



2014

Annual Report





Sabah Economic Development and Investment Authority



**A joint initiative of the Federal Government of Malaysia
and the State of Sabah to transform Sabah's economy**

" The Federal Government had introduced the Sabah Development Corridor (SDC)...to propel the...state's economy... if all quarters could give their cooperation,...[the SDC] could steer Sabah...to a better future".

Datuk Seri Panglima Najib Tun Razak
Prime Minister of Malaysia



" The main aim of the SDC...is to enhance the quality of life of the people by accelerating economic growth, promote regional balance and bridging the rural-urban divide while ensuring sustainable development."

Datuk Seri Panglima Musa Hj. Aman
Chief Minister of Sabah cum Chairman of SEDIA



**A place of
Business, Culture and Nature**

The Sabah Development Corridor promotes sustainable economic growth by unlocking its diversified resources. Discover the secrets of Sabah, a place of Business, Culture and Nature. Contact SEDIA for investment into the Sabah Development Corridor, Malaysia at www.sedia.com.my



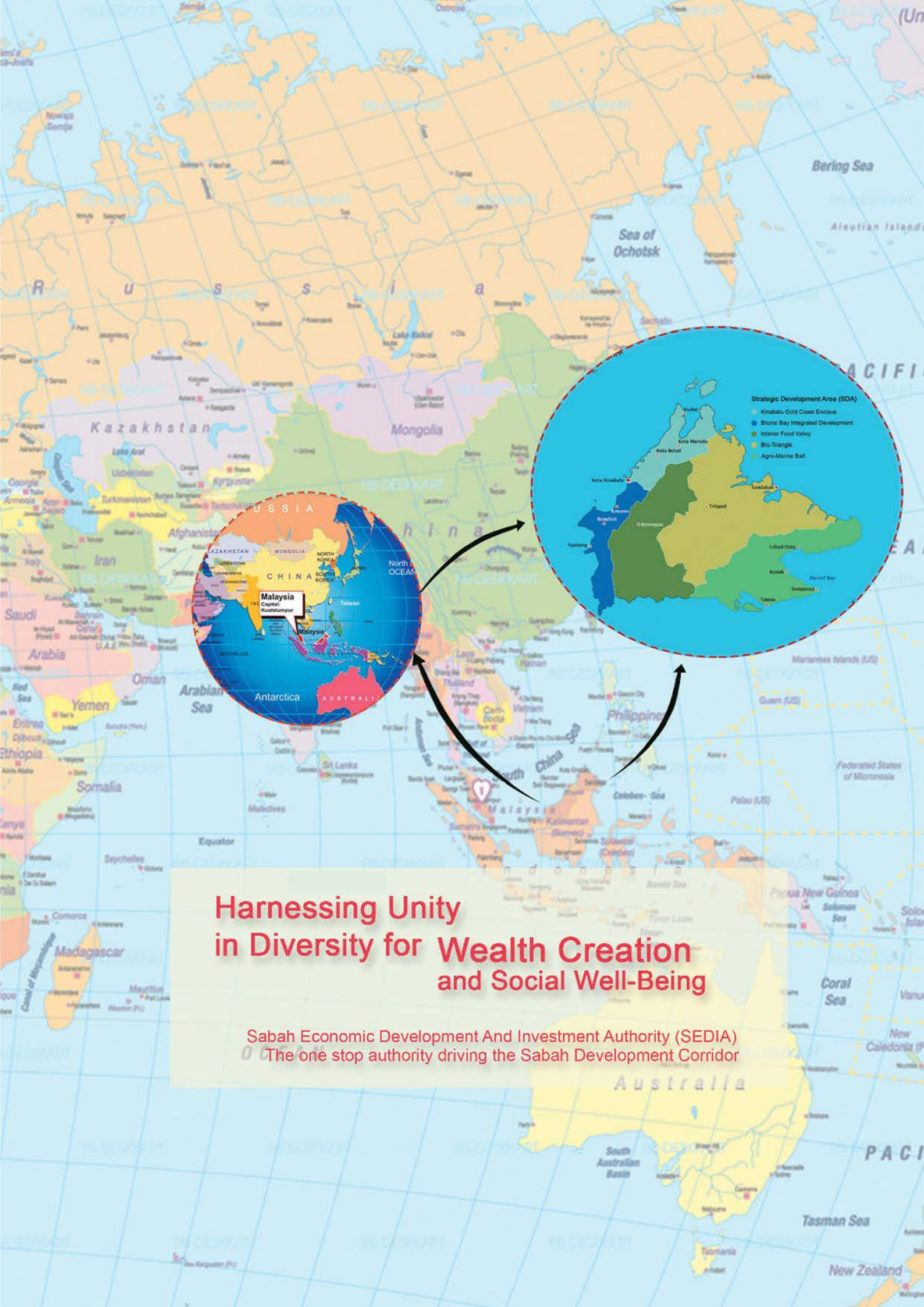
WHY INVEST IN SABAH ?

- Biodiversity as Eco-Attractions**
 Over 2000 flora species, Mount Kinabalu, Southeast Asia's tallest peak, and pristine national parks and conservation areas as well as access to the world renowned Coral Triangle with Sipadan Island.
- Agriculture and Natural Resources**
 Fertile agriculture land, marine resources and forests offer great potential in resource-based manufacturing activities such as the timber and wood industry, and agro-based as well as biotechnology activities.
- Strategic Location**
 Serves as a connecting point to the BIMP-EAGA region and capital cities in East Asia.
- Cultural Appeal**
 Known to be home to 32 ethnic groups. Sabah's culture is distinct and unique.
- Human Capital**
 Offers green field opportunities in human capital development, especially in environmental, natural resources, and biotech-related industries.



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

Sabah Economic Development And Investment Authority (SEDIA)
The one stop authority driving the Sabah Development Corridor



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SABAH DEVELOPMENT CORRIDOR

Chairman's Statement

Chief Executive's Annual Review

Background

SDC Alignment with Corridors and
Cities Transformation Programme

Strategic Development Areas under the SDC



Kota Kinabalu City



Chairman's Statement

The year 2014 was indeed challenging both for the nation as a whole and Sabah in particular. The aircraft disasters- the MH370 and MH17- environmental disasters, in the form of widespread flood and the economic headwinds had no doubt been draining our resources and therefore testing the resilience of our nation, and capability as well as credibility of our leaders. It is in these trying times that the national resilience and outstanding leadership emerged.

Under the leadership of YAB Datuk Seri Panglima Mohd Najib Razak, Malaysia has successfully secured a seat in the United Nations Security Council, after a 15 year absence. Notably, 187 of the 192 votes casted were in support of Malaysia, and it speaks volumes of the trust placed in our Nation by the larger global community. The international community has recognised Malaysia's role in peace keeping, and maintaining security within our region and globally.

The recent decline in commodity prices, especially oil price and Ringgit depreciation against the US dollar had indeed been emerging as the twin challenges the nation need to manage. This notwithstanding, our national economy growing at 6 percent had still been among the stronger performers in Asia this year, helped by exports of oil, palm oil and rubber, and robust local demand. We nevertheless have begun to experience the effects of sliding commodity, especially oil prices. Malaysia has already begun taking pre-emptive and prudential steps, reining in operational spending without jeopardising development expenditure.

Sabah and the programmes under the Sabah Development Corridor have obviously not been spared by the above challenges. SEDIA need to be proactive and responsive to these challenges. As we move towards the closure of the Second Phase of the SDC in 2015, SEDIA will continue to pursue investment promotion activities and further enhance the attractiveness of Sabah as a unique investment destination. SEDIA will accord much emphasis on enhancing connectivity and logistics in Sabah, especially the role and function of Sapangar Port. SEDIA has been studying various successful models throughout the world, such as the logistics hub in Incheon, South Korea, and the aviation cluster in Spain.

As global economic competitiveness is increasingly determined by efficiency of services as well as an adaptable and talented workforce, importance will also be given to the improvement of broadband internet services and enhancing human capital development. A knowledgeable workforce will be crucial in further expanding the pace of downstream activities in major industries.

Meanwhile, Malaysia will also be helming the Chairmanship of ASEAN for the year 2015, which will coincide with the rolling out of the ASEAN Economic Community (AEC). The aim of the AEC is to create a single market of 620 million people, and a production base with a combined GDP of about USD2.4 trillion. The establishment of AEC will see reduction or elimination of tariffs, progressive liberalisation and removal of barriers to trade and services in the region.

Malaysian membership of the UN Security Council as well as the chairmanship of ASEAN Economic Community in 2015 are therefore providing a rare opportunity for Malaysia to exercise its economic leadership at the regional and international level. Sabah needs to capitalise on these developments as it

is strategically and geographically well positioned at the centre of ASEAN, along major maritime routes with air access to most East Asian capital cities, and internationally within the Asia Pacific region. The outcome of the Transpacific Partnership Agreement (TPPA) currently being negotiated will certainly have major implications for Sabah as well as the national economy.

I am happy to note that SDC has been emerging as an attractive investment destination with cumulative investment since the launch of SDC in 2008 recorded a total of RM138.1 billion as at the end of 2014. The implementation of SDC flagship projects under the Ninth and Tenth Malaysia Plans had also been remarkable, with more than 90 percent of the total development allocation channeled to SEDIA had been spent.

I like to congratulate the management and staff of SEDIA for delivering this excellent performance without sacrificing integrity, the practice of good governance and financial accountability. I am especially happy that the Auditor General has given a clean bill of health for SEDIA 2014 Financial Report; and that SEDIA has been given a four-star rating in the Accountability Index by Jabatan Audit Negara.

I also like to express my appreciation to all members of SEDIA Committees, as well as SEDIA's partners and designated implementing agencies for their contribution to the development of SDC. The close cooperation of SEDIA with State and Federal agencies, in ensuring the investment and development initiatives under the SDC are effectively implemented has been most fruitful, in line with the role of SEDIA as the One Stop Authority for the SDC. I urge all stakeholders to maintain the close cooperation, be it the public and private sectors, Federal and State agencies, in guaranteeing the successful implementation of the SDC and also the Economic Transformation Programme that will see our State and Nation become high income economies.

Lastly, in recognition of the services of the Members of the Authority who have served diligently since the establishment of SEDIA, I am pleased to inform that all the Members of SEDIA had been reappointed to continue serving the Authority for another two-year term. I cannot express enough my thanks for their undivided support and guidance to SEDIA and the SDC, steering it to where it is now.



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



Chief Executive's Annual Review

Sabah has indeed been emerging as an attractive destination for investors, being strategically located within South East Asia, and at the heart of ASEAN, one of the world's fastest growth area with a consumer base of 620 million and combined GDP of USD2.4 trillion. It offers immense opportunities for both domestic and international investors. Sabah can serve as an ideal gateway to the dynamic East Asian economies, and the Sabah Development Corridor continues to be the engine for growth in realising our economic aspirations.

By the end of 2014, a total of RM 138.1 billion worth of cumulative investments have been committed since the launch of the SDC, of which RM 50.4 billion had been realised. By the end of 2014, disbursement for SDC projects under the Ninth and Tenth Malaysia Plans over the 2008-2014 period was estimated at RM 1.63 billion, or 95 % of the RM1,715,758,500 development allocation channelled to SEDIA, from the RM1.75 billion total approved Federal government allocation.

Investment in Sabah from among the SMEs and Bumiputera entrepreneurs had been very active as indicated by the response to the TERAJU@SDC and SEDIA initiatives. TERAJU@SDC has enabled SMEs and Bumiputera entrepreneurs to mobilise cumulative committed investment of RM669.50 million. This shows that there are many opportunities for SMEs and Bumiputera entrepreneurs in Sabah. We hope that more Bumiputera entrepreneurs will participate in this, and other programmes such as TERAS and SUPERB.

The weaknesses in the prices of primary commodities this year may be a blessing in disguise. The lower overall energy price and raw material feedstock may provide the impetus for Sabah to transform its economy, in line with the State's Halatuju Agenda and the Economic Transformation Programme. The lower commodity price environment will encourage more investors to venture into higher value added downstream processing industries, due to lower input costs. Sabah is now well positioned for this development, especially in POIC Sandakan and Lahad Datu, SOGIP, Marine Integrated Cluster, Sabah Agro-Industrial Precinct, Keningau Integrated Livestock Centre, Kinabalu Gold Coast Enclave, KKIP and many more.

Economic activities in Sabah have proven to be resilient in the face of the current economic challenges. Sabah was able to post RM6.32 billion in tourism receipts for 2014, despite a difficult year; and the container throughput in Sabah had been increasing steadily from 208,490 TEUs in 2005, to 292,688 TEUs in 2010, and 398,800 TEUs in 2014, which was also the highest in the state's history. Meanwhile, unemployment had declined from 5.2 percent in 2013 to 4.6 percent in 2014. The current economic climate had in fact aided in boosting the local tourism industry, offering good value to tourists, as well as increasing the competitiveness of Malaysian exports. To top it all, Sabah's economy had been expanding at its fastest pace since the sub-prime crisis in 2009. Sabah's economic growth was recorded at five per cent in 2014.

Going forward, SEDIA will accord greater emphasis on enhancing the state's global connectivity during the Eleventh Malaysia Plan to ensure seamless movement of people, goods and services. This emphasis is timely as the state transforms into a diversified, knowledge-intensive with higher value-added economy.

Efforts will be directed especially towards enhancing the efficiency of the logistics sector by improving the relevant infrastructure and the integration of land, sea, and air services.

SEDIA will launch two new programmes in 2015 to support the development of Bumiputera entrepreneurs. The first is an Incubator Programme for new Bumiputera entrepreneurs or start-ups; and the second is an Enterprise Accelerator Programme for existing Bumiputera SMEs. These programmes will be implemented together with other agencies such as TERAJU, Yayasan Sabah, UMS and many others. It is therefore imperative that Bumiputera entrepreneurs make full use of these programmes. These programmes will be funded from the RM15 million special allocations for Sabah.

The management and staff of SEDIA have been mindful of the need to maintain a high standard of operational efficiency in service delivery while at the same time without compromising the principles of integrity and good corporate governance in the performance of their duties. In view of this, SEDIA has once again been given a clean bill of health in its 2014 Financial Report by Jabatan Audit Negara. This is the sixth consecutive year SEDIA has been receiving a clean bill of health. SEDIA had also been given a four-star rating by Jabatan Audit Negara in the Accountability Index.

Finally, on behalf of the Management and Staff of SEDIA, I would like to take this opportunity to express my appreciation to Sabah Chief Minister cum SEDIA Chairman YAB Datuk Seri Panglima Musa Aman, Deputy Chief Minister Tan Sri Datuk Seri Panglima Joseph Pairin Kitingan, Deputy Chairman of SEDIA, Datuk Peter Pang En Yin, all the Members of the Authority, and members of the various SEDIA committees for taking the SDC to where it is today. I also wish to thank in particular the Chairman and members of the Audit committee and the management and staff of SEDIA for ensuring the financial management of SEDIA once again be given a clean bill of health by the Auditor General, for the year ending 2014.



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

Background

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 Tun Abdullah bin 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.



SEDIA Chairman cum Chief Minister of Sabah Y.A.B. Datuk Seri Panglima Musa Hj. Aman and Chief Executive Datuk Dr. Mohd. Yaakub with the plaque for the Four Star Rating on Accountability Index Accreditation by Jabatan Audit Negara for SEDIA

The theme for the SDC is Harnessing Unity in Diversity for Wealth Creation and Social Well-Being. The concept of the 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 bin Tun Haji Abdul Razak, the current Prime Minister.

The SDC programmes are underpinned by the 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.

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.

