



# ANNUAL REPORT 2020







**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

## A place of Business, Culture and Nature



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 Sabah Development Corridor, Malaysia at [www.sedia.com.my](http://www.sedia.com.my)



### WHY INVEST IN SABAH ?

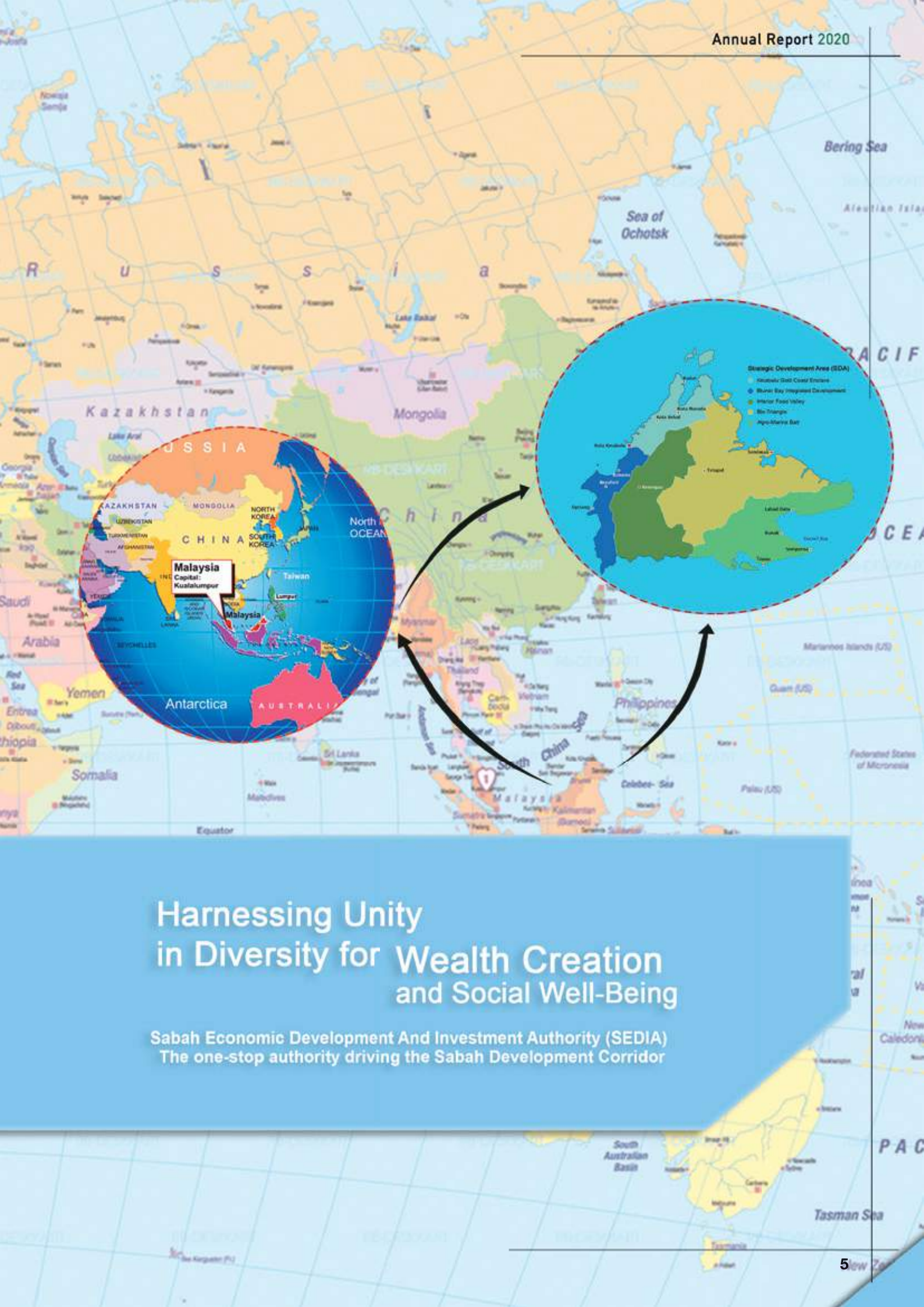
- Biodiversity as Eco-Attractions**  
 With more than 2000 flora species, Mount Kinabalu, Southeast Asia's tallest peak, and pristine national parks and conservation areas as well as access to the world renowned Coral Triangle with Sipadan Island.
- Agriculture and Natural Resources**  
 Fertile agriculture 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 to 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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## CHAIRMAN'S STATEMENT

Since early this year, we have faced an extraordinary health and safety crisis stemming from the Covid-19 virus outbreak, which has become a global pandemic. The pandemic has not been successfully repressed globally, and Sabah along with the rest of Malaysia is negatively affected by the situation. Apart from public health issues, this pandemic also has various implications to Sabah, more unfortunately affecting the people's socio-economic status.

The whole world is facing major challenges in dealing with the Covid-19 pandemic and its direct impact on the global economy. Global economic growth is projected to have contracted at a rate of 4.4 percent during 2020, before recovering strongly to 5.2 percent in year 2021. These projections are based on disruptions in domestic activities, shocks in demand due to movement restrictions, prudent spending and uncertainty in the investment sector. Consumption and investment rates are expected to increase again in 2021, but at a more cautious rate.

The Malaysian economy is of no exception to the effects of this pandemic, with the country's GDP for 2020 projected to decline to negative 4.5 percent. This is due to changes in global economic growth as forecasted by the International Monetary Fund, and also the period of Movement Control Order (MCO) which has affected the national economy. Meanwhile, the economic growth performance of Sabah in year 2020 is expected to contract from 15.0 percent until 19.0 percent, compared to the rate of 0.5 percent in 2019. Dependency on palm oil and crude oil has continued to influence the overall economic growth of Sabah.

