

# Annual Report 2012



# A place of Business, Culture and Nature

The Sabah Development Corridor (SDC) was established in 2008 with the aim of promoting sustainable economic growth, distributing wealth of diversified resources manufacturing reinforced

wealth in the state and unlocking its vast that can bolster tourism, agriculture and by the introduction of the Government Transformation Programme (GTP), Economic Transformation Programme (ETP) and the Tenth Malaysia Plan.

The state of Sabah is a breathtaking, warm and welcoming place for tourists and investors alike. A region from which to build a better world. SDC is definitely the corridor to expand your business in Sabah.

Come and discover the secrets of Sabah:  
How your holiday can turn  
into an exciting  
business opportunity!





**Harnessing Unity  
in Diversity for Wealth Creation  
and Social Well-Being**

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SDC Corridors and Regional Cities Open day - Datuk Seri Panglima Mohd. Najib Tun Haji Abdul Razak and Datuk Seri Panglima Musa Haji Aman being briefed by Datuk Dr. Mohd Yaakub Hj Johari



Keningau Integrated Livestock Centre Groundbreaking Ceremony - Datuk Seri Panglima Mohd Najib Razak being briefed on the Keningau Integrated Livestock Centre project.

## Sabah Development Corridor

The Sabah Development Corridor (SDC) was launched on 29 January 2008 to enhance the quality of life of the people by accelerating the growth of Sabah's economy, promoting regional balance and bridging the rural-urban divide while ensuring sustainable management of the state's resources. It is part of the five economic corridors inspired by the former Prime Minister Y.A.B Dato' Seri Abdullah Haji Ahmad Badawi. It is in line with the key thrusts and objectives of the *Halatuju Pembangunan dan Kemajuan Negeri Sabah*, launched in 2004 by Y.A.B.

Datuk Seri Panglima Musa Haji Aman, the Chief Minister of Sabah, which outlines the direction of the state's development.

The theme for SDC is *Harnessing Unity in Diversity for Wealth Creation and Social Well-Being*. The concept of SDC is also in line with the theme of *One Malaysia, People First, Performance Now* announced by Y.A.B. Datuk Seri Panglima Mohd. Najib Tun Abdul Razak, the current Prime Minister.

The SDC programmes are underpinned by three key principles that will guide development in Sabah, namely the need to:

- Capture higher value economic activities
- Promote balanced economic growth with distribution
- Ensure sustainable growth via environmental conservation

The initiative by Y.A.B. Datuk Seri Panglima Mohd Najib to introduce a new high income service-based economic model driven by creativity, innovation and high value is clearly consistent with the principles underpinning the SDC programmes. Under the SDC initiative, sub-regions and growth centres will be planned systematically to ensure optimum resources utilisation, and development efforts are well-coordinated and sustainable.



Meeting with stakeholders – SEDIA staff routinely participate in roadshows held throughout Sabah

The initial focus is on enhancing Sabah's liveability index and making it a business friendly location via targeted infrastructure upgrading and by lowering the cost of doing business.



Meeting the people - Datuk Seri Panglima Mohd. Najib Tun Haji Abdul Razak and Datuk Seri Panglima Musa Haji Aman seen interacting with the public during the SDC Open Day

By 2025, the SDC initiative aims to triple Sabah's Gross Domestic Product (GDP) per capita and increase its GDP by four times through the implementation of the prioritised programmes. In total, more than 900,000 new jobs are expected to be generated during the SDC implementation period.

## Vision

The vision for Sabah is to be a vibrant, economically successful and liveable state by articulating a set of five unique attributes that will mould the future of this state:

- A preferred gateway for trade, investment and leisure for leading businesses and talents in key areas from around the world
- A happy, prosperous and cohesive community that lives in harmony regardless of race, language or religion
- A tech-savvy state that uses and showcases technology in enhancing the quality of daily life
- A place of opportunity where residents and foreign talents find rewarding employment opportunities
- Among the most liveable places in Asia with culture, heritage, quality of life and a clean environment



## Mission

In line with the state's *Halatuju* and the National Mission announced by the Prime Minister of Malaysia, the mission for SDC is to support Sabah in achieving this vision by:

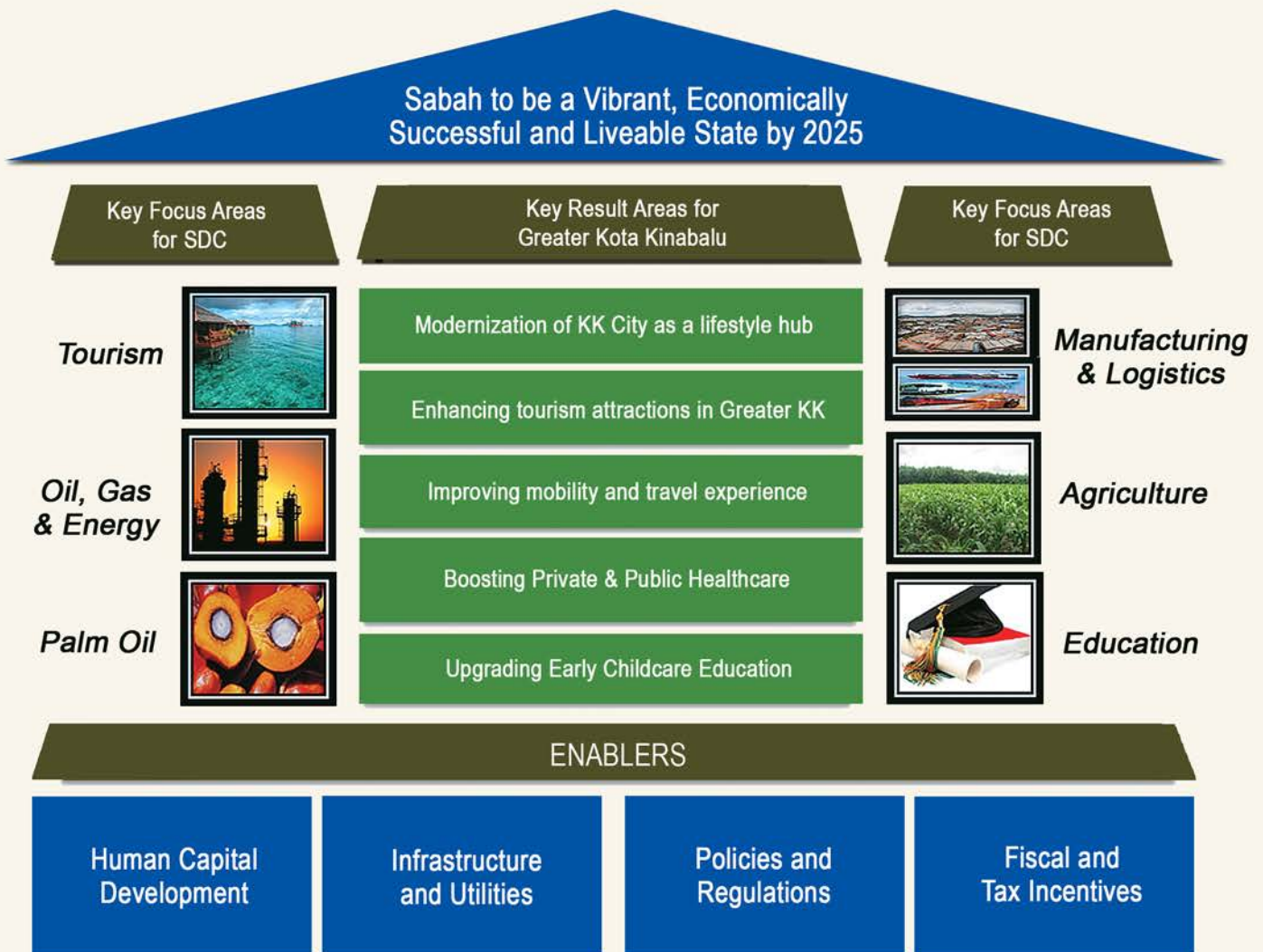
- Moving up the economic value chain
- Raising the capacity for knowledge and innovation, and nurturing 'first class mentality'
- Addressing persistent socio-economic inequalities constructively and positively
- Improving the standard and sustainability of quality of life
- Strengthening the institutional and implementation capacity





## SDC Alignment with Corridors and Cities Transformation Programme

Following the launch of the Economic Transformation Programme (ETP), the Prime Minister had announced the formulation of the Corridors and Cities Transformation programme which saw a lab being conducted. The key objective was to align the regional corridors programme with the Tenth Malaysia Plan, ETP and National Key Economic Areas (NKEAs). Pursuant to the alignment initiative, the role of Kota Kinabalu was further consolidated in support of and complementing the economic initiatives under the Sabah Development Corridor, while the Sabah Development Corridor saw renewed focus through six Key Focus Areas (KFAs): Tourism; Palm Oil; Agriculture; Oil, Gas and Energy; Education; and Manufacturing and Logistics.



# Strategic Development Areas under SDC





- Tourism
- Oil, Gas and Energy
- Agriculture
- Palm Oil
- Education
- Manufacturing and Logistics
- Greater Kota Kinabalu

- Integrated Shrimp Aquaculture**
- Integrated Tiger Grouper / Sea Cucumber Farming**  
- Kota Marudu, Kota Belud, Papar & Binsuluk
- Permanent Food Production Area (TKPM)**  
- Sg. Lokan & Sg. Koyah, Sandakan  
- Mandalipau, Papar
- Early Child Care Education Centres**  
- Throughout Sabah's major cities
- Hospitality and Tourism Discipline Cluster <sup>1</sup>**
- Private Skills Training Centres <sup>1</sup>**
- International Marketing <sup>1</sup>**  
*<sup>1</sup> Sandakan Education Hub & Training Centre - Kimanis*
- Agropolitan**  
- Agropolitan Beluran  
- Agropolitan Kemabong
- Palm Oil Industrial Clusters (POIC)**  
- Sawit POIC  
- POIC Sabah
- Lahad Datu Power Plant**
- Lahad Datu Regasification Terminal**
- Nature Adventure**  
- Maliau Basin  
- Imbak Canyon  
- Kalabakan Wellness Centre  
- Hill Resort  
- Danum Valley  
- Sandakan Nature & Wildlife  
- Kinabalu Park - 2nd Hub
- Semporna Borneo Marine Paradise**  
- Semporna Resort  
- Sipadan Mangrove Sanctuary Resort  
- Mt Coner Tourism Hub  
- Alorie Lepa Lepa
- Integrated Marine Fish Culture**
- Swiftlet Commercial Centre**  
- Tawau, Lahad Datu, Pitas, Kudat, Kota Marudu & Kota Belud, Papar
- National Seaweed Nucleus**

Valley      ● Bio-Triangle      ● Agro-Marine Belt



The year 2012 is significant for Sabah as it marks the fifth year of the implementation of the Sabah Development Corridor (SDC). The years since the launching of the SDC on 29th January 2008 had not been easy. We encountered a serious global economic crisis triggered by the United States' sub-prime crisis in 2009. I am glad that the global economic crisis did not derail the implementation of the SDC.

Sabah's economy recorded an annual average growth rate of 4.7 percent between 2008 and 2012, which was higher than the national annual average growth rate over the same period at 4.3 percent. The State's economic growth had proven to be resilient, expanding at about 4.1 percent in 2012.

This development was significant in view of the persistent weakness in the advanced economies, moderation in external trade, increased inflationary pressures as well as geopolitical unrest, especially in the Middle East.

Sabah indeed is a blessed state. Located along the maritime silk route linking the vibrant East Asian economies to the rest of the world, Sabah has the potential to leverage its strategic position to link the rapidly growing BIMF-EAGA to the dynamic North East Asian Economies.

Sabah has emerged as one of the top investment destinations in Malaysia by the end of 2012, the fifth year of the SDC. Malaysia as a matter of fact, had emerged as one of the top ten destinations for Foreign Direct Investment in the world by 2012. The launching of the Corridors and Cities Transformation programme on 16th February 2012 has provided greater impetus for the economic transformation of Sabah. Cumulative committed investment in SDC since its launching in 2008 has reached RM114 billion as at end of 2012. Meanwhile, Mean Monthly Household Income had increased from RM2,866 in 2007 to RM4,013 in 2012.



It is also heartening to note that the incidence of poverty as a whole in Sabah had declined drastically since the launching of SDC. Poverty incidence had declined from 24.2 per cent in 2004 to 19.7 per cent in 2009, and 8.1 per cent by 2012.

It is also significant that the implementation of the SDC has led to significant restructuring and expansion of the State's economy. The contribution of the services sector had been steadily increasing from 42.3 percent in 2008 to 47.4 percent in 2012. This is very much in line with the national target to increase the contribution by the services sector to the overall GDP as among the key measures in the ETP. The State's economy had expanded by about 25.8 per cent over the 2007 – 2012 period, registering a total GDP of RM44.4 billion in 2012, from RM35.3 billion in 2007. In this regard, I am happy to note that the management of SEDIA has taken the necessary steps to address the various challenges in moving the SDC forward.

I am confident that with the existing close working relations between the State and Federal Government, we are able to leverage on the various measures introduced under the Economic Transformation Programme to enable Sabah, together with the rest of the nation, to be transformed into a high income economy.

As the Chairman of SEDIA, I am happy to note that SEDIA has been giving its fullest cooperation to the Federal and State governments to ensure the success of the Sabah Development Corridor. I call upon

everyone in Sabah to give their undivided support to enable us to carry out this enormous task of transforming the State and National economies which benefits everyone.

My sincerest thanks goes out to all the members of the Authority; the Chief Executive of SEDIA; management and staff of SEDIA; and also the various government agencies and government-linked companies as well as the members of the public that have put in much effort, contributions and support to realise the vision of the Sabah Development Corridor.

I would like to conclude by proudly presenting the Sabah Economic Development and Investment Authority Annual Report for the year ending 31 December 2012.

Y.A.B. DATUK SERI PANGLIMA MUSA HJ. AMAN  
Chief Minister of Sabah



The year 2012, the fifth year of the implementation of the Sabah Development Corridor (SDC), has seen the introduction of new measures jointly formulated by PEMANDU and Corridor authorities, including SEDIA, to align the Sabah Development Corridor with the Economic Transformation Programme (ETP), Government Transformation Programme (GTP) and the Tenth Malaysia Plan. These measures introduced under the Corridors and Cities Transformation programme together with the progress made in the implementation of SDC projects, especially the SDC Flagship Projects have succeeded in boosting business confidence in Sabah. These developments have encouraged more private investors to consider participating in new investment projects, Entry Point Projects and Public-Private Partnerships in Sabah.

As SDC has attracted a substantial amount of private investment since its launch in 2008, it is important to ensure that there is sufficient pool of human resources with the required skills to meet the manpower requirement of the investors. We are fast approaching the development stage whereby it will no longer be prudent to attract labour-intensive investment due to the lack of cheap labour. We need to recognise that our ability to transform into a high income economy will depend on our ability to generate adequate human capital and an adaptable labour force with higher skills, talents, expertise and knowledge. Sabah indeed can no longer be a haven for cheap labour.

In this regard, SEDIA has taken aggressive measures to assist in addressing the human capital requirement of investors in SDC. One of the programmes introduced is the National Talent Enhancement



Programme (NTEP). This PEMANDU-led programme aims to provide job emplacement for degree and diploma holders in engineering.

The NTEP programme has been well-received. To date, there are already more than ten hosting companies participating in this programme. Job seekers are encouraged to register with SEDIA for emplacement in various private-sector led SDC projects. SEDIA is also in the midst of negotiating with local and foreign institutions of higher learning to participate in human capital development programmes in Sabah, especially in the Sandakan Education Hub and also Interior Education Hub.

In 2012, SEDIA had also been launching new initiatives to support the development of SMEs, start-ups and Bumiputera entrepreneurs. To support the development of SMEs and start-ups, SEDIA has launched the 1Agro-SAIP programme for agro-entrepreneurs. SEDIA has also been working with TERAJU through the TERAJU@SDC programme to support Bumiputera entrepreneurs in SDC.

The decision by the Federal Government in approving a special Investment Incentives Package for SDC as announced in December 2012 was very much timely. The investment tax incentive package covers activities in, among others, the tourism, manufacturing and logistics, agriculture, education as well as the oil, gas

and energy sectors. These incentives are available for investment in designated Strategic Development Areas, clusters and flagship projects including the Kinabalu Gold Coast Enclave, Sabah Agro-Industrial Precinct (SAIP), Sandakan Education Hub, Sabah Oil and Gas Industrial Park (SOGIP), Interior Livestock Valley, Marine Integrated Cluster and the Palm Oil Industrial Clusters (POICs) at Lahad Datu and Sandakan. The period for tax incentives are for applications received by SEDIA up until 31 December 2020. The investment incentives, I believe, will further intensify the investment momentum in Sabah.

Going forward, SEDIA will continue to accord greater emphasis on measures to realise planned investment, and promote investment in industries with the potential to generate higher value-added to Sabah's economy. The management and staff of SEDIA are committed to ensure all planned investment and development projects under the Sabah Development Corridor are effectively implemented in line with its role as the one-stop authority for SDC.

DATUK DR. MOHD YAKUB HJ. JOHARI, J.P.  
President / Chief Executive

# THE GOVERNANCE OF SEDIA

- SEDIA as the One Stop Authority to drive SDC
- Objectives of SEDIA
- Membership of the Authority
- SEDIA Committees
- The Chief Executive
- Sabah Economic Development and Investment Authority Fund
- Meetings of Members of SEDIA and Committees in 2012







## SEDIA as the One Stop Authority to drive SDC



Members of Authority meeting – Chief Minister Datuk Seri Panglima Musa Haji Aman leading the meeting as Chairman of SEDIA

SEDIA has been entrusted as the One-Stop Authority to drive SDC, with the primary responsibility to plan, coordinate, promote and accelerate the development of the SDC.

Initial development allocations had been approved for implementation under the SDC via the Mid-Term Review of the Ninth Malaysian Plan. The SDC Development Fund would be channelled through the Sabah Economic Development and Investment Authority, or SEDIA.

In order to expedite the implementation of SDC, the Sabah State Legislative Assembly had approved the instrument for the establishment of SEDIA via the adoption of Sabah Economic Development and Investment Authority Enactment 2009 on 15 January 2009. The Enactment was assented by Tuan Yang Terutama Yang Di-Pertua Negeri Sabah on 23 February and gazetted on 26 February 2009.

## Objectives of SEDIA

- To promote and accelerate the development of the Sabah Development Corridor into a leading economic region and a choice destination for investment, work and living; and
- To ensure that social development and sustainable development are kept as priorities whilst driving economic growth in the Sabah Development Corridor.