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 and cohesive community that lives in harmony and prosperity 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



The SDC has seen closer ties achieved between the public and private sectors, resulting in much development

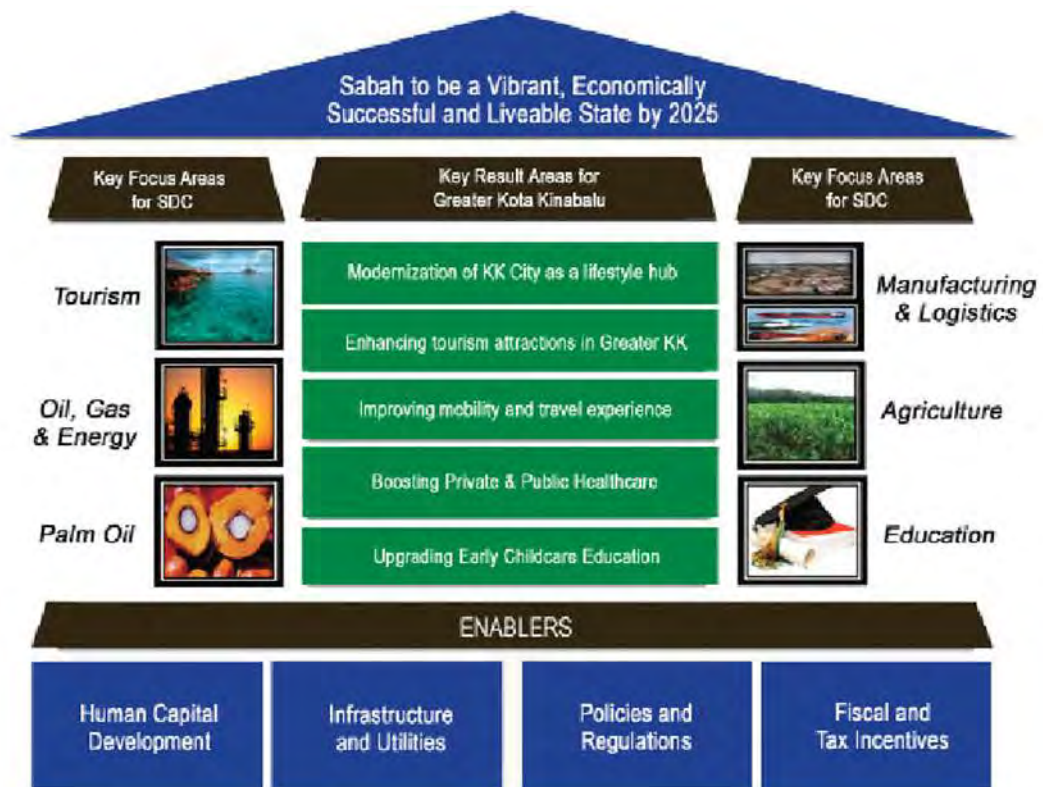
Mission

In line with the state's Halatuju and the National Mission announced by the Prime Minister of Malaysia, the mission for the 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.







SABAH AGRO INDUSTRIAL PRECINCT

 A Project of Sabah Development Corridor (SDC)

 Projek Koridor Pembangunan Sabah (SDC)

Sabah Agro-Industrial Precinct

Strategic Development Areas under the 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 ¹**
- Private Skills Training Centres ¹**
- International Marketing ¹**
¹ 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**

Danum Valley
 Bio-Triangle
 Agro-Marine Belt

THE GOVERNANCE OF SEDIA



SEDIA as the One Stop Authority

Members of SEDIA

SEDIA Committees



Members of the Authority Meeting

SEDIA as the One Stop Authority

SEDIA has been entrusted as the One-Stop Authority to drive the 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 was channelled through the Sabah Economic Development and Investment Authority, or SEDIA.

In order to expedite the implementation of the 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.



The management of SEDIA convene regularly to ensure the smooth operations of the Authority

Membership of the Authority

The Sabah Economic Development and Investment Authority 2009 Enactment under Section 8 stipulates that:-

- (1) The Authority shall consist of the following members:
 - (a) a Chairman, who shall be the Chief Minister;
 - (b) two Deputy Chairmen, who shall be appointed by the Minister;
 - (c) State Secretary;
 - (d) Secretary General of the Federal Ministry of Finance or his representative;
 - (e) Permanent Secretary of the State Ministry of Finance;
 - (f) Director General of the Federal Economic Planning Unit or his representative
 - (g) Director of the State Economic Planning Unit; and
 - (h) not more than five other members to be appointed by the Minister
- (2) The Chief Executive shall be the Secretary to the Authority
- (3) The provisions of the First Schedule shall apply to the Authority
- (4) The Authority may, from time to time, by order published in the *Gazette*, amend the First Schedule

Establishment of Committees

Under Section 9, the Authority may establish committees deemed necessary subject to the following provisions:

- (1) The Authority may, from time to time, establish such committees on such terms as it considers necessary or expedient to assist the Authority in the performance of its functions and duties under this Enactment.
- (2) The Authority may elect any of its members to be the chairman of any committee.
- (3) The Authority may appoint any person to be a member of any committee.
- (4) Membership of a committee established under subsection (1) may include one or more individuals from private sector.
- (5) The provisions of the Second Schedule shall apply to a committee.
- (6) The Authority may, from time to time, by order published in the *Gazette*, amend the Second Schedule relating to a committee.

Members Of SEDIA



Y.A.B. Datuk
Seri Panglima
Musa Haji 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 /
Minister of
Infrastructure
Development, Sabah



Y.Bhg. Datuk
Peter Pang En Yin
Deputy Chairman
of SEDIA



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



Y.Bhg. Datuk
Dr. Rahamat Bivi Yusoff
Director General,
Economic Planning Unit



Y.Bhg. Dato'
Ahmad Husni Hussain
Director General,
Unit Kerjasama
Awam Swasta (UKAS)



Y.Bhg. Tan Sri
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
bin Wan Abdullah,
Chairman, Malaysia
Airports Holdings Berhad



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
Dr. Mohd. Yaakub
Hj Johari, J.P.
Chief Executive
of SEDIA

SEDIA Committees

Implementation Coordination Committee

Chairman: Y.B. Tan Sri Datuk Seri Panglima Sukarti Wakiman
Sabah State Secretary

Members: Y.Bhg. Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz bin Wan Abdullah
Chairman, Malaysia Airports Holdings Berhad

Y.Bhg. Dato' Ahmad Husni Hussain
Director General; Unit Kerjasama Awam Swasta (UKAS)

Y.Bhg. Dato' Abu Bakar bin 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

Y.Bhg. Datuk Haji Matusin B. Sunsang
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

Mr. Mursidi Haji Sapi
Director, Department of Urban and Regional Planning Sabah

Y.Bhg. Datuk Ir. John Anthony
Director, Public Works Department

Y.Bhg. Datuk Ir. John Anthony
Director, Public Works Department

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

The committee held two meetings in 2014, as follows:

12th Implementation Coordination Committee meeting 17th April 2014
13th Implementation Coordination Committee meeting 21st August 2014

Finance and Investment Committee

Chairman: Y.Bhg. Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz bin Wan Abdullah
Chairman, Malaysia Airports Holdings Berhad

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

Y.Bhg. Dato' Ahmad Husni Hussain
Director General, Unit Kerjasama Awam Swasta (UKAS)

Y.Bhg. Dato' Abu Bakar bin Hassan
Sabah Federal Secretary

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

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

Y.Bhg. Datuk Haji Hashim bin Paijan
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)

Mr. Cheong Siew Hoong
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 of SEDIA

The committee held three meetings in 2014, as follows:

13th Finance and Investment Committee meeting	22nd February 2014
14th Finance and Investment Committee meeting	9th July 2014
15th Finance and Investment Committee meeting	11th December 2014

SEDIA Committees

Development Planning Committee

Chairman: Y.Bhg. Dato' Ahmad Husni Hussain
Director General, Unit Kerjasama Awam Swasta (UKAS)

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

Y.Bhg. Datuk Razali bin Che Mat
Director in Regional Development, State Economic Planning Unit (UPEN)

Tuan Hj. Daman Huri Nor
Director of Corridor Development, UKAS

Y.Bhg. Dato' Abu Bakar bin Hassan
Sabah Federal Secretary

Y.Bhg. Datuk Haji Hashim bin Pajjan
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 Haji Masood Haji Salleh
Permanent Secretary, Ministry of Rural Development

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

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 of SEDIA

The committee held three meetings in 2014, as follows:

9th Development Planning Committee meeting	18th March 2014
10th Development Planning Committee meeting	12th August 2014
11th Development Planning Committee meeting	14th November 2014

Nomination, Establishment and Remuneration Committee

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

Y.Bhg. Tan Sri Dato' Dr. Mohd Irwan Serigar bin 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 of 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 of SEDIA

The committee held two meetings in 2014, as follows:

10th Nomination, Establishment and Remuneration Committee meeting 21st March 2014

11th Nomination, Establishment and Remuneration Committee meeting 25th November 2014

SEDIA Committees

Audit Committee

Chairman: Y.Bhg. Datuk Peter Pang En Yin

Members: Y.Bhg. Tan Sri Dato' Dr. Mohd Irwan Serigar bin 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 of Sabah

Y.Bhg. Datuk Haji Matusin B. Sunsang
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 of SEDIA

The committee held four meetings in 2014, as follows:

11th Audit Committee meeting	20th March 2014
12th Audit Committee meeting	18th August 2014
13th Audit Committee meeting	9th July 2014
14th Audit Committee meeting	28th November 2014



Launching of SEDIA Annual Report

Consultative Panel and Focus Group Committee

Chairman: Y.Bhg. Datuk Dr Mohd Yaakub Hj Johari
Chief Executive of 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. Datuk Dr Haji Abdul Kadir Haji Rosline
Campus Director, Universiti Teknologi Mara (UiTM)

Mr. Bonipasius Bianis
Deputy President, Kadazandusun Chambers of Commerce and Industry

Y.Bhg. Datuk Michael Lui Yen Sang
President, Tionghua Chambers of Commerce and Industry

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

The committee held two meetings in 2014, as follows:

7th Consultative Panel & Focus Group Committee meeting 30th October 2014
8th Consultative Panel & Focus Group Committee meeting 31st December 2014



Keningau Integrated Livestock Centre

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.



Members of the Authority's Meeting in session

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 Sabah State and the 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;
- Undertakes 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.

Sapangar Bay dual carriageway project site



KORIDOR PEMBANGUNAN SABAH
MAJLIS PERASAHAN
"HOLE-THROUGH"
"SABAH FIRST ADVENTURES"
1200M TEROWONG JALAN RAYA BERTEMPAH
JALAN UTAM SAPANGAR KOTA KINABALU
10th MEI 2014
DALAMAN OREN
Y.A.S. DAUD JELI FANGSIAH & MOJIB MOJIB
UNIT HENDEBI SARAN



CORPORATE PROFILE





Key Events Timeline

Highlights of SEDIA Activities

Trade and Investment Missions

News Coverage

YAB Chief Minister cum Chairman of SEDIA with SEDIA Management Committee Members

Functions of SEDIA

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.



The Prime Minister and Malaysia delegation at a Trade and Investment Seminar in New York

Corporate Vision, Mission and Strategies

Vision

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

Mission

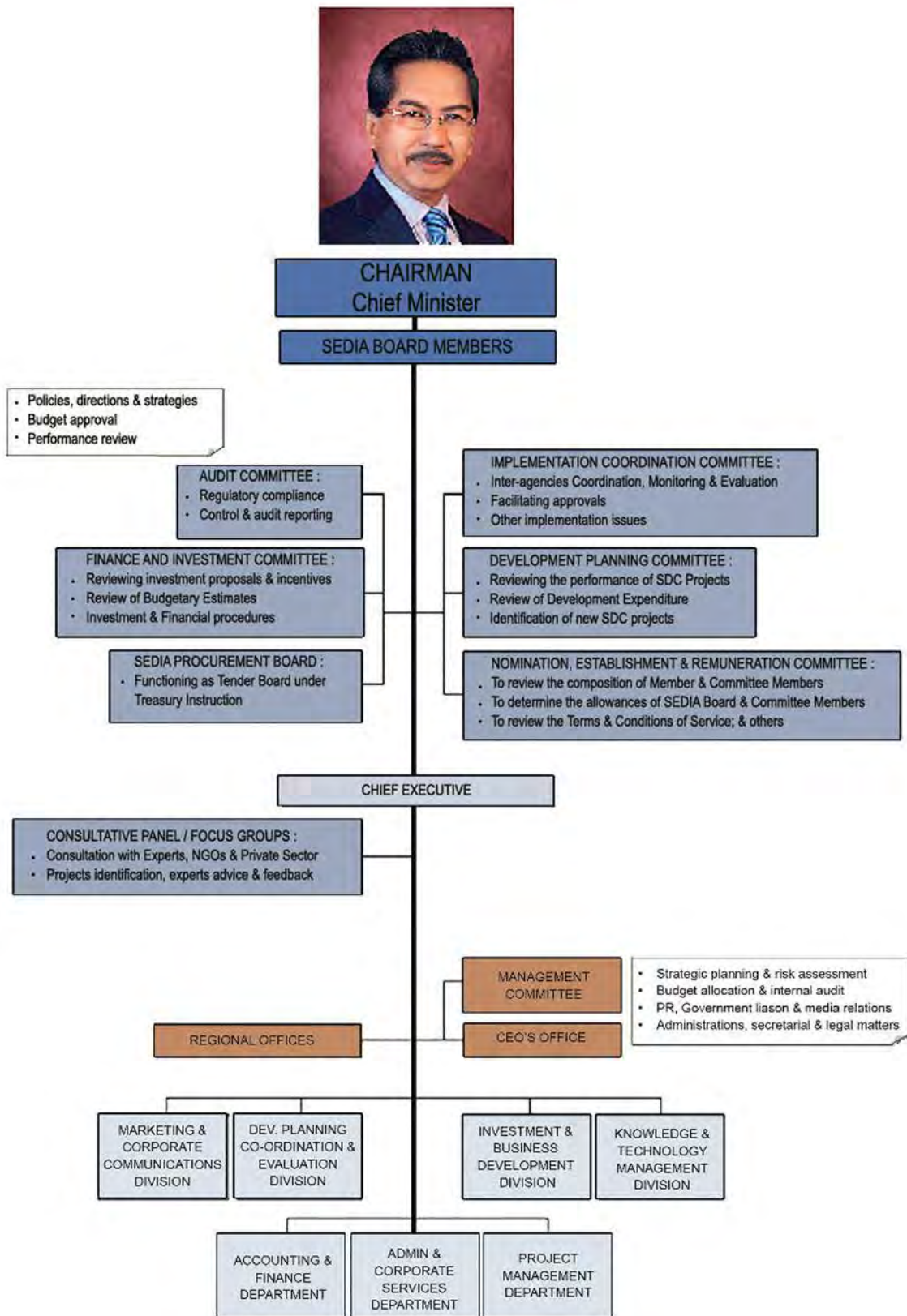
- To provide strategic direction, roadmap, planning integration, implementation coordination, monitoring and evaluation on the implementation of the SDC;
- To promote the SDC as a preferred investment destination for business, culture and nature;
- To ensure that the SDC initiatives reach the target groups, especially the poor and 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 the 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 the 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 operations shall be principally carried out by the various operating divisions and departments under the overall supervision of the Chief Executive.

Organisation Chart



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.



Seated: Datuk Dr. Mohd. Yaakub Haji Johari (Chief Executive), Standing (left to right): Mohd Affandi Harun, Elviea K. Kong, Hanita Gahoon, Jesi Jolumis Majungki (Deputy Vice President), Norliza Datu Batul, Elnye Solunsi, and Mackinzie Masangki

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 follow:

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 term of key performance indicators.



*Seated (left to right): Kevin George Ukang (Assistant Vice President), Dr. Chong Yun Leong (Vice President)
Standing (left to right): Umar Japar, Aizudin Norhafiz Ahmad, Shertlay Daongis, trainee, Alif Abdul Fatah, trainee, Janet Lee Oi Chin, Dayang Selinah Hasan, and Kristany Ubud*

Featured activity – Mini Lab for SDC RMK-11 Strategy Planning Technical Working Group

As the Eleventh Malaysia Plan period draws closer to its commencement in 2016, SEDIA as the custodian of the SDC engaged with various stakeholders involved in the State's economic development, to further enhance the State's economy in attracting foreign direct investment with strong supporting infrastructure and a ready pool of knowledgeable workforce. In pursuing that effort, a workshop titled "Mini Lab for SDC RMK-11 Strategy Planning Technical Working Group Thrust 1: Re-Engineering Economic Growth" was organised by SEDIA. The workshop was held from 26 to 27 February 2014. The workshop was aimed at garnering the input of various stakeholders towards the contribution to economic and social development of Sabah in the Eleventh Malaysia Plan. Representatives from 145 organisations comprising public and private sectors in the fields of agriculture, manufacturing and logistics, human capital/education, and tourism had attended the workshop.



Close cooperation with stakeholders in the private sector ensure smoother implementation of SDC initiatives

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.



(Left to right) Sheila Radin, Vellkah Jopin, Jesi Jolumis Majungki (Deputy Vice President), Nera Niza Masri, and Nigel Bachee, (Not in picture) Audrey Lin Mei Hwa, Fiffy Khazrina Yanty Abdillah, Ramona Puvok, Zulkhairi Azuan Mokti, and Mohd Aikshan Amdan

Featured activity – Sabah International Expo 2014

SEDIA had recorded the interest of several delegates from various participating countries during the Sabah International Expo 2014 (SIE) held in September 18-21, 2014.

SEDIA Chief Executive Datuk Dr. Mohd. Yaakub Johari had been receiving several visits over the week of the event, notably from Senior Trade Commissioner to the High Commission of Canada Mark Strasser, a delegation from the Philippines comprising of entrepreneurs participating in SIE, a delegation of ambassadors representing the various African countries, and a group from Slovakia.

The visiting groups were briefed on SDC initiatives and investments opportunities in SDC. In the discussion with the Canadian Senior Trade Commissioner, Sabah's strategic location in South East Asia and Canada's lead as an innovation-led economy could be leveraged to enhance trade and investment between both economies. The ambassadors from Africa had shown great interest in emulating development plans implemented in Sabah, particularly the success experienced in developing the tourism sector.

