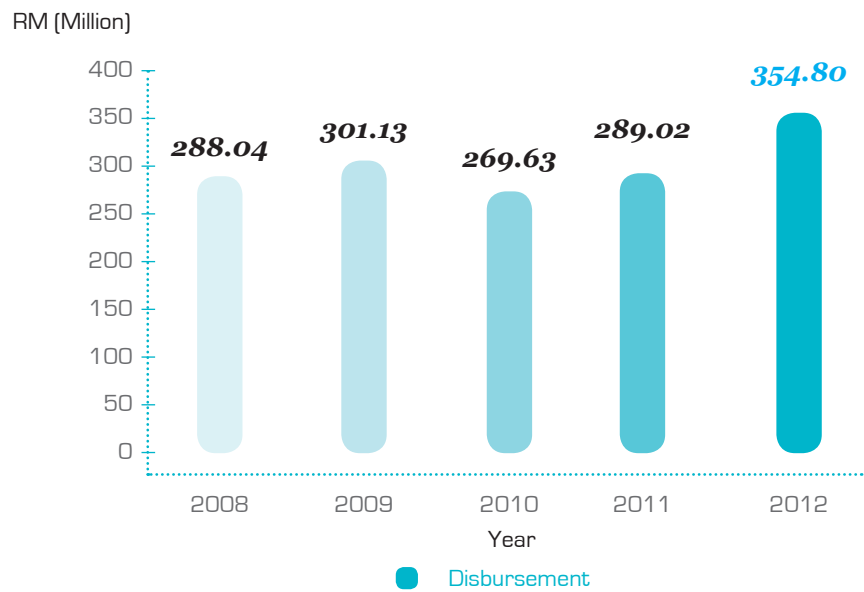
### APPROVED FINANCIAL ASSISTANCE



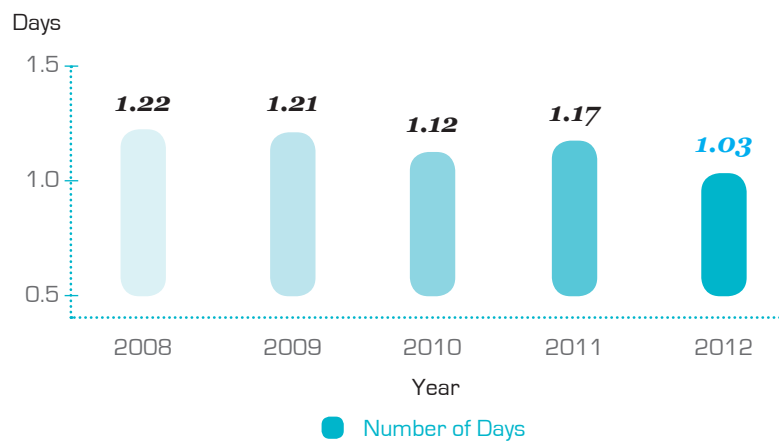
### COLLECTION OF THE HUMAN RESOURCES DEVELOPMENT LEVY



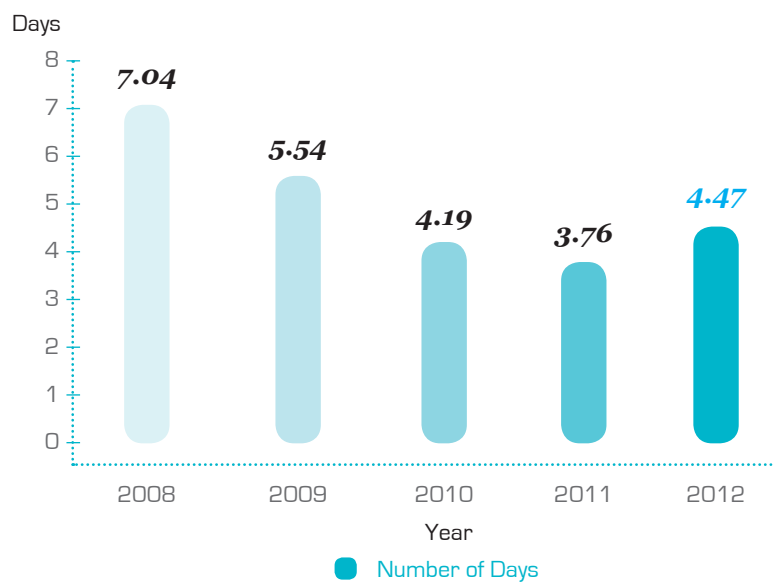
## DISBURSEMENT OF TRAINING GRANT



## AVERAGE PROCESSING TIME FOR APPROVAL OF TRAINING GRANT APPLICATIONS



## AVERAGE PROCESSING TIME FOR DISBURSEMENT OF TRAINING GRANT





## THE COVERAGE OF HRDF

An efficient labour market that is able to attract, develop and retain the best talent is one of the critical factors in achieving a high-income nation. Shortages of the required types of skills and talent will hamper the expected growth in transforming Malaysia from a knowledge-based to an innovation-based economy. In achieving this, Malaysian workforce needs to be actively involved in continuous up-skilling and reskilling activities.

HRDF plays an important role in providing accessibility to training funds by introducing various training schemes that were designed to suit employers' needs and requirements to enhance knowledge, skills and capabilities of their workers. It also serves as a platform for the training community especially employers and training providers to build and enhance their network through active collaborations to equip and keep them abreast with the latest development and intelligence in training industry.

As at 31 December 2012, a total of 23 industries under the manufacturing sector and 21 industries under the service sector are covered under the Pembangunan Sumber Manusia Berhad Act, 2001. Registered employers who have been active in retraining and skills upgrading activities of their employees reap the following benefits:-

- Having employees with specific and up-to-date skills;
- Being more competitive through value-added operations;
- Increased in productivity;
- Achieve faster technology transfer;
- Eliminate obsolescence of employees' skills in rapid technological change environment;
- Improve business agility through multi-skilled workforce to meet market's demands; and
- Improve quality of services and customer satisfaction.

PSMB is constantly reaching out to eligible employers to create awareness on the importance of continuous retraining and skill upgrading of the workforce, and to promote the benefits of being registered with PSMB. The outreach activities include operation visits to industrial areas to identify eligible employers and briefings in collaboration with the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). A total of 39 HRDF workshops had been conducted throughout the country to educate employers on the various services offered by PSMB and how they could benefit from their contribution to HRDF. In addition, PSMB had also participated in 36 exhibitions throughout Malaysia as a touch point of engagement with employers.

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As at 31 December 2012, the total number of employers registered with PSMB was 13,373, comprising of 6,794 (51%) employers from the manufacturing sector and 6,579 (49%) employers from the service sector. From 6,794 employers in the manufacturing sector, 5,569 (82%) employers are small and medium enterprises (SME) whilst 1,225 (18%) are large employers. On the other hand, from 6,579 employers in the service sector, 4,272 (65%) employers are SMEs and 2,307 (35%) are large employers. Accumulatively, as at 31 December 2012, from a total of 13,373 employers registered, 9,841 (74%) employers are SMEs and 3,532 (26%) are large employers. In 2012, 806 new employers had registered, representing an increase of 7% from 754 employers registered in 2011 with 527 (65%) employers from the service sector whilst 279 (35%) employers from the manufacturing sector Table 1.

**TABLE 1:  
BREAKDOWN OF REGISTERED EMPLOYERS BY CATEGORY IN 2012**

Employer Category	Manufacturing	Service	Total
SME	5,569 (82%)	4,272 (65%)	9,841 (74%)
Large	1,225 (18%)	2,307 (35%)	3,532 (26%)
<b>Total Employers</b>	<b>6,794 (51%)</b>	<b>6,579 (49%)</b>	<b>13,373</b>

In terms of the total number of employees, 2,280,452 were covered by the 13,373 registered employers with PSMB. From the total of employees covered by PSMB, 1,243,579 (55%) employees are from the manufacturing sector with 352,746 (28%) are employees from the SMEs whilst 890,833 (72%) are employees from large corporation employers. As for the service sector, 1,036,873 (45%) employees were covered, comprising of 111,411 (11%) employees from SMEs and 925,462 (89%) employees from large employers Table 2.

**TABLE 2:  
BREAKDOWN OF NUMBER OF EMPLOYEES BY SECTOR AND CATEGORY OF EMPLOYERS IN 2012**

Employer Category	Manufacturing	Service	Total
SME	352,746 (28%)	111,411 (11%)	464,157 (20%)
Large	890,833 (72%)	925,462 (89%)	1,816,295 (80%)
<b>Total Employers</b>	<b>1,243,579 (55%)</b>	<b>1,036,873 (45%)</b>	<b>2,280,452</b>

In terms of deregistration of employers, a total of 4,698 employers had been deregistered from 1992 to 31 December 2012.

## REGISTRATION OF EMPLOYERS BY STATE

In 2012, Selangor has recorded the highest number of new employers registered with a total of 271 (33.62%) employers, followed by Kuala Lumpur with 144 (17.87%) employers and Johor with 101 (12.53%) employers Table 3.

**TABLE 3 :**  
**REGISTRATION OF EMPLOYERS BY STATE IN 2012**

State	No. of Employers	Percentage (%)
Selangor	271	33.62
Kuala Lumpur	144	17.87
Johor	101	12.53
Perak	55	6.82
Pulau Pinang	51	6.33
Kedah	38	4.71
Sarawak	34	4.22
Sabah	32	3.97
Negeri Sembilan	25	3.10
Melaka	19	2.36
Terengganu	14	1.74
Kelantan	10	1.24
Pahang	8	0.99
Perlis	2	0.25
Labuan	2	0.25
<b>Total</b>	<b>806</b>	<b>100.00</b>

For breakdown of new employers registered by state for the manufacturing sector, Selangor recorded the highest number of employers with 85 registrations (30.47%), followed by Johor with 52 (18.64%) and Penang with 29 (10.39%) registrations Table 4.

**TABLE 4 :**  
**REGISTRATION OF NEW EMPLOYERS BY STATE FOR MANUFACTURING SECTOR IN 2012**

State	Manufacturing Sector	
	No. of Employers	Percentage [%]
Selangor	85	30.47
Kuala Lumpur	52	18.64
Johor	29	10.39
Perak	27	9.68
Pulau Pinang	20	7.17
Kedah	16	5.73
Sarawak	14	5.02
Sabah	13	4.66
Negeri Sembilan	8	2.87
Melaka	6	2.15
Terengganu	3	1.08
Kelantan	3	1.08
Pahang	2	0.72
Perlis	1	0.36
Labuan	0	0.00
<b>Total</b>	<b>279</b>	<b>100.00</b>



## REGISTRATION OF NEW EMPLOYERS BY STATE FOR SERVICE SECTOR

In the service sector, Selangor recorded the highest number of new registrations with 186 (35.29%) employers, followed by Kuala Lumpur with 130 (24.67%) employers and Johor with 49 (9.30%) employers Table 5. This indicates that there is an increase in awareness amongst the employers in these states on the importance of retraining and skills upgrading in order to enhance their company competitiveness and increase customer satisfaction.

**TABLE 5 :**  
**REGISTRATION OF NEW EMPLOYERS BY STATE FOR SERVICE SECTOR IN 2012**

State	Service Sector	
	No. of Employers	Percentage (%)
Selangor	186	35.29
Kuala Lumpur	130	24.67
Johor	49	9.30
Perak	28	5.31
Pulau Pinang	26	4.93
Kedah	22	4.17
Sarawak	21	3.98
Sabah	18	3.42
Negeri Sembilan	12	2.28
Melaka	11	2.09
Terengganu	9	1.71
Kelantan	7	1.33
Pahang	5	0.95
Perlis	2	0.38
Labuan	1	0.19
<b>Total</b>	<b>527</b>	<b>100.00</b>

A sectorial breakdown of new employer registrations indicated an upswing in the service sector's interest in retraining and skill upgrading of the workforce, particularly in Selangor and Kuala Lumpur. This showed heavier concentration of service industry participation in those states in 2012. Johor recorded the opposite trend with a proportionately larger upswing in manufacturing registration.

## REGISTRATION OF EMPLOYERS BY INDUSTRY FOR MANUFACTURING SECTOR

In 2012, a total of 279 new employers in the manufacturing sector had registered with PSMB with manufacturers of food manufacturing accounted the highest number of registration with 52 (18.64%) employers. This followed by manufacturers of fabricated metal products, except machinery and equipment with 41 (14.70%) employers and manufacturers of plastics products with 27 (9.68%) employers Table 6.

**TABLE 6 :**  
**TOTAL NUMBER OF REGISTERED EMPLOYERS IN MANUFACTURING SECTOR BY INDUSTRY IN 2012**

Industry	Registered Employers In Year 2012	
	No. of Employers	Percentage [ %]
Food Manufacturing	52	18.64
Manufacturers of Fabricated Metal Products, except Machinery and Equipment	41	14.70
Manufacturers of Plastics Products	27	9.68
Manufacturers of Electronics Components, Electrical Machinery, Apparatus, Appliances and Supplies	26	9.32
Manufacturers of Transport Equipment	16	5.73
Iron and Steel Basic Industries	13	4.66
Manufacturers of Machinery Except Electrical	12	4.30
Manufacturers of Non-Metallic Mineral Products	12	4.30
Manufacturers of Other Chemical Products	11	3.94
Manufacturers of Industrial Chemicals	10	3.58
Non-Ferrous Metal Basic Industries	9	3.23
Manufacturers of Furniture And Fixtures, Except Primarily of Metal	9	3.23
Printing, Publishing and Allied Industries	8	2.87
Manufacturers of Paper and Paper Products	8	2.87
Manufacturers of Rubber Products	6	2.15
Manufacturers of Textiles	6	2.15
Manufacturers of Wood & Wood Products and Cork, Except Furniture	5	1.79
Manufacturers of Optical Instruments and Photographic Equipment	3	1.08
Manufacturers of Glass and Glass Products	2	0.72
Manufacturers of Wearing Apparel Except Footwear	2	0.72
Petroleum Refineries	1	0.36
Beverage Industries	0	0.00
Other Manufacturing Industries	0	0.00
<b>Total</b>	<b>279</b>	<b>100.00</b>

From 1992 to 2012, the total number of employers registered from the manufacturing sector was 6,794, recording an increase of 1.67% as compared to 6,683 employers in 2011.

Manufacturers of electronics components, electrical machinery, apparatus, appliances and supplies recorded the highest number of registered employers with 906 (13.34%). This was followed by employers from the manufacturers of fabricated metal products, except machinery and equipment with 782 (11.51%) employers and the food manufacturers with 722 (10.63%) employers Table 7.

**TABLE 7 :**  
**TOTAL NUMBER OF REGISTERED EMPLOYERS IN MANUFACTURING SECTOR BY INDUSTRY**  
**FROM 1992 TO 2012**

Industry	Registered Employers From 1992 - 2012	
	No. of Employers	Percentage [ %]
Manufacturers of Electronics Components, Electrical Machinery, Apparatus, Appliances and Supplies /	906	13.34
Manufacturers of Fabricated Metal Products, except Machinery and Equipment	782	11.51
Food Manufacturers	722	10.63
Manufacturers of Plastics Products	655	9.64
Manufacturers of Wood & Wood Products and Cork, Except Furniture	401	5.90
Manufacturers of Non-Metallic Mineral Products	337	4.96
Manufacturers of Rubber Products	324	4.77
Manufacturers of Other Chemical Products	320	4.71
Manufacturers of Transport Equipment	292	4.30
Manufacturers of Machinery Except Electrical	270	3.97
Manufacturers of Furniture And Fixtures, Except Primarily of Metal	241	3.55
Printing, Publishing and Allied Industries	237	3.49
Manufacturers of Paper and Paper Products	217	3.19
Iron and Steel Basic Industries	217	3.19
Manufacturers of Textiles	160	2.36
Manufacturers of Industrial Chemicals	160	2.36
Manufacturers Of Wearing Apparel Except Footwear	121	1.78
Non-Ferrous Metal Basic Industries	85	1.25
Other Manufacturing Industries	77	1.13
Manufacturers of Optical Instruments and Photographic Equipment	58	0.85
Beverage Industries	51	0.75
Petroleum Refineries	45	0.66
Manufacturers of Glass and Glass Products	44	0.65
Manufacturers of Leather and Products Of Leather, Leather Substitutes and Fur, Except Footwear and Wearing Apparel	19	0.28
Manufacturers of Pottery, China and Earthenware	17	0.25
Manufacturers of Footwear, Except Vulcanised or Moulded Rubber or Plastic Footwear	15	0.22
Manufacturers of Miscellaneous Products of Petroleum and Coal	12	0.18
Tobacco Manufacturers	9	0.13
<b>Total</b>	<b>6,794</b>	<b>100.00</b>

## REGISTRATION OF EMPLOYERS BY INDUSTRY FOR SERVICE SECTOR

In 2012, a total of 527 new employers from the service sector had registered with PSMB. Employers in the hotel industry recorded the highest number of registration with 95 (18.03%) employers and computer industry with 83 (15.75%) employers followed by the engineering support and maintenance industry with 60 (11.39%) employers Table 8.

**TABLE 8 :**  
**TOTAL NUMBER OF REGISTERED EMPLOYERS IN SERVICE SECTOR BY INDUSTRY IN 2012**

Industry	Registered Employers In Year 2012	
	No. of Employers	Percentage [%]
Hotel Industry	95	18.03
Computer	83	15.75
Security Services	60	11.39
Engineering Support and Maintenance	48	9.11
Freight Forwarding	34	6.45
Commercial Land Transport	33	6.26
Travel Agency	30	5.69
Shipping	27	5.12
Training	23	4.36
Telecommunication	22	4.17
Hypermarket, Supermarket / Departmental Store	19	3.61
Direct Selling	14	2.66
Private Institutions of Higher Education	13	2.47
Private Hospital	6	1.14
Research and Development	5	0.95
Advertising	4	0.76
Postal or Courier Services	3	0.57
Air Transport	3	0.57
Bonded Warehouse	2	0.38
Port Services	2	0.38
Energy	1	0.19
<b>Total</b>	<b>527</b>	<b>100.00</b>



Throughout the period of 1995 to 2012, a total of 6,579 employers from the service sector had registered with PSMB, representing an increase of 6.33% compared to 6,187 employers in 2011. Overall, the hotel industry recorded the highest number of registration with 1,051 (15.98%) employers.

This was followed by the computer industry with 957 (14.55%) employers, reflecting long-term significance of this sector both to domestic as well as international demand, and the freight forwarding industry with 711 (10.81%) employers, which continues to register steady growth as Malaysia positions itself to be the leading Asia-Pacific logistics and transportation hub Table 9.

**TABLE 9 :**  
**TOTAL NUMBER OF REGISTERED EMPLOYERS IN SERVICE SECTOR BY INDUSTRY FROM 1995 TO 2012**

Industry	Registered Employers From 1995 – 2012	
	No. of Employers	Percentage (%)
Hotel Industry	1,051	15.98
Computer	957	14.55
Freight Forwarding	711	10.81
Commercial Land Transport	702	10.67
Security Services	479	7.28
Engineering Support and Maintenance	460	6.99
Training Provider	314	4.77
Private Institutions of Higher Education	306	4.65
Hypermarket, Supermarket / Departmental Store	255	3.88
Advertising	214	3.25
Shipping	185	2.81
Travel Agency	182	2.77
Direct Selling	176	2.68
Private Hospital	162	2.46
Telecommunication	138	2.10
Research and Development	77	1.17
Postal or Courier Services	69	1.05
Energy	43	0.65
Bonded Warehouse	42	0.64
Port Services	29	0.44
Air Transport	27	0.41
<b>Total</b>	<b>6,579</b>	<b>100.00</b>

## PROPOSED EXPANSION OF THE PSMB ACT, 2001

At present, it is estimated that only 28% of the total Malaysian workforce is employed in the higher skilled jobs bracket. This shows that a large segment of the workforce is still in the lower skilled jobs bracket or at low level of educational attainment. Continuous retraining and up-skilling of the existing workforce remains as part of the national agenda in order to facilitate employers in this country to move up the value chain.

The Government had outlined many strategies to assist the nation to achieve the target of 33% of the workforce being employed in the higher skilled jobs bracket by 2015, and up to 50% by 2020 in the 10th Malaysia Plan. Previous studies had shown that registered employers under the HRDF, had benefitted significantly in the human capital development of their employees through systematic training. HRDF's benefits are again reaffirmed in a study by the World Bank as highlighted in the SME Masterplan 2012-2020 which states that training and development under HRDF has strong positive impact on investment, capital intensity and productivity of the SMEs.

With such benefits, the Government in the 10th Malaysia Plan had outlined strategies to intensify skill upgrading of the workforce by extending the coverage of the Human Resource Development Fund (HRDF) to include additional 26 new sub-sectors. To address this initiative, PSMB has started preliminary works to include employers from 19 new sub-sectors in its effort to expand the coverage in stages Table 10.

**TABLE 10 :**  
**NEW SUB-SECTORS FOR THE PROPOSED EXPANSION OF THE PSMB ACT, 2001**

Item	Sub-sector
1.	Petroleum and gas extraction
2.	Mineral and stone quarrying
3.	Gas, steam and air-conditioning supply
4.	Water treatment and supply
5.	Sewerage
6.	Waste collection, treatment or disposal or material recovery activities
7.	Food and beverage service activities
8.	Motion picture, video and television programme production, sound recording and music publishing activities
9.	On-line Information service activities
10.	Tourism enterprise
11.	Maintenance, cleaning, upkeeping or management services activities
12.	Event management services
13.	Early childhood education
14.	Health support services
15.	Franchise
16.	Sale of motor vehicle for land transportation and after sale service
17.	Private broadcasting services
18.	Driving school
19.	Veterinary services

It is hoped that with the implementation of this strategy, PSMB will be able to play a more efficient and greater role as entrusted by the Government to facilitate more employers to continuously develop and up-skill their workforce.

A total of 20 engagements, meetings and briefing sessions were held with relevant stakeholders from employers and employers' associations, including Malaysian Employers Federation (MEF) as at 31 December 2012. To finalise policy and legal matters pertaining to the proposed definition for each sub-sector, several meetings and workshops were held involving the Legal Advisers as well officers from the Human Resource Policy Division of Ministry of Human Resource as follows:

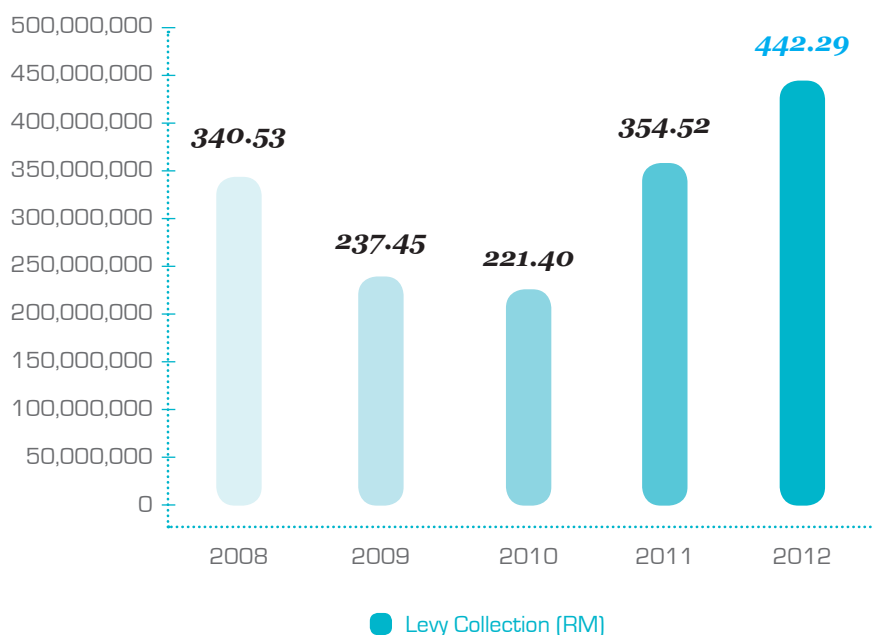
1. First Workshop was held on 3 & 4 March 2012 at Selesa Resort, Bukit Tinggi, Pahang;
2. Second Workshop was held on 13 & 14 April 2012 at Grand Lexus, Port Dickson; and
3. Third Workshop was held on 9 & 10 August 2012 at Corus Paradise, Port Dickson.

In order to get feedback from the general public, PSMB had taken the initiative to upload information pertaining to the proposed expansion in the HRDF Portal.

## COLLECTION OF HRD LEVY

A total amount of RM442.29 million human resources development (HRD) levy had been collected from registered employers in 2012. This amount comprised of RM403.75 million for the payment of current year levy and RM38.54 million in respect of arrears of levy. The levy collection had increased by RM87.77 million or 24.76% compared to RM354.52 million collected in 2011 Chart 1. The high amount of arrears of levy collected in 2012 was the result of continuous effort by PSMB to facilitate the collection of levy and ensure that registered employers have sufficient levy balance to retrain and upgrade the skills of their employees.

CHART 1:  
COLLECTION OF HRD LEVY



## REDUCTION OF ARREARS OF HRD LEVY

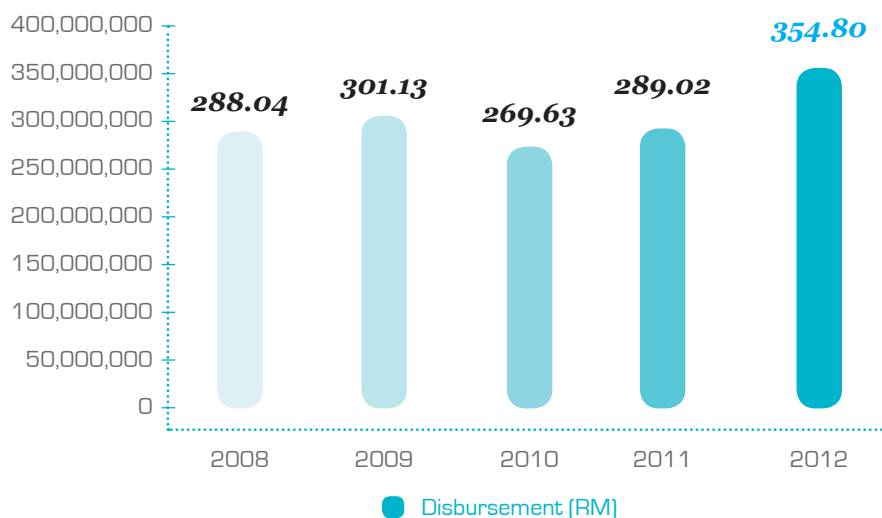
In 2012, PSMB had managed to significantly reduce the arrears of levy under the HRDF which had accumulated due to the failure of employers to pay levy within the stipulated period of time. The total arrears of levy under the HRDF in 2009 were RM41.14 million, but this had been reduced to RM11 million as at 31 December 2012.