The Sabah State government has introduced the Sabah Maju Jaya (SMJ) development plan. Three main thrusts are outlined in the SMJ plan to develop the state, during the period from 2021 to 2025, and are driven by five enablers, namely fiscal sustainability, financial facilities, effective and efficient delivery, excellence in integrity and governance, and digital government. The SMJ plan will move in line with the national development agenda under Shared Prosperity Vision 2030, and a total of



584 initiatives covering 304 core initiatives and 280 enablers have been drafted for implementation starting 2021.

The State Government is committed towards enhancing the state's development agenda, while the SDC programme as a whole is being reviewed to augment the development strategies of the ruling Federal and Sabah State Governments moving forward. Effective policies and initiatives implemented in accordance with good corporate governance practices need closer collaboration between the Federal and State Governments, and statutory bodies and government-linked companies play a vital role in the growth and socio-economic development of the people. SEDIA, as one of the Regional Corridor Authorities, plays an essential role in facilitating closer State–Federal collaboration, through the provision of a seamless interface between the State and Federal agencies in promoting balanced development in Malaysia.

For the coming year 2021, the SDC Blueprint as well as SEDIA will be reviewed and restructured in order to keep abreast of the current needs of Sabah's economy. Looking further inland, emphasis will also be placed towards the enhancement of trade and facilities between border towns, such as with Kalimantan, Sabah's southern neighbour, in order to capitalise on Indonesia's decision to move their capital to Kalimantan.

I would like to express my gratitude to all parties involved in the development of Sabah, encompassing the public servants as well as the private and corporate sectors, NGOs, and especially the frontliners that have worked tirelessly to suppress the Covid-19 pandemic. I urge for everyone to work together towards the betterment of the people and our beloved state of Sabah.

YAB. DATUK SERI PANGLIMA HAJI HAJIJI BIN HAJI NOOR  
Chief Minister of Sabah



## CHIEF EXECUTIVE'S ANNUAL REVIEW



The year 2020 brought about a series of unprecedented challenges, whether from a global economic view or down to the microeconomic level. Extraordinary setbacks required unparalleled solutions, and it can be said that the Federal and State governments put forth commendable efforts in mitigating direct and indirect negative effects stemming from the Covid-19 pandemic.

The year has been challenging for SEDIA as well; both the Sabah Development Corridor (SDC) Blueprint as well as SEDIA's organisational structure are currently being reviewed to ensure that the vision and mission of the SDC can bring growth to the state in the best possible manner. A thorough evaluation of SEDIA as an entity will identify its strengths and weaknesses and bring about recommendations towards increasing efficiency and relevancy. Meanwhile, focus was directed towards ensuring the SDC Blueprint remains a viable plan towards increased and sustainable development of Sabah. Upon completion, SDC Blueprint 2.0 will guide all programmes and initiatives implemented by SEDIA onwards from the Twelfth Malaysia Plan (12MP).

As at December 2020, SEDIA had received a total RM2.61 billion from the Federal Government for SDC projects under the Ninth, Tenth and Eleventh Malaysia Plans. A total of RM2.47 billion, or 94.61 percent of these allocations had been disbursed by SEDIA during this period to implement SDC projects. As at the end of December 2020, measures implemented under SDC thus far have succeeded drawing in a total cumulative RM190.88 billion in committed investments, of which RM85.68 billion had been realised.

As the Regional Corridor Authority for Sabah, SEDIA will continue to play an essential role in facilitating closer collaboration between government bodies. Constant communication between the relevant ministries, departments and agencies, as well as GLCs and statutory bodies will ensure the effective implementation of policies and initiatives.



Moving into 2021, SEDIA will also be collaborating with the World Bank Group to strengthen its competencies as an investment promotion agency, in order to further develop its investment promotion capacities with a view to targeting more relevant sectors for new investment from within the rest of Malaysia, but also from overseas where that is relevant. The global Covid-19 outbreak will have significant implications for investment flows in 2020 and 2021, both domestic and foreign, as many companies worldwide review and consider their investment plans against deteriorating market conditions. In this sense, SEDIA will do its utmost best to promote Sabah as an ideal investment destination, and to strengthen investor service provision to facilitate and support incoming investors in a highly coordinated and professional way.

DATUK SERI PANGLIMA HAJI HASHIM PAIJAN  
Chief Executive of SEDIA

# CHAPTER 1

## SABAH DEVELOPMENT CORRIDOR

### 1.1 BACKGROUND OF SDC

### 1.2 THE VISION OF SDC

#### 1.2.1 Capturing High Value Economic Activities

#### 1.2.2 Promoting Balanced Economic Growth and Distribution

#### 1.2.3 Ensuring Sustainable Growth via Environmental Conservation

#### 1.2.4 The Five Attributes in the SDC Vision

### 1.3 THE MISSION OF SDC

### 1.4 SDC ALIGNMENT THROUGH THE REGIONAL CITIES AND CORRIDORS PROGRAMME

### 1.5 STRATEGIC DEVELOPMENT AREAS UNDER SDC

*The State Administrative Centre houses the office of the Chief Minister and other State Government cabinet members.*





## 1.1 BACKGROUND OF SDC

The Sabah Development Corridor (SDC) was launched on January 29, 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 one of the five economic corridors inspired by former Prime Minister Tun Datuk Seri Panglima Abdullah Haji Ahmad Badawi. SDC was originally planned in alignment with the key thrusts and objectives of *Halatuhu Pembangunan dan Kemajuan Negeri Sabah (Halatuhu)*, launched in 2004, which outlines the direction of the state's development.

The theme for SDC is "Harnessing Unity in Diversity for Wealth Creation and Social Well-Being". 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; and
- Ensure sustainable growth via environmental conservation.

The various initiatives under the Ninth, Tenth, Eleventh and Twelfth Malaysia Plans to introduce an economic model driven by creativity, innovation and high value are 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 co-ordinated and sustainable.

The initial focus had been 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 prioritised programmes. In total, more than 900,000 new jobs are expected to be generated during the SDC implementation period.



Minister for Sabah and Sarawak Affairs in the Prime Minister's Department Datuk Seri Panglima Dr. Maximus Johnity Ongkili and SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Pajjan (centre) along with Deputy Minister for Economic Affairs in the Prime Minister's Department Arthur Joseph Kurup (fourth from left) during a briefing on SDC programmes and initiatives on June 15, 2020.