## Membership of the Authority

- Chairman : Y.A.B. Datuk Seri Panglima Musa Hj. Aman  
Chief Minister and Minister of Finance, Sabah
- Deputy Chairman 1 : Y.B. Tan Sri Datuk Seri Panglima Joseph Pairin Kitingan  
Deputy Chief Minister / Minister of Infrastructure Development, Sabah
- Deputy Chairman 2 : Y.B. Datuk Peter Pang En Yin  
Minister of Youth and Sports, Sabah
- Members : Y.Bhg. Datuk Seri Panglima Dr. Ali Hamsa  
Chief Secretary to the Government
- Y.B. Tan Sri Datuk Seri Panglima Sukarti Wakiman  
Sabah State Secretary
- Y.Bhg Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz Wan Abdullah  
Secretary General to the Treasury, Ministry of Finance Malaysia (until 24th August 2012)
- Y.Bhg. Dato' Dr. Mohd Irwan Serigar B. Abdullah  
Secretary General to the Treasury, Ministry of Finance Malaysia (from 24th August 2012)
- Y.Bhg. Datuk Dr. Rahamat Bivi Yusoff  
Director General, Economic Planning Unit
- Y.Bhg. Dato' Ahmad Husni B. Hussain  
Director General, Unit Kerjasama Awam Swasta (from 25th August 2012)
- Y.Bhg Datuk Pg. Hassanel B. Datuk Pg. Hj Mohd Tahir  
Permanent Secretary, Ministry of Finance, Sabah
- Y.Bhg. Datuk Ismail Abdullah  
Director, State Economic Planning Unit
- Secretary : Y.Bhg. Datuk Dr. Mohd Yaakub Hj. Johari  
Chief Executive, SEDIA

## Members Of Sabah Economic Development and Investment Authority



**Y.B. Datuk Peter Pang En Yin**  
Minister of Youth and Sports Sabah



**Y.A.B. Datuk Seri Panglima Musa Hj. Aman**,  
Chief Minister and Minister of Finance Sabah  
cum Chairman Of SEDIA



**Y.B. Tan Sri Datuk Seri Panglima Joseph Pairin Kitingan**  
Deputy Chief Minister and Minister of Infrastructure Development Sabah



**Y.Bhg. Dato' Sri Dr. Ali Hamsa**  
Chief Secretary to the Government



**Y.B. Datuk Seri Panglima Sukarti Wakiman**  
Sabah State Secretary



**Y.Bhg. Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz Bin Wan Abdullah**  
Secretary General, Ministry of Finance  
(until 24th August 2012)



**Y.Bhg. Dato' Dr. Mohd. Irwan Serigar B. Abdullah**  
Secretary General of Treasury,  
Ministry of Finance, Malaysia  
(from 25th August 2012)



**Y.Bhg. Datuk Dr. Rahamat Bivi Yusoff**,  
Director General,  
Economic Planning Unit (UPE)



**Y.Bhg. Dato' Ahmad Husni B. Hussain**  
Director General,  
Unit Kerjasama Awam Swasta (UKAS)  
(from 25th August 2012)



**Y.Bhg. Datuk Pg. Hassanel B. Datuk Pg. Hj. Mohd Tahir**  
Permanent Secretary, Ministry of Finance



**Y.Bhg. Datuk Ismail Abdullah**  
Director, Sabah Economic Planning Unit



**Y.Bhg. Datuk Dr. Mohd Yaakub Hj. Johari, J.P.**  
Chief Executive, SEDIA

### Implementation Coordination Committee

- Chairman** : Y.B. Datuk Seri Panglima Sukarti Wakiman  
Sabah State Secretary
- Members** : Y.Bhg. Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz Bin Wan Abdullah  
Secretary General, Ministry of Finance (until 24th August 2012)
- : Y.Bhg. Dato' Ahmad Husni B. Hussain  
Director General, Unit Kerjasama Awam Swasta (UKAS)
- : Y.Bhg. Dato' Abu Bakar Hassan  
Sabah Federal Secretary
- : Y.Bhg. Datuk Abidin Madingkir  
Mayor, Kota Kinabalu City Hall
- : Y.Bhg. Datuk Ghulam Jelani Khanizaman  
Permanent Secretary, Ministry of Rural Development
- : Y.Bhg. Datuk Haji Ujang Sulani  
Permanent Secretary, Ministry of Agriculture and Food Industry
- : Y.Bhg. Datuk Michael Emban  
Permanent Secretary, Ministry of Tourism, Culture and Environment
- : Y.Bhg. Datuk Matius Bin Sator  
Permanent Secretary, Ministry of Local Government and Housing
- : Tuan Haji Matusin Sunsang  
Sabah State Development Officer, Sabah State Development Office
- : Y.Bhg. Datuk Ismail Abdullah  
Director, State Economic Planning Unit (UPEN)
- : Y.Bhg. Datuk Haji Osman Bin Haji Jamal  
Director, Land and Survey Department
- : Y.Bhg. Datuk Ir. John Anthony  
Director, Public Works Department
- : Encik Mursidi Haji Sapi  
Director, Department of Urban and Regional Planning Sabah
- : Mr. Patrick Tan Su Teck,  
Director, Department of Industrial Development and Research
- : Y.Bhg. Datuk Mohd Hasnol B. Ayub  
Executive Director, Institute for Development Studies (IDS) Sabah
- : Y.Bhg. Datuk Dr. Mohd Yaakub Hj. Johari  
Chief Executive, SEDIA

## Finance and Investment Committee

- Chairman** : Y.Bhg. Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz Bin Wan Abdullah  
Chairman, Malaysia Airports Holdings Berhad (from 25th August 2012)
- Members** : Y.Bhg. Dato' Dr. Mohd. Irwan Serigar B. Abdullah  
Secretary General of Treasury, Ministry of Finance, Malaysia (from 25th August 2012)
- : Y.Bhg. Dato' Ahmad Husni B. Hussain  
Director General, Unit Kerjasama Awam Swasta (UKAS)
- : Y.Bhg. Dato' Abu Bakar Hassan  
Sabah Federal Secretary
- : Y.Bhg. Datuk Pg. Hassanel B. Datuk Pg. Hj Mohd Tahir  
Permanent Secretary, Ministry of Finance, Sabah
- : Y.Bhg. Datuk Haji Ujang Sulani  
Permanent Secretary, Ministry of Agriculture and Food Industry
- : Tuan Haji Hashim bin Pajjan  
Permanent Secretary, Ministry of Industrial Development
- : Y.Bhg. Datuk Michael Emban  
Permanent Secretary, Ministry of Tourism, Culture and Environment
- : Y.Bhg. Datuk Ismail Abdullah  
Director, State Economic Planning Unit (UPEN)
- : Encik Nazuki Abdullah  
Director, Malaysia Investment Development Authority, Sabah
- : Y.Bhg. Datuk Mohd Hasnol B. Ayub  
Executive Director, Institute for Development Studies (IDS) Sabah
- : Y.Bhg. Datuk Dr. Mohd Yaakub Hj. Johari  
Chief Executive, SEDIA

### Development Planning Committee

**Chairman** : Y.Bhg. Dato' Ahmad Husni B. Hussain  
Director General, Unit Kerjasama Awam Swasta (UKAS) (from 25th August 2012)

**Members** : Encik Razali Bin Che Mat  
Director of Regional Development, State Economic Planning Unit (UPEN)

: Tuan Haji Mohamad Nor Taib  
Director of Corridor Development, UKAS

: Y.Bhg. Datuk Pg. Hassanel B. Datuk Pg. Hj Mohd Tahir  
Permanent Secretary, Ministry of Finance, Sabah

: Tuan Haji Hashim bin Paijan  
Permanent Secretary, Ministry of Industrial Development

: Y.Bhg. Datuk Haji Ujang Sulani  
Permanent Secretary, Ministry of Agriculture and Food Industry

: Y.Bhg. Datuk Matius Sator  
Permanent Secretary, Ministry of Local Government and Housing

: Y.Bhg. Datuk Ghulam Jelani Khanizaman  
Permanent Secretary, Ministry of Rural Development

: Y.Bhg. Datuk Haji Matusin B. Sunsang  
State Development Officer, Sabah State Development Department

: Y.Bhg. Datuk Ismail Abdullah  
Director, State Economic Planning Unit (UPEN)

: Y.Bhg. Datuk Mohd Hasnol B. Ayub  
Executive Director, Institute for Development Studies (IDS) Sabah

: Y.Bhg. Datuk Dr Mohd Yaakub Hj Johari  
Chief Executive, SEDIA

### Consultative Panel and Focus Group Committee

**Chairman** : Y.Bhg. Datuk Dr. Mohd Yaakub Hj. Johari  
Chief Executive, SEDIA

**Members** : Y.Bhg. Datuk Mohd Hasnol B. Ayub  
Executive Director, Institute for Development Studies (IDS) Sabah

: Professor Dr. Mohd Harun Abdullah  
Vice Chancellor, Universiti Malaysia Sabah

: Y.Bhg. Dr Haji Abdul Kadir Haji Rosline  
Campus Director, Universiti Teknologi Mara (UiTM)

: Encik Bonipasius Bianis  
Deputy President, Kadazandusun Chambers of Commerce and Industry

: Y.Bhg. Datuk Seri Panglima Mohd Sari Datuk Haji Nuar  
President, Tionghua Chambers of Commerce and Industry

: Encik Abdul Razak Datuk Hj. Walli  
Secretary-General, Dewan Perniagaan Bumiputera Sabah



### Nomination, Establishment and Remuneration Committee

**Chairman** : Y.B. Tan Sri Datuk Seri Panglima Joseph Pairin Kitingan  
Deputy Chief Minister / Minister of Infrastructure Development, Sabah

**Members** : Y.Bhg. Dato' Dr. Mohd Irwan Serigar B. Abdullah  
Secretary General to the Treasury, Ministry of Finance Malaysia

: Y.Bhg. Datuk Pg. Hassanel B. Datuk Pg. Hj Mohd Tahir  
Permanent Secretary, Ministry of Finance, Sabah

: Y.Bhg. Datuk Ismail Abdullah  
Director, State Economic Planning Unit (UPEN)

: Y.Bhg. Datuk Mohd Hasnol B. Ayub  
Executive Director, Institute for Development Studies (IDS) Sabah

: Y.Bhg. Datuk Dr. Mohd Yaakub Hj Johari  
Chief Executive, SEDIA

### Audit Committee

**Chairman** : Y.B. Datuk Peter Pang En Yin  
Minister of Youth and Sports, Sabah

**Members** : Y.Bhg. Tan Sri Dato' Dr. Mohd Irwan Serigar B. Abdullah  
Secretary General to the Treasury, Ministry of Finance Malaysia

: Y.Bhg. Datuk Pg. Hassanel B. Datuk Pg. Hj Mohd Tahir  
Permanent Secretary, Ministry of Finance, Sabah

: Tuan Haji Matusin Sunsang  
Sabah State Development Officer, Sabah State Development Office

: Y.Bhg. Datuk Ismail Abdullah  
Director, State Economic Planning Unit (UPEN)

: Miss Chui Nget Ngo  
Sabah State Treasurer, State Treasury Department, Ministry of Finance

: Y.Bhg. Datuk Dr. Mohd Yaakub Hj Johari  
Chief Executive, SEDIA

## The Chief Executive

The Chief Executive is appointed by the Authority, and has been entrusted with the following responsibilities:

- The general conduct, administration and management of the functions, activities and day-to-day affairs of the Authority;
- The performance of such functions and exercise of such duties as delegated by the Authority; and
- The carrying out of the decisions of the Authority.

The Chief Executive shall also perform such other duties as the Authority may, from time to time, direct and shall act under the general direction of the Authority in discharging his duties. The Chief Executive shall have general control of the officers and staff of the Authority.

The Chief Executive reported for duty on 2 March 2009. The appointment of the Chief Executive was ratified during the Inaugural Meeting of the Authority on 14 May 2009. The Inaugural Meeting also approved the 2009 budget for SEDIA, and the organisation structure of the Authority.

## Sabah Economic Development and Investment Authority Fund

The authority to commit any financial obligation or otherwise, solely, partially or directly on the account of the Authority lies wholly with the Authority subject to policies, procedures and guidelines approved by the Authority, the State and Federal Government.

Section 14(1) of the Enactment provides for the establishment of a fund to be known as the "Sabah Economic Development and Investment Authority Fund" to be administered and controlled by the Authority.

Section 15 of the Enactment specifies that the Fund shall be expended for the following purposes:

- Disbursing funds received from the Government or the Federal Government to the relevant implementing Government Entities for the Sabah Development Corridor;
- Performing or discharging the functions and duties of the Authority;

- Paying for the remuneration, allowances or other expenses of members, the Chief Executive, officers and servants of the Authority;
- Undertaken approved and lawful investments, and acquisitions of shares or interests in companies or property movable or immovable for the purposes of the Enactment; and
- Paying any other expenses lawfully incurred in the discharged or performances of its functions and duties under this Enactment.



*SDC Open day display - SEDIA Chief Executive Datuk Dr. Mohd Yaakub Hj Johari leading Prime Minister Datuk Seri Panglima Mohd. Najib Tun Haji Abdul Razak on a walking tour.*



*Corporate Integrity pledge – Signed by Chief Executive Datuk Dr. Mohd. Yaakub. SEDIA was among several organisations to make the pledge.*

## Meetings of Members of SEDIA and Committees in 2012

<b>Members of the Authority</b>	<b>Date</b>
9th Meeting of Members of the Authority	19th April 2012
10th Meeting of Members of the Authority	15th July 2012
11th Meeting of Members of the Authority	4th October 2012
12th Meeting of Members of the Authority	6th December 2012
<b>Nomination, Establishment &amp; Remuneration Committee</b>	
6th Nomination, Establishment and Remuneration Committee meeting	19th September 2012
<b>Development Planning Committee</b>	
5th Development Planning Committee meeting	13th April 2012
<b>Implementation Coordination Committee</b>	
5th Implementation Coordination Committee meeting	12th March 2012
6th Implementation Coordination Committee meeting	29th June 2012
7th Implementation Coordination Committee meeting	10th December 2012
<b>Finance &amp; Investment Committee</b>	
6th Finance and Investment Committee meeting	8th June 2012
7th Finance and Investment Committee meeting	3rd August 2012
8th Finance and Investment Committee meeting	27th November 2012
<b>Audit Committee</b>	
5th Audit Committee meeting	9th April 2012
6th Audit Committee meeting	24th September 2012
<b>Consultative Panel &amp; Focus Group Committee</b>	
4th Consultative Panel & Focus Group Committee meeting	18th September 2012





SDC Corridors and Regional Cities Open Day - Datuk Seri Panglima Mohd. Najib Tun Haji Abdul Razak being escorted to the event hall by Datuk Seri Panglima Musa Haji Aman and Datuk Dr. M. Yaakub H. Johari

# CORPORATE PROFILE



- Functions of SEDIA

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- Corporate Vision, Mission and Strategies

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- Organisation Chart

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- Divisions and Departments of SEDIA

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- Key Events Timeline 2012

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- SEDIA Activities and Highlights

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The SEDIA Enactment lists the functions of SEDIA as follows:

- To recommend to the Government or the Federal Government on all projects of potential economic growth and opportunities to be included in the Sabah Development Corridor;
- To disburse funds received from the Government or the Federal Government for the Sabah Development Corridor to the relevant implementing Government Entities;
- To coordinate the expeditious implementation of all projects in the Sabah Development Corridor by performing the functions of a one-stop centre;
- To monitor and report to the Government and the Federal Government the status of all projects in the Sabah Development Corridor;
- To promote and market the Sabah Development Corridor as an attractive business and investment location;
- To recommend to the Government and the Federal Government incentives for the Sabah Development Corridor;
- To recommend to the Government or the Federal Government on policy reforms and other initiatives for the Sabah Development Corridor;
- To source funds for the Sabah Development Corridor; and
- To do all things as are expedient, advantageous or necessary for, or incidental, supplemental or consequential to, the performance of the functions of the Authority and the better carrying out of the purposes of the SEDIA Enactment.



### Vision

SEDIA's corporate vision is to be a responsive, effective, efficient and accountable one-stop authority to realize the objectives of the SDC, in active partnerships with key stakeholders.

### Mission

- To provide strategic direction, roadmap, planning integration, implementation co-ordination, monitoring and evaluation on the implementation of SDC;
- To promote the SDC as a preferred investment destination for business, culture and nature;
- To ensure that the SDC initiatives reach the target groups, especially the poor and the disadvantaged, alleviate regional imbalance, enhance the quality of life, and promote economic growth and sustainable development;
- To facilitate and serve as a solution provider and partner to realise the objectives of the SDC; and
- To enhance stakeholders value propositions, confidence and acceptance through optimum engagement, information dissemination and accountability.

### Strategies

- Attract investments and business initiatives in targeted areas to unlock SDC's regional value creation potential through roadshows and trade fairs, and by offering business support to fast-track approvals and customised incentives;
- Develop innovative business models and pioneering initiatives to drive long-term, sustainable value creation for SDC, especially in innovative and strategic industries such as in ICT, biotech and nanotechnology;
- Create strategic development areas comprising green field clusters in tourism, agriculture and manufacturing driven by creativity, knowledge convergence and eco-sensitive lifestyle;
- Enhance capacity building for SMEs, the poor and disadvantaged groups to benefit from the SDC initiatives;
- Strengthen growth centres, as well as sub-regional and inter-sectoral linkages to provide optimum cluster synergy, enhancing supply chain competitiveness and transmitting stronger development impulses to the lagging areas;
- Promote active tripartite partnership involving the government, the private sector and the civil society to eradicate poverty, enhance the quality of life, promote economic growth, and ensuring balanced, equitable and sustainable development; and
- Respond rapidly to opportunities and challenges to support the SDC initiatives.

The corporate strategies shall be carried out by SEDIA through the various committees, operating divisions and departments within SEDIA. In view of the fact that the SEDIA Committees are primarily decision-making body to assist SEDIA, the main day-to-day operation shall be principally carried out by the various operating divisions and departments under the overall supervision of the Chief Executive.

# Organisation Chart



**CHAIRMAN  
Chief Minister**

**SEDIA BOARD MEMBERS**

- Policies, directions & strategies
- Budget approval
- Performance review

**AUDIT COMMITTEE :**

- Regulatory compliance
- Control & audit reporting

**FINANCE AND INVESTMENT COMMITTEE :**

- Reviewing investment proposals & incentives
- Review of Budgetary Estimates
- Investment & Financial procedures

**SEDIA PROCUREMENT BOARD :**

- Functioning as Tender Board under Treasury Instruction

**IMPLEMENTATION COORDINATION COMMITTEE :**

- Inter-agencies Coordination, Monitoring & Evaluation
- Facilitating approvals
- Other implementation issues

**DEVELOPMENT PLANNING COMMITTEE :**

- Reviewing the performance of SDC Projects
- Review of Development Expenditure
- Identification of new SDC projects

**NOMINATION, ESTABLISHMENT & REMUNERATION COMMITTEE :**

- To review the composition of Member & Committee Members
- To determine the allowances of SEDIA Board & Committee Members
- To review the Terms & Conditions of Service; & others

**CHIEF EXECUTIVE**

**CONSULTATIVE PANEL / FOCUS GROUPS :**

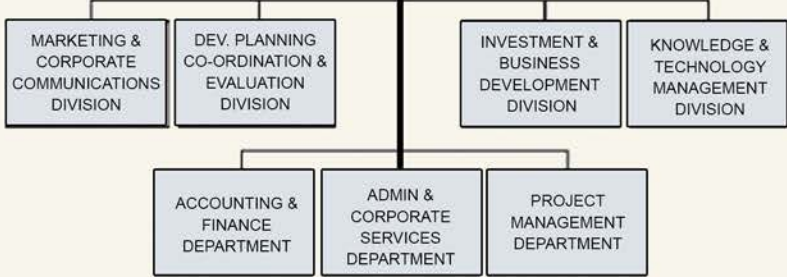
- Consultation with Experts, NGOs & Private Sector
- Projects identification, expert advice & feedback

**REGIONAL OFFICES**

**MANAGEMENT COMMITTEE**

**CEO'S OFFICE**

- Strategic planning & risk assessment
- Budget allocation & internal audit
- PR, Government liaison & media relations
- Administrations, secretarial & legal matters



## Divisions and Departments of SEDIA

### SEDIA CEO's Office

The function of the CEO's office is generally to assist the Chief Executive in coordinating the execution of the following tasks:

- Strategic planning, and performance and risk assessment
- Budget allocation and internal audit
- Government liaising, protocol, and media relations
- Administration, secretarial and legal matters involving the Members of Authority and the management committee

These functions are translated into the responsibilities of coordinating the Chief Executive's engagements, appointments and meetings; monitoring the execution of decisions by the Members of Authority, Chief Executive and management; coordinating internal and external communication of the Chief Executive; and compiling relevant information pertaining to project development, investment performance and financial performance.

The staffs of the CEO's office perform tasks aligned with the objectives of ensuring a seamless decision-making process within SEDIA, helping to build up the SEDIA corporate image and relations, keeping track of SEDIA's overall performance, and advising on legal and procedural compliance.

### Launch of the SEDIA Annual Report 2010

On the 19th of April, the Members of Authority had convened for their Ninth meeting which was chaired by SEDIA Deputy Chairman Tan Sri Datuk Sri Panglima Joseph Pairin Kitingan. The meeting was then followed by the official launching of the SEDIA Annual Report 2010. It was also during this meeting that it was announced SEDIA had endorsed the governance structure for Entry Point Projects (EPPs), and that a Steering and Delivery Management Office had been established under SEDIA.



Tan Sri Datuk Seri Panglima Joseph Pairin and Datuk Peter Pang launching the 2010 SEDIA Annual Report following the meeting of the Members of Authority

In furtherance of the objectives and effective performance of the functions of SEDIA, the Chief Executive shall be assisted in executing his responsibilities and duties by officers and servants of the Authority. Towards this end, SEDIA has been organised along four divisions and three departments.

*The four divisions are as follows:*

**Development Planning, Coordination and Evaluation Division (DPCED):**

- To identify and recommend strategic development projects and economic clusters with growth potential;
- To identify strategic soft and hard infrastructure to support the economic clusters identified;
- To coordinate the integration of the various sectoral development plans into a coherent socio-economic and physical development planning framework;
- To assess the socio-economic, environmental and regional impacts of these projects; and
- To evaluate the SDC milestones in terms of key performance indicators.



*Appointment of Corridor and Regional Cities Steering Committee for SDC- PEMANDU CEO Dato' Idris Jala presenting the appointment letter to UPEN Deputy Director, Pn. Teo Poh Loon*



*SEDIA Deputy Chairman Datuk Peter Pang and a representative of an NTEP-participating company exchanging the MoA document*



*Human Capital laboratory – Members of the lab in the midst of discussion*



*Human capital development forum – One of the speakers presenting a paper*

## Featured Activities - carried out by DPCED

### Human Capital Development

With the Sabah Development Corridor (SDC) already embarking on the second phase of its development in accelerating sustainable growth through first-class human capital and infrastructure, SEDIA has foreseen that with the implementation of Entry Point Projects (EPPs), there will be a gap between the supply and demand of labour. SEDIA has thus implemented several initiatives in ensuring that Sabah will have the skilled labour and human capital required to drive economic growth.

### Public Forum on Human Capital Development in SDC

In 2012, SEDIA organised a Public Forum on Human Capital Development in SDC to highlight the manpower requirements of EPPs, the issues and challenges to be faced as well as the proposed strategies and measures to ensure the availability of human capital needed to cater for the industry players. The forum also provided a platform to enlighten and engage government agencies, private sectors, higher learning institutions and skills training centres to address other issues and concerns in Sabah. There were altogether nine (9) papers presented during the Public Forum.