A taskforce was mobilised to relook into cases that had long aging period and closed the cases in accordance to approved guidelines. Strategic exercise to focus on cases with high amount of levy arrears was adopted. Concerted effort was put together by all parties concerned including employers to resolve the cases. Under the exercise, 95 out of 105 cases have been resolved. The performances of all panel lawyers were reviewed constantly to ensure effective execution of legal process. Engagement sessions with the existing and new external lawyers were held to stream-line communication and legal process. These engagements had led to high conformance which enabled most of the cases to be resolved through court judgement within reasonable time. PSMB had also taken the initiative to re-align its interdivisional processes with regard to levy arrears.

## DISBURSEMENT OF TRAINING GRANT

In 2012, the amount of training grants disbursed to employers was RM354.8 million, bringing the total amount of training grants disbursed since 1994 to 31 December 2012 to RM3.28 billion Chart 2. The amount increased by RM65.78 million or 22.76% compared to RM289.02 million disbursed in 2011. The increase was in line with the increase in the financial assistance and number of training places approved to the employers. The revised terms and conditions for financial assistance in 2011 also contributed to the increase in training grant disbursement.

**CHART 2:  
DISBURSEMENT OF TRAINING GRANT**





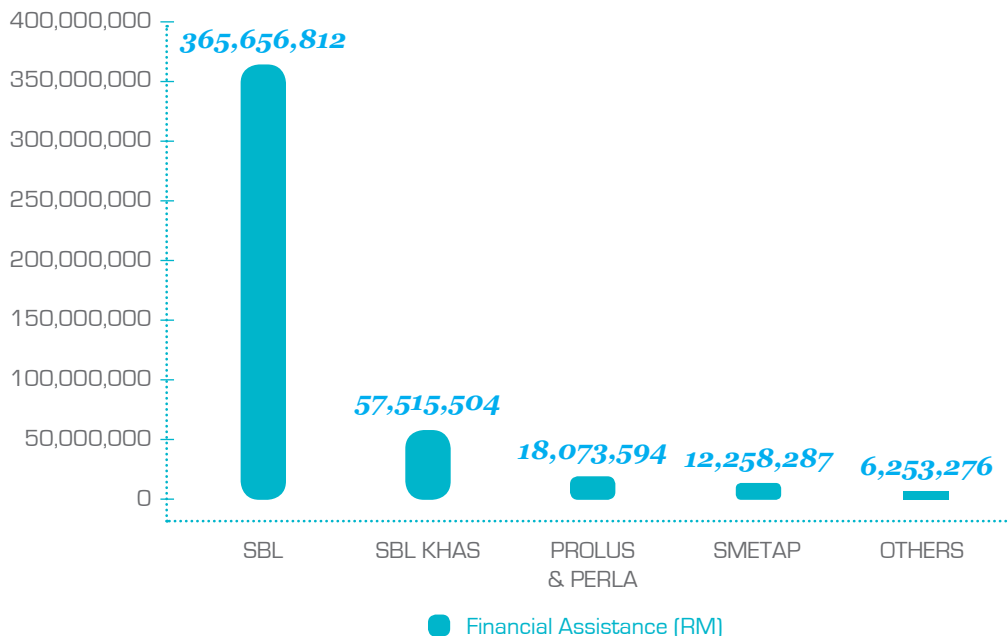
## CONTINUOUS RETRAINING AND WORKERS' UP-SKILLING

### OVERALL REPORT ON FINANCIAL ASSISTANCE AND TRAINING PLACES APPROVED IN 2012

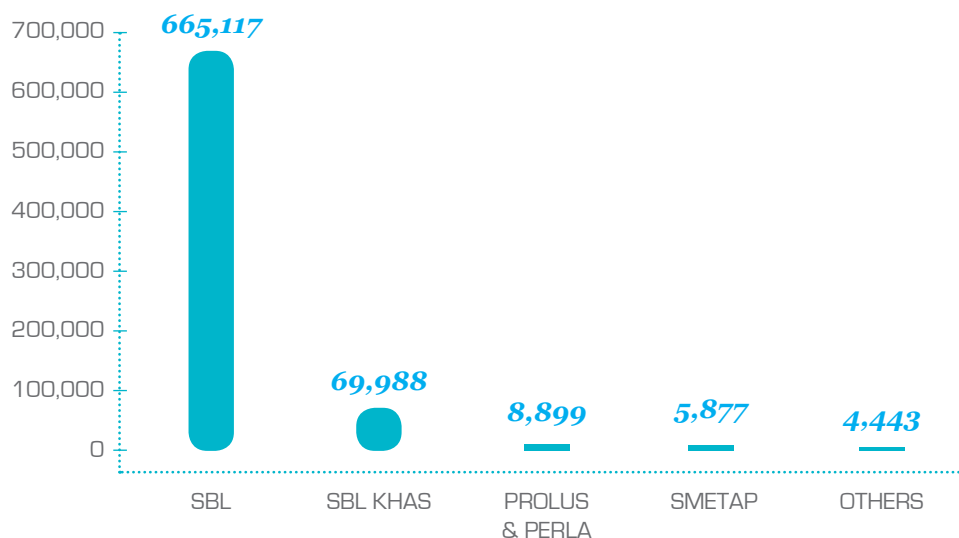
In today's growing economy, the government is focusing in helping employers to increase their capabilities to compete locally and also internationally. In line with the country's aspiration to become a high income nation by 2020, the Ministry of Human Resources through PSMB has taken several initiatives to enhance the skills and competencies of the Malaysian workforce. To propagate the importance of training among employers, PSMB has intensified its effort in promotional activities to encourage employers to put greater emphasis on retraining and skills upgrading of their employees. As a result of the growing awareness, financial assistance and the approved training places have continuously increased from year to year.

For the year 2012, PSMB had approved a total of RM459.75 million of financial assistance under the HRDF. This marks the highest amount approved since the establishment of the fund. As shown in Chart 3, the most popular scheme among employers in 2012 was SBL with financial assistance amounting to RM365.65 million (79.5%) followed by SBL Khas with RM57.51 million (12.5%). In terms of training places, 754,324 places had been approved in 2012 as shown in Chart 4.

CHART 3 :  
APPROVED FINANCIAL ASSISTANCE BASED ON SCHEME IN 2012



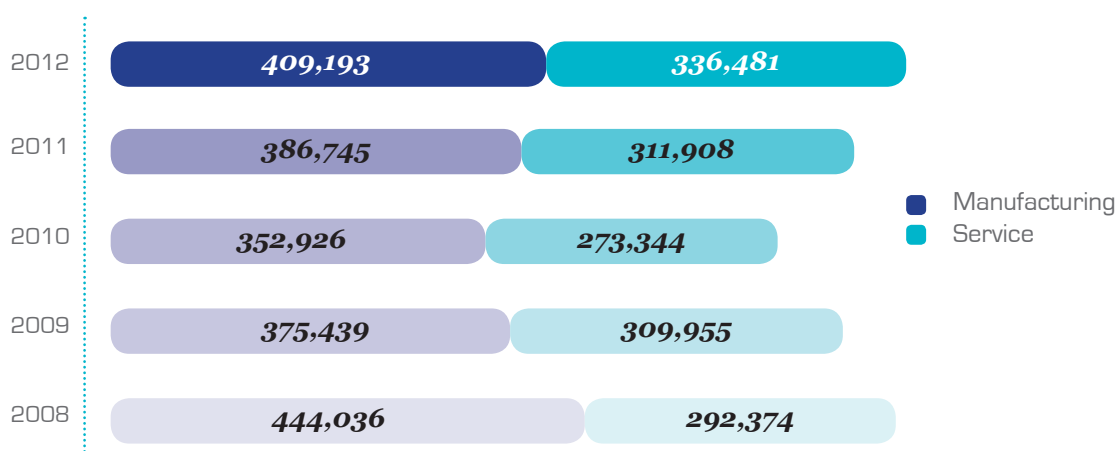
**CHART 4 :  
APPROVED TRAINING PLACES BY SCHEME IN 2012**



## APPROVED TRAINING PLACES FOR THE YEAR 2012

The growth in economy and advancement in technology have indirectly influenced employers to seek for skilled workers. Therefore, training and retraining activities are carried out more often by employers in order to stay competitive and relevant to the business world. For the year 2012, PSMB had received a total of 82,851 applications under the training grant schemes of SBL, SBL Khas, PERLA, PROLUS and ITS with 745,674 training places approved. This is an increase of 6.7% compared to 698,653 training places approved in 2011. In 2012, 409,193 (55%) training places were approved under the manufacturing sector while 336,481 (45%) training places were approved under the service sector. Chart 5 shows the approved training places from 2008 to 2012.

**CHART 5 :  
APPROVED TRAINING PLACES BY SECTOR FROM 2008 TO 2012**



Note: SBL, SBL KHAS, PERLA, PROLUS and ITS Schemes.

## APPROVED TRAINING PLACES BY INDUSTRY

For the year 2012, employers in the Electronics Component, Electrical Machinery, Apparatus, Appliances and Supplies industry were the most active in retraining and skill upgrading activities of their workers where a total of 130,241 training places had been approved representing 17.47% of the total. This is followed by employers in the Hotel industry where 41,683 training places had been approved. The huge difference of 88,558 approved training places between these industries is due to a large number of employees working in the former industry as compared to the latter.

It is interesting to note that despite having just five (5) registered employers, the Sub-urban Railway Passenger Transport industry is the most active in retraining their employees with an average of 1,757 training places recorded. Detailed information is shown in Table 11.

**TABLE 11:**  
**APPROVED TRAINING PLACES AND TOTAL NUMBER OF REGISTERED EMPLOYERS BY INDUSTRY**  
**FOR THE YEAR 2012**

Code	Industry	Training Places	Percentage (%)	No. of Registered Employers	Average Training Places
383	Electronics Component, Electrical Machinery, Apparatus, Appliances and Supplies	130,241	17.47	906	144
63200	Hotel Industry	41,683	5.59	1051	40
72009	Telecommunication	39,150	5.25	138	284
384	Transportation Equipment	33,517	4.49	292	115
93100	Education Services	31,482	4.22	306	103
83230	Computer Industries	31,369	4.21	957	33
52112	Supermarkets / Hypermarkets	30,636	4.11	248	124
311	Manufacturers of Food	30,635	4.11	559	55
85100	Private Hospitals	29,084	3.90	162	180
381	Fabricated Metal Products Except Machinery	25,449	3.41	782	33
356	Plastic Products	24,309	3.26	655	37
72001	Postal (Courier Service)	24,069	3.23	69	349
352	Other Chemical Products	23,216	3.11	320	73
355	Rubber Products	18,547	2.49	324	57
41010	Electric Light And Power	17,657	2.37	43	411
369	Non-Metal Mineral Products	16,625	2.23	337	49
74219	Engineering Support and Maintenance	15,816	2.12	460	34
71161	Freight Forwarders	15,482	2.08	711	22
382	Machinery Except Electric Equipment	13,974	1.87	270	52
371	Iron And Steel Basic Industries	13,620	1.83	217	63
342	Printing and Publishing	11,822	1.59	237	50
75220	Security Services	10,385	1.39	479	22

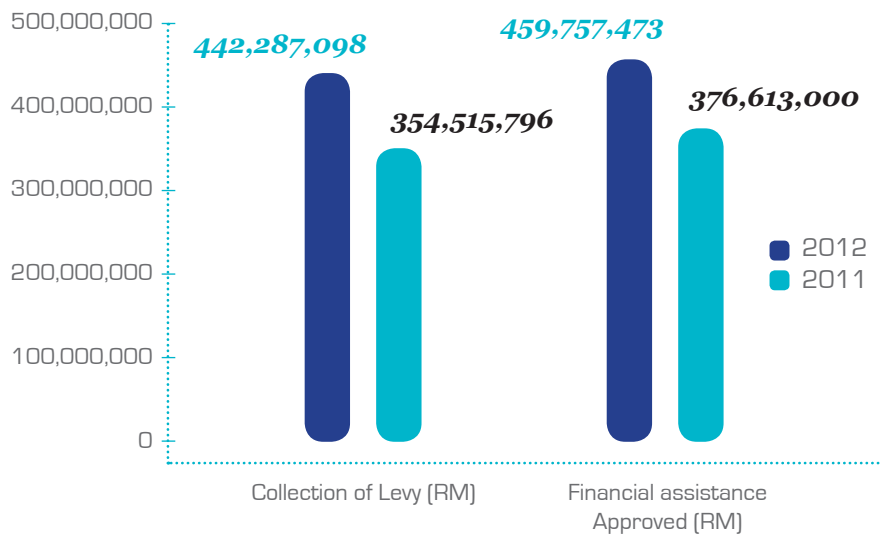
341	Manufacturers of Paper and Paper Product	8,897	1.19	217	41
60214	Sub-urban Railway Passenger Transport	8,784	1.18	5	1757
351	Chemical Industry	8,452	1.13	160	53
63035	Port Services	8,019	1.08	29	277
353	Manufacturers of Crude Oil	7,599	1.02	45	169
312	Manufacturers of Food	7,319	0.98	163	45
321	Textiles	6,357	0.85	160	40
71210	Shipping	5,750	0.77	185	31
331	Manufacturers of Wood, Wood Products and Cork, Except Furniture	5,571	0.75	401	14
362	Glass Products	5,048	0.68	44	115
52512	Direct Selling	4,837	0.65	176	27
83250	Advertising	4,206	0.56	214	20
71310	Air Transport	4,202	0.56	27	156
93101	Training	4,144	0.56	314	13
332	Furniture	3,031	0.41	241	13
60230	Freight Transport By Road	2,829	0.38	533	5
372	Non-Ferrous Metal Basic Industries	2,807	0.38	85	33
73100	Research and Development	2,478	0.33	77	32
313	Beverage Industry	2,383	0.32	51	47
390	Other Production Industries	2,380	0.32	77	31
385	Manufacturers of Professional and Scientific and	2,380	0.30	58	39
	Measuring and Controlling Equipment	0.30	58	39	14
322	Clothing	1,662	0.22	121	14
71919	Travel Agencies	1,498	0.20	182	8
314	Tobacco Manufacturers	1,137	0.15	9	126
60211	Bus Services	1,124	0.15	127	9
52192	Departmental Stores	974	0.13	7	139
323	Leather Products	912	0.12	19	48
63020	Bonded Warehouses	581	0.08	42	14
354	Petroleum and Coal Products	530	0.07	12	44
361	Pottery and Pottery Products	465	0.06	17	27
324	Manufacturers of Footwear	423	0.06	15	28
60219	Other Scheduled Passenger Transport	142	0.02	5	28
60221	Taxi Car For Hire	57	0.01	15	4
60213	School Bus Services	33	0.00	5	7
60212	Factory Bus Services	10	0.00	5	2
60229	Other Non-Schedule Passenger Land Transport	0	0.00	7	0
<b>TOTAL</b>		<b>745,674</b>	<b>100</b>	<b>13,373</b>	

Note: SBL, SBL KHAS, PERLA, PROLUS and ITS Schemes.

## APPROVED FINANCIAL ASSISTANCE

In 2012, the total financial assistance approved was RM459.75 million which reflects an increase of 22.08% compared to RM376.61 million approved in the year 2011. This figure is 3.95% higher than the total amount of levy collected for the year 2012 which was RM442.28 million as shown in Chart 6.

**CHART 6:  
COMPARISON BETWEEN FINANCIAL ASSISTANCE APPROVED AND LEVY COLLECTED  
FOR 2011 AND 2012**





## APPROVED FINANCIAL ASSISTANCE BY INDUSTRY

For 2012, the Electronics Component, Electrical Machinery, Apparatus, Appliances and Supplies industry recorded the highest amount of financial assistance approved at RM69.76 million representing 15.62% of the total amount. This is followed by the Computer Industry at RM31.26 million (7%) and the Telecommunication industry at RM28.47 million (6.37%) financial assistance approved.

In terms of utilization of levy, the Electric Light and Power industry is recorded as the most active with RM6.9 million (142%) difference between the amount of levy collected and financial assistance approved as shown in Table 12.

**TABLE 12:**  
**APPROVED FINANCIAL ASSISTANCE AND LEVY COLLECTED BY INDUSTRY FOR THE 2012**

Code	Industry	Financial Assistance (RM)	Percentage (%)	Levy Collection (RM)	Difference (Levy Collection - Financial Assistance)
383	Electronics Component, Electrical Machinery, Apparatus, Appliances and Supplies	69,758,237	15.62	71,958,936	2,200,699
83230	Computer Industries	31,264,734	7.00	34,558,497	3,293,763
72009	Telecommunication	28,473,155	6.37	22,963,304	(5,509,851)
41010	Electric Light And Power	23,479,509	5.26	16,559,240	(6,920,269)
63200	Hotel Industry	18,106,735	4.05	16,956,371	(1,150,364)
93100	Education Services	17,230,733	3.86	16,875,438	(355,295)
384	Transportation Equipment	16,610,389	3.72	16,755,988	145,599
71310	Air Transport	16,357,759	3.66	15,528,328	(829,431)
311	Manufacturers of Food	14,596,457	3.27	15,009,984	413,527
74219	Engineering Support and Maintenance	13,949,394	3.12	14,339,750	390,356
352	Other Chemical Products	13,079,212	2.93	12,494,305	(584,907)
52112	Supermarkets / Hypermarkets	13,078,118	2.93	12,122,474	(955,644)
381	Fabricated Metal Products Except Machinery	12,441,904	2.79	14,737,586	2,295,682
85100	Private Hospitals	12,356,541	2.77	10,829,309	(1,527,232)
356	Plastic Products	12,187,901	2.73	12,658,378	470,477
369	Non-Metal Mineral Products	10,632,988	2.38	8,916,702	(1,716,286)
355	Rubber Products	9,418,814	2.11	8,194,685	(1,224,129)
353	Manufacturers of Crude Oil	8,931,530	2.00	7,470,933	(1,460,597)
71161	Freight Forwarders	8,407,485	1.88	9,970,783	1,563,298
342	Printing and Publishing	7,708,524	1.73	7,390,540	(317,984)
382	Machinery Except Electric Equipment	7,394,775	1.66	8,106,354	711,579
351	Chemical Industry	6,929,824	1.55	5,364,745	(1,565,079)
71210	Shipping	6,787,020	1.52	5,873,591	(913,429)
371	Iron And Steel Basic Industries	6,486,095	1.45	7,154,738	668,643

75220	Security Services	4,968,227	1.11	7,023,546	2,055,319
341	Manufacturers of Paper and Paper Product	4,574,497	1.02	4,508,593	(65,904)
72001	Postal (Courier Service)	4,488,118	1.00	5,198,873	710,755
63035	Port Services	4,209,226	0.94	3,610,915	(598,311)
331	Manufacturers of Wood, Wood Products and Cork, Except Furniture	3,933,387	0.88	4,579,486	646,099
52512	Direct Selling	3,686,427	0.83	3,243,861	(442,566)
83250	Advertising	3,654,546	0.82	3,882,126	227,580
93101	Training	3,470,250	0.78	4,720,634	1,250,384
321	Textiles	3,267,954	0.73	3,296,688	28,734
312	Manufacturers of Food	3,028,539	0.68	3,356,691	328,152
362	Glass Products	2,590,282	0.58	1,494,378	(1,095,904)
73100	Research and Development	2,351,364	0.53	2,925,874	574,510
332	Furniture	2,210,056	0.49	2,517,752	307,696
60214	Sub-urban Railway Passenger Transport	2,024,404	0.45	2,020,516	(3,888)
60230	Freight Transport By Road	1,749,895	0.39	3,199,497	1,449,602
385	Manufacturers of Professional and Scientific and Measuring and Controlling Equipment	1,428,993	0.32	1,925,684	496,691
372	Non-Ferrous Metal Basic Industries	1,383,249	0.31	1,497,330	114,081
390	Other Production Industries	1,320,418	0.30	1,333,104	12,686
313	Beverage Industry	1,171,245	0.26	1,349,399	178,154
71919	Travel Agencies	947,092	0.21	1,401,854	454,762
322	Clothing	923,718	0.21	1,489,877	566,159
60211	Bus Services	734,651	0.16	1,903,165	1,168,514
314	Tobacco Manufacturers	687,617	0.15	622,757	(64,860)
323	Leather Products	607,642	0.14	558,241	(49,401)
63020	Bonded Warehouses	381,559	0.09	527,915	146,356
361	Pottery and Pottery Products	336,579	0.08	216,321	(120,258)
354	Petroleum and Coal Products	278,130	0.06	327,280	49,150
52192	Departmental Stores	260,144	0.06	337,151	77,007
324	Manufacturers of Footwear	192,347	0.04	224,601	32,254
60219	Other Scheduled Passenger Transport	125,149	0.03	82,786	(42,363)
60221	Taxi Car For Hire	30,527	0.01	72,783	42,256
60213	School Bus Services	5,077	0.00	17,400	12,323
60212	Factory Bus Services	2,180	0.00	8,073	5,893
60229	Other Non-Schedule Passenger Land Transport	0	0.00	20,988	20,988
<b>TOTAL</b>		<b>446,691,319</b>	<b>100</b>	<b>442,287,098</b>	<b>(4,404,224)</b>

Note: SBL, SBL KHAS, PERLA, PROLUS and ITS Schemes.

## APPROVED FINANCIAL ASSISTANCE AND TRAINING PLACES BY STATE

In 2012, Selangor recorded the highest amount of financial assistance and training places approved with RM137.96 million and 218,377 training places. The second highest is Kuala Lumpur at RM124.02 million financial assistance and 185,520 training places approved. This indicates rapid growth of economy in both states which are also the business centres of the nation.

Employers in Perlis received the least amount of financial assistance approved at RM948,734 whilst employers from Wilayah Persekutuan Labuan recorded the least number of training places approved at 1,039 places. Details are shown in Table 13.

**TABLE 13:**  
**APPROVED FINANCIAL ASSISTANCE AND TRAINING PLACES BY STATE FOR 2012**

Code	State	Financial Assistance (RM)	Percentage (%)	Training Places	Percentage (%)
A	PERLIS	948,734	0.21	1,765	0.24
B	KEDAH	13,430,727	3.01	29,257	3.92
C	PULAU PINANG	50,171,380	11.23	98,448	13.20
D	PERAK	14,471,972	3.24	27,327	3.66
E	SELANGOR	137,961,912	30.89	218,377	29.29
F	KUALA LUMPUR	124,024,657	27.77	185,520	24.88
G	NEGERI SEMBILAN	11,502,710	2.58	21,513	2.89
H	MELAKA	11,136,350	2.49	21,758	2.92
I	JOHOR	38,567,655	8.63	80,249	10.76
J	PAHANG	11,567,277	2.59	17,268	2.32
K	TERENGGANU	4,373,658	0.98	5,232	0.70
L	KELANTAN	1,186,288	0.27	2,354	0.32
M	SABAH	7,505,148	1.68	12,408	1.66
N	W/P LABUAN	1,054,841	0.24	1,039	0.14
P	SARAWAK	18,788,008	4.21	23,159	3.11
<b>Total</b>		<b>446,691,319</b>	<b>100</b>	<b>745,674</b>	<b>100</b>

Note: SBL, SBL KHAS, PERLA, PROLUS and ITS Schemes.

## APPROVED TRAINING PLACES BY SKILL AREAS

In 2012, Quality and Productivity marked the most coveted skill area for retraining and skills upgrading activities. This is in line with the current demand where employers are encouraged to enhance the quality and productivity of their products and services. A total of 117,057 training places were approved under this skill area representing 23.79% from the total approved training places. The second most coveted skill area was Occupational Safety and Health with 111,553 training places approved, representing 14.99% of the total training places. Details are shown in Table 14.

**TABLE 14:**  
**APPROVED TRAINING PLACES BY SKILL AREA FOR 2012**

Code	Skill Areas	Training Places	Average
004	Quality & Productivity	177,057	23.79
L09	Occupational Safety And Health	111,553	14.99
001	Technical	72,659	9.76
L10	Motivation / Teambuilding	60,729	8.16
003	Computer / Information Technology	50,286	6.76
L01	Management	41,203	5.54
L04	Communication And Public Relations	35,726	4.80
S/SL	Local Seminar	30,600	4.11
005	Supervisory	28,451	3.82
L17	Operation Management	22,671	3.05
L06	Human Resources Management	16,954	2.28
L12	Executive Development Programmes	13,726	1.84
L02	Administration	8,835	1.19
L07	Financial Accounting	8,488	1.14
011	Teaching	8,055	1.08
L05	Language	7,973	1.07
L13	Sales / Marketing	7,743	1.04
L26	Strategic Management	6,539	0.88
008	Medical	5,406	0.73
L08	Law	4,396	0.59
L20	High Technology	3,238	0.44
L16	Purchasing / Store / Warehousing	3,053	0.41
L03	Clerical	2,948	0.40
L11	Clerical Development Programme	2,901	0.39
009	Creativity And Innovation	2,504	0.34
L23	Research And Development	2,137	0.29
006	Oversea Training	2,116	0.28
L24	Engineering	1,533	0.21
L15	Industrial Relations	1,155	0.16
002	Craft	960	0.13

L21	New Technology	812	0.11
L22	New Product	750	0.10
SN/SLL	Oversea Seminar	612	0.08
D04	Diploma in Quality / Public Relation	185	0.02
L29	Malaysia Skills Certificate	101	0.01
L14	Mathematics (Numeric)	87	0.01
007	Others	45	0.01
D06	Others Diploma Programmes	32	0.00
L18/19	PHD & Masters Programmes	17	0.00
099	PSMB Special Programmes	1	0.00
<b>TOTAL</b>		<b>744,237</b>	<b>100.00</b>

Note: SBL, SBL KHAS, PERLA and PROLUS Schemes

## APPROVED FINANCIAL ASSISTANCE BY SKILL AREAS

In 2012, Technical related skill area represented the highest amount of financial assistance approved amounting to RM76.62 million which was 17.37% from the total approved financial assistance. A total of RM71.43 million of financial assistance had been approved for Quality & Productivity related skill area representing 16.19% from the total approved financial assistance. The third highest skill area that received financial assistance was Computer and Information Technology with RM46.96 million representing 10.64% from the total of the financial assistance approved.