SEDIA has actively supported the Sabah International Expo in recent years, having been a sponsor and also a booth presence. Held biennially in Kota Kinabalu, Sabah, the expo is regarded as Sabah's premier business fair and is also a State government sanctioned trade exposition.



SEDIA Deputy Chairman Tan Sri Datuk Seri Panglima Joseph Pairin Kitingan during his visit to the SEDIA exhibition booth at the Sabah International Expo 2014

Investment and Business Development Division (IBDD)

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



Seated: Iwan Hermawan Masrul (Assistant Vice President) Standing (left to right): Ynez Teo Yi Jen, Terence Lai Guo Hong, Karen Christine Mijin, and Faizaiton Mohamad, (Not in picture) Richard Munang, Jahara Bois, Nadiyah Halim and Saiful Reduan Abdul Jalil

Featured activity – 1Bizlink Programme

The 1BizLink programme was established in 2013 with the vision of developing world class entrepreneurs in Sabah. Through the SDC, the 1BizLink development programme functions by assisting new entrepreneurs and start-ups, unlocking the potential in SMEs to further accelerate their growth, as well as linking businesses to the SDC economic clusters. To date, three initiatives have been arranged through the 1BizLink programme.

1. Hot Desk

The business plan is a key element for entry of entrepreneurs into the incubation programme at Sabah Agro-Industrial Precinct (SAIP). Acting as a platform to assist new entrepreneurs and start-ups in translating their ideas into comprehensive business plans that are innovative and competitive, the Hot Desk programme provides critical tool-kit for entrepreneurs, as they will also be coached on how to pitch their business plans to investors as well as develop bankable projects.

2. Outreach Awareness

The objective for this initiative is to provide vital network linkages between SMEs with government agencies and financial institutions. The first Outreach Awareness event was held at the Sabah Agro-Industrial Precinct (SAIP) on October 29, 2014 with 54 registered participants.



The Sabah Agro-Industrial Precinct provides a hub for the development of Small and Medium Entrepreneurs

3. Halal Outreach Programme (HOPE)

The Halal Industry Development Corporation (HDC), an agency under the Ministry of International Trade and Industry (MITI), organised the Halal Outreach Programme (HOPE) through collaboration with SEDIA and other government agencies with the aim of raising awareness and increasing the participation of local entrepreneurs in the halal industry.

Held on August 28-29, 2014, HOPE was officiated by Permanent Secretary of the State Ministry of Industrial Development, Datuk Haji Hashim Pajjan. More than 200 participants varying from government agencies, entrepreneurs, academic and research institutions, and investors attended this programme.

The focus of HOPE was on breaking through the halal market, enhancing local entrepreneurs, halal certification, sharing ideas and experience, as well as informing on incentives available for the halal industry. Prominent halal industry entrepreneurs in Sabah such as Anjaad Industries (M) Sdn Bhd, World Prominence Sdn Bhd and Aalon Trading (Sabah) Sdn Bhd shared their success stories during one of the sessions.

As one of the invited speakers, SEDIA Chief Executive Datuk Dr. Mohd Yaakub Haji Johari spoke of the halal investment opportunities in the SDC and government fiscal incentives that can be enjoyed by halal industry entrepreneurs in Sabah. SEDIA also operated a booth to promote investment in SDC and networking.

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.



Seated (left to right): Justin Janim, Mary Sintoh (Vice President) Standing (left to right): Rodney Jammy, Florence Francis, Mazie Wider, Grace Mimie Thomas, John Linggom, and Meural Davlen Mathew, (Not in picture): Yvonne Melse Laurence, Rechel Nusius, Henzilenah Kinjuit, and Muhammad Shafwan Abdul Wahab

Featured activity – 1Agro-SAIP Training Programme

The 1Agro-SAIP Training Programme was established and implemented with the aim of empowering technopreneurs in the agri-based industry, by giving them the necessary exposure and transfer of knowledge, especially on processing of agri-food and Specialty Natural Products (SNPs). Designed to be a part of the SAIP pre-incubation initiative, the programme will screen and select potential agro-technopreneurs, thus preparing them to operate under a conducive incubator business environment.

This programme targets Malaysians in Sabah aged between 18 and 60 years, especially school leavers, graduates and members of the public who are interested in becoming local entrepreneurs in agro-businesses. Experienced speakers and industry representatives in various sectors, including pharma-herbs, Controlled Environment Farming (CEF), post-harvest handling technology, agro-organic and agro-food industries, business and marketing through E-Commerce, and bio-science and biotechnology were invited to come and share their experience and expertise with participants.

Since the programme was introduced in 2012, the Knowledge and Technology Management Division has successfully conducted 19 courses under the 1Agro-SAIP Training Programme. The programme thus far has benefit around 1,120 participants. From surveys conducted among the participants, majority of the participants welcomed the implementation of the 1Agro-SAIP Training programme and were very satisfied with the content of the modules, presentations and course implementation.

Date	Course
11 March 2014	Introduction and Opportunities in Controlled Environment Farming (CEF) Industry
20 May 2014	Introduction and Opportunities in Seed Planting Production
23 September 2014	E-Commerce Business and Marketing
30 September 2014	Handling of Post Harvest Technology
29 October 2014	Outreach Awareness / Dialogue Programme – Financing for SMEs in SDC



The 1Agro-SAIP training programme have been receiving overwhelming response from entrepreneurs.

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 SDC projects;
- To determine tender and procurement strategy;
- To liaise with project consultants;
- To provide technical advice; and
- To recommend project closure and payment.



Courtesy visit to the Sabah Agro-Industrial Precinct by a delegation from KKIP Sdn Bhd

Featured activity - Outcome Assessment on completed SDC projects in 2014

Since the launch of the Sabah Development Corridor in 2009, various SDC projects had been implemented with the objective of accelerating the growth of Sabah's economy and ensuring more equitable wealth distribution among the people of the State. Most of these projects are located within rural areas, in line with one of the objectives of SEDIA which is to ensure that social development and sustainable development are kept as priorities whilst driving economic growth in the Sabah Development Corridor. An important responsibility of SEDIA is ensuring that the projects implemented thus far are beneficial to the people, in terms of their socio-economic conditions. SEDIA has conducted a number of visits to several completed projects in 2014, to assess the outcome that these SDC projects have towards the local community and the economy.

Program Mini Estet Sejahtera (MESEJ)

The State Ministry of Rural Development had initiated Program Mini Estet Sejahtera (MESEJ) to alleviate the standard of living among the rural poor. The main objective of MESEJ is to increase the income of the hardcore poor in a sustainable manner, as well as attaining higher quality of life. MESEJ includes the development of at least 100 hectares of government land to cater for three types of economic activity chosen for the project: rubber, oil palm or aquaculture. Eligible participants and their respective families receive their income by working directly on the farm, through maintenance fees, and also dividend from the farm's operational profit.

Four MESEJ projects are funded through the SDC. In 2014, three completed projects were visited by a team from SEDIA. On August 11, 2014 the first project to be visited by the team to conduct an outcome assessment was MESEJ Kg. Bunang, Sook, where the oil palm plantation provides the core economic

activity that employs 33 participants. An 11-kilometre access road to the project site is directly funded through the SDC.

This followed with another consecutive outcome assessment visit to the second and third MESEJ projects, which are MESEJ Kg. Kinolosodon, Papar on September 2, 2014 and MESEJ Kg. Sarap-Siampak, Menumbok on September 3, 2014. MESEJ Kg. Kinolosodon involves 33 participants with the rubber plantation providing the core economic activity. The SDC contributed to the development of the MESEJ project by channelling funds to construct a 5-kilometre access road to the site.

MESEJ Kg. Sarap-Siampak houses 44 participants with poultry (rearing of ducks to produce eggs) as the core economic activity. The SDC contributed to the MESEJ development by channelling funds to construct access roads and water supply system for the benefit of the participants.

21 Agriculture roads project

In an effort to increase economic activity around the rural areas, particularly in the agriculture sector, a total of 21 rural roads have been completed under the SDC. In 2014, seven of these roads which had been completed were visited by a team from SEDIA to assess the ability of the roads to not only expedite the transport of agriculture yields, but also help rural communities to have greater and more cost effective access to a wider range of facilities that in the past were difficult to come by. In Penampang, two completed roads under the SDC were visited by SEDIA team on July 15, 2014. These are the road leading to the Babagon Fisheries Station (Jalan ke Stesen Perikanan Babagon) and the road leading to two villages, Kg. Kituau and Kg. Ramayah. The next day, the team visited and conducted an outcome assessment on the Kapa Gaya Ratau to Bundu Tohuri road in Tamparuli. With a length of 8 kilometres, it benefits the rural communities located adjacent to the road, by reducing transportation cost. This is timely as residents are actively pursuing agricultural activities.

Later that year, the team went further afield to conduct outcome assessments on two rural roads in the interior. The visit was held during August 11-13. One such road provides access to Taman Kekal Pengeluaran Makanan (TKPM) at Nabawan. While the main purpose of the project was to enable agriculture produce to be transported out into the intended markets at Keningau and Nabawan, its benefit extends into enabling students at SMK Nabawan I and II to attend classes with less transportation difficulty.

Another completed road visited and assessed by the team was at Keningau. This road has enabled access to the Binaoang Paddy Mechanisation Station (Jalan ke Stesen Mekanisasi Padi Binaoang). The road has not only benefited villagers and researchers travelling to the station, but also enables more convenient access by public visitors. The remaining roads visited and assessed by a team on September 4 are located at the Papar district. The first road enables access to Bongawan Livestock Farm (Ladang Ternakan Bongawan), while the second road provides access to residents at Kg. Ulu Lumagar, Bongawan.

Non-Timber forest project

In the effort towards ensuring Sabah's rainforests and wildlife are conserved and protected, the Sabah Forestry Department has embarked on several projects on the State's East Coast. Aply called 'Projek Hutan Bukan Kayu' (lit. Non-Timber forest project), it involves the preservation and sustainable use of herb-based plants, which also include bamboo and rattan. Concurrently, the Sabah government also aims to increase awareness among the public on the unique attributes of the State's natural environment, via eco-tourism activities.

SEDIA fully supports the initiative and has provided funding to this project. The projects are concentrated in four major conservation areas: Lower Kinabatangan-Segama Wetland Area, which is the largest wetland area in Malaysia under the RAMSAR convention, the Tabin Wildlife Reserve, Rainforest Discovery Centre at Sepilok Forest Reserve, and Sandakan Rainforest Park. From the 8th to 13th September 2014, the team from SEDIA visited and assessed all the components of this project.

Accounting and Finance Department (AFD)

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

Featured activity - Financial Management System

In its fifth year of operation, the management of SEDIA has been on the right track; in financial management and administration aspects, SEDIA has been given a four star rating in the Financial Management Based on Accountability Index 2014 by the National Audit Department on June 4, 2014. This provides a clear indication that SEDIA is committed to strengthening the integrity and credibility of its financial management and administration. The presentation of the Certificate of Excellence was held on November 24, 2014.

From the financial management aspect, SEDIA had once again received an unqualified audit certificate for Financial Statement, for the year ended 31 December 2014. This means that SEDIA has received an unqualified audit certificate for five consecutive years since its inception in 2009. The awarding of this certificate is a recognition that SEDIA financial management is systematic, efficient and transparent in accordance with current financial procedures.



Seated (left to right): Ruslan Ismail, Ezizol Feickrye Abd Kadir, Standing (left to right): Norizan Datu Batul, Evelyn Simon, Nur Hanizah Khusaini, and Clarice Tony, (Not in picture): Yunus Gastom Abdullah (Assistant Vice President)

Administration and Corporate Services Department (ACSD)

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

Featured activity - SEDIA Quality Management System

The SEDIA management system complies with the international standard of quality management certificate MS ISO 9001: 2008. Following the accreditation of quality management standards in SEDIA through MS ISO 9001: 2008, Audit Monitoring will be conducted twice a year by Lloyd's Register Quality Assurance. Since the award of the certificate, Oversight Audit had been carried out three times. The last audit was conducted on 29 and 30 December 2014. These audits found that the management systems of SEDIA were still in line with the procedures of MS ISO 9001: 2008. SEDIA management will continue to ensure continuous improvement in its systems and procedures to ensure optimum delivery of performance and services.



(Left to right) Milton Bongilin, Suzana Ibrahim, Noriah Asli, Vanessa Yong Siew Ping (Assistant Vice President), Kamarudin Sanudin, Salina Zaim, Masnilah Othman, and Nur Hanis Ramli, (Not in picture): Sue Rachele Paul, Siti Nur Afidah, and Marcella Lunsin

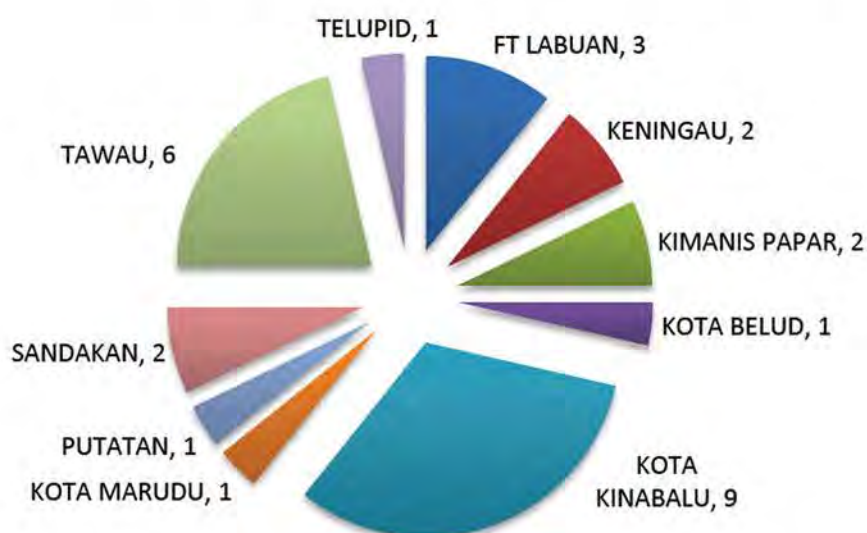
TERAJU@SDC

In its role as facilitator and coordinator for development programmes of SMEs under TERAJU, SEDIA through the TERAJU Facilitation Fund Committee had approved 28 private investment projects with a total development cost of RM685.45 million as at December 2014. Since the launch of TERAJU@SDC in 2012, almost 80 percent of the total RM100 million approved funding from UKAS has been committed. Distribution of the Facilitation Fund is as shown below:

Facilitation Funds Approved Under TERAJU@SDC (2012 - December 2014)

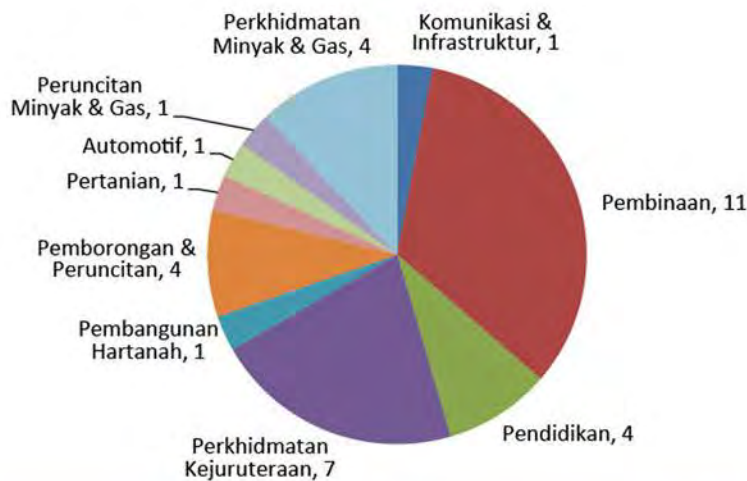
Year	No. Projects	Project Development Costs RM (Million)	Bound Facilitation Fund RM (Million)
2012	2	70.20	9.19
2013	8	182.07	18.55
2014	18	433.18	51.94
Total	28	685.45	79.68

Private Investment Projects Approved Under TERAJU@SDC, by Location
(2012 – December 2014)



From 2012 until 31 December 2014, 72 applications were received for participation in the High-Performing Bumiputera Companies Programme (TERAS) of TERAJU@SDC. From the application received 35 companies have been approved and given the status of TERAS companies.