*SDC Human Capital Development Forum – SEDIA Vice President Dr. Chong Yun Leong giving his opening remarks*

### Human Capital Development Workshop: Manpower Requirement for Sabah based on Corridor and Cities Lab



*Human Capital laboratory - SEDIA Vice President Dr. Chong Yun Leong addressing members of the lab*

SEDIA had also conducted a workshop with the theme Human Capital Development: Manpower Requirement for Sabah based on Corridor and Cities Lab, which was jointly organised with PEMANDU. The main objective is to develop recommendations and action plans to address manpower requirements and challenges. Participants in the workshop consisted of private companies, government agencies, training providers and EPP owners. The workshop scope was to address the six key focus areas of the Corridor and Cities Transformation Programme namely Agriculture, Tourism, Manufacturing, Palm Oil, Education; Oil, Gas & Energy; and Greater KK.

### National Talent Enhancement Program (NTEP)

The National Talent Enhancement Programme (NTEP) is a 12 month traineeship programme initiated by the Federal Government under the Human Capital Development initiative of the Economic Transformation Programme. SEDIA has been appointed as the implementing agency for this programme in Sabah. Under this programme, SEDIA has invited hosting companies in Sabah, giving priority on National Key Economic Areas and Key Focus Areas of the Corridors & Cities Transformation Programme. Its aim is to build a talent pool of skilled workforce via industry relevant skill-training and on the job practical exposure. The target group for this programme is engineering graduates with less than two years working experience and having had a minimum six months of unemployment. Engineering graduates who have ventured outside of the engineering scope and wish to re-enter the engineering field can also register for the programme. As at December 2012, eight hosting companies and thirty one candidates have registered for the programme.

## Marketing and Corporate Communications Division (MCCD):

- To promote and market SDC as an attractive business and investment location;
- To undertake market intelligence;
- To identify potential investors;
- To compile and disseminate information regarding SDC's programmes and projects as well as SEDIA's activities to stakeholders;
- To obtain information and feedback regarding the response and outcome of SDC programmes and projects; and
- To support CSR activities and engagement with stakeholders.



Public awareness survey – Staff from MCCD routinely conduct surveys with the public to gauge awareness of SDC and SEDIA



Exhibition participation – Participations during trade exhibitions allow SEDIA to reach directly to the public



## Featured Activities - carried out by MCCD

### Launching in Sabah of the first Open Day for the Corridors and Cities Programme

On Thursday, 16 February, 2012, members of the public were able to view the results of the Corridors and Regional Cities Lab during its Open day. The public was given the chance to view over 30 Entry Point Projects and new opportunities in the following key focus areas – Tourism; Oil, Gas and Energy, Palm Oil, Manufacturing and Logistics, Agriculture, Education and Greater Kota Kinabalu.

The proposal to have the Corridors and Regional Cities Lab had been announced by the Prime Minister, Datuk Seri Panglima Mohammad Najib bin Tun Haji Abdul Razak on 21st June, 2011, and he was in attendance to officially launch the Open day in Sabah. The Sabah Open day was the first held for the Corridors and Regional Cities programme, with other economic corridors following suit later in the year. Nearly 2000 attendees came to the one-day event, comprising Federal and State Cabinet Ministers, Heads of Government departments, representatives from the business community, NGOs and the public at large. The key objectives of the Open Day were to inform the public on the outcome of the Corridors and Regional Cities Lab while at the same time, sharing their feedback on the proposed action plans' programme.



*The SDC Corridors and Regional Cities Open day was launched by Prime Minister Datuk Seri Panglima Mohd. Najib Tun Haji Abdul Razak, which saw overwhelming attendance by members of the public*

After launching the event, Datuk Seri Najib Tun Razak presented six facilitation fund letters of offer to support six key projects under the Sabah Development Corridor. The RM459.2 million facilitation fund from the federal government would be directed to fund Sipadan Mangrove in Tawau (RM49 million), Geothermal Power Plant in Tawau (RM35 million), International Technology & Convention Centre in Penampang (RM19.9 million), Integrated Jesselton Waterfront & Sabah International Convention Centre (RM250 million), mixed development and Gleneagles Medical Centre in Kota Kinabalu (RM47.7 million) and Dalit Bay Integrated Tourism Resort in Tuaran (RM57.6 million).

The event also witnessed an exchange of Power Purchase Agreement between Sabah Electricity Sdn. Bhd. (SESB) and Kimanis Power Sdn. Bhd. (KPSB). Under the agreement, electricity will be purchased for 21 years, by SESB from an independent power producer owned by KPSB in Kimanis. SESB will also build RM129 million, 50 kilometres of transmission lines from Kimanis Power to a substation in Kolopis, Penampang. The Kimanis Power Plant was part of the 'Power UP Sabah' government initiative that was highlighted in the SDC Blueprint 2008-2015.

The Corridors and Regional Cities Lab was conducted between September and November 2011, organised and facilitated jointly by the Performance Management and Delivery Unit (PEMANDU), a unit in the Prime Minister's Department, and the five Corridor authorities, namely SEDIA, IRDA, NCIA, ECERDC and RECORDA, with the objectives to maximise, leverage and build on the existing programmes in each economic corridor, and aligning the existing corridor programmes with the Economic Transformation Programme.

The eight-week nation-building exercise involved more than 100 participants from Sabah, comprising over 60 private sector companies, government ministries, agencies and regulatory bodies, as well as non-government organisations (NGOs). They contributed in identifying specific areas that could deliver fast results within the shortest period of time and having the most impact to the region concerned. Other issues and concerns, such as sewage, water, power, waste treatment and public transportation were addressed, specifically in the Cities Lab. These issues, encompassing the concept of the cities' liveability, were pertinent to attract talent and the level of investments that the State requires in order to propel economic growth within Sabah. Alongside attracting talents and investment, the importance of ensuring maximum impact and benefit to the local population was also highlighted.

## Investment and Business Development Division (IBDD):

- To provide one-stop services to business enterprises and SMEs / SMIs;
- To fast-track priority and strategic industries;
- To provide business-matching assistance;
- To provide investment advisory services;
- To facilitate in obtaining planning approval, customising incentives packages, and securing licenses and permits; and
- To recommend policy reforms, incentives or other initiatives to attract investments.



*SEDIA Chief Executive Datuk Dr Mohd Yaakub Hj Johari (centre) being interviewed alongside the CEOs of Biotech-Corp and the Darden Group in Boston, The United States.*



*Meeting with US-based fund managers – SEDIA is constantly looking into ways to improve the investment climate in Sabah*



## Featured Activities - carried out by IBDD

### SEDIA receives a delegation from the International Monetary Fund

IMF economists continually monitor members' economies, and through a process known as an Article IV consultation, they visit member countries - usually annually - to exchange views with the government and the central bank. Discussions mainly focus on exchange rate, monetary, fiscal, and financial and policies. During their missions IMF staffs also typically meet with other stakeholders, such as parliamentarians and representatives of business, labour unions, and civil society to help evaluate the country's economic policies and direction.

Under Article IV of the IMF Articles of Agreement, member countries undertake to collaborate with IMF and with one another to promote stability. For its part, IMF is charged with (i) overseeing the international monetary system to ensure its effective operation, and (ii) monitoring each member's compliance with its policy obligations. On return from an Article IV consultation, the staffs present a report to the IMF Executive Board for discussion. The Board's views are subsequently transmitted to the country's authorities. The IMF delegates were impressed with the various investment projects and development activities under SDC.



*Datuk Dr Mohd Yaakub seen chairing the meeting with the delegation from the IMF on 2nd December 2012 at SEDIA's office.*

### JEJAK 2012 Outreach Initiative event

The month of June saw SEDIA co-organising with Unit Peneraju Agenda Bumiputera (TERAJU) the launch of 'JEJAK 2012 Koridor Sabah', an outreach initiative for Bumiputera entrepreneurs. The programme was launched by Chief Minister Datuk Seri Musa Aman and saw various initiatives implemented in Sabah as part of the objectives highlighted in the Bumiputera Economic Transformation Plan announced by Prime Minister Datuk Seri Najib Tun Razak in November last year.



*TERAJU CEO Husni Salleh, Federal Minister Tan Sri Nor Mohamed Yakcop, SEDIA Chairman Datuk Seri Panglima Musa Haji Aman and SEDIA Chief Executive Datuk Dr Mohd Yaakub Johari launching the JEJAK 2012 Outreach programme*

TERAJU also launched its TERAJU@Sabah one-stop centre to ensure stronger presence in the region to facilitate implementation of the Bumiputera economic transformation agenda in Sabah. The Sabah Development Corridor (SDC) is the third of the five economic corridors to have the one-stop centre. The first one, TERAJU@Northern Corridor was launched in Penang on March 3, while TERAJU@Sarawak was launched in Kuching three days later.

TERAJU has allocated RM100 million from RM2 billion in Facilitation Funds to finance development initiatives under the Sabah Development Corridor (SDC). Minister in the Prime Minister's Department Tan Sri Nor

Mohamed Yakcop said the fund was allocated to assist Bumiputera companies and entrepreneurs in various sectors including agriculture, manufacturing, tourism and logistics for a period of two years.

Local entrepreneurs would benefit from the RM100 million facilitation fund allocated by the federal government, and the setting up of the TERAJU one-stop centre in Sabah. Tan Sri Nor Mohamed Yakcop said the RM2 billion in facilitation funds had been allocated for the development of bumiputera companies in the country. "It is my hope that Bumiputera entrepreneurs in Sabah will make full use of the fund allocated to further develop and expand their business," he said at the Sabah launching of JEJAK 2012.

## Knowledge and Technology Management Division (KTMD):

- To establish and manage the SDC databank;
- To monitor and support knowledge creation activities;
- To disseminate and promote new technology applications and scientific knowledge;
- To facilitate science-industry linkages;
- To promote innovation and commercialisation of R&D; and
- To promote new growth sectors driven by the convergence of technology.

### Featured Activities - carried out by KTMD

#### 1Agro-SAIP Training Programme

The agro-processing and packaging sector has great potential to add value to the state's agriculture and agro-based industry. However, the industry remains fragmented. Infrastructure to support the supply chain and downstream activities for processing of agro-food and Specialty Natural Products (SNPs) (e.g. herbs, spices, botanicals) are inadequate to optimise the value of these resources. Covering an area of 215 acres in Kimanis, Papar, the Sabah Agro-Industrial Precinct (SAIP) is a dedicated agro-processing area that will address these issues. Driven by agro-biotechnology and innovation, SAIP will enhance the capacity and capability of local SMEs in the downstream processing of agro-food and SNPs by providing them with integrated support services and centralised facilities.



*The 1Agro-SAIP programme has seen much success, with heavy public participation during each training course*

The establishment and implementation of the 1Agro-SAIP Training Programme will empower technopreneurs in the agro-based industry. It seeks to provide greater exposure and transfer of knowledge especially on the processing of agro-food and SNPs. Designed to be a part of the SAIP pre-incubation initiative, the programme will screen and select potential agro-technopreneurs, and prepare them to develop business ideas through SAIP incubator business environment.

## Bioeconomy Initiative Malaysia Lab 2012

The Bioeconomy Initiative Malaysia (BIM) was launched by the Prime Minister Datuk Seri Najib Tun Razak in November 2011 and is slated to become one of the National Key Economic Areas (NKEAs) for Malaysia. Bioeconomy refers to all economic activities derived from scientific and research activities, focusing on understanding biological mechanisms and processes at the genetic and molecular levels and its application to industrial processes. Through the BIM platform, the government and leading industry players will set goals for the application of biotechnology to agriculture, industrial production and health care, putting in place the structural conditions required and develop necessary mechanisms to ensure that the policy can flexibly adapt to new opportunities.

Following the launching of BIM, the Ministry of Science, Technology and Innovation (MOSTI) together with BiotechCorp organized a three-day workshop on 5th – 7th March 2012 at PICC, Putrajaya with the intention of assembling people from relevant ministries and agencies, industry players, academicians and scientists to identify and prioritise the Entry Point Projects (EPPs) which will be the focus area to be discussed during the following lab sessions. As a continuation of the workshop, a six-week lab session was conducted at Istana Hotel, Kuala Lumpur from 19th March to 27th April 2012 to further shortlist the 35 EPPs proposed. The six-week lab session was assisted by Roland Berger Strategy Consultants, utilising the format of previous PEMANDU lab sessions. A total of 85 participants were involved in the BIM lab which eventually produced 21 trigger projects, six from agriculture, 11 from industry and four from healthcare. It was envisaged that 10 EPPs articulated around those 21 trigger projects would create GNI of RM4bil and 17,000 jobs by 2020.



A staff of SEDIA seen briefing a member of the public on SDC biotechnology initiatives

The Knowledge and Technology Management Division of SEDIA had representatives present for the full six weeks in the Healthcare biotechnology cluster, with SEDIA Vice President Mary Sintoh involved in proposing an EPP entitled “Drug Discovery Based on Natural Products” during the three-day BIM workshop. The final pitch presentation was made on 25th March 2012 to PEMANDU and the Ministry of Health. They commented that the EPP “Drug discovery services and IP development around natural products” needed to focus on developing local talents to build up the human resource aspect.

BiotechCorp and Roland Berger were tasked to prepare, refine and finalise the BIM report and design the most appropriate delivery mechanism and implementation strategy. Each EPP owner will be engaged by BiotechCorp and Roland Berger when necessary to finalise the report for submission to MOSTI. PEMANDU and the relevant ministries may be requested to preview the final 10 identified EPPs and contact all EPP owners to kickstart the launch of the EPP, funding allocation process and monitoring activities.

The three supporting departments are as follows:

**Project Management Department (PMD):**

- To coordinate and monitor the physical implementation of all SDC projects;
- To audit and compile reports on the status of these projects;
- To determine tender and procurement strategy;
- To liaise with project consultants;
- To provide technical advice; and
- To recommend project closure and payment.

**Featured Activities - carried out by PMD**

**Keningau Integrated Livestock Centre (KILC)**

During an official visit to Sabah, the Prime Minister of Malaysia, Datuk Seri Panglima Mohammad Najib bin Tun Haji Abdul Razak on June 16 launched the groundbreaking ceremony for the Keningau Integrated Livestock Centre. The event managed to draw a 5,000-strong crowd from Sook, Keningau and several of the surrounding districts.

The groundbreaking ceremony also saw the signing of a Heads of Agreement between SEDIA and Annam Corporation, a major investor of the proposed joint venture in the KILC project. Annam Corporation is a wholly - owned subsidiary of the Brunei Investment Agency (BIA), enabling Brunei 40 per cent equity in the joint venture. Present to witness the ceremony were Sabah Chief Minister cum SEDIA Chairman Datuk Seri Panglima Haji Musa bin Haji Aman and BIA Chairman Pehin Datuk Seri Awang Abu Bakar Apong.

A flagship project in the Sabah Development Corridor, the Keningau Integrated Livestock Centre (KILC) is planned to increase the breeder population in Sabah, enabling selection of high-yield traits in both beef and dairy cattle that can be passed on with each generation of production animals. Through this, breeders are able to select breeds with higher production capacity and also develop a sustainable breeding structure that will produce breeding stock and feeder animals in a systematic manner.

The development of KILC will be able to transform the interior of Sabah into a centre of high-value agro-based industries by harnessing science and technology, especially biotechnology, resulting in efficient breeding production, The emergence of new agro-based industries such as quality nutritious food, colostrum, halal gelatine, vaccines and also leather craft. The development of the downstream agro-industry will directly and indirectly boost local economic activity.



The KILC groundbreaking ceremony was launched by Prime Minister Datuk Seri Panglima Mohd. Najib Tun Haji Abdul Razak

## Administration and Corporate Services Department (ACSD):

- To provide in-house administrative and secretarial support;
- To assist in record-keeping and documentation;
- To maintain inventory of office supplies and assets;
- To manage human resources, outsourcing activities and risk exposure; and
- To provide general corporate services.

### Featured Activities - carried out by ACSD

#### MS ISO 9001:2008

SEDIA, as the one stop authority for the Sabah Development Corridor, has committed to adopting the MS ISO 9001:2008 standard in their management system to ensure quality services are delivered. A Quality Management System has become essential in ensuring quality management practices in an organisation. Regardless of the type of functions performed by the organisation, a quality management system is able to ensure that the operations of an organisation are done in an effective and systematic approach.

Preparation for certification of the MS ISO 9001:2008 standard requires high commitment from the management and all departments and divisions of SEDIA, with all the processes carried out efficiently. There are several stages involved in the MS ISO 9001:2008 certification. These include:

1. The Awareness Programme for MS ISO 9001:2008
2. Documentation
3. Internal Audit Workshop
4. Document Review Final Session
5. Internal Audit Implementation
6. Internal Audit Report
7. Implementation Monitoring
8. Launching of MS ISO 9001:2008
9. Corrective Action
10. Management of Data
11. Management Review Meeting
12. Pre-Compliance Audit (By Consultant)
13. Audit Documentation
14. The Certification



*The awareness session was attended by the entirety of SEDIA staff*

SEDIA began its process towards achieving the MS ISO certification on 5th October 2012, when it held the MS ISO 9001:2008 awareness programme. The briefing was conducted by RAZ9001 Consult Sendirian Berhad and SEDIA management. The briefing was followed by the documentation of all ISO procedures, consisting of the Quality Manual, Compulsory quality procedures, Supporting quality procedures and Operating quality procedures. In November 2012, an internal auditor workshop was conducted involving 20 officers from the respective departments and divisions of SEDIA who were appointed as internal auditors. This was followed by a final document review for all the procedures and thereafter, an internal audit was carried out.

## Accounting and Finance Department (AFD):

- To prepare corporate/business plans for SEDIA;
- To plan and prepare annual budgets for SDC;
- To disburse payment and SDC allocations to implementing agencies;
- To maintain proper accounting and procurement records;
- To prepare feasibility studies and financial modelling for SDC projects;
- To explore potential in value creations; and
- To source funding for SDC projects.



Corporate Integrity Pledge – SEDIA Chief Executive Datuk Dr Mohd Yaakub Haji Johari seen presenting the signed document



Disbursing punctual payments for SDC Projects for SDC projects - one of the daily routines at SEDIA's Accounts Department.



**SEDIA**

DEVELOPMENT CORRIDORS

ACCELERATING THE GROWTH OF SABAH

**TRANSFORMING KOTA KINABALU INTO A VIBRANT CITY WITH A SOUL**



**BANDAR TITINGAN TAWAU**  
BALANCED - LIVING CITY



**BANDAR SAMUDERA**



**IMPROVE INCOME DISTRIBUTION AND LIVING STANDARDS OF THE PEOPLE**



Agricultural Poverty Eradication Program

**KENTINGAU INTEGRATED LIVESTOCK CENTRE**



**PALM OIL INDUSTRY CLUSTER (SANTAL PAU)**





## JAN

9 JAN

Courtesy Call by Universiti  
Malaysia Sabah

1

13 JAN

Interview with RTM

2

19 JAN

Courtesy Call by  
Thailand Ambassador

3

## FEB

10 FEB

Visit by YB Datuk Seri  
Panglima Maximus Ongkili &  
MOSTI delegates

4

16 FEB

Corridors & Cities  
Open day

5

23 FEB

Bio Borneo 2012

6

## MAR

15 MAR

SDC presentation during  
seminar by Malaysia Property Inc.

7

23 MAR

Visit by Malay College Old  
Boys Association (MCOBA) led by  
Tan Sri Megat Najmuddin Bin  
Dato' Seri Megat Khas, President  
of MCOBA.