Overseas training programmes marked the highest average of training cost at RM5,495 financial assistance approved for each training place. This could be due to the currency exchange rate between Malaysia and other countries and higher rate of other incidental costs. Technical programmes came in next with an average of financial assistance approved at RM1,055 for each training place. Further information is shown in Table 15.

**TABLE 15:**  
**APPROVED FINANCIAL ASSISTANCE BY SKILL AREAS FOR 2012**

Code	Skill Areas	Financial Assistance (RM)	Percentage (%)	Training Places	Average Financial Assistance (RM)
001	Technical	76,623,560	17.24	72,659	1,055
004	Quality & Productivity	71,437,831	16.07	177,057	403
003	Computer / Information Technology	46,957,333	10.57	50,286	934
L09	Occupational Safety And Health	43,223,409	9.73	111,553	387
L10	Motivation / Teambuilding	33,000,498	7.42	60,729	543
L01	Management	25,177,876	5.66	41,203	611
S/SL	Local Seminar	21,858,477	3.45	30,600	714
L04	Communication And Public Relations	15,886,141	4.92	35,726	445
005	Supervisory	15,313,180	3.57	28,451	538
L17	Operation Management	11,770,923	2.41	22,671	519



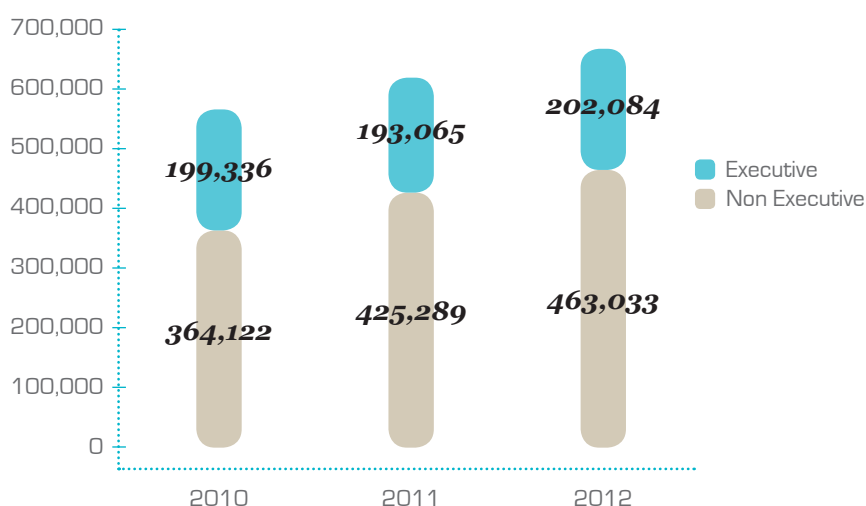
006	Overseas Training	11,628,062	2.62	2,116	5,495
L06	Human Resources Management	10,713,096	1.64	16,954	632
L12	Executive Development Programmes	9,690,746	2.65	13,726	706
L07	Financial Accounting	7,299,966	2.18	8,488	860
L13	Sales / Marketing	6,188,901	0.84	7,743	799
L26	Strategic Management	4,837,798	1.09	6,539	740
L02	Administration	4,671,744	1.39	8,835	529
L05	Language	3,739,529	1.05	7,973	469
L08	Law	3,091,405	0.53	4,396	703
O11	Teaching	3,027,181	0.70	8,055	376
O08	Medical	2,610,915	0.37	5,406	483
L16	Purchasing / Store / Warehousing	2,509,791	0.68	3,053	822
L20	High Technology	2,344,365	0.59	3,238	724
SN/SLL	Oversea Seminar	1,889,665	0.56	612	3,088
O09	Creativity And Innovation	1,644,553	0.43	2,504	657
L24	Engineering	1,535,544	0.35	1,533	1,002
L23	Research And Development	1,215,896	0.18	2,137	569
L11	Clerical Development Programme	889,049	0.27	2,901	306
L03	Clerical	785,337	0.20	2,948	266
L15	Industrial Relations	594,872	0.11	1,155	515
O02	Craft	531,876	0.13	960	554
L18/19	PHD & Masters Programmes	530,860	0.12	17	31,227
L21	New Technology	509,452	0.08	812	627
L22	New Product	340,265	0.01	750	454
D04	Diploma in Quality / Public Relation	170,212	0.01	185	920
D06	Others Diploma Programmes	68,250	0.04	32	2,133
O07	Others	65,942	0.12	45	1,465
L29	Malaysia Skills Certificate	47,007	0.01	101	465
L14	Mathematics [Numeric]	31,490	0.02	87	362
O99	PSMB Special Programmes	300	0.00	1	300
<b>Total</b>		<b>441,245,909</b>	<b>100</b>	<b>744,237</b>	<b>64,397</b>

Note: SBL, SBL KHAS, PERLA and PROLUS Schemes.

## TOTAL TRAINING PLACES APPROVED BY CATEGORY OF JOB POSITION (SBL SCHEME)

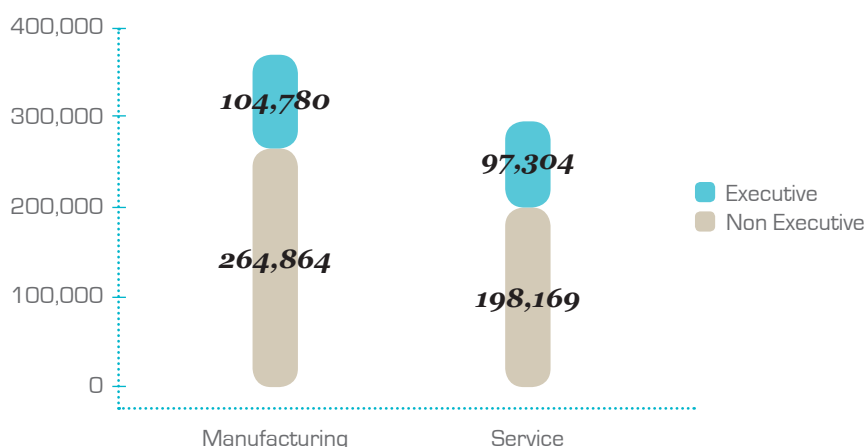
The SBL scheme was the main choice amongst employers for the purpose of training and increasing the skills of their employees in 2012. A total of 202,084 training places had been approved for the Executive group in 2012, which is an increase of 4.67% compared to 2011 where 193,065 training places were approved. For the Non-Executive group, a total of 463,033 training places were approved recording an increase of 8.87% compared to 425,289 training places in 2011. Overall, between the two years of 2010 and 2012, a total of 594,485 training places were approved for the Executive group and 1.2 million training places were approved for the Non-Executive group respectively as shown in Chart 7.

**CHART 7:**  
**APPROVED TRAINING PLACES BY CATEGORY OF JOB POSITION UNDER SBL FROM 2010 TO 2012**



A total of 104,780 and 97,304 training places were approved for the Executive group under the Manufacturing and Service sector respectively. On the other hand, for the Non-Executive group, a total of 264,864 and 198,169 training places were approved for the Manufacturing and Service sector respectively as shown in Chart 8.

**CHART 8:**  
**APPROVED TRAINING PLACES BY CATEGORY OF JOB POSITION AND SECTOR UNDER SBL FOR 2012**



## AVERAGE DURATION OF TRAINING, FINANCIAL ASSISTANCE AND TRAINING PLACES APPROVED BY CATEGORY OF JOB POSITION UNDER SBL

The average total training hours approved per trainee under the SBL scheme is 14.49 hours for the manufacturing sector. As for job position, Engineers marked the highest average training hour approved with 17.09 hours, whilst for financial assistance and training places, Management and Executive category received the highest approved financial assistance amounting to RM46.65 million with 73,785 training places. Details are shown in Table 16.

**TABLE 16:**  
**AVERAGE DURATION OF TRAINING, FINANCIAL ASSISTANCE AND TRAINING PLACES APPROVED BY CATEGORY OF JOB POSITION UNDER SBL FOR MANUFACTURING SECTOR IN 2012**

Category of Employees	Average Training Hours	Financial Assistance (RM)	Percentage (%)	Training Places	Percentage (%)
Engineer	17.09	23,344,882	12.26	30,767	8.32
Technician	15.76	16,298,764	8.56	26,809	7.25
Professional	15.61	139,867	0.07	215	0.06
Lecturer	14.69	24,396	0.01	13	0.00
Management & Executive	14.60	46,652,787	24.51	73,785	19.96
Finance & Accounting	13.60	7,048,837	3.70	9794	2.65
Supervisors	13.49	11,967,557	6.29	28,747	7.78
Others	13.48	61,505,667	32.31	123539	33.42
Skilled Employees & Production Employees	13.45	21,376,830	11.23	69,597	18.83
Sales, Administrative & Support Staff	13.08	1,981,621	1.04	6,378	1.73
<b>Total</b>	<b>14.49</b>	<b>190,341,206</b>	<b>100.00</b>	<b>369,664</b>	<b>100.00</b>

The average training hours per trainee for service sector under the SBL scheme is 17.09 hours. Professionals have the highest average training hours approved with 28.74 hours. As for approved financial assistance and training places, the Management and Executive category was the highest with a total of RM59.05 million and 76,821 training places. The details are shown in Table 17.

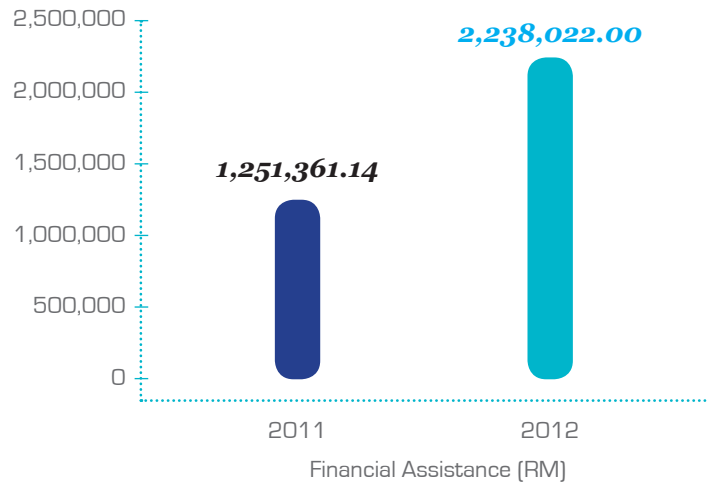
**TABLE 17:**  
**AVERAGE DURATION OF TRAINING, FINANCIAL ASSISTANCE AND TRAINING PLACES APPROVED BY**  
**CATEGORY OF JOB POSITION UNDER SBL FOR SERVICE SECTOR IN 2012**

Category of Employees	Average Training Hours	Financial Assistance (RM)	Percentage (%)	Training Places	Percentage (%)
Professional	28.74	97,014	0.06	169	0.06
Engineer	18.38	8,049,434	4.59	6,515	2.20
Technician	18.35	16,011,795	9.13	13,891	4.70
Lecturer	17.01	7,154,360	4.08	13799	4.67
Management & Executive	16.02	59,048,434	33.68	76,821	26.00
Others	15.24	58,369,868	33.29	129103	43.69
Supervisors	14.95	8,811,570	5.03	16,134	5.46
Skilled Employees & Production Employees	14.27	10,181,847	5.81	23,660	8.01
Finance & Accounting	14.04	4,063,090	2.32	4585	1.55
Sales, Administrative & Support Staff	13.90	3,528,195	2.01	10,796	3.65
<b>Total</b>	<b>17.09</b>	<b>175,315,606</b>	<b>100.00</b>	<b>295,473</b>	<b>100.00</b>

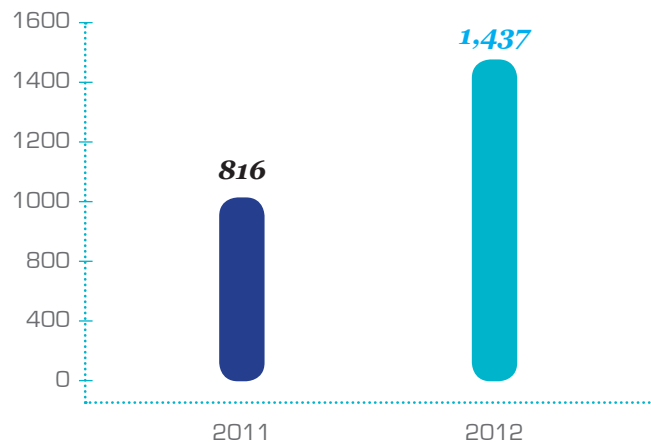
## INDUSTRIAL TRAINING SCHEME

The total financial assistance approved in 2012 for the Industrial Training Scheme was RM2.2 million, showing an increment of RM1 million (83%) from 2011 as shown in Chart 9. Chart 10 shows an increase of 612 (76%) training places which is 816 in 2011 to 1,437 in 2012. The escalation could be due to the extension of training period for the industrial training programme from two to eight months. It could also be due to the outcome of the special briefings conducted about the scheme throughout the nation to create awareness among registered employers, as well as the distribution of registered employers contact information to all local universities, apart from it being part of a syllabus in the 2-day HRDF Workshop.

**CHART 9:**  
**APPROVED FINANCIAL ASSISTANCE FOR INDUSTRIAL TRAINING SCHEME**



**CHART 10:**  
**APPROVED TRAINING PLACES FOR INDUSTRIAL TRAINING SCHEME**

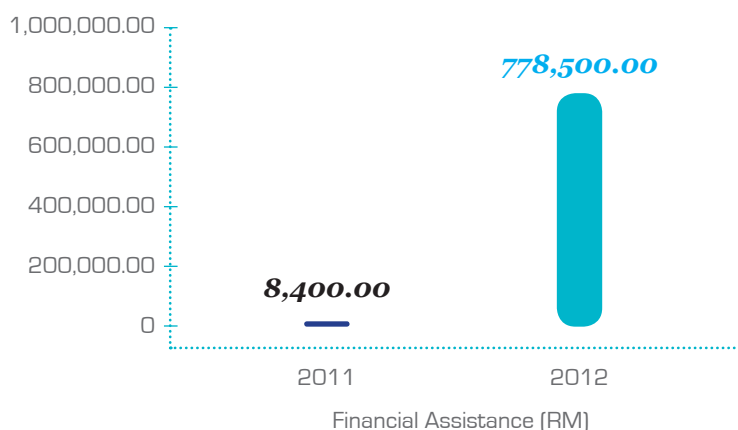


## RECOGNITION OF PRIOR LEARNING (RPL) SCHEME

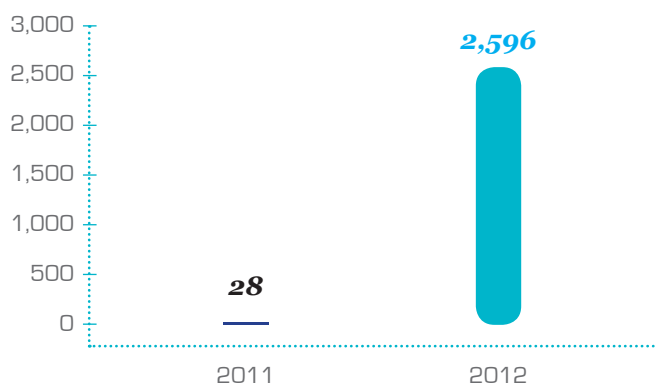
The Recognition of Prior Learning (RPL) Scheme allows the work-related experience and expertise of employees to be formally recognised, apart from encouraging and rewarding lifelong learning among them. This scheme will enhance the career prospects of the workforce by conferring the Malaysian Skills Certificate ('Sijil Kemahiran Malaysia' – SKM) on employees who do not have any formal certification but have obtained relevant knowledge, experience and skills in the workplace. Under this scheme, employers are able to apply for financial assistance for registration fees amounting to RM300.00 per person per level charged by the Department of Skills Development (DSD) who is responsible in conferring the SKM. In 2012, there was a great increase in financial assistance and training places approved where a total of RM778,500 and 2,596 training places were approved respectively. The increase has been the result of the introduction of the new incentive by HRDF amounting to RM1 million approved by the PSMB Board for employers starting from November 2011. In addition, nationwide briefing with DSD, together with visitation to employers' premises with the intention to promote the scheme, further contributed to the positive response from employers. Details on achievements of the RPL Scheme are shown in Chart 11 and Chart 12.



**CHART 11:  
APPROVED FINANCIAL ASSISTANCE FOR RPL LEARNING SCHEME**



**CHART 12:  
APPROVED TRAINING PLACES FOR RPL SCHEME**



## SPECIAL PROGRAMMES UNDER HRDF

As part of its initiatives in elevating the number of skilled workforce from the current bracket of 28% to 50% by the year 2020, the Government through the Ministry of Human Resources (MoHR), provides special allocation from time to time for specific target groups, mainly the 'vulnerable' groups, to enable them to undergo training programmes that will help equip and enhance them with the relevant knowledge, skills and capabilities in becoming more competitive and employable. HRDF, being the driving force in training and development, had been entrusted to take lead in the implementation of such projects, which involved a total of three special programmes in 2012 as follows:

1. Accelerated Skills Enhancement Training Programme (ASET)
2. Specialised Training And Advanced Recruitment Programmed (STAR)
3. Special Programme on Implementation of Community Entrepreneurship (SPICE)

## ACCELERATED SKILLS ENHANCEMENT TRAINING (ASET)

The Accelerated Skills Enhancement Training (ASET) is a fast track programme that is specially designed to assist the nation in generating competent workforce with specialised skills in a short duration of time. Through this approach, Malaysia's aspiration of becoming a high income nation by 2020 will be made possible to achieve.

The main intention is to develop the unemployed graduates, retrenched workers, Malaysian Skills Certificate (SKM) Level II holders and in-service employees to be a pool of highly skilled workforce. Thus, the ASET Programme complements the human capital development strategy in capitalising these resources to develop local talents for the country.

In line with the purpose of this programme, the objectives of ASET are to:

- i. Equip trainees with value-added professional qualifications to increase their employability, marketability and income. This would enable graduates to obtain dual certification before entering the labour market. For the in-service employees and SKM Level II holders, ASET would enhance their career development prospect;
- ii. Provide experiences and skills to help trainees create better value for prospective employers; and
- iii. Assist employers in reducing cost of initial training and create a talent pool of industry-relevant workers.

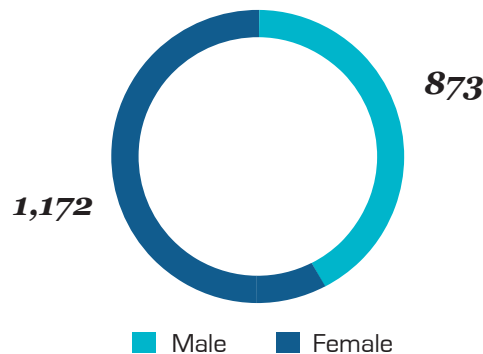
Under this programme, trainees who enrol into the course on a full-time basis will be paid a monthly allowance of RM500.00 or RM16.66 per day, based on the number of days of training. As an incentive to employees who have enrolled themselves into the programme on part-time basis, a monthly allowance of RM200.00 or RM6.66 per day will be paid. Eligibility of allowance will depend on the number of training days conducted in a month.

A total of RM70 million was allocated for this programme. As at 31 December 2012, the number of trainees approved was 5,032 involving a financial assistance of RM52.75 million.

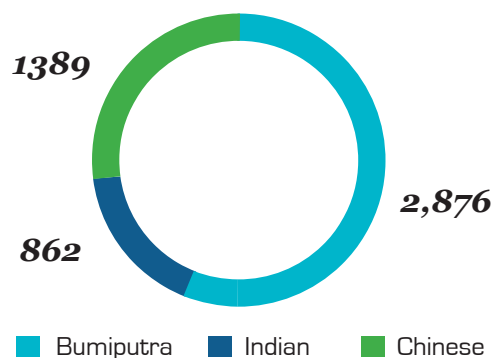
Out of 5,032 trainees, 2,482 (48.41%) trainees are male and the balance, 2,645 (51.59%) are female. According to the ethnics distribution, 2,876 (56.10%) of the trainees are Bumiputera, 1,389 (27.09%) are Chinese and 862 (16.81%) are Indian. The details are shown in Chart 13 and Chart 14.

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**CHART 13:  
TOTAL TRAINEES APPROVED ACCORDING TO GENDER**



**CHART 14:  
TOTAL TRAINEES APPROVED ACCORDING TO ETHNICITY**



### SPECIAL PROGRAMME FOR IMPLEMENTATION COMMUNITY ENTREPRENEURSHIP (SPICE)

The Special Programme for Implementation Community Entrepreneurship (SPICE) was implemented in line with the country's economic transformation strategy that is specified under the two Government's main documents namely, the New Economic Model (NEM) and Economic Transformation Programme (ETP). One of the main purposes of these two documents is to achieve economic harmony among multiracial Malaysians by implementing approaches that will enable the household income be increased and the segregation of the economic resources be done equally to the society.

The SPICE programme is an initiative by PSMB to assist its society to improve their socio-economic conditions by equipping them with skills and competencies that will enable them to develop themselves into becoming entrepreneurs.

The target groups for SPICE are youths who are currently seeking for employment and those who are at the age of 45 and below, who intend to develop themselves to become entrepreneurs.

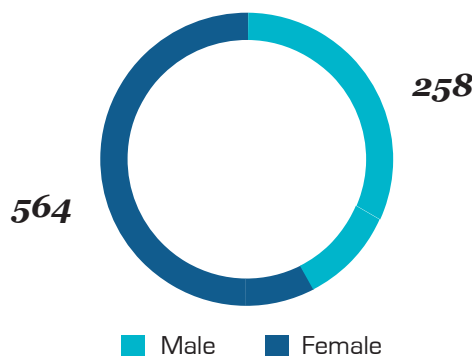
Courses that are offered under the SPICE are as follows:

- i. Ceramic Certification Modules
- ii. CCTV & Security Management Entrepreneurship
- iii. Muruku & Indian Savouries Entrepreneurship
- iv. Mobile Phone Repairing
- v. Computer Repair
- vi. Air Conditioning & Refrigeration
- vii. Welding
- viii. M&E Repair & Maintenance
- ix. Plumbing
- x. Grass Cutting
- xi. Pre School Teachers & Day care Training
- xii. Professional Flora Arrangement Package Course
- xiii. Professional Artistry make-up & Bridal Package Course
- xiv. Manicure & Pedicure
- xv. Baking & Patisserie

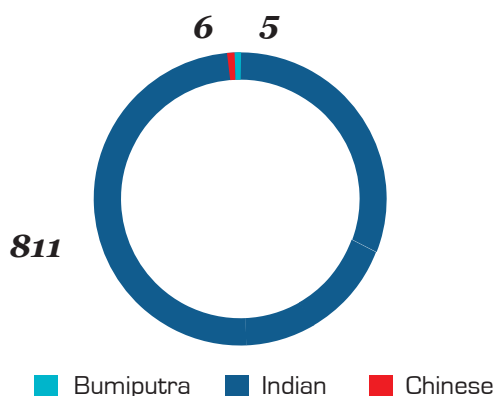
A total of RM5 million had been allocated for this programme to ensure the objectives are met. As at 31 December 2012, the number of trainees has reached to 822 with the financial assistance of RM4.55 million.

Out of the 822 trainees, 258 (31.39%) trainees are male and 564 (68.61%) are female. As for ethnic distribution statistics, 5 (0.61%) of the trainees are Bumiputera, 6 (0.73%) are Chinese and 811 (98.66%) are Indian. The details are shown in Chart 15 and Chart 16.

**CHART 15:  
TOTAL TRAINEES APPROVED ACCORDING TO GENDER**



**CHART 16 :  
TOTAL TRAINEES APPROVED ACCORDING TO ETHNICS**



### SPECIALISED TRAINING AND ADVANCED RECRUITMENT (STAR)

PSMB had launched the Specialised Training and Advanced Recruitment Programme in January 2011. The objective of the programme is to equip unemployed graduates with the required skills and competencies to secure employment.

In meeting the strategic objectives of the programme which is to equip, develop and assist unemployed graduates that will make them more employable, five (5) courses were offered under the programme as follows:

- i. Executive Development Programme;
- ii. Asp.net;
- iii. J2EE;
- iv. PHP MySQL; and
- v. Cisco Certified Network Professional (CCNP)

STAR's target group are Malaysians who have graduated with diploma, degree or equivalent qualifications (SKM level 4 and above) and have remained unemployed for at least 3 months after the completion of their studies.

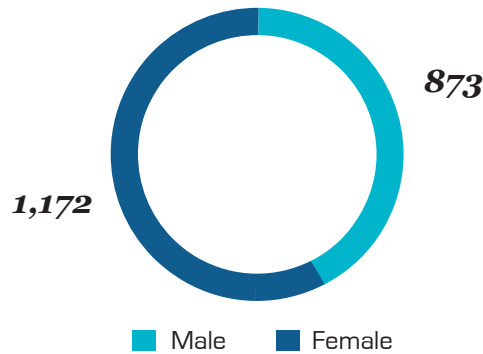
The entire training programme consists of three components: classroom training, attachment training and job placement. The attachment training and job placement are tied to the programme in the hope that the relevant work experience will help enhance their employability and secure employment.

Under this programme, trainees are entitled for a monthly allowance of RM500.00 during the training period. Training fee under the scheme was paid by PSMB directly to the respective training providers. To secure employment, only 50% of the training fee were paid to training providers and the remaining balance will only be paid after the trainee has secured employment. As at 31 December 2012, a total of 2,045 trainees have been approved with financial assistance amounting to RM12.47 million.

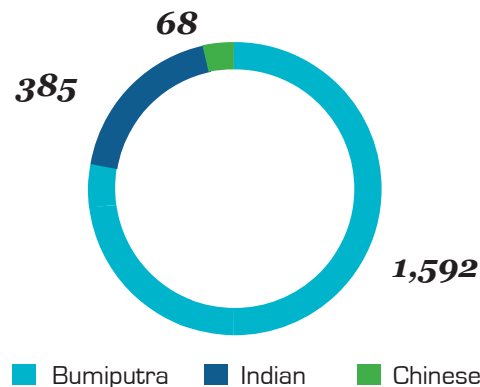


As for the gender distribution, a total of 873 (42.69%) trainees were male while 1,172 (57.31%) were female. Meanwhile, the ethnic distribution statistics revealed that 1,592 (77.85%) of the trainees were Bumiputera, 385 (18.83%) were Indian and 68 (3.33%) were Chinese.