Teras Companies Approved Under TERAJU@SDC, by Sector
(2012 – December 2014)



Members of the Authority seen with recipients of the TERAJU Bumiputera entrepreneur development fund

KEY EVENTS TIMELINE

2014

DECEMBER

OCTOBER

AUGUST

NOVEMBER

SEPTEMBER

6



Courtesy visit by Aigo Entrepreneurs Alliance from China and Sipadan Mangrove Resort Sdn Bhd

9



Courtesy visit to YB Datuk Radin Malleh, State Minister of Rural Development

16



SEDIA and IDS delegation made a courtesy visit to Institute of Technology Tallaght (ITT) Dublin, Ireland

29



Courtesy visit to Tan Sri Dr. Ali Hamsa, Chief Secretary to the Government

2014

JANUARY

7



Courtesy visit to Datuk Ismail Abdullah, Director of the State Economic Planning Unit

10



Courtesy visit to Tan Sri Dato' Dr. Mohd Irwan Serigar B. Abdullah, Malaysia's Secretary General of the Treasury at his office in Ministry of Finance

27



French Embassy Economic Counsellor, Mr. Christophe Morchoine and Trade Counsellor Francois Matraire made a courtesy visit to SEDIA during their first time visit to Sabah

FEBRUARY

2014

21



SEDIA Finance and Investment Committee members made a working visit to one of SDC's flagship projects, Keningau Integrated Livestock Centre (KILC) located in Sook, Keningau

25



A group from Gateshead College of the United Kingdom, paid a courtesy visit to SEDIA CEO at Wisma SEDIA

25



NTEP Soft Skills Training on 'Business Communication skills for professional executives'

27



Courtesy visit to MIDA Chairman Tan Sri Amirsham A. Aziz, and CEO Dato' Azman Mahmud

MARCH

2014

3



Courtesy visit by Mihana Group from Fuji, Japan

6



Courtesy visit by Australia Wide Business Training (AWBT)

10



Courtesy visit by H.E. Judith St. George, High Commissioner of Canada to Malaysia accompanied by three officials of the High Commission of Canada in Kuala Lumpur

21



Courtesy visit by China Real Estate Chamber of Commerce, Hong Kong Chapter

22



Site visit of KILC with the Institute of Technology Tallaght (ITT) Dublin, Ireland

28



Site visit of the SDC Sapangar Bay Dual Carriageway project site with the Sabah State Secretary

2014

MARCH

11



SEDIA CEO speaking at the Malaysia Geospatial Forum and Sabah International Surveyors Congress 2014

21



Courtesy visit by the CEO of Fumase from California, USA to SEDIA

24



SDC Innovation Public Forum co-organised by SEDIA and IDS

APRIL

2014

3



Courtesy visit by International Enterprise, Singapore to SEDIA

4



Courtesy Visit by Collecte Localisation Satellites of France

10



Courtesy visit by TA Securities Holding Berhad to SEDIA

14



Meeting with team from the Northern Corridor Implementation Authority (NCIA)

16



Courtesy Visit by SEDCO-Swakaya to SEDIA

24



Press Conference for the Kota Kinabalu International Film Festival 2014

7



Courtesy visit by the Sabah Housing and Real Estate Association (SHAREDA) to SEDIA

20



1 Agro-SAIP programme on 'Pengenalan and Peluang Industri Pengeluaran Biji Benih Tanaman'

6



Courtesy visit by Malaysia-United States Ties (MUST) and the Institute of Strategic and International Studies to SEDIA

8



Speech by Ms. Jesi Majungki, Deputy Vice President at The Awards Night by KKIFF

2014 **MAY**

20



'Hole through' ceremony for the SDC Sapangar Bay Dual Carriageway project

2014 **JUNE**

5



NTEP Soft Skills training on 'Problem Solving and Decision Making'

7



The Sabah Pitching Forum - presentation of pitches to the pitching panel

12



Site visit of the Gateshead College representative to Sandakan Education Hub

JULY

2014

21



SEDIA, UCSF and staff of Salford University at Media City @ UK

25



Courtesy visit by the Organisation for Economic Cooperation & Development (OECD) to SEDIA

AUGUST

2014

5



Study Tour by the SEDIA Finance and Investment Committee to The United Kingdom led by Tan Sri Datuk Seri Panglima Dr. Wan Aziz Wan Abdullah

21



Courtesy call by Y.Bhg. Tan Sri Dr. Wan Abdul Aziz to Y.A.B. Chief Minister of Sabah

29



Halal Outreach Programme (HOPE)

17



Meeting with Counsellor (Commercial) and Senior Trade Commissioner from High Commission of Canada in Kuala Lumpur

18



SEDIA team Courtesy Visit to the Mayor of Kota Kinabalu

19



Meeting with New Zealand Trade and Enterprise (NZTE)

22



British High Commission Visit to SEDIA

2014

SEPTEMBER

18



SEDIA participation at the Sabah International Expo (SIE) 2014

18



Courtesy visit by visiting Cebu delegation to SEDIA

19



Slovakia delegates courtesy visit to SEDIA

24



Trade and Investment Mission to the United States, organised by MIDA

OCTOBER

2014

14



NTEP Soft Skills training on 'Accelerated time management for an effective self' organised by SEDIA

16



Meeting with Spanish investors in Madrid

2014

NOVEMBER

15



Briefing by Ms. Mary Sintoh, Vice President on the SDC during the "Business and Entrepreneurship Opportunities" talk for Wanita PBS members

25



Site visit by Nomination, Establishment and Remuneration Committee members to KILC at Sook, Keningau

DECEMBER

2014

8



17th Meeting of the Members of Authority

12



MoU signing ceremony between SEDIA and SPARKS

Highlights of SEDIA Activities





SEDIA receiving Four Star Rating under the Accountability Index 2014 accredited by Jabatan Audit Negara

Highlights of SEDIA Activities

Corridors and Cities Transformation Programme activities in 2014

The Corridors and Cities Transformation Programme was formulated to complement the Economic Transformation Programme (ETP) and Government Transformation Programme (GTP) at the national level. The result of the programme are the regional Entry Point Projects (EPPs), with the aim of realising Malaysia's vision of becoming a high-income nation by 2020, with a Gross National Income per capita of USD15,000. As the custodian of the Sabah Development Corridor, SEDIA has been entrusted to spearhead the monitoring and implementation of the SDC EPPs with collaboration from the Performance Management and Delivery Unit (PEMANDU) under the Prime Minister's Office.

Delivery Management Office meeting

To ensure the smoothness of implementation of the EPPs in Sabah, a series of Delivery Management Office (DMO) meetings were initiated with the latest one being held on September 29, 2014. The meeting was attended by 34 representatives comprising EPP owners and relevant government agencies from the fields of agriculture, tourism, manufacturing and logistics, education, palm oil, and oil and gas. The meeting enabled EPP owners to present their monthly progress reports, action plans and strategies to SEDIA and PEMANDU.



Various stakeholders convene to discuss the implementation of Entry Point Projects

Courtesy Call by Bank Negara Malaysia

On 23rd September 2014, Bank Negara Malaysia made a courtesy visit to SEDIA. The team was led by the Deputy Director of the Economics Department Dr. Mohamad Hasni Sha'ari, and accompanied by six officers.

The purpose of their visit was to have a better understanding of Sabah's economic conditions and the progress of the SDC. In addition, BNM also visited several SDC projects, namely the Sabah Agro Industrial Precinct and the Kimanis Power Plant, both located at Kimanis, Papar.

The engagement saw both parties discussing on the progress of current projects, as well as issues on labour, infrastructure, cost, financing, types of companies or investors attracted to invest in Sabah and others.



SEDIA regularly receive courtesy calls by government agencies to promote better working ties

Human Capital Development Activities in 2014

National Talent Enhancement (NTEP) Soft Skills training

The Performance Management and Delivery Unit (PEMANDU) under the Prime Minister's Office has initiated the National Talent Enhancement Programme (NTEP), with SEDIA as the implementing agency in Sabah. The NTEP is a 12-month internship programme under Human Capital Development in the Economic Transformation Programme (ETP). The objective of the NTEP is to accelerate the development of graduates and a skilled professional workforce, through partnership and collaboration with the private sector. It aims to build a talent pool of skilled workforce via industry relevant skills training and on-the-job practical exposure. In 2014, a series of Soft Skills Training courses were conducted.



NTEP Soft Skills training courses allow for fresh graduates to fast track the acquisition of skills that are beneficial in the workplace

Business Communication Skills for Professionals & Executives

The NTEP Soft Skill Training Programme for 2014 started with the "Business Communication Skills" course which was held on February 25, 2014. The objectives of this training were to help the trainees to discover the benefits of good business writing, upgrade personal branding, and to enhance corporate image through verbal communication. A total of 26 trainees from various NTEP hosting companies attended the training. The participants regarded the training as crucial in helping them to build a strong foundation in communication and interpersonal skills.



The response by fresh graduates towards the NTEP programme has been positive and increasing over the years

Problem Solving and Decision Making

The Soft Skill Training course entitled “Problem Solving and Decision Making” was held on June 5, 2014 with 21 trainees participating. Its objectives were to assist the participants to recognise and identify problems, acquire techniques in problem solving both as an individual and a team member, identify the real issues, generate creative ideas, evaluate different options, and convert an idea or decision into an effective source of action. The course taught participants that a poor approach to decision-making and problem-solving is an underlying cause of stress to individuals and those affected. Decision-making is a key skill that affects the success of an individual in career choices and a wide range of tasks.

Accelerated Time Management for an Effective Self

The sixth NTEP Soft Skill Training course was held on October 14, 2014 and was attended by 27 participants. The objectives of the training were to enhance participants’ decision-making abilities, responsiveness, time management, stress control, focus on important tasks and projects, and ability to achieve a balanced life.

Sabah Industry Dialogue: Malaysia Polytechnic and Industries Collaboration towards meeting Human Capital Development requirements in Sabah

The event was held on October 30, 2014 and was organised by Malaysia Polytechnic in collaboration with SEDIA, KKIP Sdn Bhd and the Sabah Oil and Gas Contractors Association. The objectives of the dialogue were:

1. To align Malaysia Polytechnic’s aspirations with the Sabah Development Corridor Blueprint, thus enhancing employability among Malaysia Polytechnic graduates in Sabah.
2. To address current challenges, trends and opportunities faced by Malaysia Polytechnic graduates in relation to the SDC.
3. To explore new areas of collaboration with regard to emerging future needs of human capital development in Sabah.

The dialogue was initiated to provide an avenue for Technical and Vocational Education and Training (TVET) providers to have a better understanding of the needs of industries in Sabah. The dialogue also provides a platform for the industries to see the strengths of TVET institutions, namely: Malaysia Polytechnic, community colleges and vocational colleges.

The 5th International Greentech and Eco Products Exhibition and Conference Malaysia 2014 (IGEM 2014)

SEDIA had participated with a booth presence at the exhibition during the fifth International Greentech and Eco Products Exhibition and Conference Malaysia 2014 (IGEM 2014) which was held on October 16-19, 2014 at the Kuala Lumpur Convention Centre.

IGEM is an annual exhibition and conference promoting green technology and eco-products. It is an annual strategic green platform for industry players to showcase the latest innovations and creative green technology products and services, eco-products and initiatives. The aim for IGEM was to push for rapid adoption of green technology, seen as the emerging driver in delivering sustainable economic growth. Themed "Creating Green Wealth", the IGEM2014 also addressed several environmental and energy security issues.

The team from SEDIA was headed by Puan Mary Sintoh and comprised of staff from the Knowledge and Technology Management Division. It is estimated that SEDIA booth received as many as 1500 visitors and had made inquires on the following:

- Roles and methods of the SDC in incorporating green technology in development projects;
- List of green projects in Sabah;
- Level of security in Sabah and impact to the investment, tourism and economic sector;
- Benefits to investors investing in Sabah.



Members of the public engaging with SEDIA during conferences and exhibitions

Trade and Investment Missions

SEDIA actively participates in trade and investment missions organised and led by Malaysian Investment Development Authority (MIDA), and the Ministry of International Trade and Industry (MITI) in promoting and attracting investments into the State.

Following participation in MIDA's trade and investment mission to Europe in June 2014, SEDIA had managed to secure several business leads and foster stronger relationships with European investors.

Trade and Investment mission to the Institute of Technology, Tallaght (ITT Dublin) in Dublin, Ireland

On January 15, 2014, SEDIA Chief Executive Datuk Dr Mohd Yaakub Johari led a delegation comprising representatives from UMS Link Holdings Sdn Bhd, the Institute of Development Studies, Sabah (IDS) and SEDIA to a follow-up visit to the Institute of Technology, Tallaght (ITT Dublin) in Ireland. The trip was meant to reciprocate a visit to Sabah made by ITT Dublin in November 2013.



Members of the delegation from Sabah during a meeting at the Institute of Technology, Tallaght in Dublin, Ireland

ITT Dublin's mission was to be the centre of higher education and knowledge creation, to be recognised as a leader in supporting research and commercial innovation, and to assist in the advancement of the economic, social and cultural life of the region. They have 15 years of experience in improving performance of Irish SMEs, in addition to 17 years of similar experience with MNCs located in Ireland. With this, they believe the models that they have developed were transferable and adaptable to Sabah. The models have evolved over the years and have been recognised by a number of agencies as effective methods of driving industrial and commercial development.

The two-day visit to ITT Dublin consisted of presentations and briefings by ITT Dublin President Mr Pat MacLaughlin, Head of the School of Science Dr Mike Ahern, and several of their colleagues, and also a site visit to the Athlone facility of a biopharmaceutical company, Alkermes. Alkermes is a renowned leader in innovative medicine that addresses needs and challenges of people living with debilitating diseases, and is a fully integrated global biopharmaceutical company that applies scientific expertise, proprietary technologies, and global resources in developing products.

The delegation also had the opportunity to visit the ITT Dublin Synergy Centre, an on-campus business incubation centre working with start-up companies to grow their businesses, with a strong focus on high technology and knowledge intensive sectors. In operations since November 2006, the Synergy Centre caters for all shapes and sizes of early-stage businesses. Additionally, the centre hosts regular events and activities, all centred on their client companies' needs. Currently, they have 18 high potential start-up projects and regionally significant companies.

Knowledge sharing and discussions throughout the visit were received positively from both sides. The ITT Dublin Synergy Centre offers a good model for SDC in biotechnology innovation, the development of the pharmaceutical industry, upskilling of human capital, incubator development and the commercialisation of R&D.

Trade and Investment Mission to the Philippines

The trade and investment mission to the Philippines was held on May 21-24, 2014 at Makati City, Philippines, and was led by Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry with assistance from the Malaysian Investment Development Authority (MIDA). Also joining the mission from Malaysia were Deputy Chief Minister of Sabah Datuk Raymond Tan Shu Kiah together with a group from SEDIA, Regional Corridor Development Authority (RECODA) officials, and other business entities from various sectors in Malaysia.

The objectives of the mission were to explore opportunities for business collaboration between Malaysian and Philippines companies, to create awareness on Malaysia's strength and capabilities, and to gain first-hand information on Philippines' trade and investment climate. The highlights of the mission were the first-hand information gained regarding Philippines' trade and investment climate, one-on-one business meetings between Malaysian companies and Philippines importers and buyers, and networking sessions with key officials from the Philippines government, public institutions and private entities.

During the business matching session, the SEDIA booth was approached by various companies, receiving enquiries on topics ranging in interests, such as details of SEDIA, possible areas of collaboration, potential investment details, and most importantly any potential follow-up action from both parties.



SEDIA Chief Executive Datuk Dr. Mohd. Yaakub Johari during his participation at a trade and investment mission

2014 BIO International Convention San Diego, California, USA

Another trade and investment mission was held on June 23-26, 2014, to the United States.

The main objective of the mission was to attend the 2014 Bio International Convention held from 23rd to 26th June, at the San Diego Convention Centre. A platform for peers in biotechnology globally, 76 biotechnology and pharmaceutical executives, scientists and innovators were scheduled to speak on emerging trends in genomics, wireless healthcare, new research technologies and personalised medicine. The conference also featured an "Innovation Zone" sponsored by the National Institute of Health and the National Science Foundation, showcasing biotech start-up companies and a convention floor with more than 1,700 exhibitors.

Besides visiting one of the three largest life sciences clusters in the US, the SEDIA team also took the opportunity to explore the creative industry aspect of California, comparing models that can be replicated in Sabah. Sabah has the potential to serve as a location for the creative industry in view of its rich natural endowment; from marine life to wildlife, acres of lushes natural rainforest, the technology and a welcoming community eager to delve into new growth frontiers such as biotechnology and the creative industry.

Two main conservation locations in California were also visited: the San Diego Zoo and Safari Park. The San Diego zoo is a 100-acre establishment. The exhibits are linked by an expansive series of trails like the Monkey Trails, and Forest Tales walk. The Safari Park, located 30 miles from the zoo, hosts various habitats for exotic animals such as lions, elephants, and rhinoceros, all roaming freely

highly secured fenced area. Services like tour guided buses are aplenty and visitors can choose different packages to suit their interest. The interesting elements of these parks include the participation of the private sectors and the local communities and educational institutions in the conservation efforts.

Santa Monica beach, also known as State Beach, lies to the north of Los Angeles, is a beachfront city operated by the city of Santa Monica. Here, the delegation had the opportunity to visit the famous Santa Monica Pier, a century old landmark. The attractions comprise the sunset view, restaurants, lively street (pier) performance, carnival games, a vintage carousel, Ferris wheel, and roller coaster. Along the coastal beachfront, many cyclists can be seen cycling along the 22-mile bike path.