## 1.2 THE VISION OF SDC

The 18-year development programme (2008–2025), with a goal of expediting the transformation of Sabah's economy into a dynamic economy, is guided by three key principles: to capture high value economic activities, to promote balanced economic growth with distribution, and to ensure sustainable growth via environment conservation.

### 1.2.1 CAPTURING HIGH VALUE ECONOMIC ACTIVITIES

While Sabah is resource-rich, it needs to capture the synergy of value-added activities. To do so, the aim through SDC is to capitalise on Sabah's geographical location by transforming it into a gateway for regional trade, especially for transshipment and value-added cargo services.

### 1.2.2 PROMOTING BALANCED ECONOMIC GROWTH AND DISTRIBUTION

Sabah needs better infrastructure and income distribution, especially in rural areas. To achieve this, various programmes help boost the productivity of food-centric agriculture. Apart from providing the right infrastructure, there has also been the need to develop the necessary human capital, especially in tourism, agriculture, and manufacturing. Through SDC, the target is to increase the number of skilled workers, as well as improve workers' competency level to facilitate the transition from a production-based to knowledge-based economy.

### 1.2.3 ENSURING SUSTAINABLE GROWTH VIA ENVIRONMENTAL CONSERVATION

Sabah is also abundantly blessed with biodiversity, boasting some of the world's most impressive diving sites and tropical rainforests, home to unique and precious wildlife including the world's largest flower, the rafflesia, and the famous orangutan. While it is important for Sabah to be developed, SDC was designed to ensure that the state's economic development is in tandem with environmental conservation. Various initiatives were taken into account to enable sustainable growth in industries. Attention is focused on systematic planning to guard against future loss of biodiversity in the state, including its forests and mangroves.



*SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Pajan seen presenting his opening remarks during a seminar on 2019 poverty line income.*



#### 1.2.4 THE FIVE ATTRIBUTES IN THE SDC VISION

Further to these guiding principles and having a unique value proposition, the SDC vision is to turn Sabah into a vibrant, economically successful and liveable state by articulating a set of five unique attributes that will shape the future of Sabah:

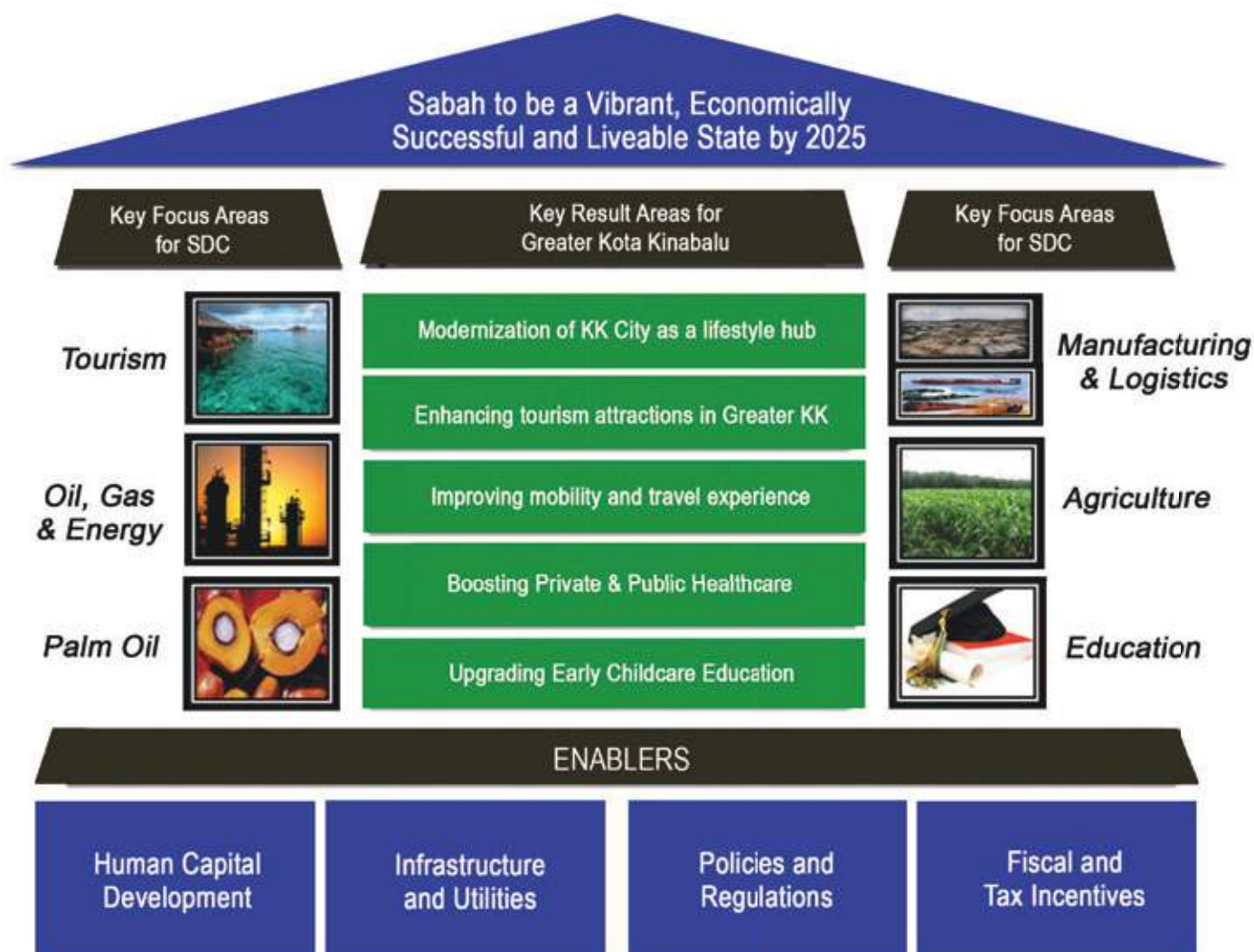
1. A preferred gateway for trade, investment and leisure for leading businesses and talents from around the world in key areas;
2. A happy and cohesive community that lives in harmony and prosperity regardless of race, language or religion;
3. A tech-savvy state that uses and showcases technology in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