**CHART 17:**  
**TOTAL TRAINEES APPROVED ACCORDING TO GENDER**



**CHART 18:**  
**TOTAL TRAINEES APPROVED ACCORDING TO ETHNICS**



### SKIM BANTUAN LATIHAN (SBL)

SBL scheme is considered to be one of the main schemes for PSMB. Under this scheme, employers are given the freedom to plan and carry out suitable training programmes to increase the knowledge, skills and competencies of their employees. Apart from training programmes, employers can also apply for financial assistance for Development Programmes, Online Distance Learning and Training Programme for Person With Disabilities (PWD).

### SKIM BANTUAN LATIHAN KHAS (SBL-KHAS)

The SBL-Khas was introduced by PSMB to assists employers who need to conduct training but face the problem of limited cash flow. Through this scheme, employers do not need to pay the course fee to the training provider as PSMB will pay it directly to the training provider. Employers who do not have any arrears or interest on levy and have sufficient levy balance will be able to get financial assistance by selecting the registered training programmes suitable with their training plan.

## THE JOINT TRAINING SCHEME (SLB)

The Joint Training Scheme allows employers with small number of employees and face financial difficulty, to cooperate with other registered employers to carry out training programmes and share the training cost equally among the participating employers.

## INDUSTRIAL TRAINING SCHEME (ITS)

Industrial Training Scheme enables employers to receive financial assistance to finance the trainees' monthly allowance and other allowable cost for trainees who undergo industrial training at the employer's premise. This scheme enables the practical trainees to be exposed to the working environment right after their studies end. Moreover, this scheme is able to help employers and also the nation in generating more potential and skilful graduates in the future.

## THE INFORMATION TECHNOLOGY AND COMPUTER-AIDED TRAINING SCHEME

Information technology is one of the important contributors in today's development. Realising this, PSMB has introduced the Information Technology and Computer-Aided Training Scheme in order to encourage employees to be more IT savvy. This scheme enables employers to furnish their computer training room with personal computers and conduct training in the IT field. The employer's eligibility for this scheme is a maximum of RM25,000 for each purchase for headquarters and/or branch for a period of three years.

## ANNUAL TRAINING PLAN SCHEME

The Annual Training Plan Scheme outlines a more systematic training management in terms of monitoring system and training effectiveness evaluation. Employers are encouraged to analyse and identify the training needs to be carried out over the next 12 months in order to receive financial assistance from PSMB. Annual Training Plan should be based on a detailed training needs analysis which should include significant training activities, plus it should cover a minimum of 10% of the company's total workforce with at least 15% of the lower level employees.

## RECOGNITION OF PRIOR LEARNING (RPL) SCHEME

The Recognition of Prior Learning Scheme is designed to give recognition to employees who have the skills and competencies without academic qualifications. Under this scheme, employers can apply for financial assistance from PSMB to fund the recognition registration fees imposed by the DSD for each employee of the company. Each employee who made it through the recognition process will be awarded the Malaysian Skills Certificate based on their competency level which are SKM1, SKM2, SKM 3 or even Diploma Kemahiran Malaysia (DKM) and Diploma Lanjutan Kemahiran Malaysia (DLKM).

## PURCHASE OF TRAINING AIDS AND SETTING UP OF TRAINING ROOM SCHEME

This scheme enables employers to receive financial assistance to purchase training aids for the purpose of setting-up or renovating and enhancing training rooms. This is to encourage training and retraining culture within an organisation. However, the preparation of the training room does not include the construction of training premise building or any form of payment for rental of training rooms. Through this scheme, training can still be carried out despite of busy working schedule as it can be done in-house.

## FUTURE WORKERS TRAINING SCHEME

In ensuring the employment of new workers who are skilled is one of the challenges for every employer. In this era of advanced development, employees with minimal supervision are highly in demand. Therefore, this scheme is developed to enable employers to train their future workers with the skills and competencies needed before being absorbed as a permanent employee. The financial assistance provided by PSMB will help employers in identifying skilled workers, hence increasing the company's productivity in a short period of time.

## THE ESTABLISHMENT OF PEMBANGUNAN SUMBER MANUSIA BERHAD (PSMB) MELAKA BRANCH

23 June 2012



**Launch of PSMB Melaka Branch**  
Urban Transformation Centre (UTC),  
Malacca

PSMB Melaka Branch office was officially opened on 1 June 2012, in conjunction with the establishment of the first Urban Transformation Centre (UTC) which was initiated by the Most Honourable Prime Minister of Malaysia, Dato' Seri Mohd Najib Bin Tun Abdul Razak in Melaka. PSMB Melaka Branch Office was located at Lot 4-04, Level 4, Wisma UTC, Jalan Hang Tuah, 75300 Melaka. Similar to other PSMB Branch offices, the main activities of Melaka Branch were to process the training grant applications for those registered employers in Melaka and Negeri Sembilan.

As of 1 June 2012 the number of registered employers in Melaka and Negeri Sembilan are as shown in Table 18:

**TABLE 18:**  
**NUMBER OF REGISTERED EMPLOYERS IN MELAKA AND NEGERI SEMBILAN AS AT 31 DECEMBER 2012**

STATE	MANUFACTURING SECTOR	SERVICE SECTOR
Melaka	252	150
Negeri Sembilan	277	158
TOTAL	529	308
TOTAL OF REGISTERED EMPLOYER (Both States)	837	

With effect from 1 June 2012, all online and manual training grant applications received from those employers in the abovementioned states will be processed by Melaka branch officers. PSMB Melaka Branch had received a total of 3,908 training grant applications starting from 1 June 2012 until 31 December 2012. The numbers of applications received according to training schemes are shown in Table 19 below:

**TABLE 19:**  
**NUMBER OF APPLICATIONS RECEIVED ACCORDING TO SCHEMES**

TRAINING SCHEMES	NO. OF APPLICATION RECEIVED
SBL	3,434
SBL-Khas	220
Industrial Training Scheme (ITS)	46
Recognition of Prior Learning (RPL)	191
Training Equipment/Renovation of Training Room	17

## ENSURING QUALITY OF TRAINING PROVIDERS AND TRAINING PROGRAMMES

### THE OVERVIEW

The Human Resources Development Fund (HRDF) serves its stakeholders not only in terms of ensuring smooth administration of levy payment and disbursement through training and re-training activities, but also by providing value added services through the assurance of the eco-system that surround the training activities are well administered. In general, apart from managing the HRD Fund efficiently, HRDF is also overseeing the whole spectrum of training providers and training programmes registration standard and quality, managing the enrolment of apprentices under the Apprenticeship Scheme, engaging in various studies such as impact and training needs analysis etc., coordinating trainings for SMEs and managing the training incentives fund that is received from the Government from time to time.

## REGISTRATION OF TRAINING PROVIDERS AND TRAINING PROGRAMMES

New training providers can register with PSMB either under the category A, B, B(HO), C or C(VSO), depending on their eligibilities. Training providers are required to register with PSMB in order to enable the registered employers to claim their allowable training costs for attending any training from their HRD Fund.

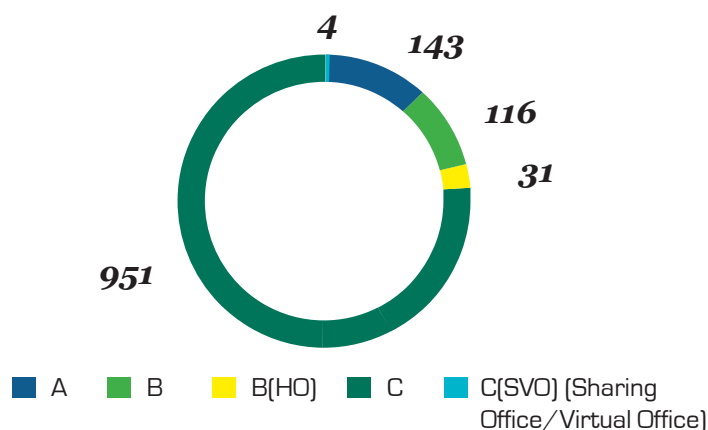
The categories of registration indicate certain levels of differences. Category A registration of training providers refers to those with training facilities and offices with at least two (2) permanent trainers and one (1) supporting staff. Category A training providers are allowed to conduct training under all HRDF training schemes.

On the other hand, Training Providers that are without training rooms and training facilities but have an administrative office with at least one (1) permanent local trainer and one (1) supporting staff, may opt to register under Category B. Under this category, training providers who do not have an administrative office that is normally located at commercial areas and operates its business directly from homes as a 'one-man show', may opt to register under the category B(H/O). However, both sub-categories under Category B, may only participate in the HRDF SBL, SBL-Khas and PROLUS Schemes.

As for Category C, training providers need to register their company with their permanent office address while having one (1) associate trainer. As an improvement to the original structure of category C registration, in 2012, HRDF has introduced a new sub-category under the category C registration, namely, Category C(SVO). This improvement is meant to provide an opportunity for training providers with vast experience and expertise but with minimum capital outlay to impart their skills and knowledge and participate in the HRDF training scheme. Under this new sub-category, training providers may only need to rent an office space and share common support staff under Small Office Home Office (SOHO) and Small Virtual Office (SVO) concept. Training providers who are registered under Category C or C(SVO) may only participate in the SBL Scheme.

From 1993 to 2012, a total of 4,536 training providers comprised active and inactive training providers, had registered with HRDF. Out of this figure, 1,371 training providers had been deregistered for being inactive, failed to renew their certificates or failed to register training programmes under any of HRDF's training schemes. The total number of active training providers as at 31 December 2012 was 3,165 with 1,245 new training providers registered with HRDF. Registration of new training providers sorted by category is shown in Chart 19.

**CHART 19:**  
**REGISTRATION OF NEW TRAINING PROVIDERS FROM 1 JANUARY TO 31 DECEMBER 2012**



Under HRDF, Training Providers Registration Unit is responsible for administering and monitoring the registration of training providers. e. Training Providers Registration Unit aims to register at least 2,500 new training providers yearly in order to ensure that training providers meet certain level of delivery standards. . To facilitate this initiative, the unit has been conducting activities such as the workshop on the Training Provider Information System (TPIS) to several associations and training providers who are yet to register with HRDF.

Apart from the above efforts, the procedures that govern the training providers' registration are also reviewed from time to time. This is meant to align the procedures with the needs and current conditions of the industries.

Other than registering their centres, training providers are encouraged to register their training programmes under the SBL-Khas, PROLUS or PERLA Schemes. These schemes were developed by HRDF to facilitate training providers who are offering their programmes to HRDF registered employers to enable the employers to claim substantial amount of their training expenses through the HRD levy.

Under the PROLUS Scheme, registered training providers are required to submit their programmes to be approved by the Approved Training Programme (ATP) Committee. In 2012, four (4) ATP Committee Meetings were held with a total number of 51 training programmes approved. The number of training programmes approved in 2012 has decreased by 66.6% compared to 153 training programmes approved in 2011. This was due to the course fees being approved by the committee that were lower than the amount of fees that can be claimed under the SBL Scheme.

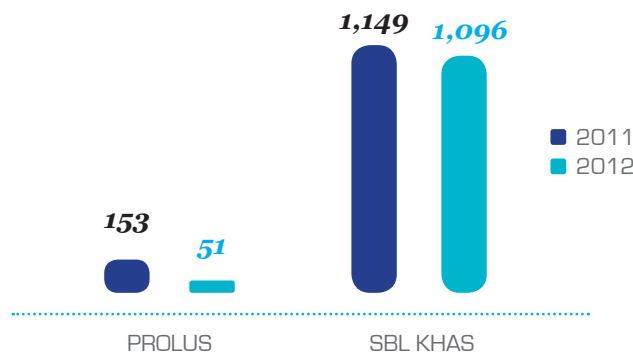


The duty to administer the registration of training programmes falls under the responsibility of the Training Programmes Registration Unit. Similar to the Training Providers Registration Unit, the Training Programmes Registration Unit had also conducted a series of TPIS workshop to explain the procedures and to encourage newly registered training providers to register their programmes.

As for the SBL-Khas Scheme, the number of training programmes approved in 2012 was 1,096. The figure had indicated a decrease of 4.6% compared to the previous year (with 1,149 training programmes approved). The details are as shown in Chart 20.

The total number of active training programmes for both schemes as at 2012 was 4,042, with the highest active programmes taking place under the Computer / Information Technology skill area, followed by Technical and Communication / Public Relation.

**CHART 20:  
COMPARISON BETWEEN THE NUMBER OF TRAINING PROGRAMMES APPROVED IN 2011  
AND 2012 FOR PROLUS AND SBL-KHAS SCHEMES**



## CONTINUOUS IMPROVEMENT ON SCHEMES, METHOD OF LEARNING AND QUALITY OF TRAINERS THROUGH RESEARCH, eLEARNING AND TRAIN-THE-TRAINER (TTT) PROGRAMMES

The landscape of learning has long changed. Apart from change itself, the next consistent thing in life is 'needs'. To meet the ever changing needs of the industries, particularly when it involves training as the enabler to human capability development, HRDF has emerged itself from merely as the fund governor to training-linked-performance leading organisation.

The road to realisation, as far as the above desired goal is concerned, would need more than just sheer luck. To accomplish this initiative, smart partnership between HRDF and the industries would need to be established, and also, continuous study on the current conditions and improvement requirement (research activities) need to be conducted. Efforts to keep track on the latest trend in learning mode (eLearning) need to be intensified as well as imposing certain control over the delivery standard of trainers need to be adhered.

## CONTINUOUS IMPROVEMENT THROUGH RESEARCH INITIATIVES

In order to ensure that continuous improvement measures are applied in all its current and future activities, HRDF had initiated studies, from time to time, that are conducted by independent consultants under the supervision of its Research and Development (R&D) Unit.

In 2012, the R&D Unit has facilitated several effectiveness studies training needs analysis studies. The lists of studies initiated in 2012 are as follows:

1. **Study on the Effectiveness of Training Programmes Organised by Ministries and Government Agencies to Small and Medium Enterprises (SMEs)**

The objective of the study was to determine the effectiveness of training programmes conducted by Ministries and Government Agencies for SMEs. The findings and recommendations from SMEs employers / employees whom have attended the training programmes will be used to identify areas that require attention and improvement for more effective training. The study commenced on March 2012 and is expected to be completed by February 2013.

2. **Training Needs Analysis for Medical Device Sector / Sub-Sector and Textile and Apparel Industry Sub Sector**

Both studies that commenced on August 2012 were meant to identify training needs of SMEs in the Medical Devices Sector / Sub-Sector and Textile and Apparel Industry Sub Sector as well as to make recommendations to address current and future training needs of the industries involved. The studies are currently on-going and expected to be completed by April 2013.

## THE HRDF 1-DAY eLEARNING MINI SEMINAR AND EXHIBITION

eLearning is an alternative method to the conventional learning mode. It has already become an integral part of the learning system of many education-based organisations. The main benefit of eLearning is its convenience in delivery. It allows trainees to work and learn at their own pace. Another benefit of eLearning is its flexibility. It allows trainees to reduce incidental costs such as cost of traveling, cost of training material and other costs incurred under the conventional learning mode. eLearning could also provide a platform for communication and interaction between trainees and trainers through online.

As such, to align itself parallel with the world's trend, HRDF has collaborated with 10 higher learning institutions and training providers, to collectively offer 253 training programmes under eLearning. To further expand its efforts in promoting eLearning programmes among its registered employers, HRDF had organised a 1-Day eLearning Mini Seminar and Exhibition on 26 April 2012.

The 1-Day eLearning Mini Seminar and Exhibition that was held at Seri Pacific Hotel Kuala Lumpur, were participated by more than 100 participants with 15 exhibitors setting up their booths to promote their respective eLearning programmes to the industries.

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## BUILDING TRAINERS CAPABILITY

Trainers contribute towards skill enhancement of their trainees. To deliver training effectively, a trainer is also required to understand the goals of the organisation and training needs of the employees. Effective trainers are skilled communicators and have an understanding about the fundamentals of training either design principles or practices. As such, realising this phenomenon, HRDF had introduced the requirement for all trainers to undergo the Train-The-Trainer (TTT) programme before conducting training under any of the HRDF schemes.

PSMB's TTT programme had received recognition from both the industries and Government agencies. The National SME Development Council (NSDC), has given mandate to HRDF to train trainers from the Government departments and agencies under the Train-The-Trainer (TTT) programmes, Evaluation on Effectiveness of Training (EET) and Master Trainer. In 2012, HRDF had successfully trained 442 trainers from various Government departments and agencies, in which, out of that figure, 313 trainers under the TTT programme, 71 trainers under the EET programme and 50 trainers under the Master Trainer programme.

Apart from making it mandatory for trainers to be certified under the PSMB TTT programme, PSMB had also given prior recognition to trainers, whom under their own capacity, had obtained vast credential, recognition and experience in the area of training. Trainers with these calibres may apply to be exempted from attending the PSMB TTT programme.

For the year 2012, a total of 523 trainers were given exemption from attending the PSMB TTT programme. To further encourage highly qualified trainers to go for this option or to get more trainers to be certified, PSMB will continuously propagate the need for trainers' certification through its quarterly email blast initiatives.

## INCREASING THE SUPPLY OF SKILLED WORKERS THROUGH THE HRDF APPRENTICESHIP SCHEME

The Tenth Malaysia Plan (10th MP) highlighted the urgent need to upgrade and up-skill the existing workforce in order to move Malaysia from the middle income value chain to the high income economy. To achieve this aspiration, the Government has aimed to ensure that 33% of the Malaysian workforce will be in the higher skilled bracket by 2015 and 50% by 2020. Considering the urgency of the matter, Malaysia would need to intensify the development of its human capital in achieving the high income status and it is necessary for all employers to move in parallel with this effort through the training and re-training activities of their employees. In this context, PSMB remains committed to facilitate and assist employers in training and building the capability of their human capital through the implementation of the Apprenticeship Scheme to meet the present and future needs of the industries.

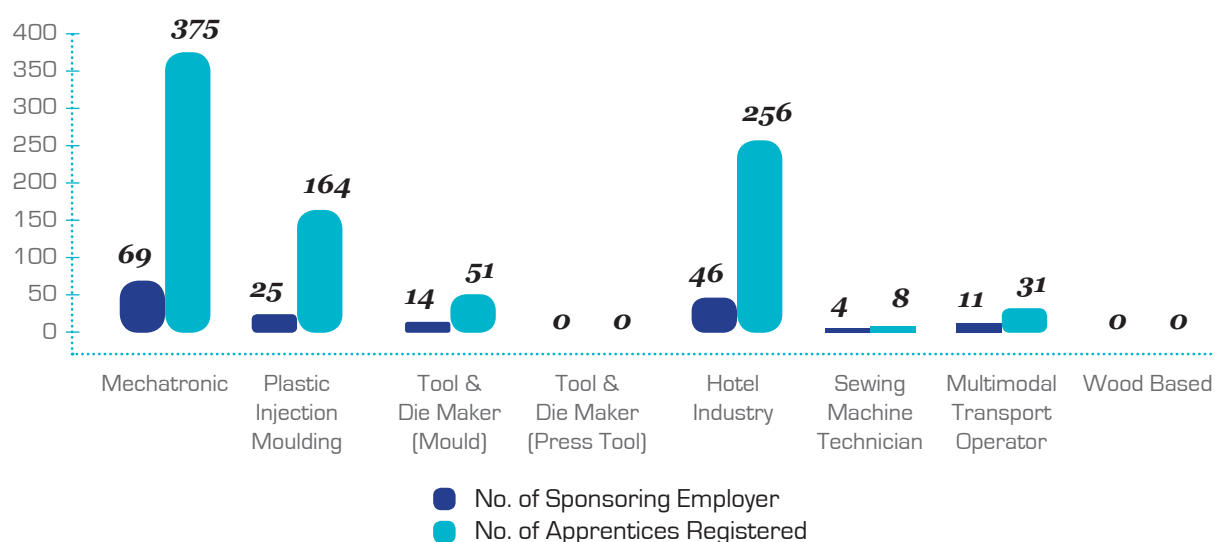
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## PSMB APPRENTICESHIP SCHEME

From 1996 to 2012, a total of 14,313 apprentices were trained under the PSMB Apprenticeship Scheme. Out of this figure, 13,391 (93.6%) apprentices were trained under the Industry-specific Apprenticeship Scheme; meanwhile, 277 (1.9%) apprentices were trained under the Company-specific Apprenticeship Scheme and 645 (4.5%) apprentices under the National Dual Training System (SLDN).

In 2012, six (6) industry-specific programmes under the Apprenticeship Scheme were actively conducted. The total number of apprentices approved in 2012 had increased by 18.7% (885 apprentices approved) as compared to 745 approved in 2011. Meanwhile, the total number of sponsoring employers for 2012 was 169. Further breakdown on the apprentices and their sponsoring employers approved in 2012 is shown in Chart 21 below.

**CHART 21:**  
**NUMBER OF APPRENTICES TRAINED AND SPONSORING EMPLOYERS IN 2012 UNDER THE INDUSTRY-SPECIFIC APPRENTICESHIP SCHEME**



11 & 12 November 2012



**9<sup>th</sup> Asean Skills Competition**  
Jakarta Convention Centre, Indonesia

## DEVELOPMENT OF NEW APPRENTICESHIP SCHEME PROGRAMMES

In gearing towards achieving the level of high skilled workforce and to meet the requests from the industries, PSMB had taken the initiatives to develop four (4) new programmes under the Apprenticeship Scheme since 2011 until 2012. The development of the four new Apprenticeship Scheme programmes involved representatives from the industry, training providers, employers' associations and the Department of Skills Development (DSD) as the accreditation body. The development was conducted based on the requirements of the National Occupational Skills Standard (NOSS) as its main referral and enriched with inputs from the industries.

### 1. Quality Assurance (QA) Technician Apprenticeship Scheme

The Quality Assurance (QA) Technician Apprenticeship Scheme aims to supply skilled workers to assure consistent quality of production by developing and enforcing good automated manufacturing practice (GAMP) system, validate processes and provide required documentation. The programme covers a period of 30.4 months and comprised of Off-The-Job (Three Semesters) and On-The-Job training, which consists of 26 modules that provide knowledge and skills required by the apprentice to be a competent Level 3 Quality Assurance Technician.

### 2. Information Technology (IT) Technician Apprenticeship Scheme

The objective of this programme is to equip school leavers with the competency to ensure the smooth running of software and assemble and troubleshoot computer hardware. Upon completion of the training, apprentices are able to install, remove, and update computer programmes as well as to assist clients to recover their lost data. The entire programme will cover a period of 24.5 months and comprises Off-The-Job (Three Semesters) and On-The-Job training, which consists of 19 modules that provide knowledge and skills required by the apprentice to be a competent Level 3 Computer Network Technician.

### 3. Welding Technician Apprenticeship Scheme

The job description of a Welding Technician are to draft, lay out, and specify technical devices, parts, and provide equipment documentations, detailed instructions, drawings, or specifications to tell others about how devices, parts, equipment, or structures are to be fabricated, constructed, assembled, modified, maintained, or used. This scheme is designed to cover a period of 28 months and it comprises of Off-The-Job (Three Semesters) and On-The-Job training. The programme consists of 23 modules, which provide the knowledge and skills required by the apprentice to be a competent Level 3 Shielded Metal Arc Welding Technician (Carbon Steel).

#### 4. Electrical Technician Apprenticeship Scheme

The job scope of an Electrical Technician is to assemble, install, test, and maintain electrical or electronic wiring, equipment, appliances, apparatus, and fixtures, using hand tools and power tools. He or she needs to diagnose malfunctioned systems, apparatus, and components through using various test equipment and hand tools, to locate the cause of a breakdown and finally, correct the problem. The entire programme will cover a period of 24 months and comprises of Off-The-Job (Semester one (pre-requisite), Semester Two and Semester Three) and On-The-Job training, which consists of 23 modules that provide the knowledge and skills required by the apprentice to be a competent Level 3 Senior Electrical Technician.

### ENHANCEMENT OF CURRENT AND FUTURE TALENT

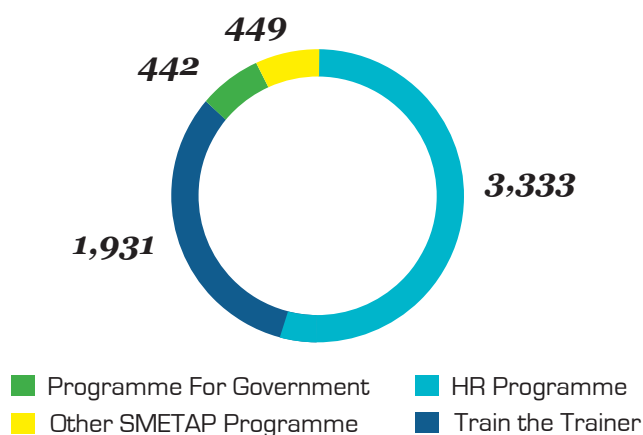
The Small and Medium Enterprise (SME) Training Partner Scheme, or better known as the SMETAP Scheme, was implemented by PSMB in collaboration with local and overseas training providers. The objectives of the SMETAP Scheme are:

- i. to equip SME employees with the specialised training programmes that are not widely available in the market;
- ii. to enhance the skills of internal trainers in conducting in-house training;
- iii. and to develop a skilled and talented workforce in HR Management that improves business performances and delivers company-wide impact.

Under the SMETAP scheme, training course fees are deducted directly from the employers' levy. This is meant to ease the burden of SME employers who face cash outflow difficulties to train their employees. In 2012, there were cases where training programmes received full subsidiary funding of course fees from the Government through the training incentives fund.