8

# Key Events Timeline 2012



# Key Events Timeline 2012

26 APR  
EU-Malaysia Trade Forum 2012 **11**

19 APR  
Launch of Annual Report during 9th  
Members of Authority meeting

15 APR  
YSBR SandakanResort

13 APR  
Handover of Facilitation Fund  
letter to Sipadan Mangrove **10**

12 APR  
Visit to SIRIM **9**

12 APR  
Courtesy Call by Jabatan  
Pengajian Kolej Kumuniti

## APRIL

29 MAY  
YSBR Kunak **15**

26 MAY  
YSBR Kimanis **14**

19-20 MAY  
Karnival Usahawan SME  
Bank 2012 **13**

13 MAY  
YSBR Kota Belud

4 MAY  
YSBR Ranau. **12**

## MAY

28-30 JUNE  
SME Solutions Expo 2012

24 JUNE  
Grand opening of Sembulan  
river park by the Sabah Chief  
Minister

20-22 JUNE  
SMIDEX 2012 **18**

16 JUNE  
KILC Groundbreaking event  
by the Prime Minister **17**

5 JUNE  
JEJAK 2012 **16**

## JUNE





## JULY

5 JULY  
10th Members of Authority meeting

19

26 JULY  
Courtesy Call by MIGHT

20

## AUG

7 AUG  
Signing of MoU with Melapi for BEFF

21

30 AUG  
Briefing on Bioeconomy updates in SDC

22

## SEP

1-8 SEP  
Sabah investment mission to Australia

23

3 SEP  
1 AgroSAIP course on Pharma-herbs

24

21-24 SEP  
SIE 2012

25

25 SEP  
Public forum on Human Capital Development in SDC

26

# Key Events Timeline 2012

# Key Events Timeline 2012

**24 OCT**  
Sabah Roundtable Debate  
with International Investor **30**

**5 OCT**  
MS ISO 9001  
awareness seminar **29**

**4 OCT**  
Launch of Cities & Corridors book  
during 11th Members of  
Authority meeting

**2 OCT**  
SL1M 2012  
Outreach programme **28**

**1-2 OCT**  
1AgroSAIP course on  
Swiftlet farming **27**

**OCT**

**30 NOV - 2 DEC**  
BIMP-EAGA & IMT-GT  
Consumer Fair 2012 **33**

**23 NOV - 2 DEC**  
MAHA 2012 **32**

**15-18 NOV**  
Sabah International Halal  
Showcase 2012

**14-18 NOV**  
State Farmers Breeders  
and Fishermen's Day **31**

**10 NOV**  
Kota Belud Studies,  
Skills & Jobs expo

**5-7 NOV**  
Bio Malaysia 2012

**NOV**

**18 DEC**  
Interview by RTM **36**

**17 DEC**  
Courtesy Call by  
Korean Ambassador **35**

**6 DEC**  
12th Members of  
Authority meeting

**3-6 DEC**  
1AgroSAIP course on  
Agro-food & Agro-Organics

**2-3 DEC**  
International Monetary  
Fund visits SEDIA and SDC  
Projects **34**

**1 DEC**  
Sabah Jobs Expo 2012

**DEC**



27



31



34



28



32



35



29



33



36



30

## SEDIA Activities and Highlights

### Courtesy Call by Thai Ambassador in Malaysia

In early 2012, SEDIA hosted a meeting with a delegation from the Royal Thai Embassy. The delegation was led by His Excellency Thana Duangratana, Ambassador Extraordinary and Plenipotentiary of the Royal Thai Embassy; and also attended by Minister Songsak Saicheua, Deputy Head of Mission; and Mr Montry Nathananan, First Secretary for Economic Affairs. The purpose of the courtesy visit was to receive information on progress and the latest development including new initiatives achieved by SEDIA, and to discuss the possibility of collaboration with Thailand authorities in economic development.



Thai Ambassador in a discussion with SEDIA Management

### Presentation during real estate seminar

SEDIA Chief Executive Datuk Dr Mohd Yaakub gave a presentation entitled 'Sabah Development Corridor: Latest update and Long Term Sabah Economic Outlook' during a seminar entitled "How to sell Malaysian Real Estate internationally", organised by the Malaysia Property Incorporated (MPI) and Sabah Housing and Real Estate Developers Association (SHARED). SHARED President Datuk Susan Wong said in her opening speech that Sabah is reputed to be an eco-tourism destination and Kota Kinabalu is known as a nature resort city, providing an eco-environmental place to live in. She also added that Sabah is home to many different races and ethnic groups who live together harmoniously, which ensures great potential in the tourism industry.



Datuk Dr. Mohd Yaakub Hj Johari seen presenting on SDC to seminar participants



Datuk Dr. Mohd Yaakub Hj Johari during his presentation to the UMS school of Social Sciences faculty members

### Presentation at UMS School of Social Sciences

SEDIA Chief Executive Datuk Dr. M. Yaakub Hj Johari was given the opportunity to present on the Sabah Economic Development and Investment Authority (SEDIA) and its functions to UMS faculty professors in the school of Social Sciences. Datuk Dr. M. Yaakub Hj Johari was earlier this year made an Adjunct Professor of the Social Sciences School in UMS, effective 10th January 2012. He encouraged professors and students alike to have greater involvement in the Sabah Development Corridor.



A potential investor making an enquiry with SEDIA staff at the booth

### Bio Borneo 2012

SEDIA participated in Bio Borneo 2012 during the month of February. The inaugural Bio Borneo exhibition received overwhelming response from exhibitors, comprising mostly bioindustry players from throughout the country. More than 40 booths were placed throughout the event venue in Sarawak, including that of SEDIA, exhibiting products and services of biotech research and development from both the government and private sectors.

## SEDIA Activities and Highlights



Facilitation Fund agreement letter – Signatories seen exchanging the signed documents

### Signing of Public-Private Partnership agreement

In April 2012, SEDIA Chairman and Chief Minister of Sabah Datuk Seri Panglima Musa Aman handed a Facilitation Fund offer letter to Sipadan Mangrove Resort (SMR) in a handover ceremony held in Wisma SEDIA. The event was witnessed by Chief Executive of SEDIA Datuk Dr Mohd Yaakub Hj Johari, which was followed by the signing of the agreement for Facilitation Fund between the three parties: the Public-Private Partnership Unit (or Unit Kerjasama Awam Swasta, UKAS) signed by their Director General Dato' Dr. Ali Hamsa, John Nip of Sipadan Mangrove Resort Sdn Bhd, and a representative from Bank Pembangunan Malaysia Berhad.



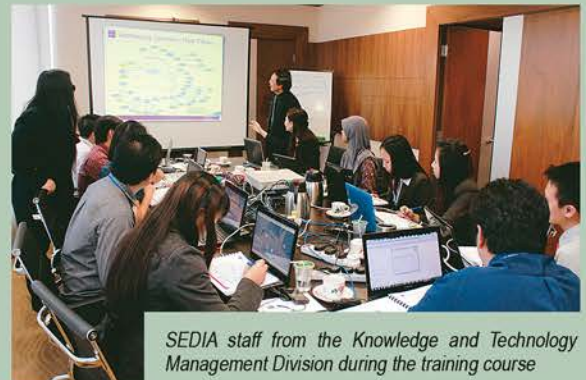
SEDIA Chief Executive Datuk Dr. Mohd Yaakub Hj Johari was among Corridor representatives that presented during the Trade Forum

### EU-Malaysia Trade Forum

The Sabah Economic Development and Investment Authority was among several Corridor authorities that participated in the EU-Malaysia Trade Forum 2012. The one-day event was organised by the EU-Malaysia Chamber of Commerce and Industry, which this year carried the theme Enhancing Cooperation: Innovation, Industry and Investment. The one-day forum commenced with a plenary session on the services sector — Generating investments in targeted growth areas — followed by two breakout sessions led by representatives from PEMANDU, MIDA, MATRADE and each of the Malaysian development corridors.

### Second HMKB training course

As part of development for the Herbal Medicine Knowledge Base (HMKB) project, staff from the Knowledge and Technology Management division in SEDIA in May 2012 began a week-long training course to familiarise themselves with the software systems. This is the second training session for the HMKB transfer of technology (TOT) in accordance to project milestones that had been set. The aim of the project is to develop an integrated HMKB that will utilise the latest semantic technology thereby allowing relationships and links between concepts to be formed within the knowledge base. The HMKB project received a Technofund grant under MOSTI and is developed through collaboration between SEDIA and MIMOS Berhad.



SEDIA staff from the Knowledge and Technology Management Division during the training course

### SME Bank Entrepreneurs Carnival

During the Jelajah Niaga! Carnival organised by SME Bank, the Sabah Economic Development and Investment Authority (SEDIA) signed a Memorandum of Understanding (MoU) with SME Bank for future collaboration between both parties. The MoU is aimed at strengthening cooperation to look into the potential of developing programmes under SDC to encourage the development of Small and Medium Enterprises (SMEs) in Sabah.



A senior SEDIA officer presenting on the Sabah Development Corridor to the event participants

## SEDIA Activities and Highlights

### SMIDEX 2012

SEDIA was among several government agencies that opened pavilions during SMIDEX 2012. The SEDIA pavilion was aimed at disseminating information on the role and contribution of the Sabah Development Corridor in the development of SMEs and also to introduce SDC-related business opportunities. The SMIDEX 2012 theme, "SMEs – Shaping the Future" is in line with the aspirations of the government which aims to make SMEs a key catalyst in driving economic growth in the future through innovation, creativity and entrepreneurial skills.



A SEDIA staff member explaining to a booth visitor on the various SDC Flagship projects

### Bioeconomy updates in SDC

SEDIA and the Malaysian Biotechnology Corporation (BiotechCorp) jointly organised a Bioeconomy updates briefing event in August. The objective of the event was to provide an update of the biotech roadmap and programmes in Malaysia in view of the Bioeconomy Initiative Malaysia (BIM) launched last year as well as to highlight biotech opportunities in the Sabah Development Corridor (SDC).



Minister Datuk Seri Dr. Maximus Johnity Ongkili presenting the opening remarks during the SDC Updates event



SEDIA Chief Executive Datuk Dr. Mohd Yaakub Hj Johari briefing Chief Minister Datuk Seri Panglima Musa Haji Aman on SEDIA's participation during the expo

### Sabah International Expo 2012

The Sabah International Expo is a multi-sector trade and investment exposition spanning over three days, focusing on the development of business, trade and investment opportunities both within the State of Sabah and Borneo in general. The event also includes important regional and international trading partners, with booths opened by entrepreneurs from neighbouring countries.



Represented by Assistant Vice President Jesi Majungki (2nd right), SEDIA was among the organisations to participate in the SL1M Open day

### SL1M Outreach programme

During the month of October, SEDIA participated in the SL1M Outreach programme held in Universiti Malaysia Sabah. Skim Latihan 1Malaysia (SL1M) is a private sector-led initiative to run corporate social responsibility (CSR) outreach programmes to make graduates more employable. It was launched in June 2011 to provide young jobseekers with both soft skills and on-the-job training. The federal government has agreed to give a 5-year double tax deduction incentive to companies that participate in the SL1M programme.

## SEDIA Activities and Highlights



*SEDIA had an exhibition booth during the event to engage with potential investors*

### Bio Malaysia 2012

SEDIA had once again participated in Bio Malaysia Conference and Exhibition during 2012, held at Kuala Lumpur Exhibition Centre. It is Malaysia's premier biotechnology event and the largest in the region. Bio Malaysia also serves as the launch pad for the regional and international biotechnology industry and entry to the hubs in Asia.



*The SEDIA booth located in the Sabah House received overwhelming response from MAHA visitors*

### MAHA 2012

The later end of 2012 saw SEDIA participating in the Malaysia Agriculture, Horticulture and Agrotourism International Show (MAHA) 2012. The MAHA Exposition biennial series is Malaysia's leading agricultural show, hosted by Ministry of Agriculture and Agro-Based Industries. MAHA is amongst the largest and most comprehensive agriculture event of its kind in the region.

### BIMP-EAGA and IMT-GT Consumer Fair

Along with the other four Corridor authorities, SEDIA participated in the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) and Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Consumer Fair 2012, held in Malacca. The event saw about 300 booths with exhibitors from Malaysia, Brunei, the Philippines, Indonesia and Thailand. The three-day event at the Malacca International Trade Centre was hosted by EPU and supported by the Melaka state government, SEDIA, and the Corridor authorities for the Northern Corridor Economic Region, East Coast Economic Region, Iskandar Region Development Authority, and Sarawak Corridor Of Renewable Energy.



*SEDIA Assistant Vice President Jesi Majungki providing booth visitors with information on SDC initiatives*

## SEDIA Activities and Highlights

### SEDIA co-organises investor roundtable debate with International Investor

In the month of October 2012, SEDIA had hosted an investor roundtable debate in Kota Kinabalu which focused on the development of a sustainable investment framework in Sabah. Partnering with International Investor, a UK-based business intelligence and publishing organisation, the roundtable debate had engaged with members of the business community to identify areas for further development and methods of enhancing the business environment, while also looking at solutions to challenges faced in Sabah in terms of human resources, infrastructure, and enhancing investment incentives.



The roundtable debate saw participation from several key members of the business community, and included an interview with the media prior to the debate session

### Sabah investment mission to Australia

The Sabah Economic Development and Investment Authority (SEDIA) was among several organisations included in a delegation from Sabah that had conducted a seminar on investment opportunities available in Sabah. Led by the State Minister of Industrial Development, Datuk Raymond Tan, the delegation concluded its successful mission here to promote business and industry ties between Sabah and Western Australia.

In his opening remarks during the seminar, Datuk Raymond Tan told West Australian industrialists that Sabah is logistically and strategically positioned within BIMP-EAGA and the South-East Asian region and 'not too far' from their territory. He remarked that he is positive that both states can "work together and strengthen our business network".



SEDIA Chief Executive Datuk Dr Mohd Yaakub Johari presenting a memento, following the visit to Southern Cross University

The seminar held on Thursday morning, which was jointly organised by the Department of Industrial Development and Research (DIDR), Sabah and the Chamber of Commerce and Industry of Western Australia, saw attendance by captains of commerce and industry from different parts of Western Australia who showed keen interest in the presentations given.

The officials from Sabah that had given briefings at the seminar were SEDIA Chief Executive Datuk Dr.

Mohd Yaakub Johari, POIC CEO Datuk Dr. Pang Teck Wai, CEO of KKIP Sdn Bhd, Dr Tarsiah Hj Taman and Hj Abdul Kadir, the general manager of Sipitang Oil and Gas Industrial Park.

In addition to the seminar held in Perth, the SEDIA delegation had also made courtesy calls to Southern Cross University, the University of Western Sydney and the Mayor of Rockingham city. The courtesy calls served to project forward SEDIA's objective of attracting investment into the Sabah Development Corridor, through introducing the SDC and its initiatives to potential partners for future collaboration.



## SEDIA Activities and Highlights

### SEDIA participation during the Yayasan Sabah Bersama Rakyat (YSBR) roadshow

The Sabah Economic Development and Investment Authority had been among several government agencies that participated in the 'Yayasan Sabah Bersama Rakyat' roadshow programme held throughout the first half of 2012. The roadshow programme saw a large turnout from the public at each stop despite the hot weather, with the exhibition areas consistently filled with attendees during each stop.



*SEDIA had an active presence in each leg of the YSBR roadshow, as the programme allowed for direct interaction with public stakeholders*

The programme was organised to provide accurate information of the development programmes implemented by the government. In describing the programme, Chief Minister of Sabah Datuk Seri Musa Haji Aman exemplified the roadshow organised by Yayasan Sabah and described it as a venue for the leaders to meet the people and for the people to obtain any information available from both the participating State and Federal agencies. "It will enable the people to obtain factual information through briefings given by State and Federal government officers", he said when officiating the Sandakan leg of the programme.

The event was a good opportunity for people throughout Sabah to familiarise themselves with Sabah Development Corridor-related initiatives. The SEDIA booth had a clear focus on promoting projects within the Sabah Development Corridor which also include the recently unveiled Entry Point Projects, particularly highlighting flagship projects within Sandakan such as the Sandakan Education Hub, Bandar Samudera Elopura and Sawit palm oil industrial cluster.

### SEDIA Investment Mission to the United States

The Sabah Economic Development and Investment Authority (SEDIA) participated in MIDA-led Investment Missions to the United States of America on 1-5 May and 15-19 October 2012.



*US Investors attending the Investment Forum in the United States.*



The missions cover high-technology sectors such as aviation, biotechnology, ICT, and oil and gas in Houston, Phoenix (Arizona), and St. Louis (Missouri) from 1-5 May 2012 and New York, Minneapolis and Boston from 15-19 October 2012. The missions had received good response from the US investors and a few had expressed interests to explore investment opportunities in biotech, and oil and gas in the SDC.

## SEDIA Activities and Highlights

### Kota Kinabalu International Film Festival



Under this initiative, SEDIA had once again collaborated with the Society of Performing Arts Kota Kinabalu, Sabah (SPArKS) in organising the Kota Kinabalu International Film Festival (KKIFF). The event, in its fourth year, also saw collaboration with Alliance Francaise, Japan Foundation and Goethe Institute.

KKIFF 2012 had received remarkable response and greater participation from Malaysian filmmakers this year. Similar to previous years, KKIFF 2012 comprised three events, namely - International movie nights, the Sabah Film Forum and 'LINK5' Filmmakers' Competition & Highlight Screening that were spread over the festival period. There were five foreign films that were screened during the International movie nights from countries including France, Japan and Germany. The Sabah Film Forum was held on 9 and 10 June 2012, whereby five workshops were carried out with guidelines and advice given to the participants by invited experienced workshop moderators and panellists, comprising Hassan Muthalib, David Ngui, Genevieve Duis, Jeffri Mohd Yusof and Sheron Dayoc. The guidance and advice from the experienced moderators allow young and amateur filmmakers to build up their filmmaking skills and talents in this industry. The film competition was titled 'LINK5', where participants were required to create a storyline with their own interpretation of the theme. On the final day of the festival, KKIFF 2012 concluded with the screening of the Japanese comedy, "Double Trouble", a film by Joji Matsuoka.

### Borneo Eco Film Festival (BEFF)

The Borneo Eco Film Festival (BEFF) is an annual non-profit event which serves as a platform for the local community, especially indigenous groups eager in filmmaking, to train and to harness the power of sound and images in telling stories about their communities and the environment around them. The initiative is done via the introduction of a series of talks and workshops in the SUARA Community Filmmaking Programme and Environmental Cinema film screenings, which are the two main components of the event that was held from 28th-30th September 2012 in Kota Kinabalu.

This is the second year BEFF has taken place, after it was first launched in 2011. The 2012 chapter

marks the first time where SEDIA has collaborated with MELAPI, the society that administers the event as the SUARA Presenting Partner for its SUARA Community Filmmaking Programme. Apart from SEDIA, the event has also gained support from the Ministry of Tourism, Culture and Environment Sabah, National Film Development Corporation of Malaysia (FINAS), The Sabah Society and from media groups.

The response for the event was overwhelming with the number of participants and viewers for each talk, workshop and film screening held having exceeded the numbers expected. The SUARA talks and workshops were attended by 49 indigenous and local community filmmakers, who are the core target group for the SUARA Community Filmmaking programme. They comprise representatives from nine districts across Sabah (Penampang, Ranau, Kinabatangan, Kota Belud, Sook, Pitas, Tongod, Lahad Datu, and Kota Kinabalu), representing people living in a diversity of geographical groups ranging from inland waters, forests, mountains, marine and peri-urban environments.

The series of talks in The SUARA Community Filmmaking programme that took place on 29th September were guided and presented by experienced speakers such as documentary filmmakers Harun Rahman and Zan Azlee Zainal Abidin; Dr. Junaidi Payne for Borneo Rhino Alliance (BORA), Datu Abham Abulani for Hutan Kinabatangan Orang-Utan Conservation Programme (HUTAN-KOCP), Rosli Haji Jukrana for Model for Ecologically Sustainable Community Conservation and Tourism (MESCOT); and also Rabani Ayub, Hezekiah Asim and Dr. Monica Suleiman for the session on 'Sensing Borneo'. BEFF2012 concluded with the film that was created by the indigenous community filmmakers from HUTAN-KOCP, following their engagement with the SUARA Community Filmmaking Programme.



Signing of MoU - SEDIA Chief Executive Datuk Dr Mohd Yaakub Johari and a representative of BEFF seen signing and exchanging the document



Najib to launch first Open Day of corridors programme in KK on Thursday

KOTA KINABALU: The people can see the results of the Corridors and Regional Cities Lab announced by Prime Minister Datuk Seri Najib Tun Razak on June 21 last year, on Thursday.

The open day, to be held here, is the first for the Corridors and Regional Cities programme. The open day for other economic corridors will follow suit in the coming months.

Najib will launch the open day for Corridors and Regional Cities Programme on that day, the Sabah Economic Development and Investment Authority (SEDIA) said in a statement yesterday.

The open day's main objective is to inform the people

More power from natural gas

More power from natural gas will see the state government to invest in the power generation sector, specifically in the Cities Lab.

These issues, encompassing the concept of the cities' livability, are imperative to attract talents and the level of investments the state needs to propel economic growth in Sabah.

The importance of ensuring maximum impact and benefits to the locals was also highlighted.

The people are invited to the open day to view over 3D Entry Point Projects and new opportunities in the key focus areas—tourism, oil and gas, palm oil, manufacturing, logistics, agriculture, education and Greater Kota Kinabalu.

—Bernama

Sabah has much to offer for foreign property investors

KOTA KINABALU: Sabah is blessed with excellent natural resources, scenic beauty, clean air and healthy living. It also has a vibrant and growing economy, a stable political environment and a high quality of life.

Sabah, being not only a major tourist destination but also a developing region, offers a wide range of investment opportunities for foreign property investors.

The state government is actively promoting Sabah as a prime investment destination for foreign property investors. It has established the Sabah Economic Development and Investment Authority (SEDIA) to facilitate and promote investment in Sabah.

Foreign investors are attracted to Sabah for its strategic location, abundant natural resources, and growing economy. The state government has implemented various policies to attract foreign investment, including tax incentives and streamlined regulatory processes.

Foreign investors are invited to explore the many opportunities Sabah has to offer. The state government is committed to providing a supportive and business-friendly environment for all investors.

Sabah to get 31 Entry Point Projects

KOTA KINABALU: A total of 31 Entry Point Projects have been identified to be implemented in Sabah. Development Corridor (SDC) and Greater Kota Kinabalu (GKK) that will make an indelible impact on Sabah's economic performance and livability.