#### 1.3 THE MISSION OF SDC

The mission for SDC is to support Sabah in achieving this vision by:

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

## 1.4 SDC ALIGNMENT THROUGH THE REGIONAL CITIES AND CORRIDORS PROGRAMME



## 1.5 STRATEGIC DEVELOPMENT AREAS UNDER SDC







## CHAPTER 2

### THE GOVERNANCE OF SEDIA

#### 2.1 SEDIA AS THE ONE-STOP AUTHORITY

- 2.1.1 Objectives of SEDIA
- 2.1.2 Membership of the Authority
- 2.1.3 Establishment of Committees

#### 2.2 MEMBERS OF SEDIA

#### 2.3 SEDIA COMMITTEES

- 2.3.1 Implementation Co-ordination Committee
- 2.3.2 Finance and Investment Committee
- 2.3.3 Development Planning Committee
- 2.3.4 Nomination, Establishment and Remuneration Committee
- 2.3.5 Audit Committee
- 2.3.6 Consultative Panel and Focus Group Committee

#### 2.4 THE CHIEF EXECUTIVE

#### 2.5 SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY FUND

*SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Pajjan addressing SEDIA officers during a staff meeting*







## 2.1 SEDIA AS THE ONE-STOP AUTHORITY

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

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

In order to expedite the implementation of 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 January 15, 2009. The Enactment was assented by Tuan Yang Terutama Yang Di-Pertua Negeri Sabah on February 23, 2009 and gazetted on February 26, 2009.

### 2.1.1 OBJECTIVES OF SEDIA

The objectives of SEDIA are:

- To promote and accelerate the development of 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.



*Sabah Chief Minister cum SEDIA Chairman Datuk Seri Panglima Haji Hajiji bin Haji Noor and the other SEDIA Members of Authority during a board meeting.*

### 2.1.2 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; and
4. The Authority may, from time to time, by order published in the Gazette, amend the First Schedule.

### 2.1.3 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 the private sector;
5. The provisions of the Second Schedule shall apply to a committee; and
6. The Authority may, from time to time, by order published in the Gazette, amend the Second Schedule relating to a committee.

## 2.2 MEMBERS OF SEDIA

Chairman:	Y.A.B. Datuk Seri Panglima Haji Hajiji bin Haji Noor, Chief Minister cum Minister of Finance, Sabah.
Members:	Y.B. Dato' Sri Bung Moktar bin Radin, Deputy Chief Minister I cum Minister of Infrastructure Development, Sabah;
	Y.B. Datuk Dr. Joachim Gunsalam, Deputy Chief Minister III cum Minister of Industrial Development, Sabah;
	Y.B. Datuk Seri Panglima Sr. Haji Safar bin Untong, Sabah State Secretary;
	Y.Bhg. Dato' Asri Hamidon, Secretary General to the Treasury, Ministry of Finance, Malaysia;
	Y.Bhg. Tan Sri Ahmad Zaki Ansore bin Mohd Yusof;
	Y.Bhg. Dato' Saiful Anuar bin Lebai Hussien, Secretary General, Ministry of Economic Affairs, Malaysia;
	Y.Brs. Tuan Haji Rusdin bin Riman, Permanent Secretary, Ministry of Finance, Sabah;
	Y.Brs. Encik Azmi Salim @ Nicholas Lim, Director, State Economic Planning Unit (UPEN);
	Y.Brs. Encik Bernard Liew Chau Min, Director, State Department of Lands and Survey;
	Y.Brs. Encik Lu Kim Yen, Board Member, Sabah Tourism Board;
Secretary:	Y.Bhg. Datuk Seri Panglima Haji Hashim Paijan, Chief Executive of SEDIA.

The Members of Authority had convened for three meetings in 2020, as follows:

- 30th Meeting of the Members of Authority: June 11, 2020
- 31st Meeting of the Members of Authority: August 18, 2020
- 32nd Meeting of the Members of Authority: December 16, 2020



## 2.3 SEDIA COMMITTEES

### 2.3.1 IMPLEMENTATION CO-ORDINATION COMMITTEE

- Chairman: Y.B. Datuk Seri Panglima Sr. Haji Safar bin Untong,  
Sabah State Secretary.
- Members: Y.Bhg. Dato' Asri Hamidon,  
Secretary General to the Treasury, Ministry of Finance, Malaysia;
- Y.Bhg. Dato' Samsuni Mohd Nor,  
Sabah Federal Secretary;
- Y.Bhg. Datuk Madiyem Layapan,  
Permanent Secretary, Ministry of Industrial Development, Sabah;
- Y.Bhg. Datuk Fredian Gan,  
Permanent Secretary, Ministry of Rural Development, Sabah;
- Y.Bhg. Datuk Dr. Mariana Tinggal,  
Permanent Secretary, Ministry of Agriculture and Food Industry, Sabah;
- Y.Brs. Dr. Jamilis Nais,  
Permanent Secretary, Ministry of Tourism, Culture and Environment, Sabah;
- Y.Bhg. Datuk Hajah Masnah binti Matsalleh,  
Permanent Secretary, Ministry of Local Government and Housing, Sabah;
- Y.Brs. Tuan Haji Noor Alam Khan Bin A. Wahid Khan,  
State Development Officer, State Development Office;
- Y.Brs. Encik Azmi Salim @ Nicholas Lim,  
Director, State Economic Planning Unit (UPEN);
- Y.Brs. Encik Bernard Liew Chau Min,  
Director, State Department of Lands and Survey;
- Y.Brs. Puan Bernadette C. Edmund,  
Director, State Department of Urban and Regional Planning;
- Y.Bhg. Datuk Ir. Richard Jomjil Kinsil,  
Director, State Department of Public Works;
- Y.Bhg. Datuk Haji Nordin Siman,  
Mayor, Kota Kinabalu City Hall;
- Y.Brs. Encik Anthony Kiob,  
Executive Director, Institute for Development Studies, Sabah (IDS);
- Y.Bhg. Datuk Seri Panglima Haji Hashim Paijan,  
Chief Executive of SEDIA.