In 2012, a total of 333 sessions were held that benefited 6,155 trainees in various training programmes offered under this scheme. The breakdown of participants according to training programmes is shown in Chart 22 below:

**CHART 22:  
NUMBER OF PARTICIPANTS APPROVED UNDER SMETAP SCHEME**





## HRDF SENIOR MANAGEMENT DEVELOPMENT PROGRAMME

In 2012, HRDF had implemented the HRDF Senior Management Development Programme in collaboration with well-known universities. The objectives of the programme were to support middle managers to explore diverse perspectives, mastering new skills and lead cross functional teams and create leaders who are able to shape and implement value-creating strategies and deliver results. In other words, the focus of the programme was to build a talented pool of leaders and develop the future middle managers to become innovative and growth powerhouse for the organisation especially SMEs. Universities that were involved in this programme were Oxford University, Cranfield School of Management, Cambridge University and Cheung Kong Graduate School of Business, China. In 2012, a total of 375 participants had benefited from the programme under this initiative.

## HRDF MANAGEMENT GURUs PROGRAMME

There are some sayings of wise men which state, "Speed without direction is meaningless", "Behind every successful leader lies the one with great wisdom" and "GURUS, is what it takes to assist our potential leaders to set their directions straight and for these leaders to fall to in time of needs for inspirations."

Inspired by these sayings, in 2012, HRDF had established collaboration with training institutions to bring in Management Gurus to share their expertise in various aspects such as human development, marketing, leadership and others. These programmes were aimed to change the way participants think and feel to boost organisational productivity. The programmes had successfully attracted 99 participants. The Gurus that had shared their expertise were as follows:



### **Leadership Seminar: The Truth about Leadership**

James M. Kouzes and Barry Z. Posner  
[2 April 2012]

### **Leadership Coaching Conference: Helping Leadership Create Solutions through Coaching**

James M. Kouzes and Barry Z. Posner  
[12-13 April 2012]



### **Law of Attraction**

Michael Losier  
[5 July 2012]



### **Brain Rules for Executive**

John Medina  
[11 July 2012]



### **Certificate in Talent and Human Resource**

Prof. William J. Rothwell  
[1-3 October 2012]

## ENHANCING SERVICE DELIVERY AND EFFICIENCY



Ease and speed are the motto held dearly amongst PSMB ICT Division. Every ICT solution aims for a simple way of executing tasks to enable its users to conduct tasks at their finger-tips without much hassle, simplifying daily chores. In today's age of technology and information, speed has also become critical with the population in general wanting to have information required and processes to be completed at the blink of an eye. This is what PSMB, which administers the Human Resource Development Fund (HRDF), aims to achieve. The company has come a long way since its inception in 1993, and the services provided by the agency have thus been far beyond satisfactory. It now aims to excel further in its services to achieve excellent or exemplary levels.

In line with the Malaysian Government's aim to have "90% services available online: Services available anytime, anywhere," the PSMB ICT Transformation Project (ICT2.0@HRDF) will encompass the upgrading of its overall ICT infrastructure and its business applications to meet this end. Currently, HRDF does have online facilities accessible by all its customers (mainly employers and training providers), to conduct online transactions. The upgrade is expected to enhance availability and reliability of these online transactions, increasing the speed in each transaction through simplification and standardisation of affected processes. Furthermore, it is expected that with hardware upgrades and software integration undertaken during this project, the response time to meet users' expectations will also be improved.

The ICT upgrade will see an increase in the utilisation of online portals to assist customers in getting their training and development needs met in a speedier manner. The upgrade will not only impact the technological aspects, but also, it will enable the improvement of response time due to dependency on technology.

PSMB has engaged a reputable local partner to complete the project and thus achieve a world class ICT system for the organisation. A significant testimony this will be in which Malaysian capability is very much at par with international technology providers, this project is expected to be completed by the second quarter of 2013. ICT2.0@HRDF is currently at about 44% completion. PSMB hopes that both its internal and external customers will embrace this exciting new phase of transformation in its journey to be the driving force in training and development of the workforce.

**Why ICT2.0@HRDF**

In line with the Malaysian Government's aim to have "90% services available anytime anywhere", the upgrade will be desired to achieve the following:-

1. Enhance technology for the future of the organisation
2. Increase efficiency in processes
3. Provide integrated and consistent information
4. Ease of reporting
5. Increase user friendliness of the system
6. Ease access to data
7. Increase the organisation's ability to provide better customer service
8. Increase security data

## PUSHING SMES TO GREATER HEIGHTS: NATIONAL HUMAN RESOURCES CENTRE (NHRC)



### ACHIEVEMENTS OF MARKETING & PROMOTIONAL INITIATIVES FOR NATIONAL HUMAN RESOURCE CENTRE (NHRC)

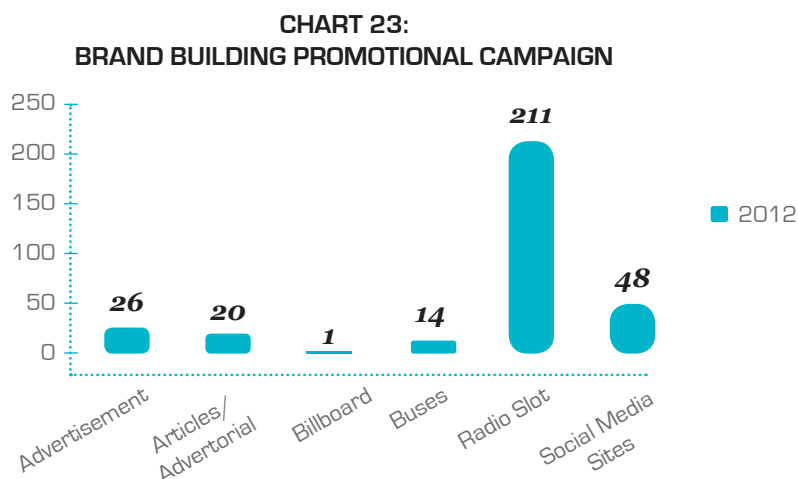
NHRC was established to enhance the quality and productivity of SMEs to a higher level of competency and capability. Marketing and promotional awareness campaign was embarked at and carried out on a continuous basis to ensure that the business community is aware of its existence and the services that it offers to the SMEs.

This involved adoption of brand awareness initiatives such as road-show briefings, advertisements on printed Medias, billboard and buses, promotional articles and advertorials on major newspapers and interview slots and commercials on well-known radio stations. These modes of promotion are crucial to create awareness on a wider scale.

Creating values to HR professionals and practitioners, value added programmes and networking activities were organised throughout the nation in the form of HR Clinics, HR Clubs, Peer Mentoring Session, Forum, Dialogues and Human Resources Management Seminars. Apart from engaging HR experts to present their views and topics on HR matters, these events provide NHRC with a good platform to market and promote its services to potential users and subscribers.

#### Brand Building Promotional Campaign

The summary for brand building promotional campaign is as shown in Chart 23.



### 1. Awareness Briefing

HR and Businesses at large are made aware of the importance of strengthening their Human Resource Capability and Development through transformation of both the workforce and workplace environment as outlined by the New Economic Model (NEM). Participants were encouraged to adopt a Total Human Capital Development System (THCDS) at their workplace to ensure proper management of the workforce so as to gear them to a higher level of competency and capability to contribute to business success and nation's prosperity. Guidance on THCDS in the form of advice, consultancy works and rich content materials were largely provided free by NHRC.

Among the questions and comments raised by the participants were on the nature of the services provided, access to the services offered and whether the service is paid or free. Majority of the employers in the briefing gave positive feedback to the establishment and services offered by NHRC where most of them stated that the establishment of the NHRC by the Government is timely to help the industry.

A total of 27 briefings were held throughout the country in 2012 in collaboration with employers' associations such as Malay, Chinese and Indian Chamber of Commerce, Federation of Malaysian Manufacturers (FMM), SME Association etc. A total of 450 participants from 359 employers attended the briefings.

### 2. Advertisements in Printed Media

A total of 26 advertisements on NHRC were published in local newspapers such as Harian Metro, New Straits Times, The Star, Nanyang Siang Pau, Sin Chew Jit Poh, Makkal Osai, Malaysia Nanban, Tamil Nesan, Borneo Post and the Daily Express Sabah. The advertisements were published to create more awareness on NHRC and disseminate information on the services offered.

### 3. Articles/Advertorials in Newspapers and Magazines

In addition to the advertisements, articles and advertorials on Human Resource Management were published in newspapers and magazines – six (6) advertorials in English was published in The Edge, nine (9) advertorials in Mandarin in the Oriental Daily News, two (2) advertorials in Tamil in Malaysia Nanban and one (1) advertorial in English for Malaysian Indian Business magazine. In addition, two (2) articles on NHRC in English were published in The Malay Mail and The Sun. The input, content and concept of these articles/advertorials were contributed by NHRC officers as well as internal and external consultants registered with NHRC.

#### 4. Advertisements on Billboard and Metro Buses

A billboard advertisement with the size of 20 feet x 80 feet had been placed at the North – South, Elite Highway at KM296 (sb) Bangi – Nilai to promote NHRC. At the same time, different advertisements on NHRC were used on 14 buses for a period of four months from 1 July to 31 October 2012 for the Kuala Lumpur and Selangor route.



5. **Radio Slot**

Radio stations owned by Media Prima Berhad, mainly the Business Radio Station (BFM), Hot FM (Malay), Fly FM (English) and One FM (Chinese), as well as ASTRO's THR Thiagga (Tamil) were used for NHRC commercials. NHRC's commercials on BFM Radio were aired from 5 to 16 March 2012, whilst on other radio stations, the commercials were aired from 3 to 9 September 2012 and on ASTRO's THR Thiagga, they were aired from 10 to 16 September 2012.

6. **Social Media Sites**

In line with the current technological development, NHRC has initiated promotion of its services through popular internet social networking sites such as Facebook and Twitter. Through MY HRDF Facebook and Twitter, latest information on NHRC i.e. seminars, advertisements and programmes, can immediately be disseminated to the business community. A total of 48 posts on NHRC and its programmes have been uploaded onto MY HRDF from February to December 2012.





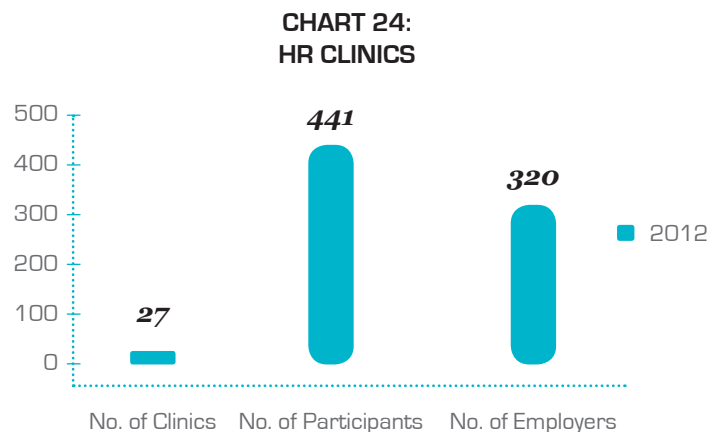
## Brand Building Value Added Initiatives

Apart from being a promotional platform for disseminating information on the establishment of NHRC and its services, the main purpose of introducing value added initiatives are to expose SMEs to modern concepts and best practices in human resource management. The programmes are categorised into events, business owners' peer sharing sessions and HR capability building programme for SMEs that are not registered with HRDF.

### 1. HR Clinics

HR Clinics were organised in major towns and districts throughout Malaysia to promote NHRC HR Consultancy and Advisory Services through interactive HR Consultative session by appointed HR Consultants. Employers, especially the SMEs, will be offered complimentary and chargeable HR Services under the NHRC while the invited registered HR Consultants give presentation on HR Solution Services and Consultancy Works that they offer. To add value, interactive HR Consultative sessions, moderated by the invited consultants were included in the sessions and selected point of discussion, views, concerns and issues raised by the participants will be resolved by the consultants during the clinics.

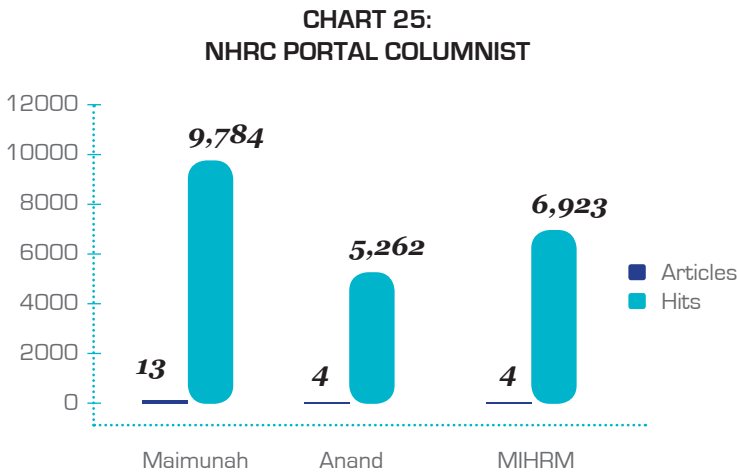
A total of 27 HR Clinic sessions were conducted nationwide in 2012 with 441 participants from 320 employers. Among topics of discussion that caught the attention of participants were Minimum Wage, Employment Act, Job Profiling, Contract of Service, Terms and Conditions of Employment, Misconduct and Process of Disciplinary Action and Performance Management. The details are as shown in Chart 24.



2. HR Columnist page on NHRC Portal

To enrich the contents of the NHRC portal, three very experienced individuals were invited to write on Human Resource Management matters in the Columnist Section of the portal at [www.nhrc.com.my](http://www.nhrc.com.my). The experts are Ms. Maimunah Aminuddin, a former lecturer and well-known academician in the field of Human Resources, Mr. Anand Ponnudurai, an experienced legal practitioner and a well-known figure in the field of Employment Law, and MIHRM, a national institution of professional training, consultation and support for HR professionals and practitioners in Malaysia.

According to portal user statistics, articles featured in the Columnist Section were the most read and downloaded amongst the many online materials published on the website with 21,969 hits in 2012. The details are as shown in Chart 25.

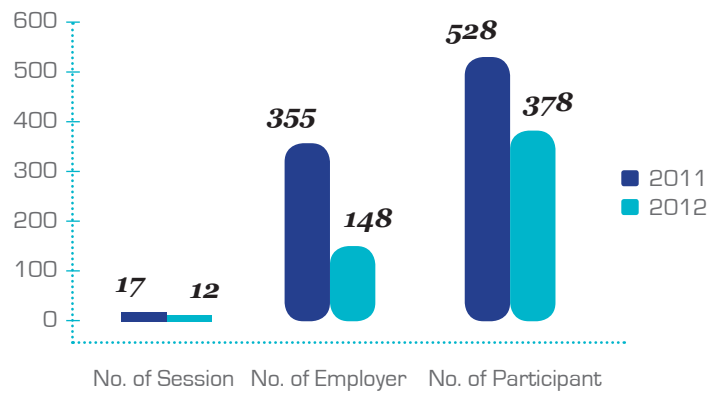


3. HR Club

HR Club is a half day programme organised by the NHRC. As the secretariat, NHRC plays the role of an initiator and enabler in gathering HR Professionals and Practitioners to share their HR knowledge, expertise and experiences amongst the SMEs.

In 2012, a total of 12 HR Club sessions were conducted in Kuala Lumpur, Selangor, Perak, Penang, Negeri Sembilan, Melaka, Johor, Sabah, and Sarawak with 148 SME employers as attendees. Considerable effort had been made to introduce NHRC, its roles and functions, and the importance of human resource management to the SME employers. Since the establishment of NHRC on 1 August 2011 until 31 December 2012, a total of 29 HR Club sessions on creating, spreading and uplifting awareness on human resource management amongst the SMEs had been successfully conducted with 906 participants from 503 employers. The details are as shown in Chart 26.

**CHART 26:**  
**COMPARISON BETWEEN THE NUMBER OF SME EMPLOYERS HAD ATTENDED HR CLUB**  
**FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2011 AND 2012**



### NHRC HR Club



Zenith Hotel, Pahang



Equatorial Hotel, Malacca



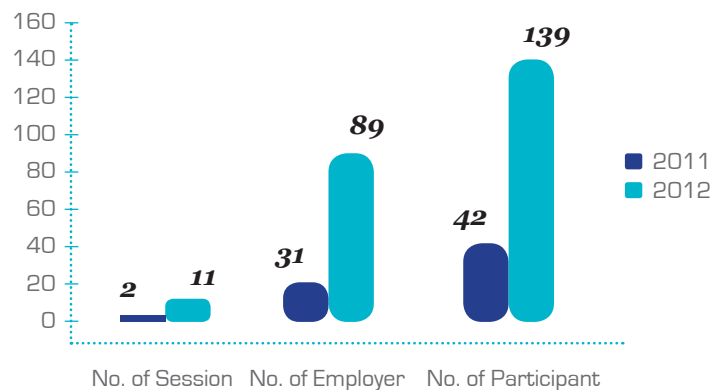
KSL Hotel, Johor Bharu

#### 4. Peer Mentoring Session

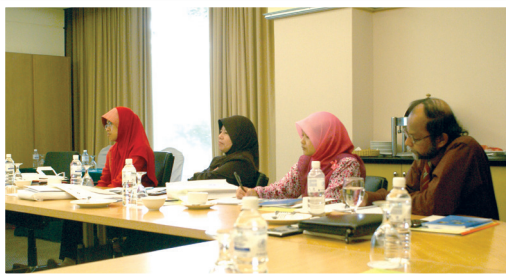
A Peer Mentoring session is where an expert who has vast knowledge and experience in HR, be engaged by NHRC to act as a mentor to a group of SMEs. The SMEs can benefit greatly from the guidance, sharing of expertise and experiences on various HR issues affecting the SMEs by the mentors, not to mention the one-on-one interactive engagement session with them.

In 2012, a total of 11 Peer Mentoring sessions had been conducted with 139 participants from 89 SME employers. This recorded an increase of more than 50% increment compared to 2011 achievement as per Chart 27 below :

**CHART 27:**  
**COMPARISON BETWEEN THE NUMBER OF SMES EMPLOYERS HAD ATTENDED PEER MENTORING FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2011 AND 2012**



#### NHRC Peer Mentoring Session



Royale Bintang Hotel, Seremban, Negeri Sembilan



G Hotel, Kuala Lumpur



Le Meridien Hotel, Kota Kinabalu, Sabah



Good Hope Hotel, Skudai, Johor

## 5. Forum and Dialogue

The forum and dialogue feature is an initiative organised under the National SME Development Council (NSDC). The forum provides a platform for intellectual engagement in discussing current issues on the relevancy and accessibility of training for SMEs. The 1 day event was organised in a round table discussion setting with 2 speakers presenting specific topics on Training and Development. Participants will discuss and present their issues on topics presented, moderated by an appointed host.

The dialogue session is a platform for exchanging of ideas on specific HR issues and topics between PSMB, Government Ministries and Agencies, Employer's Associations and Industry Players. The half-day session will focus on issues and practical solutions in improving Training and Development of SMEs.

To ensure the programmes offered to SMEs are relevant and meet the industry requirement, a total of 4 Forums and 1 Dialogue session were conducted in 2012 with the employer associations and industry representatives to obtain feedback and input for improvement. The sessions were attended by 187 participants as summarised in the Table 20 below :

**TABLE 20:**  
**NUMBER OF PARTICIPANTS HAD ATTENDED FORUM AND DIALOGUE**  
**FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2012**

Year	No. of Session	No. of Participants
2012	5	187

### NHRC Forum



Sandakan, Sabah



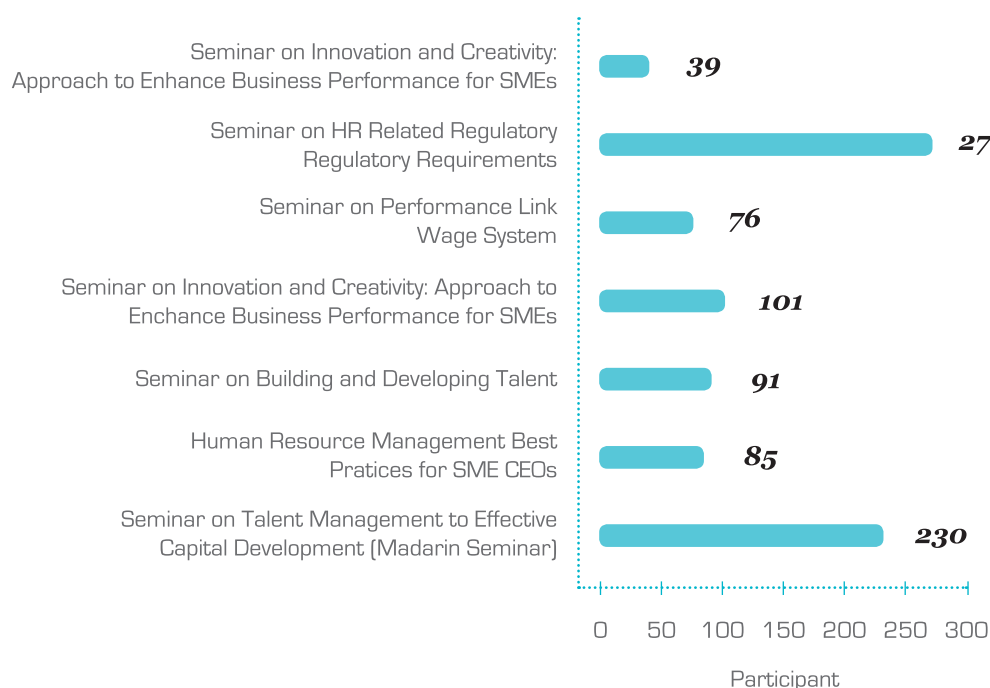
G Hotel, Penang

## 6. HR Capability Building for Non HRDF

On top of NHRC's main function in providing advisory and consultancy in human resource management, NHRC is also entrusted to build HR capability in SMEs. In 2012, with an allocation of RM1.49 million, a series of HR Capability Building activities for SMEs were conducted in Malaysia with 2,669 participants, based on three major clusters as follows:

- i. HR for CEOs and HR for Non-HR Personnel (Chart 28)
- ii. Certificate and Diploma for HR Practitioners (Chart 29)
- iii. Workshop / Seminar for Business Owners and Senior Management on HRM (Chart 30)

**CHART 28:**  
**NUMBER OF PARTICIPANTS ATTENDED HR FOR CEOs AND HR FOR NON-HR PERSONNEL IN 2012**





### NHRC Seminar HRM for Business Owners



NIOSH, Bangi, Selangor



Ming Garden Hotel, Sabah

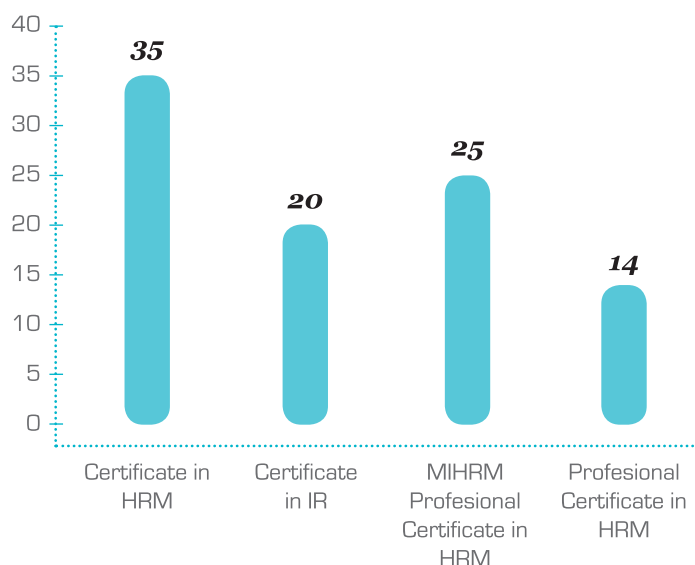


**HRM Seminar for SME Business Owners  
in collaboration with Dewan Perniagaan  
Melayu Malaysia (DPMM)**  
PJ Hilton Hotel, Petaling Jaya, Selangor