The projects, identified by the Corridors and Regional Cities Lab Programme, were launched in July last year to help align the regional economic corridors programmes with the government's Economic Transformation Programme (ETP).

Prime Minister Datuk Seri Najib Tun Razak, when announcing the highlights of the Corridors and Regional Cities Lab for SDC and Greater Kota Kinabalu yesterday, said the 31 projects, with a target investment of RM77.5 billion by 2020, were expected to generate RM45.3 billion incremental gross national income.

The projects are expected to create almost 150,000 jobs and push economic growth in Sabah to an annual average of nine per cent," he said at the opening of SDC Open Day - Corridors and Regional Cities Programme here yesterday.

Najib said following the alignment with the National Key Economic Areas (NKEA) under the ETP, the key focus areas for the SDC would be development and modernisation of Kota Kinabalu;

Sembulan River Park Phase 1 completed on schedule

KOTA KINABALU: The first phase of the Sembulan River Park (SRP) has been completed on schedule. The park, which is a joint venture between the Sabah State Government and the private sector, is a major recreational and sports hub for the region.

The park features a wide range of facilities, including a swimming pool, a playground, a tennis court, and a multi-sport field. It also has a scenic view of the Sembulan River and the surrounding forest.

The completion of Phase 1 marks a significant milestone in the development of the park. The state government is committed to providing high-quality recreational facilities for its citizens.

The park is expected to attract a large number of visitors, both locals and tourists. It will also provide a great environment for outdoor sports and activities.

KK International Film Fest from June 8

KOTA KINABALU: The fourth Kota Kinabalu International Film Festival (KKIFF) will be held here from June 8 to 14.

The event, jointly organised by the Society of Performing Arts Kota Kinabalu (SPAKS) and Sabah Economic Development and Investment Authority (SEDIA), is in collaboration with the Alliance Francaise, the Japan Foundation, and the Goethe-Institut.

These programmes are the International Movie Night, Sabah Film Forum and the Links Film Competition. The festival will also feature a film market and a film festival.

The festival is expected to attract a large number of film enthusiasts and industry professionals. It will also provide a platform for local and international filmmakers to showcase their work.

31 EPPs can bring in RM77.5b investment: Jala

KOTA KINABALU: A total of 31 Entry Point Projects identified by the government have the potential to bring in a cumulative investment of RM77.5 billion by 2020.

The good news is that half that amount has already been secured, RM35 billion has already been identified and within another six months, said Pemandu Chief Executive, Secretary Datuk Seri Idris Jala.

Jala (centre) chairing the meeting.

RM1.05 bln loans in Sabah - SME Bank

KOTA KINABALU: Sabah has secured a total of RM1.05 billion in loans from the Sabah Small Enterprise Bank (SME Bank).

The loans are intended to support the growth and development of small and medium enterprises (SMEs) in Sabah. The SME Bank is committed to providing financial support and advisory services to SMEs.

The state government is committed to supporting the growth of the SME sector, which is a key driver of economic development in Sabah.

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CM: Funds to further boost Semproa tourism

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RM100m for Bumi devt initiatives in SDC

KOTA KINABALU: The Sabah Development Corridor (SDC) will receive a total of RM100 million in funding for Bumi development initiatives.

The funding is intended to support the development of housing, infrastructure, and social services in the SDC. The state government is committed to providing high-quality housing and infrastructure for its citizens.

The Bumi development initiatives are a key part of the state government's housing and infrastructure programme. They are expected to improve the living conditions and quality of life for the people in the SDC.

KK Film Fest can promote Sabah: Sedia

KOTA KINABALU: The Sabah Film Forum could be a platform to promote Sabah as a centre for the creative industry in Sabah, Malaysia and South East Asia.

The forum is expected to attract a large number of film enthusiasts and industry professionals. It will also provide a platform for local and international filmmakers to showcase their work.

The state government is committed to supporting the growth of the creative industry in Sabah. The Sabah Film Forum is a key part of this programme.

KILC targets 100,000 cattle by 2025

KOTA KINABALU: The Kuching Livestock Centre (KILC) is targeting 100,000 cattle by 2025. The centre is a major livestock production and processing hub for the region.

The KILC is committed to providing high-quality livestock products and services to its customers. It is also committed to supporting the growth of the livestock industry in Sabah.

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Sedia laying groundwork for Sabah's economic growth

By Anis H.
Sedia, the Sabah Economic Development Corporation, is laying the groundwork for Sabah's economic growth...

Sabah to see growth in private investments

By Anis H.
The projects implemented have clearly enhanced the resilience of the state economy and at the same time improved investor confidence...

Open day to review GTP Roadmap 2.0

The Performance Management and Delivery Unit (Pemandu), in a statement, said it had put together a series of GTP Roadmap 2.0 open days in three major locations...

RM24m Sembulan Transformati

Only Malesia
The RM24 million Sembulan Transformati project is a key component of the Sabah Economic Development Corporation's (Sedia)...

SDC ON RIGHT TRACK

SDC ON RIGHT TRACK
The Sabah Development Corporation (SDC) is on the right track in its efforts to attract foreign investment...

Biotech to update on Bioeconomy Initiative

Biotech to update on Bioeconomy Initiative
The Sabah Development Corporation (SDC) is updating its Bioeconomy Initiative...

SEDIA, BiotechCorp to update on Bioeconomy Initiative

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KUALA LUMPUR: Public input is vital in fortifying the Government Transformation Programme (GTP) Roadmap 2.0.

KUALA LUMPUR: Public input is vital in fortifying the Government Transformation Programme (GTP) Roadmap 2.0...

Sabah's mission to Australia a success

Sabah's mission to Australia a success
A high-powered delegation from Sabah led by industrial Development Minister Datuk Raymond Tan...

SDC projects herald bright future for northern Sabah

SDC projects herald bright future for northern Sabah
The Sabah Development Corporation (SDC) is implementing several projects in northern Sabah...

Sedia sets up online job placement service

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The Sabah Economic Development Corporation (Sedia) has set up an online job placement service...

Najib unveils 20 ETP projects, 3 Economic Corridors worth RM26.09b

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Prime Minister Datuk Seri Najib Razak has unveiled 20 ETP projects and three Economic Corridors...

Investments are pouring into Sabah: Mida

Investments are pouring into Sabah: Mida
The Sabah Development Corporation (SDC) is attracting significant investments into Sabah...

Investment incentives boost for Sabah Development Corridor

Investment incentives boost for Sabah Development Corridor
The Sabah Development Corporation (SDC) is offering investment incentives to boost the Sabah Development Corridor...

SDC's total investment amounts to RM114 billion as of Sept 30

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The Sabah Development Corporation (SDC) has announced that its total investment amounts to RM114 billion as of September 30...

visit SEDIA venture

visit SEDIA venture
The Sabah Development Corporation (SDC) is inviting investors to visit its various ventures...

Sabah to host investor roundtable debate Oct 24

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## SDC PERFORMANCE

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- SDC Performance review
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## SDC Performance Review

As the State's one-stop authority driving the Sabah Development Corridor, SEDIA has been entrusted with the primary responsibility to plan, promote and co-ordinate the implementation of SDC as well as reviewing its performance and the impact it has generated, especially in terms of investment, economic growth and socio-economic impact. In the First Phase from 2008-2010, the focus was on mobilising high impact socio-economic projects as well as fixing the basic infrastructure to support economic growth. During the Second Phase commencing from 2011 to 2015, the focus has been in attracting investments, promotion of SMEs and mobilising new sources of economic growth.

Following the alignment of the Economic Corridors to the Economic Transformation Programme (ETP) and the New Economic Model (NEM) through the Corridors and Regional Cities Lab initiative, SEDIA had reviewed the key economic sectors promoted within SDC towards realising Malaysia's goal of becoming a high-income nation by 2020. The initiative had identified a list of Entry Point Projects (EPPs) (see Table 4) with a target investment of RM77.5 billion by the year 2020. SDC key focus areas are now listed as agriculture, tourism, logistics and manufacturing, oil gas and energy, education and palm oil.

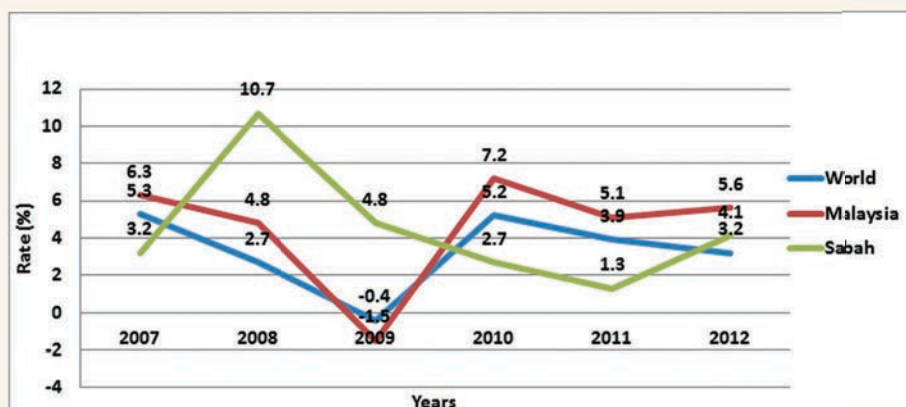
As at the end of 2012, SEDIA had managed to disburse most of the funds allocated under the Ninth and Tenth Malaysia Plan (Table 6, Chart 5). The data reflects the focus of the first phase of the SDC towards the provision of infrastructure, with this sector having been given the highest allocation. Infrastructure works had included, among other initiatives, the provision of road access to many rural areas spread throughout the state, as well as the necessary infrastructure to provide consistent supply of water and electricity. The manufacturing sector too had benefited much in allocations during the 2008-2012 period, and the sector has seen the highest percentage in project disbursement (Charts 6 and 7). Human capital development will be a larger focus of the SDC in the coming years to cater for the rising demand in knowledge-intensive industries, and is expected to see an increase in development activities.

By the end of 2012, the Sabah Development Corridor would have been implemented for almost five years since its launch on 29 January 2008. It is indeed timely to take stock of the overall impact of SDC. In what follows, a broad set of indicators and statistics have been presented to chart the milestones covered as well as the overall performance of SDC, especially in terms of its outcome. From the analysis of the statistics compiled, it can be concluded that the SDC is on track to achieve its objective of creating sustainable economic growth, improving income and socio-economic standards while at the same time reducing regional imbalance and income inequality.

### SDC economic performance

Sabah's economy had been fairly resilient during the 2008-2012 period. It had been registering positive growth even in the face of the challenges and difficult period generated by the US sub-prime crisis which had led to the global economic crises in 2009. Total GDP since the launch of SDC in 2008 up to the end of 2012 had been expanding by 25.8 percent, from RM35.3 billion (at 2005 price) at the end of 2007 to RM44.4 billion by the end of 2012.

Chart 1: Sabah, Malaysia and Global GDP 2007 – 2012



Source: Department of Statistic, Malaysia and IMF



From the analysis of the Gross Domestic Product (GDP) figures over the 2007 – 2012 period (see Chart 1), Sabah can be seen to have been performing fairly well since the launch of the SDC in 2008. The state's GDP for 2008 was recorded at 10.7 per cent, which was markedly higher in comparison to the global 3.1 per cent figure and Malaysia's overall 4.6 per cent for the same year. During the global financial crisis of 2009, the State's GDP was recorded at 4.8 per cent, as compared to -1.7 per cent for Malaysia and the world at -0.7 per cent.

The State saw a slight drop during the following two years, but had not actually registered any negative growth. The drop was primarily due to the negative growth of the agriculture and manufacturing sectors. The weak GDP growth in 2011 was attributable to the lacklustre performance of the oil and gas sector. The year 2012 however brought about a marked improvement with GDP for Sabah, growing at 4.1 per cent. This had coincided with the implementation of various SDC projects throughout the year, especially in the Oil, Gas and Energy sector.

It is also significant that the implementation of SDC with the emphasis on tourism as the quick win has led to significant restructuring and expansion of the state's economy. The contribution of the services sector had steadily been increasing from 42.3 per cent of GDP in 2008 to 47.4 per cent by 2012. This is very much in line with the national target to increase the contribution of the services sector to the overall GDP as one of the key measures in the Economic Transformation Programme.

## Investment Performance

SEDIA has been actively promoting investment into SDC through various overseas investment missions as well as domestic engagements, especially with the commencement of the Second Phase in 2011. SEDIA has adopted a more focused and targeted approach in attracting quality investments in new growth areas, especially in service-based, innovation-led and knowledge-intensive industries. The projects planned and committed during 2012 are expected to create new employment and business opportunities and reduce poverty incidence. By the end of 2012, Sabah has undoubtedly been able to carve a niche as a preferred investment destination for business, culture and nature.

By 2012, Sabah unmistakably has emerged as one of the preferred destination for FDI as well as domestic investment. Sabah had been drawing investments from China, Taiwan, South Korea, the United States, Singapore, Brunei, Australia and the European Union. The US-based Darden Inc. has been investing in the Integrated Lobster Aquaculture Park which is within the Marine Integrated Cluster in Semporna, involving RM2 billion in investments once fully operational and expected to generate RM3 billion in annual sales by 2030.

The Brunei Investment Agency through Annam Corporation has entered into an agreement with SEDIA to invest in the Keningau Integrated Livestock Centre. South Korean and Australian companies had been investing in Palm Oil Industrial Cluster, Lahad Datu in the biofuel and biomass industries. French and German investors have been active in the tourism sector at various locations within the Kinabalu Gold Coast Enclave.

Petronas has been the major driver in the oil, gas and energy sector with investments in gas-fired power plant, Sabah Ammonia and Urea Project in Sipitang and the Sabah-Sarawak Gas Pipeline Project. Other major domestic investors include Suria Capital Holdings Bhd, Warisan Harta Sabah Sdn Bhd, Sawit Kinabalu Bhd, Innoprise Corporation, SEDCO and SLDB.

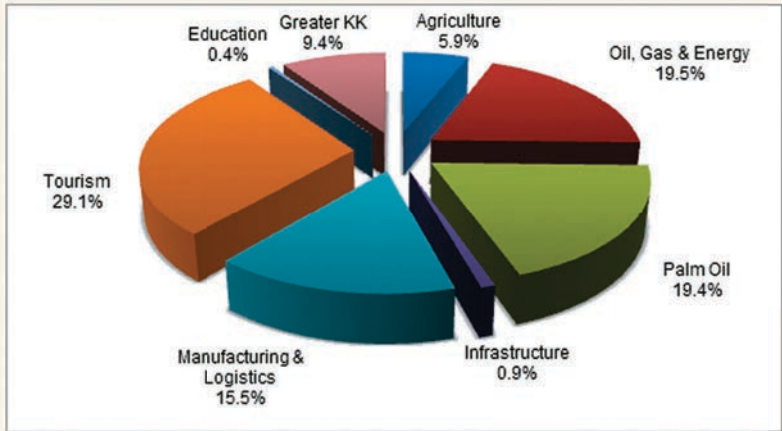
Since the launch of the SDC in January 2008 up until the end of 2012, a total of RM114 billion worth of investment have been planned and committed in SDC (see chart 2).

Table 1: Tourist arrivals in Sabah 2007 -2012

Year	Total arrival
2007	2,478,443
2008	2,300,428
2009	2,246,068
2010	2,504,669
2011	2,844,597
2012	2,875,761

Source: Sabah Tourism Board

Chart 2: SDC Cumulative Committed Investment 2008 – 2012



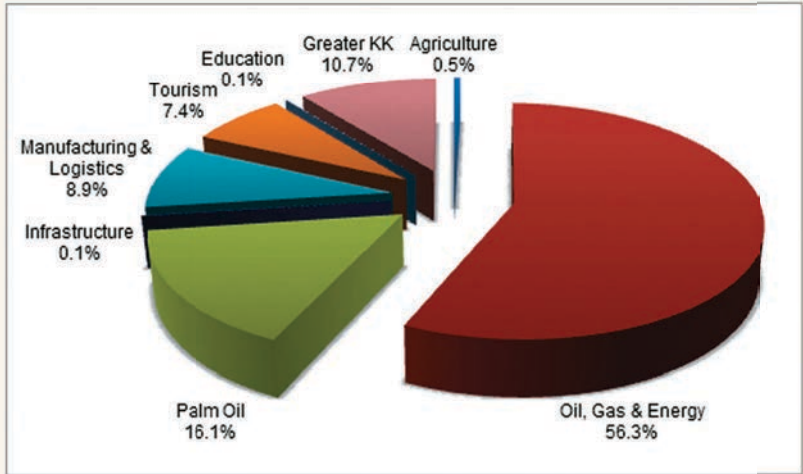
Source: SEDIA

The tourism industry had attracted the highest planned investment in SDC with oil, gas and energy, and the palm oil industry following closely behind (Chart 2). Tourist arrivals to Sabah in 2012 had reached 2.88 million (Table 1), contributing RM5.3 billion to the state’s economy. SDC has been receiving a steady and increasing flow of investments in various tourism-related activities, especially in hotel and resorts, MICE and real estate segments. This no doubt had been supported by increasing demand for four- and five-star hotels and resorts. The State needs more high-end hotels to cater for tourists, especially those from China and Hong Kong. China is a fast growing market, with the number of tourist arrivals from China and Hong Kong alone having increased by 44.3 per cent from 133,736 to 193,010 as at December 2012 compared to the same period last year.

One major project currently under construction is the International Technology Commercial Centre (ITCC). Located along the Penampang bypass, it will be the first development in Sabah to achieve cyber-status. The ITCC is set to offer a shopping mall, retail lots, a four-star hotel, banquet hall, MICE and hotel suite. The entire commercial complex will be equipped with state of the art technology and full fibre optic internet infrastructure, enabling high speed and wireless connectivity. The ITCC is targeted for completion in 2015.

Petronas has been active in the petroleum and petrochemical industry, which has emerged as an important sector in Sabah. It comprises three sub sectors: natural gas, petroleum products and petrochemicals. The key Petronas projects include the Sabah-Sarawak gas pipeline stretching a distance of 500km, a 300MW gas-fired power plant at Kimanis, and the Sabah Ammonia and Urea (SAMUR) project within the Sipitang Oil and Gas Industrial Park. The SAMUR project is expected to create 3,000 to 4,500 jobs at the initial stage of building the complex and this would open up opportunities for qualified local residents. As at 2012, the Oil, Gas and Energy industry has contributed 56.3% in cumulative realised investment to the state (Chart 3).

Chart 3: SDC Cumulative Realised Investment 2008 – 2012



Source: SEDIA

## Socio-economic Performance

Sabah is the second largest state in Malaysia with an estimated population of 3,371,700 in 2012 - the third highest population in Malaysia, after Selangor and Johor. Among the states, Sabah had recorded the highest poverty rate in 2007, at 19.5 %. Poverty is understood as the lack of income to fulfil basic needs including food, clothing and shelter (housing). The World Bank Organization defines poverty as involving hunger and lack of shelter, not being able to seek medical assistance, not having access to education and unemployment. Poverty can be measured by looking into social indicators such as education, health, access to services, vulnerability and social exclusion.

During the past 5 years, it is undeniable that SDC projects in high-impact sectors had a significant impact in revitalising the state's economic growth, improving social wellbeing, creating job opportunities, reducing poverty and the unemployment rate and increasing household income.

Poverty eradication makes up one of the main objectives of the SDC initiative, and the approach taken is different from most of the earlier established poverty alleviation initiatives. Through SDC, poverty reduction efforts have a greater focus on mobilising local economic drivers and regional economic development. It seeks to integrate elements of private sector-led investment and entrepreneurship with the development projects such as roads and electricity, funded by government allocations while enlisting the participation of the poor. Guided by the experience obtained from earlier efforts, the Sabah Development Corridor directs its poverty alleviation activities through the development of five agropolitan sites situated in Tongod, Kemabong, Kota Belud, Pitas, and Beluran. These five agropolitan projects developed are based on the resource endowments such as agricultural activities, and capacities as well as the enabling conditions of the respective districts. This approach can be seen in the Tongod agropolitan with its focus on agriculture plantation as the economic driver; whereas the Pitas agropolitan project relies heavily on aquaculture activities.

The agropolitan projects offer locals immediate benefits such as the provision of infrastructure including access roads, and electricity and water supply, providing improved convenience and comfort to the people in the district and surrounding areas. With the provision of road access, locals in any of the targeted districts will benefit from accelerated economic development and improved communication services. The programme also provides opportunities for the local population to participate in other income generating ventures such as downstream processing and supply of food ingredients, social services and agro-tourism.

In addition to the five agropolitan projects, other poverty eradication projects which had been proven to be successful such as the rubber planting schemes utilising timber latex clones and infrastructure development through MESEJ projects have also been implemented. The focus of the First Phase of SDC was on improving the current and providing new infrastructure in the state, by building the foundation for growth via infrastructure development as well as initiating high impact economic and poverty eradication projects. These projects have been implemented, with several having already been completed (see Tables 5 and 6, and Charts 5-7).

## Impact on Employment

The direct and indirect impact on employment in Sabah arising from the implementation of SDC can be gauged from Table 2. From Table 2, it can be summarised that the rate of unemployment over the 2007-2012 period had been stable in spite of the fact that the total labour force had increased by 312,100 or 24.6 percent over the same period.