The committee had convened for one meeting in 2020, as follows:

- 19th Meeting of the Implementation Co-ordination Committee: July 16, 2020

### 2.3.2 FINANCE AND INVESTMENT COMMITTEE

Chairman: Y.Bhg. Tan Sri Ahmad Zaki Ansore bin Mohd Yusof;

Members: Y.Bhg. Dato' Samsuni Mohd Nor,  
Sabah Federal Secretary;

Y.Brs. Tuan Haji Rusdin bin Riman,  
Permanent Secretary, Ministry of Finance, Sabah;

Y.Bhg. Datuk Dr. Mariana Tinggal,  
Permanent Secretary, Ministry of Agriculture and Food Industry, Sabah;

Y.Brs. Encik Thomas Logijin,  
Permanent Secretary, Ministry of Trade and Industry, Sabah;

Y.Brs. Dr. Jamilis Nais,  
Permanent Secretary, Ministry of Tourism, Culture and Environment, Sabah;

Y.Brs. Encik Azmi Salim @ Nicholas Lim,  
Director, State Economic Planning Unit (UPEN);

Y.Brs. Encik Wong Tiang Sing,  
Director, Malaysia Investment Development Authority, Sabah;

Y.Brs. Encik Anthony Kiob,  
Executive Director, Institute for Development Studies, Sabah (IDS);

Y.Bhg. Datuk Seri Panglima Haji Hashim Paijan,  
Chief Executive of SEDIA.

The committee had convened for one meeting in 2020, as follows:

- 31st Meeting of the Finance and Investment Committee: July 15, 2020

### 2.3.3 DEVELOPMENT PLANNING COMMITTEE

- Chairman: Y.Bhg. Dato' Saiful Anuar bin Lebai Hussien,  
Secretary-General, Ministry of Economic Affairs, Malaysia.
- Members: Y.Bhg. Tan Sri Datuk Ahmad Badri Mohd Zahir,  
Secretary General to the Treasury, Ministry of Finance, Malaysia;
- Y.Brs. Encik Ahmad Zamri bin Khairuddin,  
Director of Regional Development, Ministry of Economic Affairs, Malaysia;
- Y.Bhg. Dato' Samsuni Mohd Nor,  
Sabah Federal Secretary;
- Y.Bhg. Datuk Madiyem Layapan,  
Permanent Secretary, Ministry of Trade and Industry, Sabah;
- Y.Bhg. Datuk Dr. Mariana Tinggal,  
Permanent Secretary, Ministry of Agriculture and Food Industry, Sabah;
- Y.Brs. Puan Hajah Masnah binti Matsalleh,  
Permanent Secretary, Ministry of Local Government and Housing, Sabah;
- Y.Bhg. Datuk Fredian Gan,  
Permanent Secretary, Ministry of Rural Development; Sabah;
- Y.Brs. Tuan Haji Noor Alam Khan Bin A. Wahid Khan,  
State Development Officer, State Development Office;
- Y.Brs. Encik Azmi Salim @ Nicholas Lim,  
Director, State Economic Planning Unit (UPEN);
- Y.Brs. Encik Anthony Kiob,  
Executive Officer, Institute for Development Studies, Sabah (IDS);
- Y.Bhg. Datuk Seri Panglima Haji Hashim Paijan,  
Chief Executive of SEDIA.

The committee had convened for one meeting in 2020, as follows:

- 21st Meeting of the Development Planning Committee: February 13, 2020



#### 2.3.4 NOMINATION, ESTABLISHMENT AND REMUNERATION COMMITTEE

- Members:
- Y.Brs. Tuan Haji Rusdin bin Riman,  
Permanent Secretary, Ministry of Finance, Sabah.
- Y.Brs. Encik Azmi Salim @ Nicholas Lim,  
Director, State Economic Planning Unit (UPEN);
- Y.Brs. Encik Anthony Kiob,  
Executive Officer, Institute for Development Studies, Sabah (IDS);
- Y.Bhg. Datuk Seri Panglima Haji Hashim Paijan,  
Chief Executive of SEDIA.

The committee had convened for one meeting in 2020, as follows:

- 18th Meeting of the Nomination, Establishment and Remuneration Committee: February 28, 2020

#### 2.3.5 AUDIT COMMITTEE

- Chairman: Y.Brs. Tuan Haji Rusdin bin Riman,  
Permanent Secretary, Ministry of Finance, Sabah.
- Members: Y.Brs. Tuan Haji Noor Alam Khan Bin A. Wahid Khan,  
State Development Officer, State Development Office;
- Y.Brs. Encik Azmi Salim @ Nicholas Lim,  
Director, State Economic Planning Unit (UPEN);
- Y.Brs. Datin Mary Angela Sipaun,  
Sabah State Treasurer, State Treasury Department, Ministry of Finance, Sabah;
- Y.Bhg. Datuk Seri Panglima Haji Hashim Paijan,  
Chief Executive of SEDIA.

The committee had convened for one meeting in 2020, as follows:

- 26th Meeting of the Audit Committee: February 25, 2020

### 2.3.6 CONSULTATIVE PANEL AND FOCUS GROUP COMMITTEE

Chairman: Y.Bhg. Datuk Seri Panglima Haji Hashim Paijan,  
Chief Executive of SEDIA.

Members: Vice Chancellor, Universiti Malaysia Sabah;  
Campus Director, Universiti Teknologi MARA (UiTM);  
Deputy President, Kadazan Chambers of Commerce and Industry;  
President, Tionghua Chambers of Commerce and Industry;  
Secretary-General, Dewan Perniagaan Bumiputera Sabah.

- The committee did not convene during 2020.



*SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan being briefed by SEDIA officers during his first visit to the Sabah Agro-Industrial Precinct*

## 2.4 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.

## 2.5 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.



*Members of the Authority (left to right): Lu Kim Yen, Board Member, Sabah Tourism Board; Azmi Salim @ Nicholas Lim, State Economic Development Minister; Datuk Seri Panglima Haji Hajiji bin Haji Noor, Sabah Chief Minister cum Sabah Minister of Industrial Development; Haji Alan Bin Abdul Rahim, representative of Federal Ministry of Finance's Treasury Secretary General; and Berhad.*

*Not in the picture: Dato' Sri Bung Moktar Bin Radin, Sabah Deputy Chief Minister cum Minister of Works; Dato' Saiful Anuar bin Lebai Haji, Sabah Minister of Education; and Datuk Haji Pandin.*



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 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 discharge or performances of its functions and duties under this Enactment.



*ic Planning Unit Director; Datuk Seri Panglima Sr. Haji Safar bin Untong, Sabah State Secretary; Datuk Dr. Joachim Gunsalam, Deputy  
n SEDIA Chairman; Datuk Seri Panglima Haji Hashim Paijan, SEDIA Chief Executive; Haji Rusdin bin Riman, Sabah Ministry of Finance  
rnard Liew Chau Min, State Department of Lands and Survey Director.*

*Hussen, Director General of Economic Planning Unit, Prime Minister Office; Tan Sri Ahmad Zaki Ansore; Datuk Hajah Zaleha Rose binti*

## **CHAPTER 3**

### **SEDIA CORPORATE PROFILE AND ACTIVITIES**

#### **3.1 FUNCTIONS OF SEDIA**

#### **3.2 CORPORATE VISION, MISSION AND STRATEGIES**

#### **3.3 ORGANISATION CHART**

#### **3.4 DIVISIONS AND DEPARTMENTS OF SEDIA**

##### **3.4.1 Chief Executive's Office**

##### **3.4.2 Development Planning, Co-ordination and Evaluation Division**

##### **3.4.3 Marketing and Corporate Communications Division**

##### **3.4.4 Knowledge and Technology Management Division**

##### **3.4.5 Investment and Business Development Division**

##### **3.4.6 Project Management Department**

##### **3.4.7 Accounting and Finance Department**

##### **3.4.8 Administration and Corporate Services Department**

#### **3.5 CALENDAR OF NOTABLE EVENTS**

#### **3.6 2020 NOTABLE EVENT: Appointment of New SEDIA Chief Executive**

### 3.7 HIGHLIGHTS OF SEDIA ACTIVITIES

- 3.7.1 SEDIA Briefs Deputy Minister of Finance on SDC Projects, Programmes and Initiatives
- 3.7.2 SEDIA Engages with State Ministers to Increase Collaboration
- 3.7.3 Presentation on SDC during the World Islamic Economic Forum Roundtable
- 3.7.4 Engagements with the Minister for Economic Affairs in the Prime Minister's Department
- 3.7.5 Briefings for the Minister for Sabah and Sarawak Affairs in the Prime Minister's Department
- 3.7.6 Session in Sabah for the Ministry of Finance Malaysia with Tourism and Agriculture Industry Players Focus Group Programme, in conjunction with Budget 2021 Preparations
- 3.7.7 Seminar on *Pendapatan Garis Kemiskinan 2019*
- 3.7.8 SEDIA Organises Seminar on Digital Economy



*Minister in the Prime Minister's Department for Sabah and Sarawak Affairs Datuk Seri Panglima Dr. Maximus Johnity Ongkili (sixth from left), Sabah Federal Secretary Dato' Samsuni Bin Mohd Nor (fourth from left), SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan (sixth from front right), together with other participants of the briefing from the Prime Minister's Department and SEDIA on October 1, 2020.*



### 3.1 FUNCTIONS OF SEDIA

The SEDIA Enactment lists the functions of the Sabah Economic Development and Investment Authority (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 Sabah Development Corridor (SDC);
- To disburse funds received from the Government or the Federal Government for Sabah Development Corridor to the relevant implementing Government Entities;
- To co-ordinate the expeditious implementation of all projects in 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 Sabah Development Corridor;
- To promote and market Sabah Development Corridor as an attractive business and investment location;
- To recommend to the Government and the Federal Government incentives for Sabah Development Corridor;
- To recommend to the Government or the Federal Government on policy reforms and other initiatives for Sabah Development Corridor;
- To source funds for 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 Sabah Economic Development and Investment Authority enactment.



*Minister for Economic Affairs in the Prime Minister's Department Dato' Sri Mustapa Mohamed (right), SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Pajjan (left) along with the management of Sabah Ports Sdn Bhd, officers from SEDIA and the Minister's entourage during a visit to Sapangar Bay Container Port on September 6, 2020.*

## 3.2 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 SDC, in active partnerships with key stakeholders.

### MISSION

- To provide strategic direction, roadmap, planning integration, implementation co-ordination, monitoring and evaluation on the implementation of SDC;
- To promote SDC as a preferred investment destination for business, culture and nature;
- To ensure that 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 SDC; and
- To enhance stakeholders' value propositions, confidence and acceptance through optimum engagement, information dissemination and accountability.



Several officers from SEDIA and Sabah Ports Sdn Bhd during a visit to Sapangar Bay Container Port.



A SEDIA staff seen during a stakeholder engagement exercise.



Minister for Economic Affairs in the Prime Minister's Department Dato' Sri Mustapa Mohamed (right) and SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Pajjan (third from right) during a visit to an entrepreneur that had participated in an SDC entrepreneur development programme September 20, 2020.



## STRATEGIES

- Attract investments and business initiatives in targeted areas to unlock the SDC's regional value creation potential through road shows 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 Information Communications Technology (ICT), biotech and nanotechnology;
- Create strategic development areas comprising green field clusters in tourism, agriculture and manufacturing driver by creativity, knowledge convergence and eco-sensitive lifestyle;
- Enhance capacity building for Small and Medium Enterprises (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.