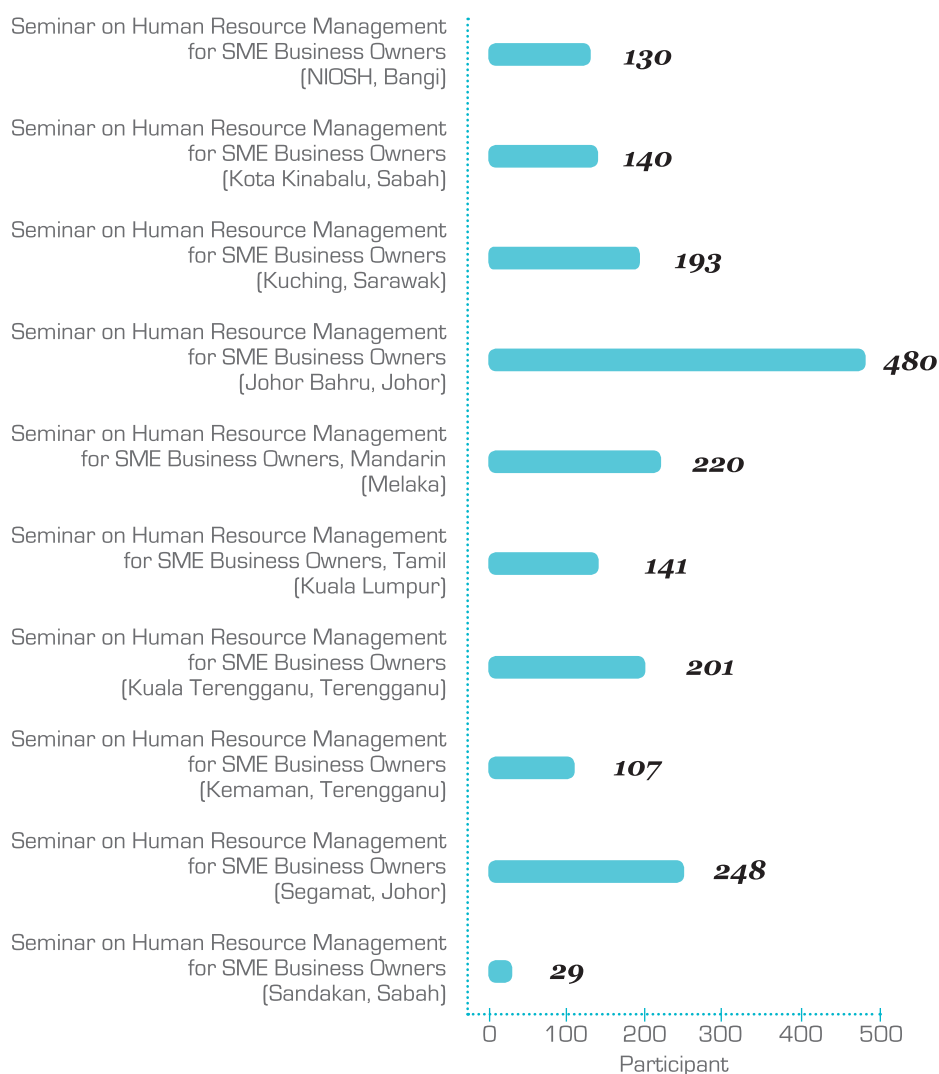


**NHRC Seminar on HR**  
Kota Kinabalu, Sabah

**CHART 29:**  
**NUMBER OF PARTICIPANTS ATTENDED THE HR CERTIFICATE AND DIPLOMA  
 FOR HR PRACTITIONERS IN 2012**



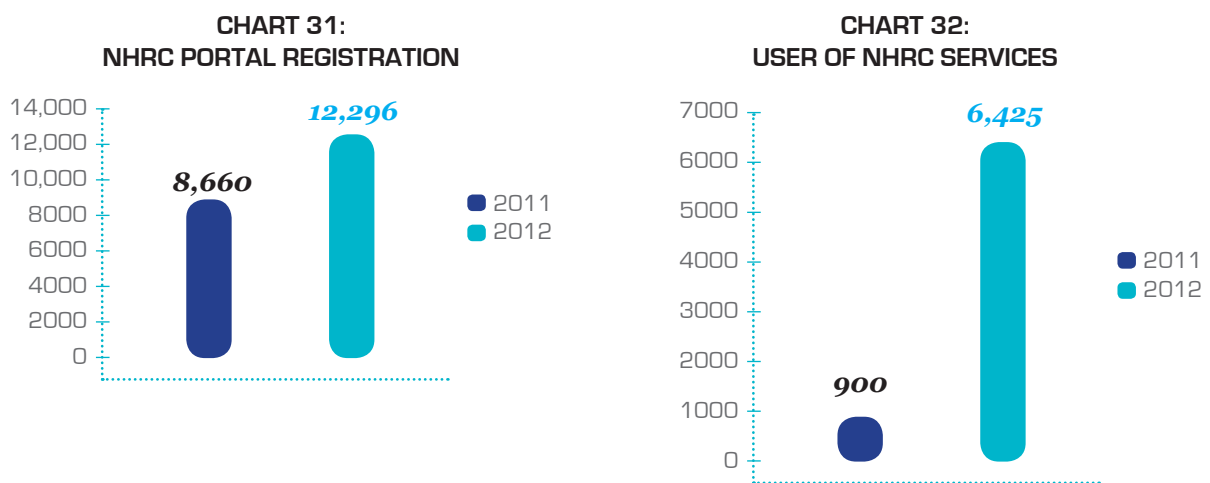
**CHART 30:**  
**NUMBER OF PARTICIPANTS ATTENDED THE WORKSHOP/SEMINAR FOR  
 BUSINESS OWNERS/SENIOR MANAGEMENT ON HRM IN 2012**



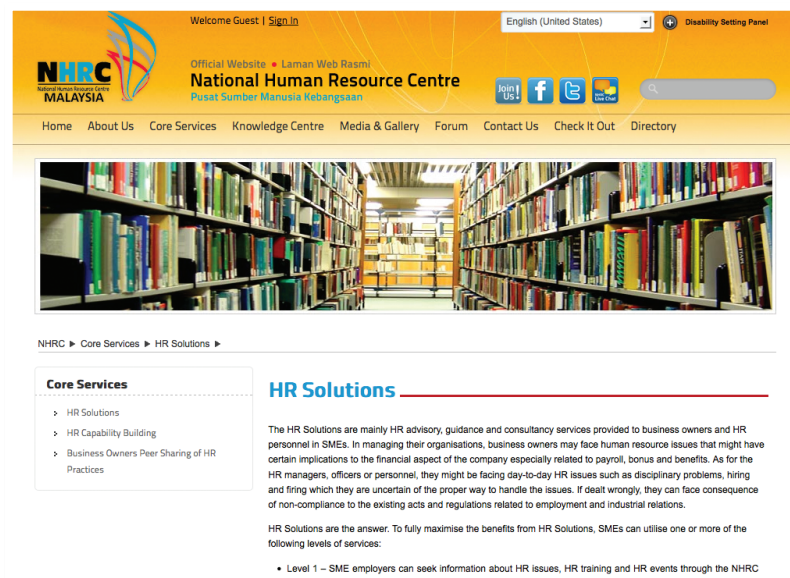
## NHRC Portal Registration and Users Benefited from NHRC Services

Cumulatively, the number of portal user registration and employers using the various NHRC services had sky rocketed as a result of the awareness campaign and value added initiatives introduced by NHRC.

The total number of portal registration has increased cumulatively from 8,660 employers in 2011 to 12,296 employers in 2012, whilst the number of users of the NHRC services had a tremendous leap from 900 employers in 2011 to 6,425 employers in 2012. This could be due to the rigorous effort done in creating awareness and promoting NHRC through various initiatives and programmes. Details are as per Chart 31 and Chart 32 below.



Although NHRC can be described as still at its infancy stage, its services and function will eventually be known to all sectors of the industry in no time and thus, meeting its objective of becoming a one-stop centre for HR solutions and consultancy service, thanks to the continuous publicity and promotional support received from the HR and Business Community.



## HRDF CONFERENCE AND EXHIBITION 2012

HRDF 2012 Conference & Exhibition with the theme *"HR Transformation for Business Excellence"* was successfully held at Sunway Pyramid Convention Centre, Petaling Jaya Selangor from 11- 12 September 2012. The two-day event, which was the twelfth annual event since its inception in 2001, had been a great platform for HR practitioners to gain greater and in-depth knowledge in the spectrum of human capital development through speakers' presentation during the conference.

This prestigious event had attracted a total of 1,470 participants comprised mainly of Business Owners, HR professionals and practitioners, senior managers and those who are interested in the field of Human Resources management and development. The HRDF Conference and Exhibition 2012 was graciously officiated by the guest of honour, YB Datuk Seri Dr. S. Subramaniam, Minister of Human Resources on 11 September 2012.

Participants were enriched from the sharing of real-life organisation's experiences in human resources management resultant with business excellence delivered by distinguished speakers, Y.Bhg Dato' Izzaddin Idris, Group Managing Director/CEO of UEM Group Berhad, Mr. Yasir Abdul Rahman, CEO Petronas Leadership Centre (PLC), Mr. Lim Kim Meow, Managing Director of Top Glove Corporation Berhad, Mr. Zaidi Osman, HR Director of BASF Petronas Chemicals and Mr. Adzhar Ibrahim, Regional Head of People, Air Asia Berhad. The participants were also enlightened by Mr. Taranjeet Singh of Hay Group, Mr. Roshan Thiran of Leadernomics, Mr. Andrew HW Lee, Executive Director of Thomas Watson and Mr. Roger Konopasek from R.Kono International Pte. Ltd. who had given insights on HR management for business excellence from the perspective of a Consultant. The participants were also given the opportunity to "go back to school" through an interesting presentation by Mr. Tim Ringrose, Executive Development Director of Cranfield School of Management and Professor Jackie Ford of University of Leeds. The Conference's final session was delivered by Y. Bhg Dato' Lawrence Chan Kum Peng, the well-known Malaysian motivational speaker, who spoke on mental training which has helped in transforming the lives of countless people to perform with excellence and be successful in life.

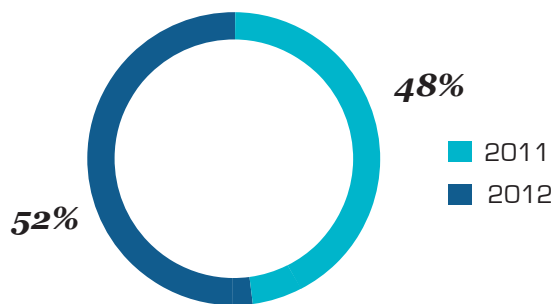




A total of 85 exhibitors showcased their products at the exhibition booth, providing abundance of useful information on human resources training and development. The annual Conference and Exhibition offered plenty of opportunities for participants to network and apply their learning in multiple modalities, environment and culture.

The total number of participants who attended the conference in 2012 had increased by 113 (8.3%) participants to 1,470 participants from 1,357 participants in 2011. Out of that number, 30% came from SME employers and the balance of 70% participants came from big employers. The details are as shown in Table 21.

**TABLE 21:**  
**COMPARISON ON THE NUMBER OF ATTENDANCE FOR THE HRDF CONFERENCE AND EXHIBITION IN 2012 AND 2011**



Year	No. of Participants
2011	1,357
2012	1,470
Difference	113
Difference/ (%)	8.3%



## HRD AWARD

### RECOGNISING HUMAN RESOURCE DEVELOPMENT IN MALAYSIA

The Human Resource Development Award (HRD Award) is presented annually by Pembangunan Sumber Manusia Berhad (PSMB) to recognise registered employers and training providers who have actively been involved in the field of human resources development at organisational and national levels. The HRD Award consists of two, which are the Human Resources Minister Award and the Pembangunan Sumber Manusia Berhad Award. Each type of Award is divided into five categories of recipients, namely:

- Large Employer (Manufacturing)
- Large Employer (Service)
- Small and Medium Employer (Manufacturing)
- Small and Medium Employer (Service)
- Training Provider



The objectives of the HRD Award which was introduced in 2001 is to recognise employers who have contributed significantly to the field of human resource development in their organisations and those who promote enculturation of learning and development environment to enhance the competencies of their employees. The Award is also to recognise training providers who have consistently provided and delivered quality training programmes to HRDF and non-HRDF registered employers as well as those who have adopted systematic methods of developing training curriculum and programmes.





A total number of 88 organisations had won the HRD Award out of which 46 organisations had won the Human Resources Minister Award and the other 42 organisations, the Pembangunan Sumber Manusia Berhad Award. The continuous participation of employers and training providers in HRD Award is a testament of industry's recognition and acceptance towards HRDF and Government's initiatives. This award has grown in stature to become the most prestigious HRD Award recognised by industries. The HRD Award is the Highest National Recognition in the field of Human Resources Development awarded by Pembangunan Sumber Manusia Berhad under the Ministry of Human Resources.

The Honourable Minister of Human Resources had officiated the event and presented all the winners with their trophies and certificate of appreciation at the Gala Dinner and HRD Award Presentation which was held on 27 November 2012 at the prestigious Marriot Hotel, Putrajaya. More than 500 guests attended the grand event.

A total of 59 organisations had participated in the 2012 HRD Award comprising of big, medium and small enterprises and training providers registered with HRDF.

The winners of the 2012 HRD awards are as follows:

Human Resource Minister Awards 2012	
Large Employer Category (Manufacturing)	AGILENT TECHNOLOGIES MICROWAVE PRODUCTS (M) SDN. BHD.
Large Employer Category (Service)	TNB RESEARCH SDN. BHD.
Training Provider Category	IRS TRAINING SDN. BHD.

Pembangunan Sumber Manusia Awards 2012	
Large Employer Category (Manufacturing)	TOSHIBA ELECTRONICS MALAYSIA SDN. BHD.
Large Employer Category (Service)	GLENEAGLES HOSPITAL (KUALA LUMPUR) SDN. BHD.
Training Provider Category	PETRONAS LEADERSHIP CENTRE

APPRECIATION CERTIFICATE	
Large Employer Category (Manufacturing)	BASF PETRONAS CHEMICALS SDN. BHD.
Large Employer Category (Service)	i. KAJANG SPECIALIST HOSPITAL SDN. BHD. (KPJ KAJANG) ii. GRAND DORSETT SUBANG HOTEL iii. DELL GLOBAL BUSINESS CENTRE SDN. BHD. iv. KOLEJ POLY-TECH MARA SDN. BHD.
Small and Medium Enterprise Category (Manufacturing)	i. UBC COMMERCIAL VEHICLES (M) SDN. BHD. ii. TECKWAH PAPER PRODUCTS SDN. BHD.
Small and Medium Enterprise Category (Service)	i. AWARDS SHIPPING AGENCY (M) SDN. BHD. ii. PLT BATU PAHAT SDN. BHD.
Training Provider Category	MSTS ASIA SDN. BHD.

## ESTABLISHMENT OF THE NATIONAL HUMAN RESOURCES CENTRE AT PEMBANGUNAN SUMBER MANUSIA BERHAD

According to the Economic Census 2011, SMEs represent 97.3% of total business establishment in Malaysia. From the percentage, there are 645,000 SMEs operating in Malaysia. The report further revealed that SMEs remained resilient in 2011, with their GDP continuing to expand at a pace of 6.8% than the overall economy which is at 5.1%. The positive development over the years has resulted in SMEs' contribution towards the nation's GDP increase gradually from 29.4% in 2005 to 32.5% in 2011.

To elevate SMEs competitive standing further and expand their economic contribution nationally and globally, not only the company's structure must be consistent with its bottom line but it must have good resources to create a defensible position in the long run.

The Economic Transformation Programme (ETP) through Strategic Reform Initiatives (SRI) had accorded prime importance in expediting workplace and workforce transformation among SMEs to reach desired competitive level. Hence, the National Human Resource Centre (NHRC) was established on 1 August 2011 to play the role as a strategic and operational support partner in HR to SMEs. 2012 marked the second operating year for NHRC since it was first established. NHRC's coverage of HR scopes is encapsulated in Total Human Capital Development System (THCDS) which consist of:

- HR Related Regulatory Requirements
- Recruitment and Selection
- Compensation and Benefits
- Employee Development
- Employment Relations
- HR Leadership Programme
- Other HR Areas

Through high quality and cost effective HR solutions and programmes, NHRC is anchored by three core services, i.e. HR Solutions, HR Capability Building Programmes and Business Owners Peer Sharing of HR Practices.

HR Solutions comprise of three levels of services, namely Level 1, Level 2 and Level 3 services. Level 1 service refers to the delivery of information, advice, Frequently Asked Question or resources via online as mechanism to provide understanding to SMEs related to the requirements of respective HR legislations.

Level 2 service is offered for SMEs who prefer quick response delivery of advice and guide from NHRC officers through telephone or face-to-face (walk-in) at NHRC premises. The main objective of Level 2 service is to provide basic consulting on correct HR applications and resolution to HR issues. To ease the cost of calls, NHRC had established a Call Centre which provides a toll free number, 1800-88-4800. The Call Centre commenced its service in January 2012.

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The Level 3 service offers comprehensive consultation on instituting various HR programmes to SMEs either by NHRC itself or outsourcing capability through the appointed consultants.

Based on the SME Masterplan 2012-2000 produced by SME Corp., four main barriers facing SMEs are:

- Human capital development
- Access to market
- Adoption of innovation and technology
- Legislation and enforcement environment.

Three weak elements which stand out in the human capital development issues are:

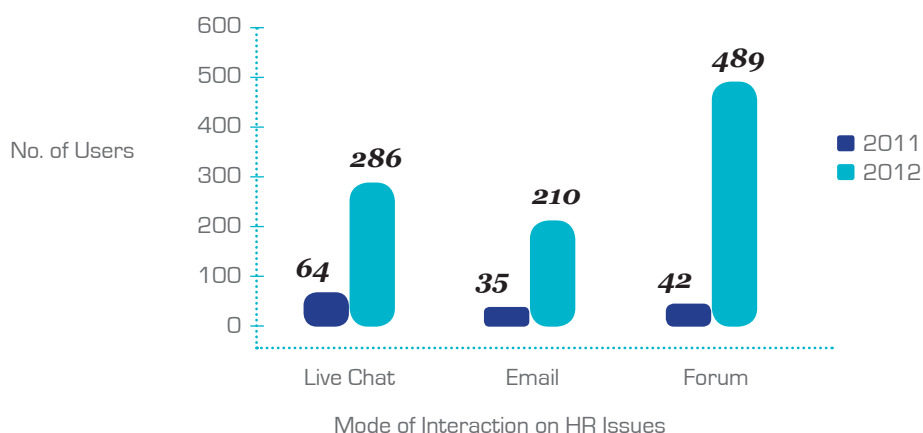
- Lack of preparation among the workforce
- Lack of training
- Uncompetitive compensation and benefit.

While legislation and enforcement environment issue confronting SMEs, among others, is on compliance to law.

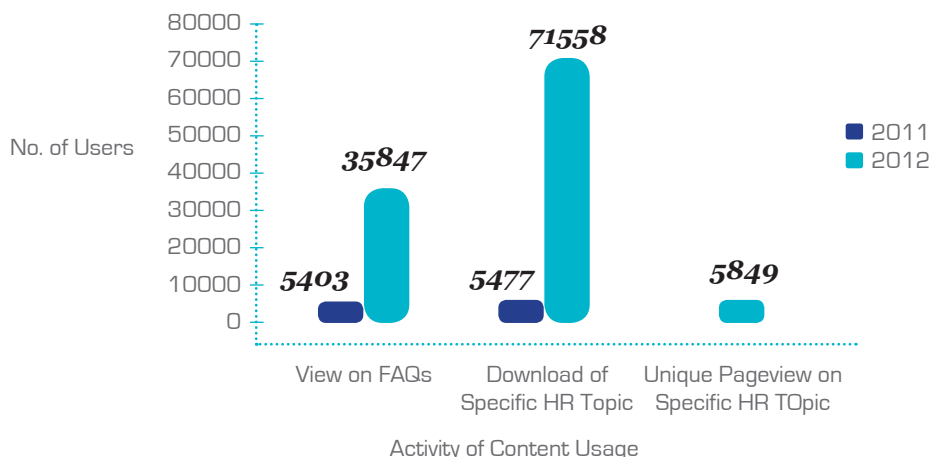
Due to the above barriers and issues, NHRC provides HR Solutions (Level 1, 2 and 3) with the purpose to improve SMEs' HR capability and practices for better compliance to employment laws and more effective approach to internal issue resolutions. With lesser HR problems, SMEs can channel their resources towards higher productivity, quality and competitiveness.

In Chart 33, comparison among the three modes showed that employers preferred to interact with the NHRC officers via forum (50%) followed by live chat (29%) and e-mail (21%). The main reason is the issue of anonymity. Employers are comfortable to ask HR issues without revealing their name or company's name. The two-year trend also showed similar pattern of preference. However, 2012 recorded more than 80% increase of usage for all three modes of interaction compared to only live chat (19%), e-mail (14%) and forum (8%). This jump endorsed the increase in portal usage which suggested that NHRC Portal is gaining acceptance among NHRC users.

**CHART 33:**  
**BREAKDOWN OF MODE OF INTERACTION ON HR ISSUES (LEVEL 1 SERVICE)**



**CHART 34:**  
**BREAKDOWN OF ACTIVITY OF CONTENT USAGE (LEVEL 1 SERVICE)**



Meanwhile, in Chart 34, breakdown of activity of portal's content usage showed that in 2012, 92% of users utilised the portal to get downloadable information (92%) compared to just 7% in 2011. In terms of viewing (reading) activity, 87% navigated FAQs in 2012 compared to only 13% in 2011.

The notable increase was due to the establishment of "Knowledge Centre" in the portal and installation of new HR content in 2012 which covers seven areas namely human resource planning, recruitment, performance management system, training and development, reward management, employee relations and relevant acts. The employers not only can view the relevant process and procedure, but also can download the relevant form and template which they could modify and customised according to their company's requirement.

The most downloadable HR scopes are:

No.	HR scope	2012
1.	Employee Relations	25%
2.	Reward Management	15%
3.	Recruitment	14%
4.	HR Planning	13%
5.	Relevant Acts	10%

From the above table, Employee Relations topped as most downloadable item. In comparison, the top three HR scopes most viewed in FAQ in 2011 and 2012 are:

No.	HR scope	2011	2012
1.	HR-Related Regulatory Requirement	31%	36%
2.	Employee Relations	23%	27%
3.	Compensation and Benefits	21%	17%

It is expected that in 2013, more users would be using Level 1 services via the portal to the fullest. This is due to additional new content development that would be installed. The new contents are:

1. Development of "Recruitment and Selection" covering the detailed and technical aspects of the two HR activities;
2. Development of "Job Description" covering the detailed and technical aspects of the activity;
3. Development of "Termination of Employment" covering the detailed and technical aspects of the two HR activities; and
4. Development of "Managing Sickness and Absenteeism" covering the detailed and technical aspects of the activity.

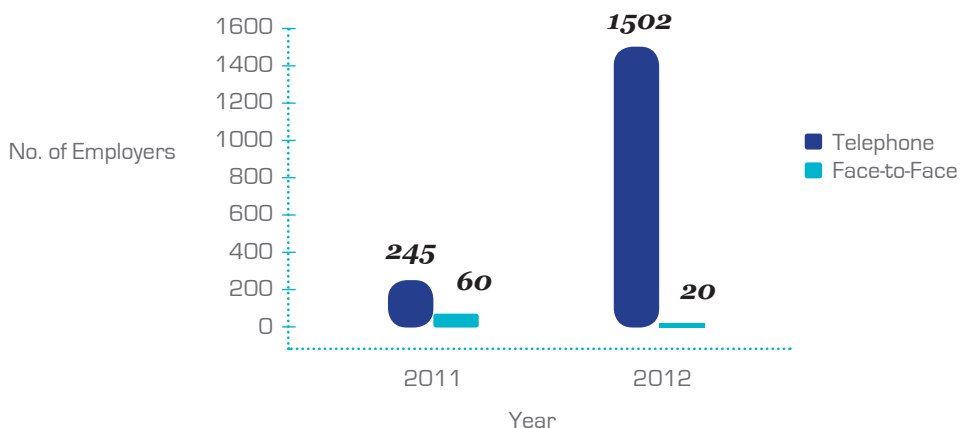
From the statistics, it could be deduced that SMEs do require related HR information and tools for their daily use. Having them available online has ignited SMEs interest to register in the portal.

The establishment of the NHRC Portal and subsequent development of HR contents were funded by the Government under the Tenth Malaysia Plan (SPP II) for the SRI-HCD projects in 2011 and 2012.

As for Level 2 services, SMEs are given another option to seek guidance and advice on HR other than the online portal. The toll free Call Centre has started operation on 22 January 2012 bearing the number 1800-88-4800.

The breakdown of service mode for Level 2 services is shown in Chart 35. Ever since, a total of 1,502 employers had called the centre. This is an increase of 613% compared to year 2011 using fixed line (245 calls).

**CHART 35:  
BREAKDOWN OF SERVICE MODE (LEVEL 2 SERVICE)**



**CHART 36:**  
**BREAKDOWN OF COMMONLY ASKED ISSUES BY EMPLOYERS BASED ON TOTAL**  
**HUMAN CAPITAL DEVELOPMENT SYSTEM (THCDS)**

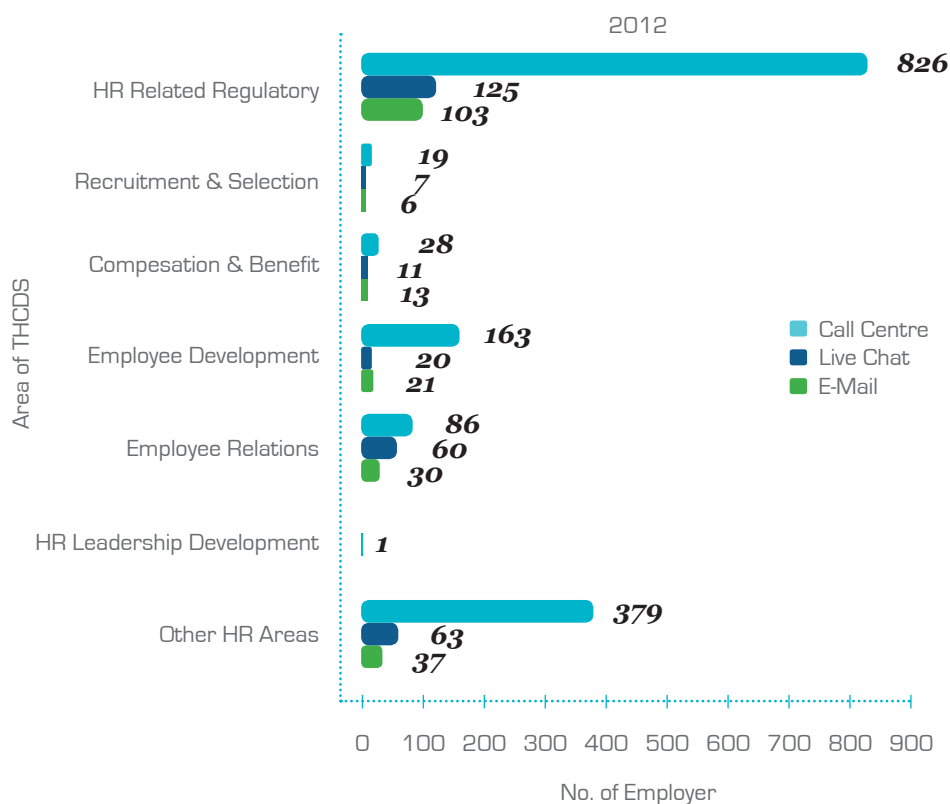


Chart 36 shows the breakdown of issues commonly asked by employers based on THCDS area. In terms of areas of THCDS, issues on HR Related Regulatory Requirements was the most common area of THCDS asked by employers via live chat (44%), e-mail (49%), call centre (55%) and walk-in (40%).

The figures showed that SMEs are relatively weak in regulatory matters related to employment. This evidence supports the report from SME Masterplan 2012-2020 on the main barriers faced by SMEs in which two of them were on regulation and human capital development.

In realising this situation, SME Services Division would continue to improve and strengthen the capability of its officers in providing appropriate knowledge and correct understanding to SMEs on HR-related regulatory issues besides other HR scopes of THCDS.

Three officers had undergone a course on Professional Advanced Certificate in Industrial Relations organised by MIHRM in 2012. More officers will be sent for similar courses in 2013. HR Solutions Level 3 services are regarded as SME's sensitive area due to the involvement of



external consultant and the need to share internal information. As such, the participation rate is relatively low.

As at 31 December 2012, although there were 20 applications received, 9 SMEs have engaged the services of HR consultants. Comparatively, HR Related Regulatory Requirement was the most sought THCDs area where SMEs required the consultancy services from the external HR consultants.

The breakdown of areas of THCDs and scope of HR Consultancy is shown in Table 22.