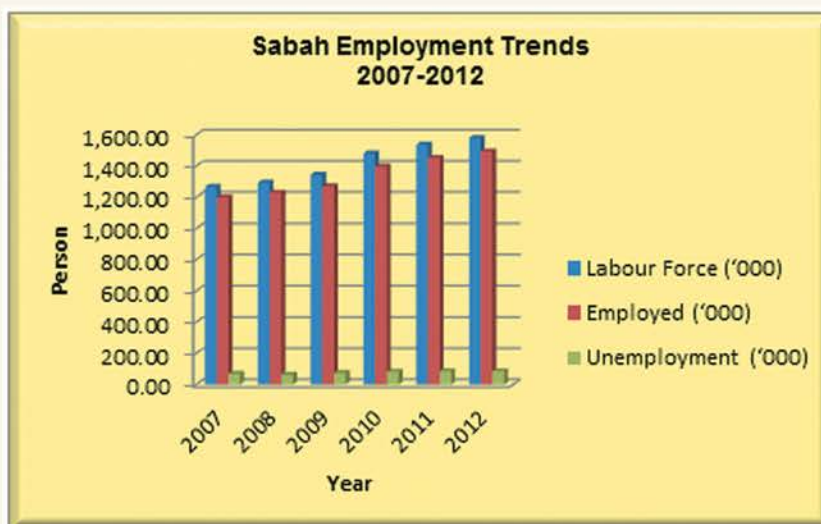
Table 2: Employment indicators for Sabah 2007 – 2012

EMPLOYMENT INDICATORS	2007	2008	2009	2010	2011	2012
Labour Force ('000)	1,267.70	1,294.20	1,345.30	1,480.70	1,538.80	1,579.80
Employed ('000)	1,198.60	1,230.50	1,270.60	1,398.6	1,452.70	1,494.50
Unemployment ('000)	69.20	63.80	74.60	82.1	86.10	85.3
Unemployment Rate (%)	5.5	4.9	5.5	5.5	5.6	5.4
Labour Force Participation Rate (%)	65.3	64.5	65.1	65.9	67.0	67.4

Source: Department of Statistics, Malaysia

The labour force in Sabah had seen a yearly increase from 1,267,700 in 2007 to 1,579,800 in 2012. The number of employed persons in Sabah rose to 1,494.5 million in 2012. The labour force participation rate in 2012 had increased by 2.1 percent, as compared to 2007 and is expected to continue increasing during the continuing period of the SDC. It can be seen that unemployment was reduced from 5.5 per cent to 4.9 per cent in 2008 following the launch of the SDC. The figure however reverted to 5.5 per cent in 2009 following the global economic crisis. It has since declined to 5.4 per cent by 2012.

Chart 4: Employment by year, Sabah



Source: Department of Statistics, Malaysia

The various projects implemented during the First Phase of SDC (2008-2010) had contributed to the direct creation of job opportunities for locals, especially in the construction sector. This was further boosted by the SDC projects implemented during the Second Phase (2011-2015) with the focus in encouraging investment in the targeted sectors in Sabah. From Chart 4, it can be seen that the labour force had been consistently in an uptrend over the period from 2007 to 2012. It is however worth noting that the number of jobs created had been keeping in tandem with the labour force expansion. This in no small measure had been supported by the expansion of the state's economy supported by the implementation of the SDC projects.

### Impact on Household Income and Poverty Incidence

It was also found that Sabah household incomes had markedly improved over the 2008-2012 period in comparison to the earlier period. Following the launch of the Sabah Development Corridor and the implementation of its poverty eradication initiatives, the State has seen a reduction in the poverty incidence, from 24.2 per cent in 2004 to 19.7 per cent in 2009, and 8.1 per cent as at the end of 2012.

Table 3: Sabah Mean Monthly Household income, Incidence of Hard Core Poverty Rate and Gini Coefficient, 2007-2012

Year	Income (RM)	Poverty Rate (%)	Gini Coefficient*
2007	2,837	19.5	0.450
2009	3,102	19.7	0.453
2012	4,013	8.1	0.428

Source: Economic Planning Unit, Sabah

Meanwhile, from the data shown in Table 3, the average household income in 2012 recorded RM4,013 per month. This is a very significant improvement, increasing by 41 percent in comparison to only RM2,837 in the year 2007. The annual income growth rate for Sabah over the 2009 – 2012 period at 8.6 per cent was above the national average income growth rate of 7.2 per cent. This can be attributed to the direct as well as indirect impact of jobs, employment as well as business opportunities created from the implementation of industrial development and high impact projects in various sectors in Sabah.

The improvements of household income undoubtedly had influenced the direction of poverty incidence. The poverty rate which was 19.7 % in 2009 had drastically declined to 8.1% in 2012. This is the highest reduction in the poverty rate in Sabah. The Gini Coefficient has indicated a marked reduction in income inequality at 0.428 percent, in comparison to 0.45 in 2007.



Table 4: Entry Point Projects (EPPs)

Key Focus Area (KFA)	Entry Point Project
Tourism	Semporna - Borneo's Marine Paradise
	Coastal Tourism Development
	Nature Adventure
Palm Oil	Agropolitan at Beluran and Kemabong
	Palm Oil Industrial Clusters (POICs) at Lahad Datu and Sandakan
Manufacturing and Logistics	Kota Kinabalu Industrial Park (KKIP)
	Sapangar Bay Container Port as Transshipment Hub
Oil, Gas & Energy	Lahad Datu Regasification Terminal
	Sabah Oil and Gas Terminal (SOGT) and Sabah-Sarawak Gas Pipeline (SSGP)
	Kimanis Power Plant
	Lahad Datu Power Plant
	Sipitang Oil and Gas Industrial Park (SOGIP)
	Gas Separation Plant at SOGT
	Extension of the SSGP to KKIP
Agriculture	Shrimp Aquaculture at Pintasan and Telaga
	National Seaweed Nucleus
	Sea Cucumber and Tiger Grouper Combined Culture
	Permanent Food Production Park
	Swiftlet Commercial Centre
	Sabah Agro Industrial Precinct
	Integrated Marine Fish Culture
	High-Finned Grouper and Barramundi culture
Education	Developing the Hospitality & Tourism Cluster
	Private Skills Training Centres
	Attracting International Students
Greater KK	Developing and Modernising KK as a Lifestyle Hub
	Improving Early Childcare Education
	Boosting Private and Public Healthcare
	Improving Mobility and Travel Experience
	Boosting Tourism in Greater KK

Table 5: Federal Government-Funded Projects

Sector	Type of Project	Name of Project	Status
Tourism	Research & Training Projects	Impact Assessment of Palm Oil and Mills on Quality of Rivers	Completed July 2011
		Kajian Kemungkinan Pembinaan Jalan Serusop - Kelawat, Kota Belud	Completed July 2011
		Kajian Pelan Pengurusan Lokaliti Stesen dan Hub-Stesen di Taman Banjaran Crocker	Completed July 2011
		Kajian Pelan Induk Pelancongan bagi Kawasan Persisiran Pantai dari Tuaran ke Kota Belud	Completed February 2011
		Kajian Pelan Pengurusan Taman Pulau Penyu	Completed March 2012
		Kajian Alternatif Bekalan Tenaga Letrik ke Taman Tunku Abdul Rahman	Completed July 2011
		Kajian Alternatif Bekalan Air Bersih ke Taman Tunku Abdul Rahman	Completed June 2011
		Kajian Peningkatan Air Panas di Poring Hot Spring, Ranau	Completed February 2012
		Kajian Pembentukan 'Wildlife Corridor' Menghubungkan Taman Kinabalu dan Taman Banjaran Crocker	Completed July 2011
		Kajian Pelan Pengurusan Taman Pulau Tiga	Completed June 2012
	Physical Projects	Rekreasi Hutan dan Eko Pelancongan - Menaiktaraf / Penyelenggaraan / Baikpulih Kawasan Pelancongan di Hutan Simpan Kebun Cina	In-Progress
		Projek Peningkatan Kemudahan Pelancongan (Tenom, Tambunan, Nabawan dan Keningau)	In-Progress
		Pembangunan Pusat Hub Repositori Maklumat Koleksi Budaya dan Saintifik Muzium Sabah	Completed April 2010
		Penaikan Taraf Pameran Tetap Muzium Sabah	Completed September 2011
		Kota Kinabalu Coastal Pedestrian Walkway & Cycleway	In-Progress
		City Beautification of Sembulan River	Phase 1: Completed Phase 2: To be implemented in 2013
		Projek Penempatan Semula Penduduk Pulau Gaya ke Kg. Gusi, Kinarut	In-Progress
		Pembinaan Jalan Maliau Basin, Kalabakan	To be implemented in RMKe-10 RP3
		Agriculture	Research & Training Projects
Taman Kekal Pengeluaran Makanan Mandalipau, Papar	In-Progress		
Taman Kekal Pengeluaran Makanan Sg. Lokan, Kinabatangan	Completed December 2010		
Taman Kekal Pengeluaran Makanan Langkawit, Papar	Completed Not Viable		
Pusat Akuakultur Nasional	Implemented in RMKe-10 RP3		
Biomass Policy	Completed July 2011		
Physical Projects	Projek Khas Tanam Baru Dengan Getah di Kawasan Termundur Semenanjung Bengkoka, Pitas		Completed
	Tanam Baru Getah Berkelompok dengan Klon Lateks Balak		Completed
	Pembinaan Jalan Pertanian di beberapa daerah (21 sub projek)		Completed

## Programmes and Projects

Manufacturing	Physical Projects	Projek Agropolitan Pitas	In-Progress
		Projek Agropolitan Kota Belud	In-Progress
		Projek Agropolitan Kemabong	In-Progress
		Keningau Integrated Livestock Centre	In-Progress
		Projek Agropolitan Beluran	In-Progress
		Projek Agropolitan Tongod	In Progress
		Pembinaan Jalan Tongod Pinangah	In-Progress
		Nabawan Livestock Industry Development	To be implemented in RMKe-10 RP3
		Projek Mini Estet Sejahtera (MESEJ)	In-Progress
		Sabah Agro-Industrial Precinct (SAIP)	In-Progress
Manufacturing	Research & Training Projects	Industri Minyak dan Gas	Implementing in RMKe-10 RP3
	Physical Projects	Project Kelompok Industri Berasaskan Kelapa Sawit (Lahad Datu) Fasa II	In-Progress
		Projek Berkelompok Berasaskan Kelapa Sawit (Sandakan)	In-Progress
		One District One Product	To be implemented in RMKe-10 RP3
Logistics	Research & Training Projects	Kajian Kemungkinan Bagi Mengadakan Sistem Pengangkutan Keretapi Aliran Ringan Di Bandaraya Kota Kinabalu dan kawasan sekitarnya	In-Progress
	Physical Projects	Menaiktaraf Kawasan Persekitaran Pusat Bandaraya Kota Kinabalu	In-Progress
		Pengorekan Dasar Laut- Laluan Masuk ke Kawasan Pelabuhan, Jeti Minyak dan POIC Sandakan	In-Progress
		Pembinaan Jalan Dua Hala dari UITM ke Sepanggar Bay Container Terminal (3KM), Kota Kinabalu	To be implemented in RMKe-10 RP3
		Sandakan Airport Expansion	To be implemented in RMKe-10 RP3
	Kuala Penyu Mini Ko-Nelayan Kompleks	In-Progress	
Education	Research & Training Projects	Hutan Bukan Kayu: Penyelidikan dan Pembangunan	In-Progress
		Social Development BCIC (Bumiputera Commercial dan Industrial Community)	Completed
	Physical Projects	Perhutanan Masyarakat	Completed
		Infrastruktur bagi Projek Sandakan Education Hub	In-Progress
Projek Pembiakan Badak Sumatra di Negeri Sabah		In-Progress	
Others		Sandakan Education Hub	In-Progress
		Menaiktaraf Jalan Labuk dari KM15 (11.0 KM), Sandakan	In-Progress
		Pembinaan Jalan Dua Hala Lintas Libaran (30KM) dan Naiktaraf Jalan Gum-Gum Kecil (4.9KM), Sandakan	To be implemented in RMKe-10 RP3

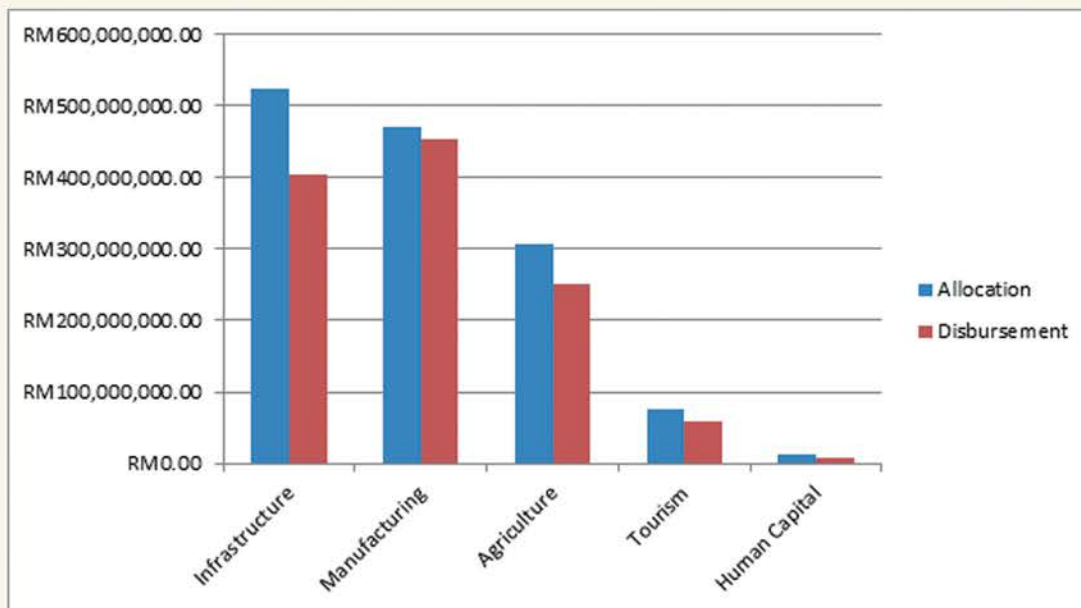


Table 6: SDC Project Allocation and Disbursement as at 2012

Sector	Allocation	Disbursement
Infrastructure	RM524,800,000.00	RM405,379,664.50
Manufacturing	RM469,550,000.00	RM454,001,090.62
Agriculture	RM306,955,000.00	RM252,209,506.35
Tourism	RM75,290,000.00	RM57,829,236.27
Human Capital	RM12,700,000.00	RM8,053,992.67
Total as at 2012	RM1,389,295,000.00	RM1,177,473,490.41

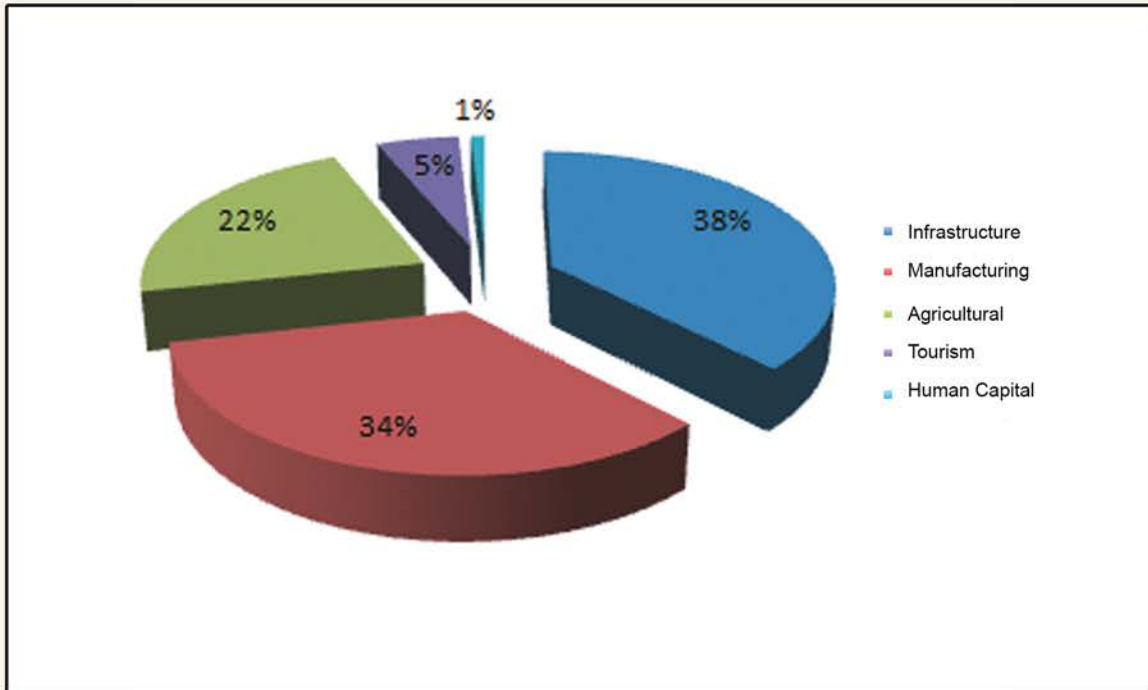
Source: SEDIA

Chart 5: SDC Project Allocation and Disbursement as at 2012



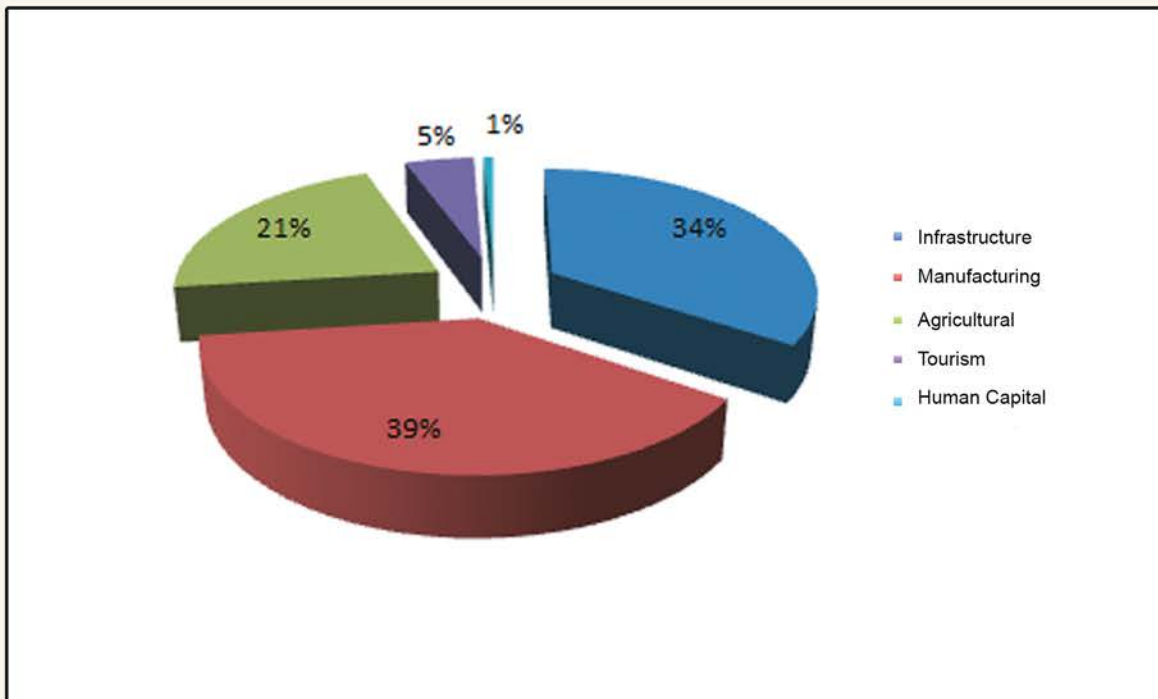
Source: SEDIA

Chart 6: SDC Project Allocation by sector (9MP & 10MP)



Source: SEDIA

Chart 7: SDC Project Disbursement by sector (9MP & 10MP)

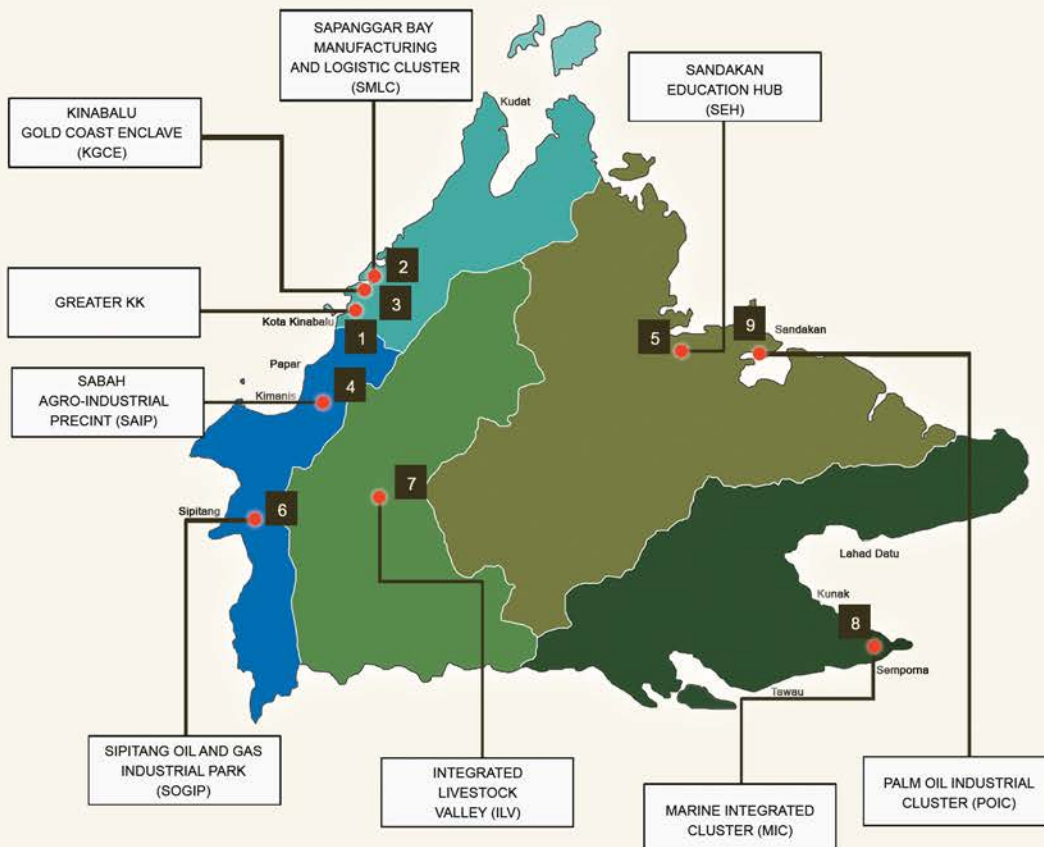


Source: SEDIA

## SDC Tax Incentives Package

Fiscal incentives are among the measures which can influence investors' decisions on location selection. Apart from existing sector-based fiscal incentives applicable throughout Malaysia, the economic corridors, including the SDC, have been encouraged by the Federal Government to have customised incentives for each corridor. SEDIA therefore had submitted an application for SDC fiscal incentives to the Federal Government once it was established. The SDC fiscal incentives were approved on 20 November 2012 by the Ministry of Finance, Malaysia.