The delegates also had the opportunity to view what is known as the maritime hub of the Pacific US, Long Beach. The port of Long Beach is the United States' second busiest container port and one of the world's largest shipping ports. The city also maintains a large oil industry, with wells located both underground and offshore.

The SEDIA team also managed to make a courtesy call to the Director of MIDA Los Angeles. SEDIA has always endeavour to foster good working relationships with MIDA, including its offices worldwide. The meeting proved fruitful and is a step forward in working closely with MIDA LA in attracting American investors to the abundant business opportunities in Sabah.

Study Visit to the University of South Wales (USW), United Kingdom

Aviation is a greenfield industry for SEDIA, promising a new source of growth for Sabah. It is also in line with SEDIA's mission to improve the connectivity and logistics of Sabah.

With future expansion plans for the Kota Kinabalu International Airport, the current rate of traffic growth for the airport and its facilities (i.e. cargo and freights), and introduction of the National Aviation Policy by the Federal government, it was timely for SEDIA to explore the launching pad for Sabah into the aviation sector. The University of South Wales (USW), UK had expressed its interest to establish an aviation academy in Malaysia. The interest provides a good opportunity for SEDIA to explore the potential of the aviation sector in Sabah.

To gain better insight on their education system, which includes a Bachelor of Science in Aircraft Maintenance Engineering (which includes the EASA license – B1 & B2), and Engineering Foundation courses for students who do not have the necessary A level grades to enter the BSc programme, SEDIA organised a study visit to the USW on August 3, 2014.

Led by the Chairman of SEDIA's Investment and Finance Committee, Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah, as well as Tan Sri Bashir, both of Malaysian Airports Holdings Berhad, the team held discussions with the Pro Vice Chancellor of USW and academic staff of the Aerospace Department. The team saw the prospects for Sabah to participate in the aviation sector with the possible collaboration with USW.



SEDIA Chief Executive Datuk Dr. Mohd. Yaakub Johari (left) and SEDIA Finance and Investment Committee Chairman Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz during a tour of the Aerospace Department at the University of South Wales

Trade and Investment Mission to Boston and New York, USA

A team from SEDIA had also participated in another trade and investment mission to the United States, specifically in Boston and then New York, on 19-29 September, 2014. The mission began in Boston, where MIDA had organised a seminar titled "Malaysia-USA Business Opportunities". Participation in the seminar proved fruitful, as business networking opportunities during the event saw interest being relayed to SEDIA especially in the human capital, oil and gas, and logistics sectors.

The following day saw SEDIA participation at the Bio-International Advisory Panel (Bio-IAP) meeting, in its eighth iteration held in New York and organised by BiotechCorp. Bio-IAP is an annual meeting involving global experts in the biotechnology industry, with the objective of discussing matters relating to the direction of and improvements in the implementation of the National Biotechnology Policy (NBP). The meeting was chaired by Prime Minister of Malaysia Dato' Sri Mohd Najib Tun Haji Abzul Razak, and saw participation by a panel of 11 members which comprised leading experts of various fields relating to biotechnology, appointed by the Prime Minister for the period of 2012 to 2014. With the NBP now in the phase of development and commercialisation, the meeting saw views and proposals brought forward by panel members for consideration, while also including the progress update report of the bio-based industries in Malaysia, and the impact that can be generated through the development of the bio-economy.

The mission then concluded on September 25, with a business forum organised by the New York branch of MIDA.



SE DIA Chief Executive Datuk Dr. Mohd. Yaakub Johari and Deputy Vice President Jesi Majungki participating in a business networking session

Sabah on right track
Sabah is on the right track to become a developed state, says the Chief Minister, Datu Patinggi Lubis. He said the state government is committed to the development of Sabah and to the well-being of its people.

Marriott and Hilton soon joining KK hotel scene
The Marriott and Hilton hotel groups are expected to join the Kota Kinabalu hotel scene soon. The state government is pleased with the interest shown by these international hotel chains.

China group keen on RM2.5b Sipadan venture
A Chinese investment group is keen to invest RM2.5 billion in a venture on Sipadan Island. The group is looking for a partner to develop the island's tourism potential.

Locals should have advantage of KCO job offers
Local residents should have the advantage of job offers from the Kuching Corporation. The company is looking for qualified candidates to fill various positions.

Sektor pelancongan Sabah jana RM6.35b tahun lepas: Masidi
The tourism sector in Sabah generated RM6.35 billion in revenue last year, according to the Deputy Chief Minister, Masidi Ali. He said the state government is committed to the development of the tourism industry.

Aeropod expected to be completed in 2 years
The airport project is expected to be completed within two years. The state government is committed to the development of the airport and to the well-being of its people.

Integrated transport hub to enhance KK's status
An integrated transport hub is being developed to enhance Kota Kinabalu's status as a regional hub. The project is expected to be completed within two years.

Public forum on SDC innovation
A public forum on SDC innovation is being held to discuss the development of the state development corporation. The forum is open to all interested parties.

SEDIA updates CM during courtesy call
The SEDIA board has updated the Chief Minister during a courtesy call. The board is committed to the development of the state and to the well-being of its people.

KNIPSB applies for 7th automotive zone
KNIPSB has applied for the 7th automotive zone. The company is committed to the development of the automotive industry in Sabah.

Tawau geothermal power plant ready by May 2016
The Tawau geothermal power plant is expected to be ready by May 2016. The plant is expected to generate significant revenue for the state.

SEC's 5th & 6th Virtual Pipeline Daughter Stations begin ops
The SEC's 5th and 6th virtual pipeline daughter stations have begun operations. The stations are expected to improve the efficiency of the pipeline system.

Syarikat Taiwan minat labor dalam Biomass di Sabah
A Taiwanese company is interested in labor in the biomass sector in Sabah. The company is looking for qualified candidates to fill various positions.

Matunggong to the Tip of Borneo tourism plan
The Matunggong to the Tip of Borneo tourism plan is being developed to attract tourists to the region. The plan is expected to be completed within two years.

REDtone signs ITCC deal
REDtone has signed an ITCC deal. The deal is expected to generate significant revenue for the state.

Bright prospects for Sabah aquaculture - TYT
There are bright prospects for Sabah aquaculture, according to TYT. The industry is expected to grow significantly in the coming years.

Sabah manufacturing sector among top five
Sabah's manufacturing sector is among the top five in the region. The sector is expected to continue to grow in the coming years.

POIC generates RM2.21bil in investments, says Tan
The POIC has generated RM2.21 billion in investments, according to Tan. The investments are expected to create significant jobs for the state.

China's ZTE to provide ICT solutions for ITCC
China's ZTE is providing ICT solutions for the ITCC. The solutions are expected to improve the efficiency of the ITCC system.

US takes special interest in the formation of AEC
The US takes special interest in the formation of the AEC. The US is committed to the development of the AEC and to the well-being of its people.

Gleneagles KK bantu tingkat mutu penjagaan kesihatan di Sabah
Gleneagles KK is helping to improve the quality of healthcare in Sabah. The company is committed to the development of the healthcare industry.

SDC projects directly benefiting the public
The SDC projects are directly benefiting the public. The projects are expected to improve the quality of life for the people of Sabah.

Huge biomass potential, says CM
There is huge biomass potential in Sabah, according to the Chief Minister. The potential is expected to be fully utilized in the coming years.

Turning oil palm waste into energy: Ongki
Turning oil palm waste into energy is a promising idea, according to Ongki. The idea is expected to be implemented in the coming years.

No decision yet on Lahad Datu power plant
There is no decision yet on the Lahad Datu power plant. The state government is still in the process of evaluating the project.

Kimanis power plant to start ops by July
The Kimanis power plant is expected to start operations by July. The plant is expected to generate significant revenue for the state.

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11th Malaysia Plan to be implemented according to govt's capacity, needs - Najib

PUTRAJAYA: The 11th Malaysia Plan will be implemented according to the government's capacity and needs, Prime Minister Najib Razak said today.

Mida eyes RM55 billion investment in manufacturing, related services sectors

PUTRAJAYA: The Malaysian Investment Development Authority (MIDA) is targeting RM55 billion in investments in manufacturing and related services sectors over the next five years.

Project will benefit Sabah: Developer

PUTRAJAYA: A project in Sabah will benefit the state, according to a developer, as it will create jobs and improve infrastructure.

Bulking installations at Sandakan POIC

SANDAKAN: The Sabah Port of Inland Commerce (POIC) is bulking installations to improve its infrastructure and services.

SDC sudah terima RM1.45b

KUALA LUMPUR: The Sabah Development Corporation (SDC) has received RM1.45 billion in funding for its projects.

Sawit Kinabalu still makes huge profit despite low price of palm oil

KINABALU: Kinabalu Sawit remains profitable despite the low price of palm oil, thanks to its efficient operations.

But less than half belonged to Bumis so far this year 249 'Halal' Sabah firms

KOTA KINABALU: Only 49 of the 249 'Halal' Sabah firms are owned by Bumis, according to a recent survey.

MoU on devt of urea and ammonia derivatives at Sogip

SOGIP: A Memorandum of Understanding (MoU) has been signed for the development of urea and ammonia derivatives.

Malaysian economy expands by 5.6 per cent in Q3 2014

KUALA LUMPUR: The Malaysian economy expanded by 5.6 per cent in the third quarter of 2014.

Kimanis Power Plant begins full commercial operation

KIMANIS: The Kimanis Power Plant has begun full commercial operation, providing electricity to the region.

Sabah to attract up to RM5 billion investments

SABAH: Sabah is expected to attract up to RM5 billion in investments over the next few years.

Penampang's first world class hotel

PENANGPANG: A world-class hotel is being developed in Penampang, Sabah.

Collaboration good for Samar project - CM

SAMAR: Collaboration between partners is good for the Samar project, according to the Chief Minister.

LD POIC investors adopt the community approach

LD POIC: Investors in the LD POIC project are adopting a community approach.

Max: 380MW power plant plan for S'kan

S'KAN: A 380MW power plant is planned for S'kan, Sabah.

Sabah property sector set to boom - Teo

SABAH: The Sabah property sector is set to boom, according to Teo Chee Kang.

Total investment approved likely to exceed last year's - Mustapa

PUTRAJAYA: Total investment approved is likely to exceed last year's, says Mustapa Mohamed.

RM1.23 bln biggest shrimp farm project launched in Pitas

PITAS: A RM1.23 billion shrimp farm project has been launched in Pitas, Sabah.

ITCC expected to be ready end of 2015

ITCC: The Integrated Thermal Coal Conversion (ITCC) project is expected to be ready by the end of 2015.

300MW power boost by Aug

300MW: A 300MW power boost is expected by August.

Teo Chee Kang: Chinese investors keen to invest in Sabah

Teo Chee Kang: Chinese investors are keen to invest in Sabah.

KPSB starts operations for second block of Kimanis Power Plant

KPSB: KPSB has started operations for the second block of the Kimanis Power Plant.

SOGSC to help boost development of Oil & Gas services sector in Sabah

SOGSC: SOGSC will help boost the development of the Oil & Gas services sector in Sabah.

INAUGURAL SOGSC CHARITY GOLF TOURNAMENT 2014

INAUGURAL SOGSC CHARITY GOLF TOURNAMENT 2014: Details of the tournament.



SDC PROGRESS



SEMBUGAN
RIVER PARK

The image shows a large, arched entrance sign for Sembulan River Park. The sign is made of blue metal beams with the words 'SEMBUGAN' and 'RIVER PARK' in orange, 3D-style letters. The background is a bright, slightly overexposed photograph of the park's entrance, featuring a paved walkway, a guardhouse, and a river in the distance.

Economic Growth

Human Capital Development

Investment Performance

Physical and Socio Economic Performance

Sembulan River Park



Kota Kinabalu Coastal Pedestrian Walkway and Cycleway

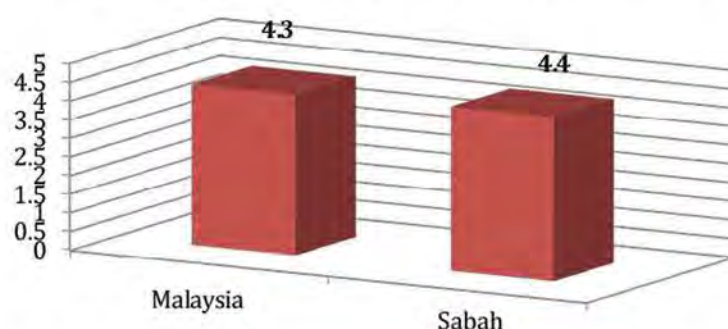
SDC Performance Review

Economic Performance

Overall, the economic situation in Sabah during 2014 was encouraging, with Gross Domestic Product (GDP) growing at five per cent.

The average annual growth rate of Sabah since the establishment of the SDC, over the 2008-2013 period recorded an average growth of 4.4 percent compared with 4.3 percent for Malaysia as a whole for the same period (see Chart 3).

CHART 1: Average Annual GDP Growth in Sabah, 2008 - 2013



Cargo Throughput

Concurrently, based on data collected so far in 2014, as seen in Table 1, the amount of cargo flow since 2005 has strengthened even in the face of external elements such as increasingly challenging economic conditions locally and globally. In 2014, Total Container Throughput for Sabah ports increased by 6.9% from 373,042 TEUs to 398,800 TEUs. This significant increase reflects on the resilient economic activities in Sabah for 2014.

TABLE 1: Sabah Ports Annual Total Container Throughput – TEUs (2005-2014)

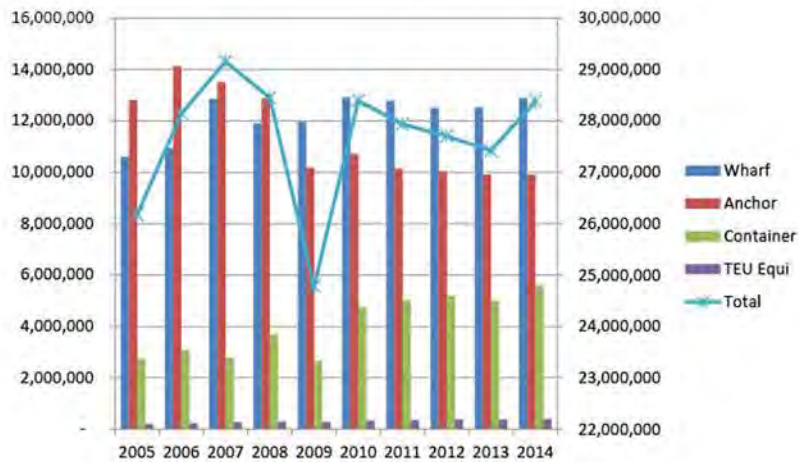
YEAR	WHARF*	ANCHOR**	CONTAINER		TOTAL
			TONNAGE	TEUs Equiv	
2005	10,611,286	12,804,811	2,758,250	208,490	26,174,347
2006	10,943,388	14,121,314	3,075,200	226,721	28,139,902
2007	12,859,504	13,507,744	2,785,432	271,471	29,152,680
2008	11,893,719	12,875,628	3,681,062	292,688	28,450,409
2009	11,960,308	10,173,434	2,645,344	277,905	24,779,086
2010	12,916,596	10,715,075	4,759,059	326,825	28,390,730
2011	12,783,872	10,126,588	5,025,255	356,195	27,935,715
2012	12,494,438	10,023,624	5,184,746	374,624	27,702,808
2013	12,520,128	9,904,011	4,990,844	373,042	27,418,304
2014	12,875,252	9,894,671	5,601,798	398,800	28,371,721

*Wharf: cargo handled at wharfs using port facilities

** Anchor: cargo handled at private jetties/ mid stream

Source: Suria Capital Holdings Berhad's Annual Reports (2005-2013) & Port Statistics, Dec 2014

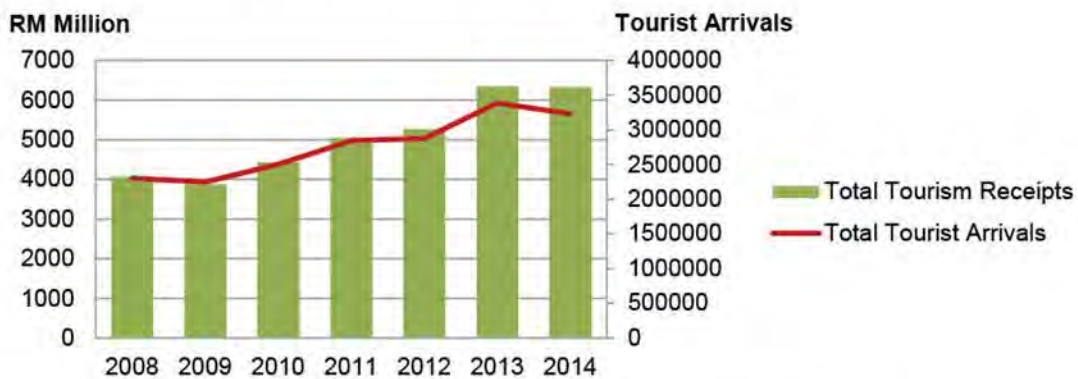
CHART 2: Combined Cargo Revenue and Performance Based Upon Tonnage Calculation During the Period (2005-2014)



Tourism Sector Performance

The tourism sector is one of the main contributors to revenue and economic development. The Malaysian tourism sector in 2014 experienced unfavourable incidents affecting the National tourism sector such as the incidents involving the flight MAS MH370 and MH17. In addition, the kidnapping of tourists from China in the same year also impacted negatively on Sabah, and Malaysia tourism sector. It is therefore expected that Sabah’s tourism record in 2014 experienced a slight decrease in the number of tourist arrivals by 4.5 percent compared with the record in 2013. However, despite these difficulties, Sabah managed to achieve tourism revenue of RM6.328 billion in the year 2014 in this sector, almost comparable to the preceding year.