**TABLE 22:**  
**BREAKDOWN OF AREAS OF THCDs AND SCOPE OF HR CONSULTANCY (LEVEL 3 SERVICE)**

AREA OF THCDs	SCOPE OF CONSULTANCY	NO. OF EMPLOYER	
		HRDF EMPLOYER	NON-HRDF EMPLOYER
HR Related Regulatory	• Employment • Employee Handbook	2	2
Recruitment & Selection	• Recruitment	-	1
Employee Relations	• Misconduct	2	1
Compensation & Benefits	• Performance Management	1	-
<b>Total</b>		<b>5</b>	<b>4</b>

Another extension of Level 3 service is the SME Training Needs Analysis (TNA) Consultancy Scheme. This scheme is fully funded by NHRC to assist SMEs in the preparation of Training Plan for their organisation in a systematic manner. SMEs will receive direct benefits from the appointed consultant(s) through knowledge and skills transfer.

This scheme is monitored by TNA Panel Review Committee comprises members from the Department of Policy, Department of Manpower Planning, Institute of Labour and Manpower Information and Analysis (ILMIA), National Institute of Occupational Safety and Health, Centre for Instructor and Advanced Skills Training (CIAST) and PSMB. All of these are departments and agencies under the Ministry of Human Resources. As at 31 December 2012, the Committee had approved a total of 19 applications from SMEs.

In addition to advisory and consultancy services, SME Services had embarked on HR publication. The first was a dual language publication in Bahasa Malaysia and Mandarin entitled Panduan Ringkas Pengurusan Sumber Manusia bagi Majikan Perusahaan Kecil dan Sederhana. The reference book was distributed during the launch of NHRC on 9 February 2012 by the Honourable Minister of Human Resources and subsequently to all SMEs registered with HRDF. More publications are in store for year 2013.



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## CORPORATE ACTIVITIES AT A GLANCE

JANUARY 2012

6-8 January 2012



**PSMB Strategic & Business Plan Meeting**  
Equatorial Hotel, Cameron Highlands, Pahang

10 January 2012



**Visit by Delegates from Sri Lanka and  
German Malaysian Institute (GMI)  
to Wisma HRDF**  
Wisma HRDF, Kuala Lumpur

FEBRUARY 2012



24 February 2012

**PSMB Chinese New Year Celebration**  
Wisma PSMB, Kuala Lumpur

## MARCH 2012

13 March 2012



**Visit by Delegates from Sri Lanka Malaysia Knowledge Exchange to Wisma PSMB**  
Wisma PSMB, Kuala Lumpur

30 March 2012



**Launch of PSMB 5S Campaign by Chief Executive of PSMB**  
Wisma PSMB, Kuala Lumpur



APRIL 2012

14 April 2012



**PSMB Corporate Social Responsibility Programme**  
Sekolah Rendah Agama Rakyat Kampung  
Ara Payung, Batu Gajah, Perak

26 April 2012



**PSMB e-Learning Mini Seminar & Exhibition**  
Seri Pacific Hotel, Kuala Lumpur

MAY 2012

11 May 2012



**Visit by Representatives from International Labour Organisation (ILO) to Wisma HRDF**  
Wisma HRDF, Kuala Lumpur



15 May 2012

**Visit by Delegates  
from the UK Trade &  
Investment to Wisma  
HRDF**

Wisma HRDF,  
Kuala Lumpur



27 May 2012



**Visit by Representatives from the Skills  
Development Fund (SDF), Yemen to  
Wisma HRDF**  
Wisma HRDF, Kuala Lumpur

JUNE 2012

26 June 2012

**Visit by Delegates  
from the Ministry of  
Education Thailand  
to Wisma HRDF**

Wisma HRDF,  
Kuala Lumpur





28 June 2012



**PSMB Eleventh Annual General Meeting**  
Wisma HRDF, Kuala Lumpur

JULY 2012

3 July 2012



**Visit by Representatives  
from MITI, Oman  
to Wisma HRDF**  
Wisma HRDF, Kuala Lumpur

18 July 2012



**PSMB Quality Environment (QE) Certification Appreciation Night**  
Seri Pacific Hotel, Kuala Lumpur



26 July 2012



**Visit by Sri Lanka Delegates to Wisma HRDF**  
Wisma HRDF, Kuala Lumpur

21 July 2012



**Visit by Delegates from Singapore to Wisma HRDF**  
Wisma HRDF, Kuala Lumpur

## AUGUST 2012

3 August 2012



**Launch of "Jalur Gemilang" Campaign**  
Wisma HRDF, Kuala Lumpur



4 August 2012



**Merdeka Quiz with PSMB Apprentices**  
Wisma HRDF, Kuala Lumpur



29 August 2012



**Visit by Representatives from  
University of Aoyama Gakuin  
Japan to Wisma HRDF**  
Wisma HRDF, Kuala Lumpur

30 August 2012



**PSMB Eid-ul Fitri Celebration**  
Wisma HRDF, Kuala Lumpur





## SEPTEMBER 2012

13 September 2012



**Economic Transformation Programme  
Progress Update**  
Pullman Hotel, Putrajaya

14 September 2012



**Visit to WISDEC by PSMB Team**  
Banting, Selangor

26 September 2012



**Visit by Representatives from DLC Worldwide, UK  
to Wisma HRDF**  
Wisma HRDF, Kuala Lumpur

10 & 11 October 2012



**Regional TVET Conference in Viet Nam - TVET Quality Breakthrough**  
Melia Hotel, Hanoi, Vietnam

14 - 17 October 2012



**International Convention on  
Quality Control Circles (ICQCC)**  
Kuala Lumpur Convention Centre



## NOVEMBER 2012

26 November 2012

**Dialog Session with Representatives  
from University of Ballarat**  
Wisma HRDF, Kuala Lumpur



## DECEMBER 2012

2 December 2012



**PSMB Corporate Social Responsibility Programme**  
**Ikatan Ukhuwah bersama Anak-anak Yatim Pusat Jagaan Kasih Bestari**  
**Petrosains – The Discovery Centre, KLCC**  
**“Jom Sains – Penjelajahan Sains Bermula Di Sini”.**  
Rumah Amal Kasih Bestari, Kuala Lumpur

# PSMB IN THE NEWS



## About HRDF

The Human Resources Development Fund (HRDF) is administered by Pembangunan Sumber Manusia Berhad (PSMB), an Agency under the Ministry of Human Resources, via the Pembangunan Sumber Manusia Berhad Act, 2001.

The HRDF was established in 1993 with the aim of developing quality human capital and a world-class workforce in achieving a high income economy based on knowledge and innovation in the nation's quest to attain the status of a developed country by the year 2020.

HRDF's vision is to be the driving force in training and development of the workforce accompanied by its mission being to enhance the knowledge, skills and capabilities of the workforce through effective management of its fund. The objective of the HRDF is to encourage employers covered under the Pembangunan Sumber Manusia Berhad Act, 2001 to retrain and upgrade the skills of their employees, apprentices and trainees in line with their business needs and the development strategy of the country.

The HRDF spearheads the up-skilling of Malaysian workforce by increasing the rate of financial assistance to 110% effective 1 January 2013. Employees with no formal education but have obtained the relevant knowledge, experience and expertise in the workplace will also be certified based on their competency levels (Sijil Kemahiran Malaysia – SKM, Diploma Kemahiran Malaysia – DKM or Diploma Lanjutan Kemahiran Malaysia – DLKM) under the Recognition of Prior Learning Scheme.

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**PEMBANGUNAN SUMBER MANUSIA BERHAD**

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

Registered office:

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

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## Pembangunan Sumber Manusia Berhad

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

### Directors' report for the year ended 31 December 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2012.

#### Principal activities

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

The functions of the Company are:

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

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

#### Results

	RM
Net surplus for the year	<u>6,585,562</u>

#### Reserves and provisions

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

#### Directors of the Company

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

Raja Dato' Abd. Aziz bin Raja Muda Musa – Chairman  
Davies Danavaindram (alternate to Raja Dato' Abd. Aziz bin Raja Muda Musa)  
Dato' Haji Mohd Shariff bin Hussin – Deputy Chairman  
Amirnuddin bin Mazlan – Chief Executive  
Abdul Wahab bin Abu Bakar  
Christopher Sakayaraj (alternate to Abdul Wahab bin Abu Bakar)  
Dato' Low Kian Chuan

.....

## Directors of the Company (continued)

Jeffery Tan Keat Hui (alternate to Dato' Low Kian Chuan)  
 Dr. Mohd. Mazlan bin Che Mat  
 Dato' Sri Mustapa Kamal bin Maulut (alternate Sr. Dr. Mohd. Mazlan bin Che Mat)  
 Datuk Keetheeswaran a/l M. Kanagaratnam  
 Datuk Santhakumar a/l Sivasubramaniam (alternate to Datuk Keetheeswaran a/l M. Kanagaratnam)  
 Datuk Mohd. Ilyas bin Zainol Abidin  
 Reginald Thomas Pereira (alternate to Datuk Mohd. Ilyas bin Zainol Abidin)  
 Chua Tiam Wee  
 Teh Kee Sin (alternate to Chua Tiam Wee)  
 Lim Yoke Cheong  
 Lim Kheng Chye (alternate to Lim Yoke Cheong)  
 Wong Nan Fay  
 Cheah Kok Hoong (alternate to Wong Nan Fay)  
 Datuk Manimaran Anthony  
 Dato' Hafsah binti Hashim  
 Fadzilah binti Ahmad Din (alternate to Dato' Hafsah binti Hashim)  
 Mohd. Ghaus bin Ab. Kadir  
 Dr. Mohd. Rashahidi @ Rusdi bin Mohamood (alternate to Mohd. Ghaus bin Ab. Kadir)  
 Haji Ahmad Fadzil bin Mahmud  
 Burhanuddin bin Saidin (alternate to Ahmad Fadzil bin Mahmud)  
 Dato' Dr. Palaniappan a/l Ramanathan Chettiar  
 Mohd Japar bin Abd. Majid  
 Givananandam a/l Kalinan

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

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest. There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## Other statutory information

Before the statements of financial position and statement of comprehensive income of the Company were made out, the Directors took reasonable steps to ascertain that:

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

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

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

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

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

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

In the opinion of the Directors, the results of the operations of the Company for the financial year ended 31 December 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

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**Auditors**

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

Signed in accordance with a resolution of the Directors:

**RAJA DATO' ABD. AZIZ BIN RAJA MUDA MUSA**  
Chairman

**AMIRNUDDIN BIN MAZLAN**  
Director

Kuala Lumpur,  
Date: 25 April 2013



## **Pembangunan Sumber Manusia Berhad**

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

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

In the opinion of the Directors, the financial statements set out on pages 149 to 181 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and cash flows for the financial year then ended.

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

**RAJA DATO' ABD. AZIZ BIN RAJA MUDA MUSA**

Chairman

**AMIRNUDDIN BIN MAZLAN**

Director

Kuala Lumpur,

Date: 25 April 2013

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**Pembangunan Sumber Manusia Berhad**

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

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

I, **WAN MOHD NAZARUDIN BIN WAN CHIK**, the officer primarily responsible for the financial management of Pembangunan Sumber Manusia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 149 to 181 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 25 April 2013.

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

Before me,

.....

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

(Company no. 545143-D)

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

### **Report on the Financial Statements**

We have audited the financial statements of Pembangunan Sumber Manusia Berhad, which comprise the statement of financial position as at 31 December 2012, statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 149 to 181.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

.....

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2012 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### **Report on Other Legal and Regulatory Requirements**

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

### **Other Matters**

As stated in Note 1(a) to the financial statements, Pembangunan Sumber Manusia Berhad adopted Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information that is prepared in accordance with MFRS and IFRS, and hence it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

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

#### **KPMG**

Firm Number: AF 0758  
Chartered Accountants

Petaling Jaya,  
Date: 25 April 2013

#### **Hasman Yusri Bin Yusoff**

Approval Number: 2583/08/14(J)  
Chartered Accountant

**Pembangunan Sumber Manusia Berhad**

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

**Statement of financial position as at 31 December 2012**

	Note	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
<b>Assets</b>				
Property, plant and equipment	3	30,214,520	30,339,032	31,061,398
<b>Total non-current asset</b>		<b>30,214,520</b>	<b>30,339,032</b>	<b>31,061,398</b>
Accrued interest receivables, deposits and prepayments	4	9,926,265	6,647,736	6,753,768
Staff loans	5	5,612,550	6,061,022	6,171,052
Tax recoverable		26,487	19,280	19,280
Investments	6	108,948,446	166,488,058	240,609,072
Fixed deposits	7	938,968,488	765,572,213	630,970,942
Cash and bank balances	7	45,851,336	39,198,606	20,620,043
<b>Total current assets</b>		<b>1,109,333,572</b>	<b>983,986,915</b>	<b>905,144,157</b>
<b>Total assets</b>		<b>1,139,548,092</b>	<b>1,014,325,947</b>	<b>936,205,555</b>
<b>Equity</b>				
Retained earnings		394,300,961	387,715,399	379,645,202
Fair value reserve		(14,030,941)	(18,977,870)	(4,856,856)
<b>Total equity</b>		<b>380,270,020</b>	<b>368,737,529</b>	<b>374,788,346</b>
<b>Liabilities</b>				
Retirement benefits	8	9,027,943	5,297,501	4,480,816
<b>Total non-current liabilities</b>		<b>9,027,943</b>	<b>5,297,501</b>	<b>4,480,816</b>
Employers' Fund	9	721,488,209	621,536,664	544,413,253
General Reserve II	10	576,129	527,575	1,278,445
Government grants	11	22,491,733	14,008,094	7,538,827
Other payables		2,185,862	2,828,384	2,912,476
Accrued expenditure		3,508,196	1,390,200	793,392
<b>Total current liabilities</b>		<b>750,250,129</b>	<b>640,290,917</b>	<b>556,936,393</b>
<b>Total liabilities</b>		<b>759,278,072</b>	<b>645,588,418</b>	<b>561,417,209</b>
<b>Total equity and liabilities</b>		<b>1,139,548,092</b>	<b>1,014,325,947</b>	<b>936,205,555</b>

The notes on pages 155 to 181 are an integral part of these financial statements.



**Pembangunan Sumber Manusia Berhad**

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

**Statement of comprehensive income for the year ended 31 December 2012**

	Note	2012 RM	2011 RM
<b>Income</b>			
Dividend from investment in unit trust		3,877,965	7,946,102
Fee income		2,650,395	2,481,213
Income from forfeiture of levy		3,081,579	6,307,488
Penalty on late payment of levy		2,098,605	1,648,660
Interest income from fixed deposits		34,447,979	26,632,706
Interest income from loan to PSMB staff		3,544	4,795
Interest income from bank balance		223,440	234,976
Income from Housing Loan Fund		671,336	755,018
Income received from National HRD Conference Fund		1,260,530	1,172,365
Participants' fees for Training and Consultancy Fund (SMETAP)		12,177,346	4,771,437
Receipts for services		16,175	2,800
Sale of goods		54,623	109,404
Gain on disposal of investment in unit trust		1,388,262	1,130,996
Gain on disposal of plant and equipment		20,999	-
Government receipt		-	50,000
<b>Total income</b>		<b>61,972,778</b>	<b>53,247,960</b>
<b>Expenses</b>			
Expenses for Educational Sponsorship Fund		(22,674)	(4,727)
Expenses for National HRD Conference Fund		(1,263,541)	(1,265,639)
Expenses for re-registration of employers		(888)	-
Expenses for Training and Consultancy Fund (SMETAP)		(11,870,970)	(4,508,305)
Expenses for SME TNA Consultancy Fund		(220,424)	(324,461)
Expenses for the Apprenticeship Fund (off the job)		-	(205,653)
Expenses for the Apprenticeship Fund (apprentices allowances)		(2,545,902)	(2,013,242)
PSMB's contribution to 1Malaysia HRDF Skill Upgrading Fund		(44,409)	(418,400)
PSMB's contribution to 1Malaysia Financial Assistance Fund		(1,676,237)	(157,154)
Expenses for 1 Malaysia Training Programme Fund		(6,479,308)	(12,748,437)
Expenses for Tabung Halal Internal Audit Training Fund		(112,350)	(359,100)
Expenses for Small and Medium Enterprise Training and Coordinating Fund		(1,448,102)	(85,649)
Expenses for Recognition of Prior Learning Fund		(587,100)	-
Expenses for Sewin Machine Technician Fund		(45,500)	-
Advertising and printing		(2,786,815)	(1,375,375)
Auditors' remuneration		(71,000)	(55,000)
Bonuses		(2,153,397)	(1,059,107)
Depreciation		(2,794,525)	(2,788,133)

## Pembangunan Sumber Manusia Berhad

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

### Statement of comprehensive income for the year ended 31 December 2012 (continued)

	Note	2012 RM	2011 RM
<b>Expenses</b>			
Directors' fees	14	(264,000)	(170,400)
Directors' remuneration	14	(368,641)	(327,165)
EPF contributions		(1,554,589)	(1,241,481)
Legal and professional fees		(1,526,373)	(833,305)
Write off on plant and equipment		(7,595)	(69,606)
Medical fees		(235,604)	(349,841)
Minor repairs		(4,750)	(10,653)
Office supplies		(589,935)	(412,507)
Other expenses		(2,383,023)	(1,642,020)
Overtime allowances		(93,578)	(75,317)
Provision for retirement benefits	8	(966,961)	(901,037)
Rental		(243,508)	(190,984)
Repairs and maintenance		(2,851,151)	(2,537,314)
Salaries and allowances		(7,632,688)	(6,713,516)
SOCSSO contributions		(111,985)	(102,027)
Staff training		(347,049)	(344,186)
Stamps and postage		(205,235)	(292,615)
Transportation and packaging		(2,595)	(1,250)
Travelling and accommodation		(887,314)	(622,179)
Utilities		(1,013,987)	(971,978)
<b>Total expenses</b>		<b>(55,413,703)</b>	<b>(45,177,763)</b>
<b>Surplus before taxation</b>		<b>6,559,075</b>	<b>8,070,197</b>
Income tax benefit	13	26,487	-
<b>Net surplus for the year</b>	12	<b>6,585,562</b>	<b>8,070,197</b>
<b>Other comprehensive income, net of tax</b>			
Net change in fair value of available-for-sale financial assets		5,783,838	(13,814,495)
Net realised gain on sale of available-for-sale financial assets		2,142,478	(306,519)
Revaluation of Staff Retirement Benefit		(2,979,387)	-
<b>Other comprehensive income/(expenses) for the year, net of tax</b>		<b>4,946,929</b>	<b>(14,121,014)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>11,532,491</b>	<b>(6,050,817)</b>

The notes on pages 155 to 181 are an integral part of these financial statements.

## Pembangunan Sumber Manusia Berhad

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

### Statement of changes in equity for the year ended 31 December 2012

	← Retained earnings →			
	Unallocated	Allocated for specific usage under trust funds	Fair value reserve	Total
	RM	RM	RM	RM
<b>At 1 January 2011</b>	284,584,977	95,060,225	(4,856,856)	374,788,346
Net surplus for the year	8,070,197	-	-	8,070,197
Fair value of available-for-sale financial assets	-	-	(14,121,014)	(14,121,014)
Total comprehensive income	8,070,197	-	(14,121,014)	(6,050,817)
Transfers from Unallocated Retained Earnings to Trust Funds	9,084,459	(9,084,459)	-	-
Allocation for 1 Malaysia Training Programme Fund	(40,000,000)	40,000,000	-	-
<b>At 31 December 2011</b>	261,739,633	125,975,766	(18,977,870)	368,737,529
Net surplus for the year	6,585,562	-	-	7,242,086
Fair value of available-for-sale financial assets	-	-	7,926,316	7,926,316
Revaluation of Retirement Benefit	-	-	(2,979,387)	(2,979,387)
Total comprehensive income	6,585,562	-	4,946,929	11,532,491
Transfers from Unallocated Retained Earnings to Trust Funds	9,126,614	(9,126,614)	-	-
<b>At 31 December 2012</b>	277,451,809	116,849,152	(14,030,941)	380,270,020

The notes on pages 155 to 181 are an integral part of these financial statements.

# Pembangunan Sumber Manusia Berhad

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

## Statement of cash flows for the year ended 31 December 2012

	2012 RM	2011 RM
<b>Cash flow from operating activities</b>		
Cash generated from operations		
Cash received from clients	5,862,071	10,931,381
Cash payment to vendors and administration	(30,677,589)	(24,506,474)
<b>Cash flow changes from operating activities</b>	(24,815,518)	(13,575,093)
Cash from Employers' Fund		
Payments to employers	(339,205,421)	(271,835,767)
Receipts from employers	442,287,098	354,515,796
Cash flow changes after employers' fund	78,266,159	69,104,936
Cash from Trust Funds and Government Grants		
Payment to employers	(8,282,102)	(19,577,746)
Payment to registered training providers	(25,405,316)	(12,585,698)
Payment for SME activities	(1,448,102)	(1,453,794)
Payment for HRD Conference	(1,263,541)	(1,265,639)
Payment for Apprentices Allowance	(2,545,902)	(2,218,896)
Payment for Employee Educational Sponsorship	(22,674)	(4,727)
Receipts from government allocation	27,614,068	21,535,000
Receipts from registered employers	12,177,346	4,771,437
Receipts from HRD Conference	1,260,530	1,172,365
Cash flow changes after Trust Funds	80,350,466	59,477,238
Interest received	31,197,240	26,650,841
Income tax refund	19,280	-
<b>Net cash generated from operating activities</b>	<b>111,566,986</b>	<b>86,128,079</b>

## Pembangunan Sumber Manusia Berhad

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

### Statement of cash flows for the year ended 31 December 2012 (continued)

	2012 RM	2011 RM
<b>Cash flow from investing activities</b>		
Acquisition of plant and equipment	(2,677,609)	(2,135,373)
Dividend received	3,877,965	7,946,102
Loan to staffs	448,472	110,030
Proceeds from disposal of investments	66,854,191	61,130,996
Proceeds from disposal of plant and equipment	(21,000)	-
<b>Net cash generated from investing activities</b>	<b>68,482,019</b>	<b>67,051,755</b>
Net increase in cash and cash equivalents	180,049,005	153,179,834
Cash and cash equivalents at beginning of year	804,770,819	651,590,985
Cash and cash equivalents at end of year	<b>984,819,824</b>	<b>804,770,819</b>

#### (i) Cash and cash equivalents

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

	2012 RM	2011 RM
Fixed deposits	938,968,488	765,572,213
Cash and bank balances	45,851,336	39,198,606
Balance as at 31 December	<b>984,819,824</b>	<b>804,770,819</b>

The notes on pages 155 to 181 are an integral part of these financial statements.



## **Pembangunan Sumber Manusia Berhad**

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

### **Notes to the financial statements**

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

#### **Registered office and principal place of business**

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

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

The functions of the Company are:

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

The financial statements were approved by the Board of Directors on 25 April 2013.

### **1. Basis of preparation**

#### **(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. These are the Company's first financial statements prepared in accordance with MFRS and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In the previous years, the financial statements of the Company were prepared in accordance with Financial Reporting Standards ("FRS"). The transition to MFRS has no financial impact to the financial statements of the Company.

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

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## 1. Basis of preparation (continued)

### (a) Statement of compliance (continued)

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012***

- Amendments to MFRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013***

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (2011)
- MFRS 127, *Separate Financial Statements* (2011)
- MFRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014***

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015***

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

## 1. Basis of preparation

### (a) Statement of compliance (continued)

The Company plans to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013, except for MFRS 10, 11, 12, 128, 134 and IC Interpretation 20, which are not applicable to the Company.
- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.
- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The initial application of the above mentioned standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Company upon their first adoption.

### (b) Basis of measurement

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

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgements

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

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

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

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## 2. Significant accounting policies

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

### (a) Financial instruments

#### (i) *Initial recognition and measurement*

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

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

#### (ii) *Financial instrument categories and subsequent measurement*

The Company categorises and measures financial instruments as follows:

##### ***Financial assets***

##### ***(a) Loans and receivables***

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

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

##### ***(b) Available-for-sale financial assets***

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

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

## 2. Significant accounting policies (continued)

### (a) Financial instruments (continued)

#### *(ii) Financial instrument categories and subsequent measurement (continued)*

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

#### ***Financial liabilities***

All financial liabilities are subsequently measured at amortized cost.