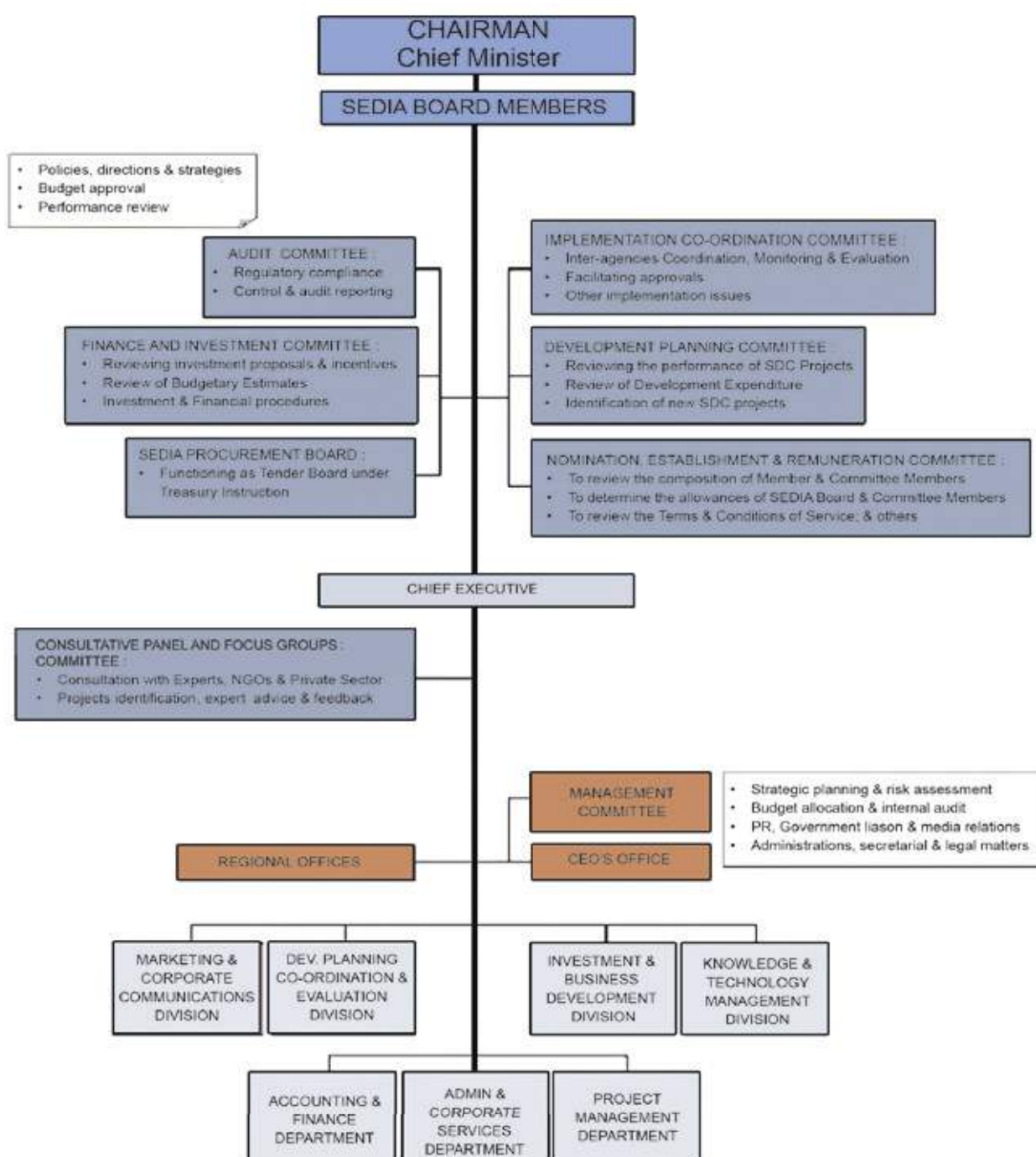
The corporate strategies shall be carried out by SEDIA through the various committees, operating divisions and departments within SEDIA. In view of the fact that the SEDIA committees are primarily decision-making body to assist SEDIA, the main day-to-day operations shall be principally carried out by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



*Minister for Economic Affairs in the Prime Minister's Department Dato' Sri Mustapa Mohamed (fifth from right) along with SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Pajjan (third from right) during a visit to the Sabah Agro-Industrial Precinct (SAIP) on September 20, 2020.*



## 3.3 ORGANISATION CHART



## 3.4 DIVISIONS AND DEPARTMENTS OF SEDIA

### 3.4.1 Chief Executive's Office

The function of the Chief Executive's office is generally to assist the Chief Executive in co-ordinating the execution of the following tasks:

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

These functions are translated into the responsibilities of co-ordinating the Chief Executive's engagements, appointments and meetings, monitoring the execution of decisions by the Members of Authority, Chief Executive and management, co-ordinating 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 Chief Executive'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.

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.



*SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Pajjan seen conducting a site visit to the Keningau Integrated Livestock Centre (KILC) on June 16, 2020.*

### 3.4.2 Development Planning, Co-ordination and Evaluation Division

- 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 co-ordinate the integration of the various sectoral development plans into a coherent socio-economic and physical development planning framework;
- To assess the socio-economic, environmental regional impacts of these projects; and
- To evaluate SDC milestones in term of key performance indicators.

### 3.4.3 Marketing and Corporate Communications Division

- 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.



*The Marketing and Corporate Communications Division routinely participate in roadshows, exhibitions and conventions in order to promote SDC programmes and initiatives, while gathering feedback from stakeholders.*



#### 3.4.4 Knowledge and Technology Management Division

- 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.



*SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan (left) with Senior Vice President Mary Sintoh (centre) being briefed by an officer at the Sabah Agro-Industrial Precinct (SAIP).*

#### 3.4.5 Investment and Business Development Division

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

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



*SEDIA Director cum Head of Project Management Department Vanessa Yong seen presenting a briefing during a visit to the Sabah Agro-Industrial Precinct (SAIP).*

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

- 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;
- To prepare feasibility studies and financial modelling for SDC projects; and
- To provide general corporate services.