CHART 3: Tourist Arrivals and Receipts 2008 - 2014

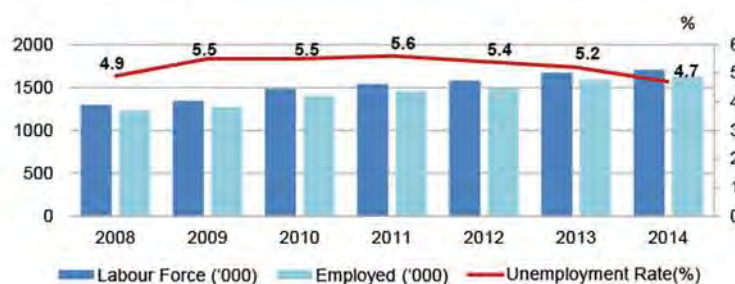


Source: Sabah Tourism & Speech by MTCE Sabah Datuk Masidi Manjun, Daily Express March 13, 2015

Employment trends and Unemployment rate

GDP growth in Sabah for the year 2014 had made an impact on the State labour market (refer to Chart below).

CHART 4: Sabah Labour Force Trends 2008-2014



Source: Department of Statistics, Malaysia/ Sabah Labour Department 2014

Based on the Labour Department records, the labour market in 2014 showed positive performance with a decline in the unemployment rate by 1 per cent from the year 2011 until the year 2014. The unemployment rate in 2014 at 4.6 per cent had indicated that many jobs have been generated in accordance with the implementation of various government and private sector projects in the country, particularly in respect to the SDC.

Human Capital Development

In line with the focus on raising the level of human capital development in the Second Phase of the SDC (2011-2015), SEDIA had intensified its efforts to develop the labour force and entrepreneurs.

In terms of SDC Human Capital Development, among the measures introduced include the joint programme with PEMANDU through the National Talent Enhancement Programme (NTEP) in improving the reliability of graduates to find jobs and the SDC Job Seekers database compiles profiles of graduates looking for work.

Manpower Placement

Through the SDC Job Seekers database, SEDIA plays the role of a One Stop Agency which serves to facilitate coordination of the supply and demand of manpower needs in the SDC.

As at December 2014, as many as 373 graduates had registered with SEDIA through the NTEP programme and the SDC Job Seekers database. Among them, 280 graduates or 75.1% have found employment.

TABLE 2: Breakdown of Graduates Registered Under SEDIA and Found Employment

Category	Registration Total (No.)	Employment Found (No.)	Rate (%)
Degree	256	204	79.7
Diploma	86	59	68.6
Certificate	31	17	54.8
TOTAL (No.)	373	280	75.1

CHART 5: SDC Job Seekers Employment Rate



Manpower Training and Skills Development Programmes

Concurrently, SEDIA also organises training programmes that directly help the development of human capital in the SDC. From 2013 until December 2014, 10 training programmes were conducted involving 287 participants.

TABLE 3: SDC Human Capital Development Activities and Training Courses (2013-2014)

No	Date	Programme	Participants
1	19-Jun-13	CAREER OPPORTUNITIES WITH SDC: Engagement Session with Graduates	43
2	25-Jun-13	STUDY ON HUMAN CAPITAL REQUIREMENTS IN SABAH: Workshop with Industry Players	54
3	1-Jul-13	STUDY ON HUMAN CAPITAL REQUIREMENTS IN SABAH: Workshop with Educational & Training Institutions	33
4	29 Jul - 29 Nov 2013	Accelerated Skills Enhancement Training (ASET) Programme	20
5	NTEP SOFT SKILLS TRAINING PROGRAMME		
5.1	6 - 7 Feb 2013	Upholding Your Brand through Business Communication	12
5.2	9-Jul-13	Leading & Facilitating Problem Solving at Workplace	30
5.3	30-Oct-13	Effective Time Management	20
5.4	25-Feb-14	Business Communication Skills for Professional & Executives	27
5.5	5-Jun-1	Problem Solving & Decision Making	21
5.6	14-Oct-14	Accelerated Time Management for Effective Self	27
Total Participants :			287

Capacity Building in Knowledge Intensive Industries

In efforts to strengthen the competitiveness of Sabah as a leading investment destination, SEDIA has identified several new sources of economic growth based on biotechnology and the creative industry. Human capital development initiatives to support these sectors have been carried out through cooperation with ministries and government agencies, academic institutions, and training and research bodies such as MOSTI, PEMANDU, MIMOS and BiotechCorp. SEDIA is also working with University College Sabah Foundation (UCSF) for the benefit of education, research and development, innovation, commercialisation and outreach programmes to drive the biotechnology and creative industries in SDC.

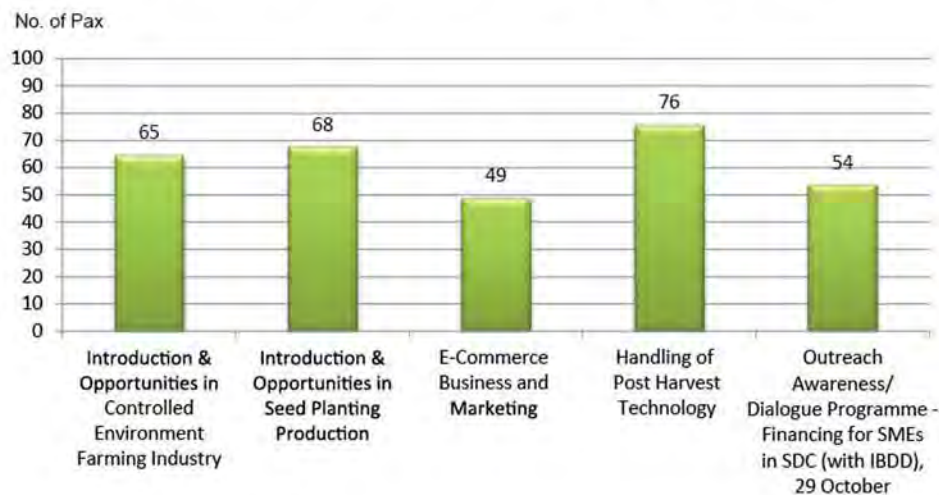
Entrepreneurship Training Programmes

Meanwhile, an SME Incubation Programme has been launched in 2014 designed to establishing the Sabah Agro-Industrial Precinct (SAIP) as an incubator centre. The main objective of this incubator centre was to provide support services and facilities for entrepreneurs to venture into agri-based businesses. The support services included activities such as training and exposure in agriculture technology, consultation and business networking, and venture capital financing infrastructure.

The 1Agro-SAIP programme, held to prepare and empower potential agri-entrepreneurs, saw five training programmes organised in 2014.

In summary, 19 training programmes that have benefited 1,121 participants had been organised by SEDIA in the course of two years and one month, between September 2012 and December 2014. A summary of the 1Agro-SAIP programmes for the year 2014 are listed in CHART 6.

CHART 6: Summary of 1AGRO-SAIP Courses During 2014



*Number of participants: 312 people

*IBDD – Investment and Business Development Division of SEDIA

Complementing these efforts, SDC 1Bizlink was created with the task of serving as solution provider by providing the latest information, business advice services and entrepreneur support to investors, SMEs, and Start-up businesses in starting or expanding their businesses, as well as linking their businesses to the SDC economic clusters. In SAIP, this approach is fronted by the Hotdesk programme. A total of 29 entrepreneurs have registered with the SAIP SME Incubation Programme, resulting from the 1Agro SAIP courses. The following (Table 4) lists out the current progress of the programmes as at December 2014.

TABLE 4: Summary of Hotdesk Programme as at December 2014

Hotdesk Activities	Total (Start-up companies)
Registered for SAIP SMEs Incubation Programme	29
Start-ups with with Business Model	7
Start-ups with Business Plan	2

Investment Performance

During the second phase of the SDC (2011-2015), SEDIA had taken measures to encourage foreign and local private investors, in addition to increasing the participation of Small and Medium Industries within focused sectors in the Sabah Development Corridor.

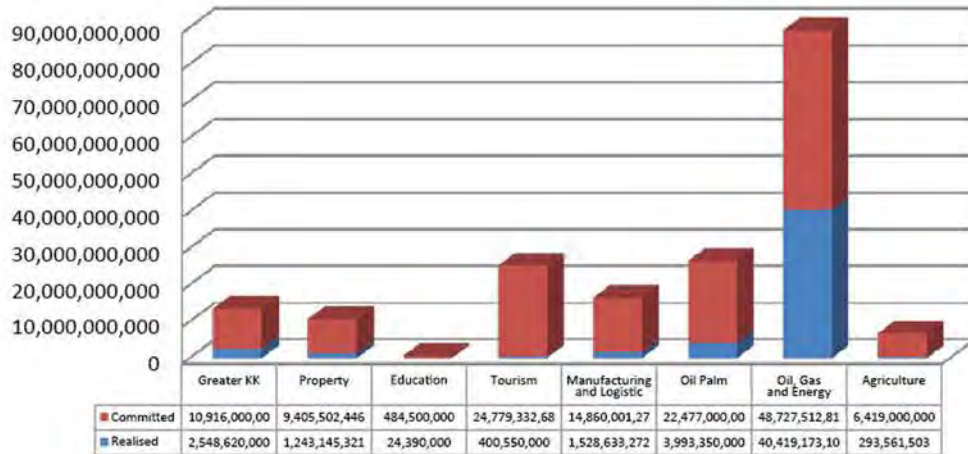
In 2014, trade and investment missions, and promotion activities were held in and outside the country to attract foreign and domestic private investors.

As the main authority tasked with the responsibility of accelerating the implementation of the Sabah Development Corridor (SDC), since it was established in 2009, SEDIA has been able to attract a total cumulative investment in the SDC of RM138.07 billion as at the end of 2014. The SDC investments achieved during the year 2014 saw an increase in total investments of RM10.02 billion compared to the previous year. The total investment realised increased from RM25.70 billion in 2013 to RM50.45 billion in 2014 as shown in Chart 7.

CHART 7: Comparison of Cumulative Committed and Realised SDC Investments (2013 - 2014)



CHART 8: Cumulative Committed and Realised SDC Investments Based on Sectors
2008 – December 2014



In line with one of the three established principles of the SDC, that is to capture high-value economic activities, the SDC focused on promoting sectors with the potential to generate high-value added to local and foreign investors since 2008. The impact of these efforts can be seen in Chart 8, which shows SDC achievements in all sectors where the oil, gas and energy recorded the highest investment with a total cumulative investment of RM48.73 billion and of that total, RM40.42 billion or 82.95% of the committed has already been realised.

Overall, development of Sabah through the SDC initiatives has produced positive performance:

- GDP in 2013 had reached 80% of the SDC target, during its second phase (2011 – 2015); and
- Also in 2013, tourism revenue had exceeded 10% of State GDP, as planned.

Physical and Financial Performance

SDC Projects funded from Federal Government development allocation.

In 2014, SDC projects that are under the scope of SEDIA have been carried out as planned under the Ninth and Tenth Malaysia Plans. During this period, a total of 54 projects (with 224 sub-projects) were approved since the launching of SDC, consisting of physical projects and studies. The physical progress of SDC development projects can be referred at Table 7. See also Table 8 for Entry Point Projects under SDC

In terms of development expenditure (DE) disbursement as at the end of 2014, overall payment performance of SDC projects for 9MP and 10MP had reached 90.48 percent, as in Table 5:

TABLE 5: Overall Performance of SDC Projects During 9MP and 10MP

Malaysia Plan	Distribution (RM)	Payment (RM)	Percentage(%)
9MP (Including additional Q4 2011 allocation)	1,082,557,532	1,042,012,560	96.25
10MP (RP1)	100,400,000	100,400,000	100
10MP (RP2& RP3)	417,308,500	302,325,504	72.45
10MP (RP4)	115,500,000	107,741,678	93.28
Overall total (9MP & 10MP)	1,715,766,032	1,552,479,742	90.48

Source: Sabah Economic Development and Investment Authority (SEDIA)

Keningau Integrated Livestock Centre (KILC)

In 2014, SEDIA had been directed to take over full control of the Keningau Integrated Livestock Centre (KILC) project including the day to day operations, administration and finance, and overall farm management. SEDIA had subsequently strengthened the capacity of the farm management, with a special focus on enhancing the skills of the farm workers and introduction of best practice in farm management. Towards this end, SEDIA had recruited a team of consultants to train farm workers. These measures had proven to be very effective.

This was reflected in the decline of heifer death rates to 3 percent in December 2014 compared to 6 percent in 2013, the period prior to the acquisition. Similarly, the mortality rate of calves showed a steep drop, from 11.57 percent in 2013 to 9.08 percent in 2014. In addition, the average milk production per dairy cow had increased from 6.88 litres daily in December 2013 to 7.45 litres daily in December 2014. This increase is indeed promising. There was an increase to 12 litres daily on the average for dairy cows. SEDIA will continue to ensure continuous improvement of farm operations management.

Socio-economic Impact

Since the establishment of the SDC in 2009, various initiatives have been implemented under the programme as catalysts of economic growth in the State, to improve the standard of living. These projects are mainly concentrated in rural areas as government measures to reduce the gap in living standards between urban and rural areas. Among the SDC projects which have benefited the rural population are the Agropolitan Pitas and Tongod projects, Sandakan Education Hub, and the upgrading of 21 rural roads in various locations throughout the State.

In the Agropolitan Pitas project, some 12,690 people in 37 villages benefited from the upgrading of four rural roads. The original goal was to connect the rubber estate and sea cucumber aquaculture projects in which some 260 participants of Agropolitan Pitas were settled. For example, the upgrading of Jalan Kg. Kiandut to Kg. Torungguh has reduced travel time to the nearest town from 1.5 hours to only 30 minutes. The upgrading of these four roads also allows villagers to engage in agricultural activities. A total of 141 hectares of land including rubber and oil palm plantations had been opened since the roads were upgraded. A total of 260 participants of Agropolitan Pitas have benefited from better housing.



Jalan Kiandut to Kg. Torungguh



Agropolitan Pitas Housing

In *Agropolitan Tongod*, the construction of a 15-kilometre road has allowed for 4,000 hectares of oil palm to be cultivated. The road has also reduced the cost of transporting oil palm products to the nearest processing plant. A total of 1,022 heirs will benefit from the Agropolitan project.



Sea Cucumber Farming Project, Kampung Mapan-Mapan, Agropolitan Pitas

In an effort to boost economic activity in rural Sabah, a total of 21 rural roads were upgraded under the provisions of the SDC. The roads will not only reduce the time taken to transport agricultural products to market, but also benefit people around the projects. For example, the upgrading of the road along the 6 km, connecting the Nabawan Permanent Food Production Park (TKPM) is not only beneficial to the TKPM participants to transport their produce to the town of Keningau and Beaufort, it even provides the opportunity for vocational school students in SMK Nabawan I and II to attend class every day without hitch. The same thing can be seen in Penampang, where the upgrading of the 2 km road around Kg. Bokok Kitau and Kg. Ramayah enables villagers to market their agricultural products to Donggongan by vehicle.



Road Entry From Ansung and Lalampas to Tongod Agropolitan Project



Sandakan Polytechnic

As an initiative to increase access to higher education to all the people of Sabah, the Sandakan Education Hub was established by the government through the SDC to be developed in Sandakan. Located 16 km from the centre of Sandakan, the development area covers 1,360 hectares and in the future will be able to accommodate up to 20,000 students. So far, three educational institutions have been established here, namely Universiti Malaysia Sabah, MARA Junior Science College and Sandakan Polytechnic. A total of 200 students have settled here. Establishment of the Sandakan Education Hub has created employment opportunities for 120 people, consisting of academic and administrative staff. Economic activities in the service sector in this area have sprouted especially around this educational hub due to the demand of the students and staff for goods and services. This will enhance the vibrancy of local businesses. The realisation of the Sandakan Education Hub has given the opportunity to the people of Sabah to pursue higher education and further improve their quality of life without leaving the state.