### (b) Property, plant and equipment

#### *(i) Recognition and measurement*

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

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

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

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

#### *(ii) Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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## 2. Significant accounting policies (continued)

### (b) Property, plant and equipment (continued)

#### (ii) Depreciation (continued)

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

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

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

#### (iii) Subsequent costs

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

### (c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value.

### (d) Impairment

#### (i) Financial assets

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

## 2. Significant accounting policies (continued)

### (d) Impairment (continued)

#### (i) Financial assets (continued)

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

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

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

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

#### (ii) Other assets

The carrying amounts of other assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

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

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## 2. Significant accounting policies (continued)

### (d) Impairment (continued)

#### (ii) Other assets (continued)

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

### (e) Employee benefits

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

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

The Company's contributions to the Employees Provident Fund are charged to the profit or loss in the year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

#### (ii) Defined benefit plan

The Company's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed once every three years by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contribution to the plan.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

## 2. Significant accounting policies (continued)

### (f) Employers' Fund

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

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

### (g) General Reserves II

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

### (h) Government grants

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

#### (i) Apprenticeship Fund

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

#### (ii) SME Training Incentive Fund

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

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

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

## 2. Significant accounting policies (continued)

### (h) Government grants (continued)

#### (iv) *Study on Green Technology Consultancy Fund*

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

#### (v) *SRI Non-HRDF Fund*

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

#### (vi) *SAY 1MALAYSIA Fund*

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

### (i) Income

#### (i) *Dividend income*

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

#### (ii) *Interest income*

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



## 2. Significant accounting policies (continued)

### (i) Income (continued)

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

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

#### **(iv) *Goods sold***

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

### (j) Income tax

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

Current tax is the expected tax payable on the taxable income 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 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 apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

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### 3. Property, plant and equipment

Property, plant and equipment comprise of the following:

	Note	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Property	(a)	24,666,646	26,281,104	27,895,562
Plant and equipment	(b)	5,547,874	4,057,928	3,165,836
		<u>30,214,520</u>	<u>30,339,032</u>	<u>31,061,398</u>

#### (a) Property

	Freehold land RM	Building RM	Total RM
Cost			
At 1 January 2011/ 31 December 2011/ 31 December 2012	<u>1,591,200</u>	<u>32,289,152</u>	<u>33,880,352</u>
Accumulated depreciation:			
At 1 January 2011	-	5,984,790	5,984,790
Charge for the year	-	1,614,458	1,614,458
At 31 December 2011/ 1 January 2012	-	7,599,248	7,599,248
Charge for the year	-	1,614,458	1,614,458
At 31 December 2012	-	<u>9,213,706</u>	<u>9,213,706</u>
Carrying amounts:			
At 1 January 2011	<u>1,591,200</u>	<u>26,304,362</u>	<u>27,895,562</u>
At 31 December 2011	<u>1,591,200</u>	<u>24,689,904</u>	<u>26,281,104</u>
At 31 December 2012	<u>1,591,200</u>	<u>23,075,446</u>	<u>24,666,646</u>

### 3. Property, plant and equipment (continued)

#### (b) Plant and equipment

	Motor vehicles RM	Renovation RM	Furniture and office fittings RM	Office equipment RM	Electric and electronic equipment RM	Software (ICT Project) RM	Total RM
Cost:							
At 1 January 2011	707,496	619,563	1,327,795	714,749	12,629,001	-	15,998,604
Additions	-	1,429,794	30,350	121,211	554,018	-	2,135,373
Disposals	-	-	-	(69,606)	-	-	(69,606)
At 31 December 2011/							
1 January 2012	707,496	2,049,357	1,358,145	766,354	13,183,019	-	18,064,371
Additions	93,603	189,299	30,588	89,172	415,647	1,859,300	2,677,609
Disposal / Write off	(173,831)	-	-	-	(8,056)	-	(181,887)
At 31 December 2012	627,268	2,238,656	1,388,733	855,526	13,590,610	1,859,300	20,560,093
Accumulated depreciation:							
At 1 January 2011	437,683	140,923	806,157	500,735	10,947,270	-	12,832,768
Charge for the year	105,760	123,139	229,771	63,685	651,320	-	1,173,675
At 31 December 2011/							
1 January 2012	543,443	264,062	1,035,928	564,420	11,598,590	-	14,006,443
Charge for the year	107,584	210,735	192,191	61,718	607,840	-	1,180,068
Disposals	1(73,831)	-	-	-	(461)	-	(174,292)
At 31 December 2012	477,196	474,797	1,228,119	626,138	12,205,969	-	15,012,219
Carrying amounts:							
At 1 January 2011	269,813	478,640	521,638	214,014	1,681,731	-	3,165,836
At 31 December 2011	164,053	1,785,295	322,217	201,934	1,584,429	-	4,057,928
At 31 December 2012	150,072	1,763,859	160,614	229,388	1,384,641	1,859,300	5,547,874

#### 4. Accrued interest receivables, deposits and prepayments

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
<u>Deposits and Prepayments</u>			
Advances on branch office rental	54,479	54,479	54,479
Advances on franking machines	71,011	35,363	35,841
Advances on travelling expenditure	13,744	5,961	19,517
Deposit on medical benefits	35,500	35,500	33,500
Deposit on office telephones	253	253	253
Deposit on parking rental	1,547	1,547	1,547
Deposit on photocopy machine	4,500	1,500	500
Deposit on safe deposit box	200	200	200
Deposit on store rental	14,724	14,724	7,380
Deposit on water and electricity (store)	19,390	18,590	18,590
Prepayments on maintenance and services	1,603	21,039	340,222
<u>Accrued interest receivables</u>			
Accrued interest on fixed deposits	9,368,120	6,458,580	6,241,739
Accrued interest of penalty on late payment of levy	341,194	-	-
	<u>9,926,265</u>	<u>6,647,736</u>	<u>6,753,768</u>

#### 5. Staff loans

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Motor vehicle loans	114,760	116,305	147,625
Computer loans	64,246	19,457	30,711
Housing loans	5,433,544	5,925,260	5,992,716
	<u>5,612,550</u>	<u>6,061,022</u>	<u>6,171,052</u>

Staff loans are granted to eligible employees of the Company, bears interest of 4% per annum (2011 & 2010: 4% per annum), and are repayable over the term stipulated in the individual agreements with the eligible employees up to a maximum of 5 years, 8 years and 25 years for computer loans, motor vehicle loans and housing loans, respectively.

## 6. Investments

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
<b>Current</b>			
Available-for-sale financial assets	108,948,446	166,488,058	240,609,072
Market value of quoted investments	108,948,446	166,488,058	240,609,072

## 7. Cash and cash equivalents

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Fixed deposits are placed with:			
Licensed banks	341,198,353	237,268,157	299,353,849
Other financial institutions	597,770,135	528,304,056	331,617,093
	938,968,488	765,572,213	630,970,942
Cash and bank balances	45,851,336	39,198,606	20,620,043
	984,819,824	804,770,819	651,590,985

## 8. Retirement benefits

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Present value of unfunded obligations	9,027,943	5,297,501	4,480,816
Recognised liability for defined benefit obligations	9,027,943	5,297,501	4,480,816
Analysed as:			
Current portion	-	-	-
Non-current portion	9,027,943	5,297,501	4,480,816
	9,027,943	5,297,501	4,480,816

### Liability for defined benefit obligations

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



## 8. Retirement benefits (continued)

### Movements in the present value of defined benefit obligations

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Defined benefit obligations at 1 January	5,297,501	4,480,816	3,132,977
Adjustment for opening balance (MFRS 119)	25,074	-	-
Current service costs and interest	966,961	901,037	1,347,839
Re-measurements	2,954,313	-	-
Benefits paid by the plan	(215,906)	(84,352)	-
Defined benefit obligations at 31 December	<u>9,027,943</u>	<u>5,297,501</u>	<u>4,480,816</u>

### Expenses recognised in profit or loss

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Current service cost	606,569	589,454	1,347,839
Interest on obligation	360,392	311,583	-
Net benefit expenses	<u>966,961</u>	<u>901,037</u>	<u>1,347,839</u>

### Actuarial assumptions

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

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Discount rate	5.75%	7.0%	7.0%
Average salary increase	6.0%	5.0%	5.0%

## 9. Employers' Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	621,536,664	544,413,253	597,949,462
Add : Levy collected	442,287,098	354,515,796	221,397,549
SME Training Incentive Grant	8,282,102	6,829,310	-
1Malaysia Financial Assistance Fund	1,676,237	-	3,166,609
1Malaysia Training Programme Fund	6,479,308	12,748,437	-
Credited Back From General Reserves – re-registration	888	-	116,558
	1,080,262,297	918,506,796	822,630,178
Less : Training grant disbursed	(354,795,029)	(289,018,414)	(269,632,841)
Transferred to General Reserves II – deregistration (Note 10)	(170,311)	(574,943)	(478,266)
Forfeiture of levy	(2,959,822)	(4,981,675)	(2,438,380)
Overpayment of levy refunded	(848,926)	(2,395,100)	(5,667,438)
Balance as at 31 December	721,488,209	621,536,664	544,413,253

## 10. General Reserves II

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	527,575	1,278,445	1,952,590
Add: Transfer from Employers' Fund (Note 9)	170,311	574,943	478,266
	697,886	1,853,388	2,430,856
Less: Transferred to General Reserves I – forfeiture due to failure to re-register within two years	(121,757)	(1,325,813)	(1,152,411)
Balance as at 31 December	576,129	527,575	1,278,445

## 11. Government grants

	Note	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Apprenticeship Fund	(a)	13,044,560	9,352,404	6,170,683
SME Training Coordinating Fund	(b)	-	-	1,368,144
SME Training Incentive Fund	(c)	5,888,588	3,170,690	-
Study on Green Technology Consultancy Fund	(d)	617,730	385,000	-
NHRC Development Fund	(e)	822,677	1,100,000	-
SRI Non-HRDF Fund	(f)	1,018,178	-	-
SAY 1Malaysia Fund	(g)	1,100,000	-	-
		<u>22,491,733</u>	<u>14,008,094</u>	<u>7,538,827</u>

### (a) Apprenticeship Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	9,352,404	6,170,683	6,349,157
Add : Government allocation	<u>11,000,000</u>	<u>10,000,000</u>	<u>4,000,000</u>
	20,352,404	16,170,683	10,349,157
Less : Payment for apprentices' course fees	<u>(7,307,844)</u>	<u>(6,818,279)</u>	<u>(4,178,474)</u>
Balance as at 31 December	<u>13,044,560</u>	<u>9,352,404</u>	<u>6,170,683</u>

### (b) Small and Medium Enterprises (SME) Training Coordinating Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	-	1,368,144	2,556,127
Add : Government allocation	<u>-</u>	<u>-</u>	<u>-</u>
	-	1,368,144	2,556,127
Less : Expenses	<u>-</u>	<u>(1,368,144)</u>	<u>(1,187,983)</u>
Balance as at 31 December	<u>-</u>	<u>-</u>	<u>1,368,144</u>

### (c) SME Training Incentive Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	3,170,690	-	-
Add : Government allocation	<u>11,000,000</u>	<u>10,000,000</u>	<u>-</u>
	14,170,690	10,000,000	-
Less : Expenses	<u>(8,282,102)</u>	<u>(6,829,310)</u>	<u>-</u>
Balance as at 31 December	<u>5,888,588</u>	<u>3,170,690</u>	<u>-</u>

## 11. Government grants (continued)

### (d) Study on Green Technology Consultancy Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	385,000	-	-
Add : Government allocation	869,486	385,000	-
	1,254,486	385,000	-
Less : Expenses	(636,756)	-	-
Balance as at 31 December	617,730	385,000	-

### (e) National Human Resource Centre (NHRC) Development Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	1,100,000	-	-
Add : Government allocation	2,150,000	1,150,000	-
	3,250,000	1,150,000	-
Less : Expenses	(2,427,323)	(50,000)	-
Balance as at 31 December	822,677	1,100,000	-

### (f) SRI Non-HRDF Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	-	-	-
Add : Government allocation	1,494,582	-	-
	1,494,582	-	-
Less : Expenses	(476,404)	-	-
Balance as at 31 December	1,018,178	-	-

### (g) SAY 1Malaysia Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	-	-	-
Add : Government allocation	1,100,000	-	-
	1,100,000	-	-
Less : Expenses	-	-	-
Balance as at 31 December	1,100,000	-	-

**12. Net surplus for the year**

Net surplus for the year is arrived at after crediting:

	2012 RM	2011 RM
Dividend from investment in unit trust	3,877,965	7,946,102
Fee income	2,650,395	2,481,213
Gain on disposal of investments in unit trust	1,388,262	1,130,996

and after charging:

Audit fees	71,000	45,000
Depreciation	2,794,525	2,788,133
Personnel expenses:		
- Expenses related to defined benefit plans	966,961	901,037
- Wages, salaries and others	9,991,648	7,949,967
- Contributions to Employees Provident Fund	1,554,589	1,241,481
Rental of premises	243,508	190,984
Write-off of plant and equipment	7,595	69,606

The number of employees of the Company (including Directors) at the end of the year was 190 (2011 – 174 employees).

**13. Income tax benefit**

- Current year

2012 RM	2011 RM
26,487	-

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

**14. Key management personnel compensation**

The key management personnel compensations are as follows:

Directors:

Fees	264,000	170,400
Remuneration	368,641	327,165
	632,641	497,565



## 15. Financial instruments

### 15.1 Categories of financial instruments

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

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

<b>31.12.2012</b>	<b>Carrying amount</b>	<b>L &amp; R</b>	<b>AFS</b>
<b><i>Financial assets</i></b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Accrued interest receivables	9,709,314	9,709,314	-
Deposits	76,114	76,114	-
Staff loans	5,612,550	5,612,550	-
Investment	108,948,446	-	108,948,446
Fixed deposits	938,968,488	938,968,488	-
Cash and bank balances	45,851,336	45,851,336	-
	<b>1,109,166,248</b>	<b>1,000,217,802</b>	<b>108,948,446</b>

<b>31.12.2011</b>	<b>Carrying amount</b>	<b>L &amp; R</b>	<b>AFS</b>
<b><i>Financial assets</i></b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Accrued interest receivables	6,458,580	6,458,580	-
Deposits	72,314	72,314	-
Staff loans	6,061,022	6,061,022	-
Investment	166,488,058	-	166,488,058
Fixed deposits	765,572,213	765,572,213	-
Cash and bank balances	39,198,606	39,198,606	-
	<b>983,850,793</b>	<b>817,362,735</b>	<b>166,488,058</b>

## 15. Financial instruments (continued)

### 15.1 Categories of financial instruments (continued)

	Carrying amount RM	L & R RM	AFS RM
<b>31.12.2010</b>			
<b><i>Financial assets</i></b>			
Accrued interest receivables	6,241,739	6,241,739	-
Deposits	61,970	61,970	-
Staff loans	6,171,052	6,171,052	-
Investment	240,609,072	-	240,609,072
Fixed deposits	630,970,942	630,970,942	-
Cash and bank balances	20,620,043	20,620,043	-
	<u>904,674,818</u>	<u>664,065,746</u>	<u>240,609,072</u>

### **31.12.2012** ***Financial liabilities***

	Carrying amount RM	OL RM
Employers' Fund	721,488,209	721,488,209
General Reserve II	576,129	576,129
Government grants	22,491,733	22,491,733
Other payables	3,508,196	3,508,196
Accrued expenditure	2,185,862	2,185,862
	<u>750,250,129</u>	<u>750,250,129</u>

### **31.12.2011** ***Financial liabilities***

	Carrying amount RM	OL RM
Employers' Fund	621,536,664	621,536,664
General Reserve II	527,575	527,575
Government grants	14,008,094	14,008,094
Other payables	2,828,384	2,828,384
Accrued expenditure	1,390,200	1,390,200
	<u>640,290,917</u>	<u>640,290,917</u>

## 15. Financial instruments (continued)

### 15.1 Categories of financial instruments (continued)

31.12.2010	Carrying amount RM	OL RM
<b>Financial liabilities</b>		
Employers' Fund	544,413,253	544,413,253
General Reserve II	1,278,445	1,278,445
Government grants	7,538,827	7,538,827
Other payables	2,912,476	2,912,476
Accrued expenditure	793,392	793,392
	<u>556,936,393</u>	<u>556,936,393</u>

### 15.2 Net gain / (losses) arising from financial instruments

Net gain / (losses) arising on:	31.12.2012 RM	31.12.2011 RM
Available-for-sale financial assets		
- Recognised in other comprehensive income	5,783,838	(13,814,495)
- Reclassified from equity to profit or loss	2,142,478	(306,519)
- Revaluation of Staff Retirement Benefit	(2,979,387)	-
	<u>4,946,929</u>	<u>(14,121,014)</u>

### 15.3 Financial risk management

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

#### (a) Credit risk

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

## 15. Financial instruments (continued)

### 15.3 Financial risk management (continued)

#### (a) Credit risk (continued)

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

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

##### *Exposure to credit risk, credit quality and collateral*

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

#### (b) Liquidity risk

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

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

#### *Maturity analysis*

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

	Carrying amount	Contractual Interest rate/ coupon	Contractual cash flows	Under 1 year
	RM	RM	RM	RM
Employers' Fund	721,488,209	-	721,488,209	721,488,209
General Reserve II	576,129	-	576,129	576,129
Government grants	22,491,733	-	22,491,733	22,491,733
Other payables	2,185,862	-	2,185,862	2,185,862
Accrued expenditure	2,851,672	-	2,851,672	2,851,672
	749,593,605	-	749,593,605	749,593,605

## 15. Financial instruments (continued)

### 15.3 Financial risk management (continued)

#### (c) Market risk

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

#### (d) Interest rate risk

The Company's investments in fixed deposits and unit trust funds, staff loans, short-term receivables and payables are not significantly exposed to interest rate risk.

#### *Interest rate risk sensitivity analysis*

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

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

The Company is not significantly exposed to currency or other price risk.

#### (e) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accrual, approximate their fair values due to the relatively short term nature of these financial instruments.

The fair value of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Carrying amount RM	Fair value RM
<b>31.12.2012</b>		
Investments in unit trust	108,948,446	108,948,446
<b>31.12.2011</b>		
Investments in unit trust	166,488,058	166,488,058
<b>31.12.2010</b>		
Investments in unit trust	240,609,072	240,609,072



## 15. Financial instruments (continued)

### 15.3 Financial risk management (continued)

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

##### *Fair value hierarchy*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly. (i.e. derived from prices)
- Level 3: Input for the asset or liability those are not based on observable market data (unobservable inputs).

2012	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Investments in unit trust	108,948,446	-	-	108,948,446

## 16. Capital management

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

## 17. Related parties

### Identity of related parties

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

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

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

## 18. Explanation of transition to MFRSs

As stated in Note 1(a), these are the first financial statements of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRS statement of financial position at 1 January 2011 (the Company's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the financial statements of the Company.

## Supplementary information on the breakdown of retained earnings

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Retained earnings consist of the following:			
- Retained earnings unallocated	278,108,333	261,739,633	284,584,977
- Retained earnings allocated to specific usage under trust funds	116,849,152	125,975,766	95,060,225
	<u>394,957,485</u>	<u>387,715,399</u>	<u>379,645,202</u>

		31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Trust funds as at 31 December are as follows:				
	<b>Note</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Motor Vehicle Loan Fund	1	800,000	800,000	800,000
Computer Loan Fund	2	300,000	300,000	300,000
Housing Loan Fund	3	15,974,744	15,303,408	14,548,390
Educational Sponsorship Fund	4	446,852	469,526	474,253
Retrenched Workers Training Fund	5	9,138,080	9,138,080	9,138,080
Apprenticeship Fund (off the job)	6	-	-	205,653
Apprenticeship Fund (apprentices allowances)	7	368,054	2,913,956	4,927,198
Training and Consultancy Fund (SMETAP)	8	5,390,343	5,083,967	4,820,835
General Reserve I	9	45,811,243	45,730,552	41,294,564
SME Training and Coordinating Fund	10	8,466,249	9,914,351	10,000,000
SME TNA Consultancy Fund	11	4,205,626	4,426,050	4,750,511
National HRD Conference Fund	12	1,315,755	1,318,766	1,412,040
1 Malaysia HRDF Skill Upgrading Fund	13	92,501	136,910	555,310
1 Malaysia Financial Assistance fund	14	-	1,676,237	1,833,391
1Malaysia Training Programme Fund	15	20,772,255	27,251,563	-
Recognition of Prior Learning Fund (RPL)	16	3,412,900	1,000,000	-
Sewin Machine Technician Fund (MATAC)	17	353,500	399,000	-
Halal Internal Audit Training Fund	18	1,050	113,400	-
Total		<u>116,849,152</u>	<u>125,975,766</u>	<u>95,060,225</u>

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

## Notes to trust funds

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

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

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

**(ii) *Retrenched Workers Training Fund***

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

**(iii) *Apprenticeship Fund***

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

**(iv) *Training and Consultancy Fund (SMETAP)***

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

**(v) *General Reserves I***

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

## Notes to trust funds (continued)

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

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

### **(vii) *SME TNA Consultancy Fund***

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

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

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

### **(ix) *1Malaysia HRDF Skill Upgrading Fund***

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

### **(x) *1Malaysia Financial Assistance Fund***

The 1Malaysia Financial Assistance Fund is established to assist small employers who have insufficient levy balance to send their workers for training. The Company is of the view that training should not stop during the unfavorable economic climate. Continuous training and skills upgrading will ensure workers with the right skills when the economy improves.

### **(xi) *1Malaysia Training Programme Fund***

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

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



## Notes to trust funds (continued)

### **(xii) Recognition of Prior Learning Fund (RPL)**

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

### **(xiii) Sewin Machine Technician Fund (MATAC)**

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

### **(xiv) Halal Internal Audit Training Fund**

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

## Notes to trust funds (continued)

### 1. Motor Vehicle Loan Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January/ 31 December	800,000	800,000	800,000

### 2. Computer Loan Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January/ 31 December	300,000	300,000	300,000

### 3. Housing Loan Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	15,303,408	14,548,390	14,028,747
Add : Interest on housing loan	225,553	237,477	229,898
Interest on investments	458,449	531,038	304,040
	15,987,410	15,316,905	14,562,685
Less : Government subsidies	(12,666)	(13,497)	(14,295)
Balance as at 31 December	15,974,744	15,303,408	14,548,390

### 4. Educational Sponsorship Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	469,526	474,253	493,000
Less : Expenses for Educational Sponsorship Fund	(22,674)	(4,727)	(18,747)
Balance as at 31 December	446,852	469,526	474,253

### 5. Retrenched Workers Training Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January / 31 December	9,138,080	9,138,080	9,138,080

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

## Notes to trust funds (continued)

### 6. Apprenticeship Fund (off the job)

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	-	205,653	1,598,993
Less : Expenses for Apprenticeship Fund (off the job)	-	(205,653)	(1,393,340)
Balance as at 31 December	-	-	205,653

### 7. Apprenticeship Fund (apprentices allowances)

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	2,913,956	4,927,198	-
Add : Transfer from General Reserve I (Note 9)	-	-	5,000,000
	2,913,956	4,927,198	5,000,000
Less : Expenses for Apprenticeship Fund (apprentices allowances)	(2,545,902)	(2,013,242)	(72,802)
Balance as at 31 December	368,054	2,913,956	4,927,198

### 8. Training and Consultancy Fund (SMETAP)

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	5,083,967	4,820,835	4,819,826
Add : Participation fees	12,177,346	4,771,437	2,181,470
	17,261,313	9,592,272	7,001,296
Less : Expenses for Training and Consultancy Fund (SMETAP)	(11,870,970)	(4,508,305)	(2,180,461)
Balance as at 31 December	5,390,343	5,083,967	4,820,835

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

## Notes to trust funds (continued)

### 9. General Reserves I

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	45,730,552	41,294,564	59,820,331
Add : Forfeiture of levy	3,081,579	6,307,488	3,590,791
	48,812,131	47,602,052	63,411,122
Less : Expenses for re-registration of employers	(888)	-	(116,558)
Transferred to 1Malaysia HRDF Skill Upgrading Fund (Note 13)	-	-	(2,000,000)
Transferred to 1Malaysia Financial Assistance Fund (Note 14)	-	-	(5,000,000)
Transferred to Apprenticeship Fund (apprentices allowances) (Note 7)	-	-	(5,000,000)
Transferred to SME Training and Coordinating Fund (Note 10)	-	-	(10,000,000)
Transfer to Recognition of Prior Learning Fund (RPL) (Note 16)	(3,000,000)	(1,000,000)	-
Transfer to Sewin Machine Technician Fund (MATAC) (Note 17)	-	(399,000)	-
Transfer to Halal Internal Audit Training Fund (Note 18)	-	(472,500)	-
Balance as at 31 December	45,811,243	45,730,552	41,294,564

### 10. SME Training and Coordinating Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	9,914,351	10,000,000	-
Add : Transfer from General Reserve I (Note 9)	-	-	10,000,000
	9,914,351	10,000,000	10,000,000
Less : Expenses for SME Training and Coordinating Fund	(1,448,102)	(85,649)	-
Balance as at 31 December	8,466,249	9,914,351	10,000,000

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

## Notes to trust funds (continued)

### 11. SME TNA Consultancy Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	4,426,050	4,750,511	4,767,646
Less : Consultant's fees	(209,638)	(322,043)	(16,000)
Expenses for SME TNA Consultancy Fund	(10,786)	(2,418)	(1,135)
Balance as at 31 December	4,205,626	4,426,050	4,750,511

### 12. National HRD Conference Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	1,318,766	1,412,040	1,377,693
Add : Income received from National HRD Conference Fund	1,260,530	1,172,365	1,227,387
	2,579,296	2,584,405	2,605,080
Less : Expenses for National HRD Conference Fund	(1,263,541)	(1,265,639)	(1,193,040)
Balance as at 31 December	1,315,755	1,318,766	1,412,040

### 13. 1Malaysia HRDF Skill Upgrading Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	136,910	555,310	-
Add : Transfer from General Reserve I (Note 9)	-	-	2,000,000
	136,910	555,310	2,000,000
Less : Expenses for 1Malaysia HRDF Skill Upgrading Fund	(44,409)	(418,400)	(1,444,690)
Balance as at 31 December	92,501	136,910	555,310

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



## Notes to trust funds (continued)

### 14. 1Malaysia Financial Assistance Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	1,676,237	1,833,391	-
Add : Transfer from General Reserve I (Note 9)	-	-	5,000,000
	1,676,237	1,833,391	5,000,000
Less : Expenses for 1Malaysia Financial Assistance Fund	(1,676,237)	(157,154)	(3,166,609)
Balance as at 31 December	-	1,676,237	1,833,391

### 15. 1Malaysia Training Programme Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	27,251,563	-	-
Add : Transfer from General Reserve I (Note 9)	-	40,000,000	-
	27,251,563	40,000,000	-
Less : Expenses for 1Malaysia Training Programme Fund	(6,479,308)	(12,748,437)	-
Balance as at 31 December	20,772,255	27,251,563	-

### 16. Recognition of Prior Learning Fund (RPL)

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	1,000,000	-	-
Add : Transfer from General Reserve I (Note 9)	3,000,000	1,000,000	-
	4,000,000	1,000,000	-
Less : Expenses for RPL Fund	(587,100)	-	-
Balance as at 31 December	3,412,900	1,000,000	-

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

## Notes to trust funds (continued)

### 17. Sewin Machine Technician Fund (MATAC)

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	399,000	-	-
Add : Transfer from General Reserve I (Note 9)	-	399,000	-
	399,000	399,000	-
Less : Expenses for MATAC Fund	(45,500)	-	-
Balance as at 31 December	353,500	399,000	-

### 18. Halal Internal Audit Training Fund

	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Balance as at 1 January	113,400	-	-
Add : Transfer from General Reserve I (Note 9)	-	472,500	-
	113,400	472,500	-
Less : Expenses for Fund	(112,350)	(359,100)	-
Balance as at 31 December	1,050	113,400	-

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**Pembangunan Sumber Manusia Berhad (540143-B)**  
Wilama HRDF, Jalan Bersegi, Damansara Heights  
50490 Kuala Lumpur

Toll Free Line : 1 800 88 4800  
General Line: (03) 2094 4800  
General Fax: (03) 2094 4999  
Website: [www.hed.com.my](http://www.hed.com.my)  
RMHC Portal: [www.rmhc.com.my](http://www.rmhc.com.my)



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