The fiscal and tax incentives available across the board nationwide are processed by the Malaysian Investment Development Authority (MIDA). The approving authority for all tax incentives applications under the Federal Government is the National Committee on Investment (NCI). The applications for incentives under MIDA can be submitted directly to MIDA Sabah and where relevant, SEDIA may provide letters of support to the relevant Government Agencies so as to assist the investors in their applications. Applications for SDC tax incentives however should be submitted directly to SEDIA. SDC fiscal incentives are available until 31 December 2020. The package is offered to investors undertaking promoted activities and/or producing promoted products in specific SDC-designated areas i.e. SDC flagship projects / clusters.



### Greater Kota Kinabalu (Greater KK) **1**

The hub of Greater Kota Kinabalu is centred on the State capital of Kota Kinabalu. It also encompasses the surrounding towns of Penampang and Putatan, with a 20 kilometre radius covering an area of 351 square kilometres. Promoted areas under Greater KK encompass investment in the services, tourism, and transportation sectors, focusing on education and training, health and wellness tourism, creative and leisure industries, waste management, real estate and property, and the lucrative Meetings, Incentives, Conventions, and Exhibitions (MICE) industry.

The maritime industry is one of the industries promoted within the Greater KK area, as it has substantial waterfront. The Greater KK area therefore can enjoy the SDC incentives package in the maritime industries such as shipbuilding and repair services. The applicable SDC fiscal incentive is 100% income tax exemption for five years on statutory income and 100% Investment Tax Allowance for five years on qualifying capital expenditure which can be offset against 100% of statutory income.

### Sapangar Bay Manufacturing and Logistics Cluster (SMLC) **2**

The Sapangar Bay Manufacturing and Logistics Cluster is an economic area specifically designed to enhance the integration of the manufacturing industry and logistics services in order to enhance Sabah's manufacturing competitiveness by leveraging on its location advantages as part of the shipbuilding and repair precinct. The cluster houses the Kota Kinabalu Industrial Park and Sapangar Bay Container Port, placed a mere six kilometres from each other. The Kota Kinabalu Industrial Park is the largest in Sabah, and targets higher-value manufacturing industries. The Sapangar Bay Container Port serves as the main port in Sabah for receiving transshipment of local containers by local feeder vessels.

Investors within the SMLC will have access to tax incentives in developing the manufacturing industry and logistics services, particularly in shipbuilding activities. Investors in the shipbuilding industry will be able to receive full tax exemption on statutory income for five years; or 100% investment tax allowance on qualifying expenditure for five years, which can be offset against 100% of statutory income.

### Kinabalu Gold Coast Enclave (KGCE) **3**

Guided by the SDC Blueprint, Sabah is envisaged to become an internationally recognised destination for business and leisure by 2025. The main target for leisure driven projects will be long-staying visitors, premier eco-adventure tourists, and high-end second home buyers. In realising this goal, an area between Tuaran and Kota Belud has been designated the KGCE meant for high quality tourism development. Development of the KGCE will be guided by the Coastal Tourism Master Plan, and comprises of high quality beaches and coastal assets.

Tax incentives offered within the KGCE are divided between tourism projects and creative clusters. Tourism projects are offered full tax exemption on statutory income for 10 years, or Investment Tax Allowance of 100% on qualifying capital expenditure for five years which can be offset against 100% of statutory income. Additionally, investors can also apply for exemption on import duty and sales tax, subject to current policy; and stamp duty exemption on land acquired for development.

For creative clusters, investors can apply for full tax exemption on statutory income for five years, or Investment Tax Allowance at 100% on qualifying capital expenditure for five years, which can be offset against 100% of statutory income. Investors are also eligible for full exemption on import duty and sales tax, subject to current policy.

## SDC Tax Incentives Package (Continued)

### Sabah Agro Industrial Precinct (SAIP) **4**

The SAIP is envisaged to be a new centre of excellence in agro-biotechnology that optimises the State's biodiversity and abundant natural resources to produce higher value-added food and specialty natural products, based on botanicals, aquatic plants and animals. The precinct will serve as a test bed for carrying out biotech-driven research and development, and developing biotech-driven businesses. The SAIP will differentiate from other science and technology parks by having a distinct focus on Specialty Natural Products, agro-biotechnology and health food products. It will also have a dedicated Halal park.

For activities within the SAIP Halal park, investors can apply for Investment Tax Allowance at 100% for 10 years, which can be offset against statutory income. Projects located outside the Halal park are eligible for Investment Tax Allowance at 100% for 10 years, which can be offset against statutory income, while also being able to receive exemption on import duty and sales tax, subject to current policy and determined by qualifying products/activities. Qualifying activities are classified as the development and production of cell/tissue cultures, biopolymers, biomaterials, and biotechnology processing of waste treatment; and the processing of agricultural produce for bio-pharmaceuticals, biodiagnostics, food or feed supplements, horticulture products, nutraceuticals, and microbials and probiotics.

### Marine Integrated Cluster (MIC) **5**

Located at Darvel Bay, this cluster covers the waterfront of Lahad Datu, Kunak, Semporna, and Tawau. The vision of the Marine Integrated Cluster is based on the recognition of the potential to leverage on the abundant and diverse marine resources in Sabah to develop the fishing and aquaculture industry and manage it sustainably for economic development. The MIC is an ideal location for the production and processing of fish, molluscs, crustacean and aquatic plants. One of the promising activities within the area is the cultivation of commercial seaweed by developing seaweed farms and enhancing the value chain.

Within this cluster, the incentive package covers full tax exemption on statutory income for 10 years; or 100% Investment Tax Allowance on qualifying capital expenditure for five years, which can be offset against 100% of statutory income. Exemption is also provided on import duty and sales tax for equipment and machinery used, subject to current policy. Qualified activities include production of aquaculture products, seafood, fresh and dried export, cosmetics material, and pharmaceutical products.

### Sipitang Oil and Gas Industrial Park (SOGIP) **6**

The Sipitang Oil and Gas Industrial Park will serve as a new focal point for oil and gas investment within the Sabah, Labuan, and Brunei economic clusters. The availability of oil and natural gas found off the shores of Sabah allow for the development of industries that rely on and utilise these resources, especially the petrochemical industry which involves the manufacture of industrial chemicals, resin, plastic, fertiliser, pharmaceutical products, packaging materials, and others. Managed by the Sipitang Oil and Gas Development Corporation (SOGDC), the entire site is expected to be equipped with the necessary logistical infrastructure, amenities, and residential, commercial and retail development. The park is set to become a world-class integrated industrial cluster designated for oil and gas-related and other heavy industries.

Within SOGIP, qualified activities for SDC fiscal incentives are listed as downstream manufacturing activities; and medium/heavy industries such as urea and ammonia production, shipbuilding and repairs, marine supply base and fabrication yard, iron ore palletising, and combined cycle power plants. Investors in the promoted industries are eligible to apply for full tax exemption on statutory income for 10 years; or Investment Tax Allowance at 100% on qualifying expenditure for five years, which can be offset against 100% of statutory income.

### Sandakan Education Hub (SEH) **7**

The Sandakan Education Hub is designed to cater to the needs of institutions of higher learning and research, providing access to well-equipped public facilities as well as state of the art modern infrastructure. It is a key SDC initiative dedicated to enhancing knowledge creation activities as well as human capital development in Sabah, in line with the objective of developing industry-driven human capital that is knowledgeable, skilled, adaptable, and innovative, as well as laying the foundation for development of knowledge-intensive industries.

In the SEH, investors are able to apply for full tax exemption on statutory income for 10 years; or Investment Tax Allowance at 100% on qualifying capital expenditure for five years, which can be offset against 100% of statutory income, subject to qualifying activities/products under the Promotion of Investments Act 1986. Investors are also eligible for import duty and sales tax exemption on equipment and machinery used, subject to current policy. Activities qualified for SDC fiscal incentives include the establishment and running of private universities and colleges, training centres, and skill-training centres.

### Keningau Integrated Livestock Centre (KILC) **8**

Upon completion, the KILC will be the biggest livestock cattle farm in Malaysia, encompassing an area of 834 hectares. The centre is meant to produce beef, fresh milk, and other dairy products to first meet local needs and then the export market. The KILC is expected to accommodate 2000 cattles and produce six million litres of milk per annum. It will be developed based on a three-tier system: Nucleus, Multiplier and Commercial farms.

The tax incentives offered in the KILC are full tax exemption on statutory income for 10 years; or Investment Tax Allowance at 100% on qualifying capital expenditure for five years, which can be offset against 100% of statutory income, subject to qualifying activities/products under the Promotion of Investments Act 1986. Downstream activities that qualify for the incentives are the manufacturing of cattle feed, diary- and meat-based products.

### Palm Oil Industrial Cluster (POIC) **9**

Sabah is Malaysia's largest palm oil producing State, and houses two palm oil industrial clusters to further develop the industry. These clusters cover a total of 2,023 hectares in Lahad Datu, and 1,120 hectares in Sandakan, with targeted industries including biomass, palm oil refinement, oleo chemicals, food processing, phyto-nutrients, bio diesel, and support services.

Incentives offered within these two clusters (located in Sandakan and Lahad Datu respectively) are listed as full tax exemption on statutory income for 10 years; or Investment Tax Allowance at 100% on qualifying capital expenditure for five years which can be offset against 100% of statutory income, subject to qualifying activities/products. Activities qualified for these fiscal incentives include the manufacturing of oleochemicals, biofuel and transfree food products.





## Footprints of SEDIA Investment Missions









# FINANCIAL REPORT

- Statement of Corporate Governance
- Internal and External Controls and Compliance
- Statement by the Members of Sabah Economic Development and Investment Authority
- Statutory Declaration by the Officers primarily responsible for the Financial Management of Sabah Economic Development and Investment Authority
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### Statement of Corporate Governance

The Statement of Corporate Governance sets out the framework and process through which Members of Sabah Economic Development and Investment Authority (“The Authority”) and the Management of Sabah Economic Development and Investment Authority (“SEDIA Management”) ensure that the operational policies and procedures are in accordance with the prevailing laws, rules, regulations and best practices.

Sabah Economic Development and Investment Authority (“SEDIA”) is entrusted as a One-Stop Authority to drive the Sabah Development Corridor (“SDC”), with the primary responsibility to plan, co-ordinate, promote and accelerate the development of SDC.

Section 4, the Sabah Economic Development and Investment Authority Enactment 2009 (“SEDIA Enactment”) stipulates that the Yang Di-Pertua Negeri may, from time to time, determine by notification in the gazette, the project or projects over which, the Authority shall perform its function under this Enactment and such projects shall be collectively known as the “Sabah Development Corridor”.

### The Authority

The Authority is the highest decision-making body of SEDIA. It is governed by its Members under the Chairmanship of Y.A.B. Datuk Seri Panglima Musa Haji Aman, the Chief Minister of Sabah cum Minister of Finance.

### Members of the Authority during the year are:

1. Y.B. Tan Sri Datuk Seri Panglima Joseph Pairin Kitingan  
(Deputy Chief Minister and Minister of Infrastructure Development, Sabah)
2. Y.B. Datuk Peter Pang En Yin  
(Minister of Youth and Sports, Sabah)
3. Y.Bhg. Datuk Seri Panglima Dr. Ali bin Hamsa  
(Chief Secretary to the Government of Malaysia, Prime Minister’s Department)
4. Y.B. Tan Sri Datuk Seri Panglima Haji Sukarti Wakiman  
(State Secretary of Sabah)
5. Y.Bhg. Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz bin Wan Abdullah  
(Chairman, Malaysia Airport Holdings Berhad) - W.e.f. 25 September 2012
6. Y.Bhg. Dato’ Dr. Mohd Irwan Serigar bin Abdullah  
(Secretary General of Treasury, Ministry of Finance, Malaysia) - W.e.f. 24 August 2012
7. Y.Bhg. Dato’ Ahmad Husni bin Hussain  
(Director General, Public Private Partnership Unit (UKAS), Prime Minister’s Department)  
- W.e.f. 25 September 2012
8. Y.Bhg. Datuk Dr. Rahamat Bivi binti Yusoff  
(Director General, Economic Planning Unit (EPU), Prime Minister’s Department)
9. Y.Bhg. Datuk Pengiran Hassanel bin Datuk Pg. Hj. Mohd Tahir  
(Permanent Secretary, Ministry of Finance, Sabah)
10. Y.Bhg. Datuk Ismail Abdullah  
(Director, State Economic Planning Unit, Sabah)

Y.Bhg. Datuk Dr. Mohd Yaakub bin Haji Johari (JP) is the Secretary to the Authority cum President and Chief Executive of the Authority.

The Authority is committed to ensure SEDIA practices the highest standards of corporate governance, in keeping with the Malaysian Code of Corporate Governance.

The Authority provides strategic directions, reviews and approves policies and decisions for the development and promotion of Sabah Development Corridor, ensuring proper financial administration and administrative support as well as oversees the overall management of SEDIA.

### **Authority Meetings**

During the review period, the Authority met a total of four (4) times. The Authority Meetings were held on 19th April 2012, 5th July 2012, 4th October 2012 and 6th December 2012. The agenda and full set of papers for deliberation were distributed in a timely manner before each meeting. This was to ensure that the Members had sufficient notices and thus, were well prepared for each meeting. The meetings include the consideration of the Authority long-term strategy, plan, budget, monitoring of Management Performance and Authority's performance review. All issues were deliberated and decisions made were accordingly minuted.

### **SEDIA Committees**

To assist the Authority in the performance of its functions and duties, under section 9 of SEDIA Enactment, the following SEDIA Committees have been established:

1. Implementation Co-ordination Committee
2. Nomination, Establishment and Remuneration Committee
3. Finance and Investment Committee
4. Audit Committee
5. Development Planning Committee
6. Consultative Panel and Focus Group
7. Tender and Procurement Board

### **Accounting and Audit**

The Authority is committed to ensure that it provides a clear, comprehensive, true and fair view of SEDIA's financial management and performance at the financial year, primarily through the financial statements and annual report. The financial statement was internally prepared and audited by the Private Audit Firm (external auditor), under statutory purview of the National Audit Department within the provisions of Audit Act 1957 [Act 62] and in line with provisions under the Sabah Economic Development and Investment Authority Enactment 2009.

### Management

In the day-to-day operations, SEDIA is managed by the Chief Executive. In furtherance of the objectives and effective performance of the functions of SEDIA, the Chief Executive is assisted by the Management Members. The Chief Executive, appointed by the Authority, has management control over all the officers and staffs of SEDIA. All official management decisions, operational and financial transactions are deliberated, prepared and verified by the officers and requires the Chief Executive's approval prior to being executed and allowed for publications and distributions.

### Operational and Financial

For all its administrations and financial procurements and approvals, SEDIA is guided by an internal guideline as laid down under A Summary of Operating Procedures Governing the Limits of Administrative and Financial Authority for Members, Committees, Chief Executive and Management Members of SEDIA ("SEDIA LOA"). Also for service and work procurements and approvals of development projects of Sabah Development Corridor, SEDIA is guided by the provisions of the Treasury Instructions and decided by Tender and Procurement Board of SEDIA ("SEDIA TPB").

In addition, SEDIA is also subjected to the Financial Procedure Act 1957 [Act 61] and all other financial procedures as laid down from time to time by State of Sabah and Federal Ministry of Finance and Prime Minister's Department.

The internal and external control system is provided to safeguard SEDIA from fraud, loss or failure in its functions and operations.

## Annual Financial Review

### Income Statement

SEDIA's financial performance in 2012 had been aligned to its objectives as stated in this report and SEDIA had been receiving operating grants from the Federal Government of Malaysia.

During the year being reviewed, SEDIA had received government grant amounting RM8,000,000 and was in full operation. It had taken the full responsibility to administer, manage, disburse development allocations as well as monitoring physical progress and promoting SDC's Programmes and its objectives.

The key financial highlights for the year ended 31 December 2012 are as follows:

- For the year ended 31 December 2012, SEDIA had a surplus of income over expenditure of RM8,258,961. The significant increase in surplus was due to recognition of Development Fund's previous years interest recognised in current income statement.
- SEDIA recruited additional staff in order to perform its core functions of planning, marketing and promoting as well as managing and implementing SDC projects. As a result, the number of employees increased from 73 in 2011 to 87 in 2012, resulting in an increase in personnel costs of RM6,198,609 in 2012 as compared to RM4,272,627 in 2011. This had inevitably led to an increase in operating expenditure to RM11,418,498 in 2012 as compared to RM8,799,506 in 2011.

**The other main components of the operating costs are as follows:**

Increase in promotional costs from RM1,131,001 in the previous year to RM1,191,999 in current year as a result of more concerted effort in marketing and promoting SDC. These activities consisted of Strategic Media Campaigns, participation in Overseas Trade and Investment Missions, Conferences and Seminars, and Domestic Trade Expos and Exhibitions as well as other promotional and awareness events.

SEDIA's continuing efforts in capacity and efficiency building, especially in project management and development planning and support services have contributed to an increase in other administrative costs to RM4,027,890 in current year as compared to RM3,395,878 in 2011.

**Balance Sheet**

Major items of the Balance Sheet are as follows:

- I. During the year, capital expenditure on computers and office equipment of RM43,460 were incurred as SEDIA continued with its operational expansion. SEDIA also had acquired two vehicles with total costing of RM144,303 for the purpose of its day-to-day operation.
- II. Other receivables, deposits and prepayments balance as at year end 2012 was RM105,249 mainly consisting of premise deposit, staff advances and other receivables (2011: RM104,113).
- III. As at 31 December 2012, the operational cash balance stood at RM13,309,874 for operational expenditures and commitments.
- IV. Development expenditure's cash balance as at 31 December 2012 amounted to RM237,560,236 which was mainly reserved for contractual obligations for projects implemented under Ninth Malaysia Plan (9MP) and Tenth Malaysia Plan (10MP).
- V. Special project grant's cash balance as at 31 December 2012 amounted to RM24,336 for Tea Tree Project and Herbal Medicinal Knowledge Base (HMKB) Project to fund R & D activities, material expenditures and commitments.
- VI. Special programme grant's cash balance as at 31 December 2012 amounted to RM11,631,118 for SME Facilitation Fund Programme and National Talent Enhancement Programme expenditures and commitments.
- VII. Other payables as at 31 December 2012 of RM267,283 consisted of contractual obligations under the operating fund to be settled after the year end (2011: RM180,844).

During the financial year, SEDIA continued to intensify its activities and programmes, pursuant to its objectives to promote Sabah Development Corridor (SDC) and to further enhance its operational capacity, capability and competency. Strategic fund management and placement on its consolidated funds had been initiated as stipulated under section 5, section 7, section 14 and section 15 of SEDIA Enactment 2009.