UMS Branch in the Sandakan Education Hub



Road Development to KG. Bokok Kitauu, One of the 21 Rural Road Refurbishment Projects



Sembulan River Park Project



Completed Cycleway and Pedestrian Walkway at Tanjung Lipat, Kota Kinabalu

The implementation of projects under the SDC provides clear benefits to citizens around Sabah. The emphasis on rural development in the SDC is an effective strategy in reducing the gap in quality of living standards between urban and rural areas.

The SDC programme also has taken cognisance on the need to enhance the liveability and quality of life in the urban areas especially in and around Kota Kinabalu, the capital city. SDC projects implemented particularly around the Kota Kinabalu city centre have no doubt benefited urban dwellers. For instance, the cycle and pedestrian walkway project from Tanjung Aru to UMS, and the beautification of Sembulan river project have encouraged urban dwellers to adopt a healthy lifestyle and appreciate the need to conserve the environment as well as preventing pollution.



Beautification of Sembulan River Park Project

Environmental Conservation initiatives in the SDC

In accordance with one of the principles of the SDC, that is to ensure sustainable growth through environmental conservation, several pro-active measures have been carried out to ensure the impact of projects under the SDC are in line with its objectives as stated in the SDC Blueprint. Such measures include impact assessments of the level of environmental care of the projects concerned. These assessments are done with stakeholders, including the Sabah Forestry Department, and local communities. Among the 9MP projects that have had the impact assessment conducted to measure output and outcome are as follows in Table 6:

TABLE 6: Impact Assessment for Output and Outcome of 9MP SDC Projects

1) Development of Monitoring/ Security Infrastructure to support Community Forestry at Deramakot Forest Reserve	
<i>Output</i>	
KPI Target	Status
To build one unit of Forestry station in the Deramakot Forest Reserve that achieves full quality assessment (100%)	One unit of forestry station that reaches full quality assessment has been built
Involvement of five villages with a total of 40 participants	A total of five villages with a total of 39 participants (97.5%) were involved
Total of 19,390 trees planted in a 100 hectare area with a 70% survival rate	Total of 9,336 trees planted in a 100 hectare area, with a 48% survival rate
<i>Outcome</i>	
KPI Target	Status
Enables the Deramakot Forestry Department to regulate the 4,000 hectare conservation area	One facility has been established for use by the Deramakot Forestry Department to regulate the 4,000 hectare conservation area
Create employment opportunities for 40 participants	39 participants have found employment as a result
Restoration of a 100 hectare forest area	100 hectares of forest area has been restored
2) Construction of Concrete Bridge across Mantri River	
<i>Output</i>	
KPI Target	Status
Build one unit of concrete bridge, 50metres long across the Mantri river with a capacity of eight metric tonnes, while reaching full quality assessment	One unit of concrete bridge, 50metres long across the Mantri river with a capacity of eight metric tonnes has been built. So far, quality assessment achieved is at 80.9%
<i>Outcome</i>	
KPI Target	Status
Enable continuous supervision of 54.866 hectares of forest conservation area under the jurisdiction of the Kunak Forestry Department	Constant supervision under the purview of the Kunak Forestry Department over 54.866 hectares of forest conservation area

Overall, seven projects which make up a forestry community initiative had impact assessments carried out. The assessments indicated that the implementing agencies for the projects were on track in ensuring that exploration and development activities conducted have integrated environmental conservation in their projects. SEDIA will continue to strive to ensure that all parties concerned give priority to environmental protection and conservation.

TABLE 7: Federal Government-Funded Projects

Sector	Type of Project	Name of Project	Status (Completed / In-Progress)	
Tourism	Feasibility Studies, Research & Training Projects	Impact Assessment of Palm Oil Plantations and Mills on Quality of Rivers	Completed July 2011	
		Kajian Kemungkinan Pembinaan Jalan Serusop - Kelawat, Kota Belud	Completed July 2010	
		Kajian Pelan Pengurusan Lokaliti Stesen dan Hub-Stesen di Taman Banjaran Crocker	Completed July 2010	
		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	Completed November 2009	
		Projek Peningkatan Kemudahan Pelancongan (Tenom, Tambunan, Nabawan dan Keningau)	In-Progress	
		Pembangunan Pusat Hub Repositori Maklumat Koleksi Budaya dan Sainifik Muzium Sabah	Completed April 2010	
		Penaikan Taraf Pameran Tetap Muzium Sabah	Completed September 2011	
		Projek Penempatan Rakyat Kg. Gusi, Kinarut	In-Progress	
	Agriculture	Feasibility Studies, Research & Training Projects	Taman Kekal Pengeluaran Makanan Sg. Koyah, Kinabatangan	Completed December 2010
			Taman Kekal Pengeluaran Makanan Mandalipau, Papar	Completed September 2011
			Taman Kekal Pengeluaran Makanan Sg. Lokan, Kinabatangan	Completed December 2010
			Taman Kekal Pengeluaran Makanan Langkawit, Papar	Completed - Not Viable
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	
		Projek Agropolitan Pitas	In Progress	

TABLE 7 (continue)

Sector	Type of Project	Name of Project	Status (Completed / In-Progress)
		Projek Agropolitan Kemabong	In-Progress
		Keningau Integrated Livestock Centre	Completed
		Projek Agropolitan Beluran	In-Progress
		Projek Agropolitan Tongod	In-Progress
		Projek Mini Estet Sejahtera (MESEJ)	In-Progress
		Sabah Agro Industrial Precinct (SAIP)	In-Progress
Manufacturing and Logistics	Physical Projects	Projek Kelompok Industri Berasaskan Kelapa Sawit (Lahad Datu) Fasa II	In-Progress
		Projek Berkelompok Berasaskan Kelapa Sawit (Sandakan)	In-Progress
		Kuala Penyu Mini Ko-Nelayan Kompleks	In-Progress
		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 Tongod Pinangah	In-Progress
		Menaiktaraf Jalan Labuk dari KM15 ke KM26 (11.0 KM), Sandakan	In-Progress
		Pembinaan Jalan Dua Hala dari UITM ke Sepanggar Bay Container Terminal (3KM), Kota Kinabalu	In-Progress
Others	Research & Training Projects	Hutan Bukan Kayu: Penyelidikan dan Pembangunan (R&D)	Completed
		Social Development BCIC (Bumiputera Commercial and Industrial Community)	Completed
	Physical Projects	Perhutanan Masyarakat	Completed
		Penyediaan Infrastruktur bagi Projek Sandakan Education Hub	Completed
		Projek Pembiakan Badak Sumatra di Negeri Sabah	Completed February 2012
		Pusat Inkubator Pembangunan Kandungan Kreatif	Completed February 2014



YB Tan Sri Datuk Seri Panglima Joseph Pairin Kitingan, Deputy Chief Minister during a visit at KILC

TABLE 8: Entry Point Projects (EPPs)

Key Economic Area (KEA)	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 & 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 Pitasan and Telaga
	National Seaweed Nuclueus
	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

FINANCIAL REPORT

Statement of Corporate Governance

Internal and External Controls and Compliance and Annual Financial Review

Statement by 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

Financial Statements

Notes to The Financial Statement

Laporan Ketua Audit Negara



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.

Other 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)
- Deputy Chairman I
2. Y.Bhg. Datuk Peter Pang En Yin
- Deputy Chairman II
3. Y.Bhg. Tan Sri 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 Dr. Mohd Irwan Serigar bin Abdullah
(Secretary General of Treasury, Ministry of Finance, Malaysia)
6. Y.Bhg. Tan Sri Datuk Seri Panglima Dr. Wan Abdul Aziz bin Wan Abdullah
(Chairman, Malaysia Airport Holdings Berhad)
7. Y.Bhg. Dato' Ahmad Husni bin Hussain
(Director General, Public Private Partnership Unit (UKAS), Prime Minister's Department)
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. MohdTahir
(Permanent Secretary, Ministry of Finance, Sabah)
10. Y.Bhg. Datuk Ismail Abdullah
(Director, State Economic Planning Unit, Sabah)
(Retired on 1st November 2014)

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 the 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 three (3) times. The Authority Meetings were held on March 25, August 26 and December 8, 2014. 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 included the consideration of the Authority's long-term strategy, plan, budget, monitoring of Management Performance and Authority's performance review. All issues were deliberated and decisions made were minuted accordingly.

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; and
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 in 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*.

INTERNAL AND EXTERNAL CONTROLS AND COMPLIANCE

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 staff of SEDIA. All official management decisions, operational and financial transactions are deliberated, prepared and verified by the officers and require 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 the 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 the State of Sabah, Federal Ministry of Finance and the 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

Within the financial year, SEDIA received operating grants from the Federal Government to finance its operations and commitments. Grants received for the year ended December 31, 2014 amounted to RM7,956,000 compared to RM9,000,000 for 2013. The marked reduction in operating grants by the Federal Government totalled RM1,044,000 (11.6%) compared to the previous year.

SEDIA received other income generated from profits of deposits in licensed banks in Malaysia. During the financial year ended December 31, 2014, SEDIA recorded other income of RM130,684 (2013: RM354,284).

In year 2014, SEDIA recorded an increase in deficit of RM6,626,986 compared to RM2,832,956 for the financial year 2013. However, SEDIA remains committed to maintain excellent performance and efficiency in its financial management in line with its objectives.

Operating Expenses

Operating expenses for the year ended December 31, 2014 are as follows:

- Staff costs have been recorded at RM9,427,607 (2013: RM6,946,975). Increase in personnel costs compared to 2013 was due to the payment of incentive in the form of staff's contracts and performance bonus and employment obligation benefit expenses for 2014.

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

- Promotional costs in 2014 was RM1,158,843 compared to the previous year's RM1,127,323. The activities consisted of Strategic Media Campaigns, participation in Overseas Trade Missions, Conferences and Seminars, and Domestic Trade Expos and Exhibitions as well as other promotional and awareness events. During the year, SEDIA focused on attracting foreign investment through

foreign publication and participated in the trade mission delegation organised by MIDA.

- SEDIA remains committed to carrying out its functions to monitor the status of all projects under the Sabah Development Corridor. In 2014, administrative and other operating costs amounted RM4,127,220 (2013: RM4,112,942).

Balance Sheet

The main components of the Balance Sheet are as follows:

- I. In the year 2014, SEDIA has purchased a vehicle worth RM183,400 in order to improve operational efficiency and to monitor projects. In addition, SEDIA has also spent RM11,344 for the procurement of computers, printers and software, while RM3,400 for Office equipment.
- II. Other receivables, deposits and prepayments balance as at year end 2014 was RM1,838,525 as compared to RM1,242,601 for the previous year. Increasing number of receivables, deposits and prepayment were attributed to the Keningau Integrated Livestock Centre (KILC) project costs amounting to RM 1,714,797 which were fully financed by SEDIA operating grant.
- III. Cash and bank balances for the financial year ended December 31, 2014 amounted to RM261,898,891 and is reserved for its contractual obligations under the Ninth and Tenth Malaysian Plan, operating expenses and liabilities.
- IV. SEDIA's fund for development expenditure as at December 31, 2014 amounted to RM246,594,469 which were mostly devoted to contractual obligations for projects under the Ninth and Tenth Malaysia Plan.
- V. During the financial year ended December 31, 2014, Tea Tree and HMKB Project have been completed. The remaining grant and interest income from bank recognised in the income statement.
- VI. Special programme grant's cash balance as at December 31, 2014 amounted to RM7,228,442 for SME Facilitation Fund Programme and National Talent Enhancement Programme (NTEP) expenditures and commitment.
- VII. Other payables and accruals as at December 31, 2014 of RM1,797,196 (2013: RM1,342,443) consisted of contractual obligations under the operating grant to be settled after the year end.

During the financial year, SEDIA continued to intensify its activities and programmes, pursuant to its objectives to promote the Sabah Development Corridor (SDC) and to further enhance its operational capacity, capability and competency. Strategic fund management and placement of 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

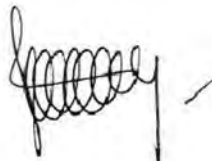
SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY

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 in accordance with Private Entity Reporting Standards so as to give a true and fair view of the financial position of **SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY** as of December 31 2014 and of its operating results and cash flow for the year ended on that date.

On behalf of the members,



.....
Name : Y.A.B. DATUK SERI PANGLIMA MUSA HAJI AMAN
Position : Chairman
Date : 21 August 2015
Place : Kota Kinabalu



.....
Name : Y.BHG. DATUK PETER PANG EN YIN
Position : Deputy Chairman II/Chairman of Audit Committee
Date : 21 August 2015
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 29 April 2015.



.....
Datuk Dr. Mohd Yaakub bin Haji Johari



.....
Yunus Gastom Abdullah

Before me,



Commissioner for Oaths
No. 33, Tingkat Bawah, Jalan Tugu, Kg. Air
88000 Kota Kinabalu, Sabah.

Balance Sheet

AS AT DECEMBER 31, 2014

	Note	2014 RM	(Restated) 2013 RM
ASSETS			
Property, Plant and Equipment	3	381,337	667,758
TOTAL NON-CURRENT ASSETS		381,337	667,758
Other Receivables, Deposits and Prepayments	4	1,838,525	1,242,601
Short-Term Deposits, Cash, Cash Equivalents	5	261,898,891	318,955,844
TOTAL CURRENT ASSETS		263,737,416	320,198,445
TOTAL ASSETS		264,118,753	320,866,203
EQUITY			
Operating Fund		6,293,226	12,920,212
TOTAL EQUITY		6,293,226	12,920,212
LIABILITIES			
SDC Development Fund	6	246,594,469	295,159,062
Special Project (R & D) Grant	7	-	182,906
Special Programme Grant	8	7,228,442	11,261,580
Employment Benefit Obligations	9	1,788,907	-
TOTAL NON-CURRENT LIABILITIES		255,611,818	306,603,548
Other Payables and Accruals	10	1,797,196	1,342,443
Employment Benefit Obligations	9	416,513	-
TOTAL CURRENT LIABILITIES		2,213,709	1,342,443
TOTAL LIABILITIES		257,825,527	307,945,991
TOTAL EQUITY AND LIABILITIES		264,118,753	320,866,203

INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014 RM	2013 RM
Income			
<i>Operating grants received</i>		7,956,000	9,000,000
<i>Other income</i>	11	130,684	354,284
		8,086,684	9,354,284
Expenses			
<i>Operating expenses</i>	12	[14,713,670]	[12,187,240]
Deficit for the year		[6,626,986]	[2,832,956]

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	(Restated) Operating Funds RM
As at January 1, 2013		15,854,206
Deficit for the year ended 2013		[2,832,956]
Prior year adjustment	17	[101,038]
At December 31, 2013 / January 1, 2014		12,920,212
Deficit for the year ended 2014		[6,626,986]
At December 31, 2014		6,293,226

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014 RM	2013 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Deficit for the financial year		[6,626,986]	[2,832,956]
Adjustment for:			
Depreciation of property, plant and equipment	3	484,565	583,362
Unrealised gain on foreign exchange		[457]	-
Employment benefit obligation		2,205,420	-
Interest income		[91,420]	[281,593]
Deficit before working capital changes		[4,028,878]	[2,531,187]
INCREASE IN:			
Other receivables and deposits		[595,924]	[1,137,352]
Other payables and accruals		455,210	1,075,160
Net cash used in operating activities		[4,169,592]	[2,593,379]
CASH FLOW USED IN INVESTING ACTIVITY			
Interest received		91,420	281,593
Purchase of property, plant and equipment	3	[198,144]	[83,839]
Decrease / [Increase] in short-term deposits with maturity exceeding 3 months		92,814,993	[92,814,993]
Net cash from/[used in] investing activities		92,708,269	[92,617,239]
CASH FLOW USED IN FINANCING ACTIVITIES			
Net SDC development fund [utilised]/received		[48,564,593]	57,699,410
Net special project grant [utilised]/received		[182,906]	1,496,033
Net special programme grant utilised		[4,033,138]	[369,538]
Net cash [used in]/from financing activities		[52,780,637]	58,825,905
NET INCREASE / [DECREASE] IN CASH AND CASH EQUIVALENTS		35,758,040	[36,384,713]
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		226,140,851	262,525,564
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	261,898,891	226,140,851
(i) Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:			
		2014 RM	2013 RM
Cash and bank balances		261,898,891	169,429,418
Short term deposits		-	149,526,426
		261,898,891	318,955,844
Less: Short-term deposits with maturity exceeding 3 months		-	[92,814,993]
		261,898,891	226,140,851

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014

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 January 15, 2009.

The Enactment was assented by Tuan Yang Terutama Negeri Sabah on February 23, 2009 and gazetted on February 26, 2009, thereafter officially commenced operations on March 2, 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 as at December 31, 2014 was 94 persons (2013: 92).

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’).

2.1 Adoption of New Financial Reporting Framework

On February 14, 2014, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework for private entities, the Malaysian Private Entity Reporting Standard (MPERS). MPERS is mandatory for adoption by all private entities for annual periods beginning on or after January 1, 2016.

MPERS is essentially the same as IFRS for SMEs issued by the International Accounting Standards Board in July 2009 except in relation to the requirements on income tax and property development activities.

SEDIA’s first financial statements prepared in accordance with MPERS will be for the financial year ending December 31, 2016. SEDIA is currently assessing the impact of adoption of MPERS, including identification of the differences in existing accounting policies as compared to the new framework. As at the date of authorisation of issue of the financial statements, this assessment process is still on-going. Thus, the impact of adopting MPERS cannot be determined and estimated reliably now until the process is complete.

(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.

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

Depreciation

Property, plant and equipment purchased at a 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, Printer and Software	33 $\frac{1}{3}$ %
Furniture, Fittings, Office Equipment and Renovation	20%

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.

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.

(c) Other Receivables, Deposits and Prepayments

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.

(d) Short-Term Deposit

Short-term deposit is deposit placed with licensed bank.

(e) 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.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

(g) SDC Development fund

Development fund is managed on behalf of, and funded by the Federal Government under the 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.

(h) Special project grant

These represent grants received from the Ministry of Science, Technology and Innovation (MOSTI) for the 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.

(i) Special programme grant

These represent grants received from TERAJU and PEMANDU for the 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.

(j) Interest from 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 on time apportion basis.

(k) Income

(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) Interest income

Interest income generated from operating fund is accrued on a time apportion basis, by reference to the principal outstanding and at the interest rate applicable.

Interest income transferred to operating fund is recognised in the income statement when there is approval obtained from Members of Authority.

(iii) Other Income

Other income mainly represents sale of tender documents that is recognised when transfer of risks and rewards has been completed.

(l) Interest Expense

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

(m) Foreign Currency

The financial statements of the Authority are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Authority operates (its functional currency).

Transactions in currencies other than in Ringgit Malaysia are converted to Ringgit Malaysia at the exchange rates prevailing at the transaction dates or, where settlements have not yet been made at the end of the financial year, the assets and liabilities are converted at the approximate exchange rates prevailing at the date. All foreign exchange gains and losses are taken up in the income statement.

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

The principal closing rates used in the translation of foreign currency amount are as follows:

	2014 RM	2013 RM
1 GBP	5.433	-

(n) 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.

(ii) Defined contribution plan

SEDIA is required by law to make monthly contributions to the 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. The said contributions are recognised as an expense when employees have rendered service entitling them to the contributions. SEDIA has no further payment obligations once these contributions have been paid.

(iii) Defined Benefit Plans (Retirement Gratuity Scheme)

SEDIA operates an unfunded defined benefit plan for qualifying all employees, both permanent and under contract. Under the plans, the employees are entitled to retirement benefits of 1 month final salary for each year of service on attainment of the mandatory retirement age of 60 or early retirement on medical grounds or passed away before attaining the retirement age however must have worked for at least 10 years in SEDIA or have completed the duration specified in their employment contracts.

(o) 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 mentioned in Note 14 which states that all income except for dividend income is exempted from tax. It is measured using the tax rates that have been enacted at the balance sheet date.

(p) Cash Flow Statement

SEDIA adopts the indirect method in the preparation of the cash flow statement. Cash equivalents are short-term in nature, highly liquid investment that is readily convertible to cash with insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

3. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Computers, Printers and Software	Furniture, Fittings, Office Equipment and Renovation	Total
	RM	RM	RM	RM
COST				
At January 1, 2014	738,866	99,562	1,969,192	2,807,620
Additions	183,400	11,344	3,400	198,144
At December 31, 2014	922,266	110,906	1,972,592	3,005,764
ACCUMULATED DEPRECIATION				
At January 1, 2014	652,101	73,570	1,414,191	2,139,862
Charge for the year	75,239	14,489	394,837	484,565
At December 31, 2014	727,340	88,059	1,809,028	2,624,427
NET CARRYING VALUE	194,926	22,847	163,564	381,337
As at December 31, 2014				
As at December 31, 2013	86,765	25,992	555,001	667,758
Depreciation charge for the year ended December 31, 2013	184,714	14,050	384,598	583,362

Included in property, plant and equipment are fully depreciated assets which are still in use, with a total cost of RM 1,809,261 (2013 : RM 57,048).

4. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014 RM	2013 RM
Deposits	83,102	80,102
Advances	16,257	19,343
Other receivables and prepayments	1,739,166	1,143,156
Total	1,838,525	1,242,601

Included in other receivables and prepayments are prepayments made for Keningau Integrated Livestock Centre (KILC) project amounting to RM 1,714,797 (2013: RM799,454) which is currently being financed by the Authority's operating grant. The project will subsequently be awarded to a third party. As of December 31, 2014, the project has not been awarded to any third party.

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

5. SHORT TERM DEPOSITS, CASH AND CASH EQUIVALENTS

	2014 RM	2013 RM
Short-term deposit	-	149,526,426
Cash at banks	261,896,891	169,427,418
Cash in hand	2,000	2,000
Total	261,898,891	318,955,844

In 2013, the Authority has placed deposits in the Qiradh General Investment Deposit with licensed bank. The short-term deposits with maturities of one (1) to six (6) months and the average rate of profit is 3.45 % per annum.

6. SDC DEVELOPMENT FUND

	2014 RM	(Restated) 2013 RM
As at January 1,	295,159,062	237,358,614
Add: Development fund received from Federal Government	115,500,000	244,258,500
Add : Adjustment for unutilised fund	4,434	-
	410,663,496	481,617,114
Add : Interest income	9,970,785	6,752,372
	420,634,281	488,369,486
Less: Utilisation of development fund for the year	[174,039,812]	[193,210,424]
Interest income transferred	-	-
As at December 31	246,594,469	295,159,062

7. SPECIAL PROGRAMME (R&D) GRANT

	2014 RM	2013 RM
As at January 1,	182,906	[1,313,127]
Add : Research and Development (R & D) fund received from MOSTI	-	2,117,706
	182,906	804,579
Add : Interest income	16,036	25,652
	198,942	830,231
Less : Utilisation of special project grant for the year	[146,253]	[647,325]
Less : Interest income/balance transferred to Operation Fund	[52,689]	-
As at December 31	-	182,906

SEDIA as the lead implementing agency for the Sabah Agro-Industrial Precinct (SAIP) has received the balance from the Ministry of Science, Technology and Innovation's (MOSTI) grants for the purpose of the Tea Tree Project and Herbal Medicinal Knowledge Base (HMKB) Project from the Institute for Development Studies, Sabah (IDS) following the transfer of the project team from IDS to SEDIA. During the year, all projects under MOSTI's grant were completed.

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

8. SPECIAL PROGRAMME GRANT

	2014 RM	2013 RM
As at January 1,	11,261,580	11,631,118
Add : Interest income	84,746	140,767
	11,346,326	11,771,885
Less: Utilisation of special programme grant for the year	[4,117,884]	[510,305]
As at December 31	7,228,442	11,261,580

In 2012, SEDIA received two other types of grants from the Performance Management and Delivery Unit (PEMANDU) and Unit Peneraju Agenda Bumiputera (TERAJU). The grant from PEMANDU is for the 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 Electrical and Electronics sector. Companies with projects, processes or products emphasising on green technology and requiring talents with an engineering background are encouraged to participate.

The grant from TERAJU is the SME Facilitation Fund for private projects in the 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. PROVISION FOR EMPLOYMENT BENEFIT OBLIGATIONS

	2014 RM	2013 RM
As at January 1,	-	-
Add: Provision for employee benefit obligations for the year	2,205,420	-
Less: Amortisation of employee benefit obligations for the year	-	-
As at December 31	2,205,420	-

The maturity structure of the provisions is as follows:

	2014 RM	2013 RM
Within one year	416,513	-
2 to 5 years	1,788,907	-
	2,205,420	-

Provision for employment benefits are recognised initially on the financial year ended December 31, 2014 to take into account the amount of SEDIA commitment when services are rendered by employees during the year. Provision is calculated based on the expectation that all staff will provide services until the retirement age of 60 years. Actual expectations may change each year based on the highest salary achievable for the current position held and discount rates. The discount rate used is 4.18 %, the yield of Government Bonds issued by Bank Negara Malaysia (BNM). During the financial year ended December 31, 2014, the number of employees included in the obligation for employee benefits totalled 90 persons.

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

10. OTHER PAYABLES AND ACCRUALS

	2014 RM	2013 RM
Other payables	546,995	149,678
Accruals	1,250,201	1,192,765
Total	1,797,196	1,342,443

11. OTHER INCOME

	2014 RM	2013 RM
Interest income	91,420	281,593
Other income	38,807	72,691
Unrealised gain on foreign exchange	457	-
Total	130,684	354,284

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

12. OPERATING EXPENSES

The details of operating expenses as follows:

	2014	2013
	RM	RM
Auditors' Remuneration	20,000	18,490
Allowances for Members and Committees of the Authority	384,580	401,605
Salaries, Allowances and Benefits	8,671,836	6,238,623
EPF, SOCSO & Pension Contribution	755,771	708,352
Rental Expenses	307,975	319,610
Utilities Charges	124,722	101,353
Printing and Stationeries	86,820	161,357
Medical and Clinical Charges	208,565	210,340
Insurance	130,855	134,317
Entertainment and Hospitality	43,800	31,833
Training and Human Capital Development	406,357	333,552
Trade Missions and Investment Promotions	329,627	274,019
Exhibitions and Road Shows	78,426	217,186
Conference and Seminars	48,260	163,691
Corporate Branding and Marketing	519,630	207,527
Sponsorships	182,900	264,900
In-House Meeting Expenses	59,399	63,161
Publications, Multimedia and Advertisements	409,213	116,540
Postage and Courier Charges	9,476	6,009
Transportation, Leasing and Vehicle Maintenance	351,410	278,592
Airfares and Outstation Transport Charges	446,296	628,851
Subsistence Allowances	83,120	77,414
Lodging and Accommodations	109,006	139,823
Upkeep Of Office Equipment, Premise and Services	165,095	168,854
Depreciation	484,565	583,362
Subscription Fees, Technical Update and ICT Expenses	164,679	167,982
Legal, Professional, Research and Consultancy Charges	94,986	128,336
License, Registration and Assessment Fees	3,752	8,934
Bank Charges and Commission	1,402	955
Miscellaneous Expenses	31,147	31,672
TOTAL	14,713,670	12,187,240

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31, 2014 - (Continued)

13. STAFF COSTS

	2014 RM	2013 RM
<u>Operating Fund:</u>		
Staff Cost	9,427,607	6,946,975

Included in staff costs is SEDIA's contribution to Employee Provident Fund of RM671,155 (2013: RM654,862) and employment benefit obligations of RM 2,205,420 (2013 : NIL).

14. 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.

15. OPERATING LEASE COMMITMENT

SEDIA leases certain assets such as premise and office equipment. These leases are non-cancellable and expire on various dates through 2017. Future minimum annual lease payments are as follows:-

	Future Minimum Lease Payments	
	2014 RM	2013 RM
As of December 31:		
2014	-	283,490
2015	303,678	271,998
2016	31,680	-
2017	11,360	-
Total	346,718	555,488

16. PROJECT DEVELOPMENT COMMITMENT

During the year, total allocation approved and received under the Tenth Malaysia Plan (10MP) for SDC projects are RM115,500,000.

17. PRIOR YEAR ADJUSTMENT

The adjustment is due to net interest income wrongly transferred from SDC Development Fund to Operating Fund in prior year.

The effects of this adjustment to the financial statement of the Authority for the prior year are as follows:

	(As previously reported) 2013 RM	Adjustment RM	(As restated) 2014 RM
<u>Balance Sheet As At December 31:</u>			
SDC Development Fund	295,058,024	101,038	295,159,062
Operating Fund	13,021,250	(101,038)	12,920,212



**LAPORAN KETUA AUDIT NEGARA
MENGENAI PENYATA KEWANGAN
PIHAK BERKUASA PEMBANGUNAN EKONOMI DAN PELABURAN SABAH (SEDIA)
BAGI TAHUN BERAKHIR 31 DISEMBER 2014**

Laporan Mengenai Penyata Kewangan

Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi Dan Pelaburan Sabah (SEDIA) bagi tahun berakhir 31 Disember 2014 telah diaudit oleh wakil saya yang merangkumi Lembaran Imbangan Pada 31 Disember 2014 dan Penyata Pendapatan, Penyata Perubahan Dalam Ekuiti serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut, ringkasan polisi perakaunan yang signifikan dan nota penjelasan lain.

Tanggungjawab Lembaga Pengarah Terhadap Penyata Kewangan

Lembaga Pengarah bertanggungjawab terhadap penyediaan dan persembahan penyata kewangan tersebut yang saksama selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan Enakmen Pihak Berkuasa Pembangunan Ekonomi Dan Pelaburan Sabah (SEDIA) 2009. Lembaga Pengarah juga bertanggungjawab terhadap kawalan dalaman yang ditetapkan perlu oleh pengurusan bagi membolehkan penyediaan penyata kewangan yang bebas daripada salah nyata yang ketara sama ada disebabkan oleh fraud atau kesilapan.

Tanggungjawab Juruaudit

Tanggungjawab saya adalah memberi pendapat terhadap penyata kewangan tersebut berdasarkan pengauditan yang dijalankan. Pengauditan telah dilaksanakan mengikut Akta Audit 1957 dan piawaian pengauditan yang diluluskan di Malaysia. Piawaian tersebut mengkehendaki saya mematuhi keperluan etika serta merancang dan melaksanakan pengauditan untuk memperoleh jaminan yang munasabah sama ada penyata kewangan tersebut bebas daripada salah nyata yang ketara.

Pengauditan meliputi pelaksanaan prosedur untuk memperoleh bukti audit mengenai amaun dan pendedahan dalam penyata kewangan. Prosedur yang dipilih bergantung kepada pertimbangan juruaudit, termasuk penilaian risiko salah nyata yang ketara pada penyata kewangan sama ada disebabkan oleh fraud atau kesilapan. Dalam membuat penilaian risiko tersebut, juruaudit mempertimbangkan kawalan dalaman yang bersesuaian dengan entiti dalam penyediaan dan persembahan penyata kewangan yang memberi gambaran yang

benar dan saksama bagi tujuan merangka prosedur pengauditan yang bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman entiti tersebut. Pengauditan juga termasuk menilai kesesuaian polisi perakaunan yang diguna pakai dan kemunasabahan anggaran perakaunan yang dibuat oleh pengurusan serta persembahan penyata kewangan secara menyeluruh.

Saya percaya bahawa bukti audit yang saya peroleh adalah mencukupi dan bersesuaian untuk dijadikan asas bagi pendapat audit saya.

Pendapat

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Pihak Berkuasa Pembangunan Ekonomi Dan Pelaburan Sabah (SEDIA) pada 31 Disember 2014 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia.



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

KOTA KINABALU
24 Ogos 2015





**ANUGERAH KECEMERLANGAN
PENGURUSAN KEWANGAN
BERDASARKAN INDEKS AKAUNTABILITI
TAHUN 2013**

**PIHAK BERKUASA
PEMBANGUNAN EKONOMI
DAN PELABURAN SABAH**




TAN SRI DATO' SETIA AMBRIN BIN BUANG
Ketua Audit Negara
Malaysia
24 November 2014





CERTIFICATE OF APPROVAL

This is to certify that the Quality Management System of:
**Sabah Economic Development and Investment Authority
(SEDIA)
Lot 1, Wisma SEDIA, Off Jalan Pintas Penampang
88873 Kota Kinabalu, Sabah
Malaysia**

has been approved by Lloyd's Register Quality Assurance
to the following Quality Management System Standards:

**ISO 9001:2008
EN ISO 9001:2008
BS EN ISO 9001:2008
MS ISO 9001:2008**

The Quality Management System is applicable to:

Management of one stop authority for Sabah Development Corridor.

This certificate forms part of the approval identified by certificate number KLR 6016314.

Approval	Original Approval: 12 April 2013
Certificate No: KLR 6016314 B	Current Certificate: 12 April 2013
	Certificate Expiry: 11 April 2016

Issued by: Lloyd's Register of Shipping (M) Bhd



MS ISO/IEC 17021:2011
QS 12022007 CB 06

This document is subject to the provision on the reverse
Suite 21-04, Level 21, Menara Tan & Tan, 207 Jln Tun Razak, 50400 Kuala Lumpur, Malaysia. Registered Number 111008 K
This approval is carried out in accordance with the LRQA assessment and certification procedures and monitored by LRQA
The use of the STANDARDS MALAYSIA Accredited Mark indicates Accreditation in respect of those activities covered by the Accreditation Certificate Number QS 12022007 CB 06

SEDIA

YOUR SOLUTION
PROVIDER AND
PARTNER IN SDC



Sabah Economic Development and Investment Authority (SEDIA)
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