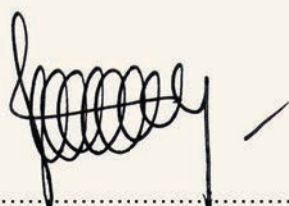
## Statement by the Members of Sabah Economic Development and Investment Authority

We, Datuk Seri Panglima Musa Haji Aman and Datuk Peter Pang En Yin being two of the Members of SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY state that, in the opinion of the Members of the Authority, the financial statements which comprise of balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements are properly drawn up to give a true and fair view of the state of affairs of SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY as at 31 December 2012 and of its operating results and cash flow for the period ended on that date.

On behalf of the members,



.....  
NAME : DATUK SERI PANGLIMA MUSA HAJI AMAN  
POSTION : CHAIRMAN  
DATE : 7 NOVEMBER 2013  
PLACE : KOTA KINABALU



.....  
NAME : DATUK PETER PANG EN YIN  
POSITION : DEPUTY CHAIRMAN II / CHAIRMAN OF AUDIT COMMITTEE  
DATE : 7 NOVEMBER 2013  
PLACE : KOTA KINABALU



Statutory Declaration by the Officers primarily responsible for the Financial Management of Sabah Economic Development and Investment Authority

We, Datuk Dr. Mohd Yaakub bin Haji Johari and Yunus Gastom Abdullah, the officers primarily responsible for the financial management of SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY, do solemnly and sincerely declare that the accompanying balance sheet, income statement, statement of changes in equity and cash flows statement, to the best of our knowledge and belief, are correct and we make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by the above named at KOTA KINABALU, Sabah this day 27 JUN 2013



.....  
DATUK DR. MOHD YAAKUB BIN HJ JOHARI, J.P.



.....  
YUNUS GASTOM ABDULLAH

Before me,



33, Tingkat Bawah, Jalan Tugu; Kg. Air  
86000 Kota Kinabalu, Sabah.

## Balance Sheet

As 31 December 2012

	NOTE	2012 RM	2011 RM
<b>ASSETS</b>			
Property, plant and equipment	3	1,167,281	1,560,935
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,167,281</b>	<b>1,560,935</b>
Other receivables, deposits and prepayments	4	105,249	104,113
Cash and cash equivalents	5	262,525,564	235,421,376
<b>TOTAL CURRENT ASSETS</b>		<b>262,630,813</b>	<b>235,525,489</b>
<b>TOTAL ASSETS</b>		<b>263,798,094</b>	<b>237,086,424</b>
<b>EQUITY</b>			
Operating Fund		15,854,206	7,595,245
<b>TOTAL EQUITY</b>		<b>15,854,206</b>	<b>7,595,245</b>
<b>LIABILITIES</b>			
Government Fund	6	237,358,614	228,923,841
Special Project (R & D) Grant	7	[1,313,127]	386,494
Special Programme Grant	8	11,631,118	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>247,676,605</b>	<b>229,310,335</b>
Other payables and accruals	9	267,283	180,844
<b>TOTAL CURRENT LIABILITIES</b>		<b>267,283</b>	<b>180,844</b>
<b>TOTAL LIABILITIES</b>		<b>247,943,888</b>	<b>229,491,179</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>263,798,094</b>	<b>237,086,424</b>

## Income Statement

### For The Year Ended 31 December 2012

	NOTE	2012 RM	2011 RM
Operating grants recognised	10	8,000,000	8,000,000
Other income		11,677,459	217,310
		<b>19,677,459</b>	<b>8,217,310</b>
<b>EXPENSES</b>			
Operating expenses	11	(11,418,498)	(8,799,506)
Interest expenses		-	(12,422)
		<b>(8,258,961)</b>	<b>(594,638)</b>
Surplus / (Deficit) for the year			

## Statement of Changes in Equity

### For The Year Ended 31 December 2012

	NOTE	NOTE
As at 1 January 2011		8,189,883
Deficit for the year ended 2011		(594,639)
At 31 December 2011		7,595,245
Surplus for the year ended 2012		8,258,961
At 31 December 2012		15,854,206

## Cash Flow Statement

For The Year Ended 31 December 2012

	NOTE	2012 RM	2011 RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Surplus/[Deficit] for the financial year		8,258,961	[594,638]
Adjustment for:			
Depreciation of property, plant and equipment	3	581,417	539,198
Interest income	10	[11,635,007]	[188,725]
Interest expenses		-	12,442
[Deficit] before working capital changes		[2,794,629]	[231,723]
INCREASE/[DECREASE] IN:			
Other receivables and deposits		[1,136]	1,120,417
Other payables and accruals		86,439	93,411
<b>Net Cash (used in)/ generated from operating activities</b>		<b>[2,709,326]</b>	<b>982,105</b>
<b>CASH FLOW USED IN INVESTING ACTIVITY</b>			
Interest received		11,635,007	188,725
Purchase of property, plant and equipment	3	[187,763]	[49,444]
Net cash generated from investing activities		11,447,244	139,281
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>			
Interest paid		-	[12,442]
Payment to hire purchase payable		-	[381,796]
Net development fund received		8,434,773	5,215,807
Net special project grant [utilised]/received		[1,699,621]	301,226
Net special programme grant received		11,631,118	-
Net cash generated from financing activities		18,366,270	5,122,795
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>27,104,188</b>	<b>6,244,181</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		235,421,376	229,177,195
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	262,525,564	235,421,376
<b>(i) Cash and cash equivalents</b>			
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		2012 RM	2011 RM
Cash and bank balances		262,525,564	235,421,376
Short term deposits		-	-
		262,525,564	235,421,376

## 1. General Information

SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY ("SEDIA") was established under the Sabah Economic Development and Investment Authority Enactment 2009. The Sabah State Legislative Assembly had approved the instrument for the establishment of SEDIA via the adoption of Sabah Economic Development and Investment Authority Enactment 2009 on 15 January 2009.

The Enactment was assented by Tuan Yang Terutama Negeri Sabah on 23 February 2009 and gazetted on 26 February 2009, thereafter officially commenced operations on 2 March 2009.

The main activities of SEDIA are to act as the single authority empowered to promote and accelerate the development of the Sabah Development Corridor ("SDC") into a leading economic region and choice destination for investment, work and living and to ensure that social development and sustainable development are kept as priorities whilst driving economic growth in the Sabah Development Corridor.

The total number of employees of SEDIA ("The Authority") at year end was 87 (2011: 73).

The address of the principal office of operation of SEDIA is:

Lot 1-2, Wisma SEDIA  
Off Jalan Pintas Penampang  
P. O. Box 17251  
88873 Kota Kinabalu  
SABAH, MALAYSIA

## 2. Summary Of Significant Accounting Policies

The following accounting policies are adopted by SEDIA and are consistent with applicable approved standards for private entities issued by the "Malaysian Accounting Standards Board" ("MASB").

### (a) Basis of Accounting

The financial statements of SEDIA are prepared based on the historical cost except as disclosed in the notes to the financial statements and in compliance with the provisions of the *Sabah Economic Development and Investment Authority Enactment 2009* and applicable approved accounting standard for private entities in Malaysia.

### (b) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

### Depreciation

Property, plant and equipment purchased at cost of RM1,000 below are expensed as incurred. Depreciation of the property, plant and equipment is provided for on a straight line basis to write-off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Motor Vehicles	25%
Computers, Software and Printers	33 $\frac{1}{3}$ %
Furniture and Fittings, Office Equipment and Renovation	20%

## Notes to the Financial Statements

(Continued)

Property, plant and equipment acquired under hire purchase arrangements are capitalised at their purchase costs and depreciated on the same basis as owned assets. The total amount payables under hire purchase arrangements are included as hire purchase liabilities.

The interest component of hire purchase payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

### (c) Impairment of Assets

At each balance sheet date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the impairment is measured by comparing the recoverable amount with the carrying amount of an asset and when the latter amount is higher, the asset is written down to the recoverable amount. The recoverable amount of an asset is the higher of its net selling price and its value in use, which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset. Should the impairment loss of an asset exceed its revaluation surplus, the remaining impairment loss is charged to the income statement. Subsequent increase in the recoverable amount of an asset if carried at cost, is treated as a reversal of the accumulated impairment loss previously recognised in the income statement but the reversal is limited to the accumulated impairment loss previously recognized, and if carried at revalued amount, is credited directly to revaluation surplus.

### (d) Taxation

Current tax is the expected amount of income taxes payable in respect of dividend income pursuant to the tax exemption obtained from the Ministry of Finance as mentioned in *Note 13*. It is measured using the tax rates that have been enacted at the balance sheet date.

### (e) Other Receivables, Deposits and Prepayment

Other receivables, deposits and prepayments are carried at anticipated realisable values. Bad debts are written off in the financial year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year-end.

### (f) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and bank balances, and deposit which are readily convertible to known amount of cash and which are subjected to a low risk of change in value.

### (g) Other payables and accruals

Other payables and accruals are stated at the amounts which the Authority is contracted or obligated to settle plus any incidental legal expenses.

### (h) Government grants

#### i) Operating grant

Operating grant is recognised in the income statement when the rights to receive the grants are approved and the grants have been received.

#### ii) Development fund

Development fund is managed on behalf of, funded by the Federal Government under Ninth Malaysia Plan (9MP) and Tenth Malaysia Plan (10MP) for various projects, and used for Sabah Development Corridor Programmes in Sabah. The fund will be recognised as a liability in the balance sheet when the rights to receive the funds are approved and the funds have been received.

All receipts will be credited and all expenditures will be debited to this fund. Unutilised fund as of the balance sheet is shown as balance of the fund.

## Notes to the Financial Statements

(Continued)

### iii) Special project grant

These represent grants received from the Ministry of Science, Technology and Innovation (MOSTI) for the Satellite Bio-Technology Project, Tea Tree Project and Herbal Medicinal Knowledge Base (HMKB). The grants will be recognised as a liability in the balance sheet when the right to receive the grants are approved and the grants have been received.

All receipts will be credited and all expenditures will be debited to this fund. Unutilised fund as of the balance sheet is shown as balance of the fund.

### iv) Special programme grant

These represent grants received from the TERAJU and PEMANDU for the Bumiputra / SME facilitation fund and National Talent Enhancement Programme (NTEP) fund. The grant will be recognised as a liability in the balance sheet when the rights to receive the grants are approved and the grants have been received.

All receipts will be credited and all expenditures will be debited to this fund. Unutilised fund as of the balance sheet is shown as balance of the fund.

## (i) Interest income

### i) Operating fund

Interest income generated from operating fund is recognised in the income statement when there is reasonable assurance that it will be received during the financial year. Interest income transferred from development fund is recognised in the income statement when there is approval obtained from Members of Authority.

### ii) Development fund, special project grant and special programme grant

Interest income generated from development fund, special project grant and special programme grant is recognised as addition to the fund when there is reasonable assurance that it will be received during the financial year.

## (j) Interest expense

All interest and other costs incurred in connection with borrowings are expensed as incurred.

## (k) Employee Benefits

### i) Short-term benefits

Wages, salaries, allowances, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of SEDIA. Short-term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absence occur.

### i) Defined contribution plan

SEDIA is required by law to make monthly contributions to Employees Provident Fund ("EPF"), a statutory defined contribution plan for all its eligible employees based on certain prescribed rates of the employees' salaries. SEDIA contributions to EPF are disclosed separately. The employee's contributions to EPF are included in salaries and wages.

## (l) Cash Flow Statement

SEDIA adopts the indirect method in the preparation of the cash flow statement. Cash equivalents are short-term in nature, high liquid investment with maturities of less than three months from the date of acquisition as well as being readily convertible to cash with insignificant risk of changes in value.

## Notes to the Financial Statements

(Continued)

### 3. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Computers, Printers and Software	Furniture, Fittings, Office Equipment and Renovation	Total
COST	RM	RM	RM	RM
At 1 January 2012	594,563	69,184	1,872,271	2,536,018
Additions	144,303	6,374	37,086	187,763
At 31 December 2012	738,866	75,558	1,909,357	2,723,781
ACCUMULATED DEPRECIATION				
At 1 January 2012	288,683	36,082	650,318	975,083
Charge for the year	178,704	23,438	379,275	581,417
At 31 December 2012	467,387	59,520	1,029,593	1,556,500
NET CARRYING VALUE				
As at 31 December 2012	271,479	16,038	879,764	1,167,281
As at 31 December 2011	305,880	33,102	1,221,953	1,560,935
Depreciation charge for the year ended 31 December 2011	148,641	21,036	369,521	539,198

### 4. OTHER RECEIVABLES AND DEPOSITS

	2012 RM	2011 RM
Deposits	80,102	72,752
Advances	5,218	15,147
Other receivables	19,929	16,214
<b>Total</b>	<b>105,249</b>	<b>104,113</b>



## Notes to the Financial Statements

(Continued)

### 5. CASH AND BANK BALANCES

	2012 RM	2011 RM
Cash in hand	2,000	2,000
Cash at banks	262,523,564	235,419,376
<b>Total</b>	<b>262,525,564</b>	<b>235,421,376</b>

### 6. DEVELOPMENT FUND

	2012 RM	2011 RM
Opening balance	228,923,841	223,708,034
Add : Development fund received from Government	206,900,000	264,000,000
Add : Unutilised fund refunded by related agencies	-	364,642
	435,823,841	488,072,676
Add : Interest income	8,495,188	4,671,018
	444,319,029	492,743,694
Less: Utilisation of development fund for the year	[195,592,046]	[263,819,853]
Interest income transferred to Operating Fund	[11,368,369]	-
<b>As at 31 December</b>	<b>237,358,614</b>	<b>228,923,841</b>

### 7. SPECIAL PROJECT GRANT

Future minimum payments are as follows:

	2012 RM	2011 RM
Opening balance	386,494	85,268
Add : Research and Development (R & D) fund received from MOSTI	-	481,284
	386,494	566,552
Add : Interest income	3,054	6,268
	389,548	572,820
Less: Utilisation of special project grant for the year	[1,702,675]	[186,326]
<b>As at 31 December</b>	<b>[1,313,127]</b>	<b>386,494</b>

SEDIA as the lead implementing agency for Sabah Agro-Industrial Precinct (SAIP) has received the balance of Ministry of Science, Technology and Innovation's (MOSTI) grants for the purpose of Satellite Bio-Technology Project, Tea Tree Project and Herbal Medicinal Knowledge Base (HMKB) Project from Institute for Development Studies, Sabah (IDS) following the transfer of the project team from IDS, to SEDIA. During the year, the Satellite Bio-Technology Project was completed and the project final report has been approved by MOSTI. The excess expenditures incurred would be reimbursed by MOSTI in 2013.

## Notes to the Financial Statements

(Continued)

### 8. SPECIAL PROJECT GRANT

	2012 RM	2011 RM
Opening balance	-	-
Add : SME Facilitation Fund received from TERAJU	10,000,000	-
National Talent Enhancement Program (NTEP) Fund received from PEMANDU	1,665,000	-
	11,665,000	-
Add : Interest income	416	-
	11,665,416	-
Less: Utilisation of special programme grant for the year	[34,298]	-
As at 31 December	11,631,118	-

In 2012, SEDIA received two other types of grants. These are grants from Performance Management and Delivery Unit (PEMANDU) and Unit Peneraju Agenda Bumiputera (TERAJU). The grant from PEMANDU is for National Talent Enhancement Programme (NTEP) under the Economic Transformation Programme (ETP) initiative.

The objective of NTEP is to increase the employability of graduates by providing on-the-job experience and industry-relevant training. The NTEP involves a 12-month traineeship programme designed to assist the graduates to develop industry-relevant skills through partnership with companies in the engineering sector. Companies with projects, processes or products emphasising on green technology and requiring talents with engineering background are encouraged to participate.

The grant from TERAJU is the SME Facilitation Fund for Bumiputera companies in Sabah Development Corridor (SDC) region that will contribute positively to the economic growth in Sabah and Malaysia in general and to help drive the Bumiputera Economic Agenda more effectively.

### 9. OTHER PAYABLES AND ACCRUALS

	2012 RM	2011 RM
Other payables and accruals	267,283	180,844
Total	267,283	180,844

### 10. OTHER INCOME

	2012 RM	2011 RM
Interest income transferred from development fund	11,368,369	-
Interest income	266,639	188,725
Other income (Tender fees, SDC Blueprint Books and CDs)	42,451	28,585
Total	11,677,459	217,310

## Notes to the Financial Statements

(Continued)

### 11. OPERATING EXPENSES

The details of operating expenses are as follows:

	2012 RM	2011 RM
Auditors' Remuneration	17,500	17,500
Allowances for Board Members and Committees	337,322	311,669
Salaries, Allowances and Benefits	5,560,005	3,854,416
EPF, SOCSO & Pension Contribution	638,604	418,211
Rental Expenses	342,590	300,576
Utilities Charges	145,355	67,281
Printing and Stationeries	219,165	118,781
Medical and Clinical Charges	185,830	126,590
Insurance	121,422	103,442
Entertainment and Hospitality	11,313	18,784
Training and Human Capital Development	345,312	36,827
Trade Missions and Investment Promotions	301,772	257,457
Exhibitions and Road Shows	253,183	143,463
Conference and Seminars	142,245	63,776
Corporate Branding and Marketing	274,274	448,940
Sponsorships	220,525	217,365
In-House Meeting Expenses	59,913	44,357
Publications, Multimedia and Advertisements	78,030	59,583
Postage and Courier Charges	8,785	5,580
Transportation, Leasing and Vehicle Maintenance	291,073	236,757
Airfares and Outstation Transport Charges	586,925	595,288
Subsistence Allowances	82,040	85,939
Lodging and Accommodations	172,178	256,239
Upkeep Of Office Equipment, Premise and Services	147,982	48,272
Depreciation	581,417	539,198
Subscription Fees, Technical Update and ICT Expenses	186,507	200,914
Legal, Professional, Research and Consultancy Charges	80,928	197,590
License, Registration and Assessment Fees	1,843	1,962
Bank Charges and Commission	120	2,343
Miscellaneous Expenses	24,340	20,406
<b>TOTAL</b>	<b>11,418,498</b>	<b>8,799,506</b>

## Notes to the Financial Statements

(Continued)

### 12. STAFF COSTS

	2012 RM	2011 RM
Operating Fund: Staff Cost	6,198,609	4,272,627

Included in staff costs are SEDIA's contribution to Employee Provident Fund RM378,578 (2010: RM193,439).

### 13. INCOME TAX

SEDIA has obtained tax exemption under Section 127 (3) of the Income Tax Act, 1967. All income, except for dividend income, is exempted from tax beginning from year assessments 2010 until 2019.

### 14. PROJECT DEVELOPMENT COMMITMENT

SEDIA leases certain asset such as premise and office equipment. These leases are non-cancellable and expired on various dates through 2015. Future minimum annual lease payments are as follows:-

	Future Minimum Lease Payment	
	2012 RM	2011 RM
As of 31 December:		
2012	-	95,940
2013	298,242	16,638
2014	12,482	3,050
2015	990	-
<b>Total</b>	<b>311,714</b>	<b>115,628</b>

### 15. PROJECT DEVELOPMENT COMMITMENT

During the year, total allocation approved under the Tenth Malaysia Plan (10MP) for SDC projects are RM206,900,000.



**SIJIL KETUA AUDIT NEGARA  
MENGENAI PENYATA KEWANGAN  
PIHAK BERKUASA PEMBANGUNAN EKONOMI DAN PELABURAN SABAH  
BAGI TAHUN BERAKHIR 31 DISEMBER 2012**

Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi Dan Pelaburan Sabah (SEDIA) bagi tahun berakhir 31 Disember 2012 telah diaudit oleh wakil saya. Pihak pengurusan bertanggungjawab terhadap Penyata Kewangan ini. Tanggungjawab saya adalah mengaudit dan memberi pendapat terhadap Penyata Kewangan tersebut.

Pengauditan telah dilaksanakan mengikut Akta Audit 1957 dan berpandukan piawaian pengauditan yang diluluskan. Piawaian tersebut menghendaki pengauditan dirancang dan dilaksanakan untuk mendapat kepastian yang munasabah sama ada Penyata Kewangan adalah bebas daripada kesilapan atau ketinggalan yang ketara. Pengauditan ini termasuk memeriksa rekod dan dokumen secara semak uji dan bagi memastikan ketepatan angka dan pendedahan yang mencukupi dalam Penyata Kewangan. Penilaian juga dibuat terhadap prinsip perakaunan yang digunakan, unjuran signifikan oleh pengurusan dan persembahan Penyata Kewangan secara keseluruhan. Saya percaya pengauditan yang dilaksanakan memberi asas yang munasabah terhadap pendapat saya.

Pada pendapat saya, Penyata Kewangan ini memberi gambaran yang benar dan saksama terhadap kedudukan kewangan Pihak Berkuasa Pembangunan Ekonomi Dan Pelaburan Sabah (SEDIA) pada 31 Disember 2012 serta hasil operasi dan aliran tunainya untuk tahun tersebut adalah selaras dengan piawaian perakaunan yang diluluskan.

(ZAABA BIN ZAINUDDIN)  
b.p KETUA AUDIT NEGARA  
MALAYSIA

KOTA KINABALU  
7 NOVEMBER 2013





# SEDIA

YOUR SOLUTION  
PROVIDER AND  
PARTNER IN SDC



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