### 3.5 CALENDAR OF NOTABLE EVENTS

# SEDIA

## 2020 TIMELINE





## January



Visit by then-Deputy Minister of Finance Dato' I.R. Wira Haji Amiruddin bin Haji Hamzah



Briefing on Stingless bee honey production by SIRIM Tech Sdn. Bhd.



Courtesy visit by a Japanese investor to discuss pharmaceutical investment

## February



Entrepreneur development workshop on producing a business plan



SEDIA 10-year Anniversary and Appreciation dinner



"Go Green" event at the Sabah Agro-Industrial Precinct (SAIP)



## March

3



Courtesy visit by the Indonesian Consulate General in Kota Kinabalu

12



Presentation on SDC during the World Islamic Economic Forum Roundtable

13



Courtesy visit by Deputy Head of Mission Mr. Eero Väisänen, from the Embassy of Finland, Kuala Lumpur

## April

23



Video call with Minister for Economic Affairs in the Prime Minister's Department Dato' Sri Mustapa Mohamed

## June

15



Briefing on SDC programmes and initiatives for Datuk Seri Panglima Dr. Maximus Johnity Ongkili, the Minister in the Prime Minister's Department for Sabah and Sarawak Affairs, and Deputy Minister in the Prime Minister's Department for Economic Affairs Arthur Joseph Kurup

23



SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan pays courtesy on Sabah Federal Secretary Datuk Samsuni Mohd Noor



## July

8



Courtesy visit by MITI Director Mohd Hijri bin Mat Rani

21



Courtesy visit by the Sabah Bumiputera Chamber of Commerce

27



Courtesy visit by Kota Kinabalu Polytechnic Director Zainab binti Othman

## August

11



Visit to the Sabah Agro-Industrial Precinct (SAIP) by the Papar Chapter of Junior Chamber International

12



Visit to the Sabah Agro-Industrial Precinct (SAIP) by the National Audit Department

27



SIRIM with the Industries programme at Kundasang



## September



7  
SEDIA participated in the 2020 Careers Carnival programme at the Sabah International Convention Centre



9  
Session in Sabah for the Ministry of Finance Malaysia with Tourism and Agriculture Industry Players Focus Group Programme



19  
Seminar on the 2019 Poverty Line Income findings

## October



1  
Briefing on SDC programmes and initiatives updates for Datuk Seri Panglima Dr. Maximus Johnity Ongkili, the Minister in the Prime Minister's Department for Sabah and Sarawak Affairs

## December



16  
The 32nd SEDIA Members of Authority meeting was held at the Sabah State Administrative Centre

### 3.6 2020 NOTABLE EVENT: Appointment of New SEDIA Chief Executive

On June 11, 2020, Datuk Seri Panglima Haji Hashim Paijan was officially appointed as the Chief Executive of SEDIA, during the 30th meeting of SEDIA Members of Authority. Datuk Seri Panglima Hashim succeeds Datuk Dr. Mohd Yaakub Haji Johari.

Datuk Seri Panglima Hashim has extensive experience in the administration of the State of Sabah, having previously served as State Secretary from July 9, 2018, up until his mandatory retirement on November 1, 2019. Prior to that, he had served as Permanent Secretary of the State Ministry of Industrial Development (MID). He had also served on several SEDIA Committees, including as Chairman of the SEDIA Implementation Coordination Committee.

During his time as the Permanent Secretary of MID, Datuk Seri Hashim had also been a member of Boards of Directors in several government-linked companies that have been close partners in SDC programmes and initiatives, including the Sabah Economic Development Corporation (SEDCO), POIC Sabah Sdn Bhd, KKIP Sdn Bhd, SME Corp, and the Malaysian Investment Development Authority (MIDA), as well as still being a board member of the Sabah Oil and Gas Development Corporation (SOGDC). The new Chief Executive had also served as Chairman of the state's strategic investment arm, Warisan Harta Sdn Bhd, until June 2020.



*Handover of notes by outgoing SEDIA Chief Executive Datuk Dr. Mohd Yaakub Hj Johari (fourth from left) to incoming SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan (fourth from right).*



### 3.7 HIGHLIGHTS OF SEDIA ACTIVITIES

#### 3.7.1 SEDIA Briefs Deputy Minister of Finance on SDC Projects, Programmes and Initiatives



*The then-SEDIA Chief Executive Datuk Dr. Mohd Yaakub Hj Johari (third from right) presenting a memento to then-Deputy Minister of Finance Dato' Wira Haji Amiruddin bin Haji Hamzah (second from right).*

On the morning of January 9, 2020, SEDIA welcomed a delegation led by then-Deputy Minister of Finance Dato' I.R. Wira Haji Amiruddin bin Haji Hamzah. The Deputy Minister began his meeting with SEDIA at the site for the Kota Kinabalu walkway and cycleway project, followed by a briefing at Kota Kinabalu City Hall (DBKK) and finally concluding with a discussion on SDC projects at Wisma SEDIA.

Following a review of the roles of all government agencies and statutory bodies by the then-Federal government, the authorities for the five Economic Corridors had been placed under the helm of the Ministry of Finance.

The deputy minister and his delegation were given a cycling tour of the walkway and cycleway, and were briefed at DBKK by the project contractor. The project was initiated through SDC with the objective of promoting a healthier lifestyle for residents of Kota Kinabalu and is the state's first recreational network, which upon completion spans approximately 16.1 kilometres and covers coastal areas.

At Wisma SEDIA, Dato' Wira Haji Amiruddin was welcomed by then-SEDIA Chief Executive Datuk Dr. Mohd Yaakub Hj Johari, and other SEDIA management members. The discussion covered several SDC projects and initiatives, as well as programmes to develop entrepreneurship and human capital in Sabah.



### 3.7.2 SEDIA Engages with State Ministers to Increase Collaboration

SEDIA began the year 2020 with several courtesy visits to Sabah State Ministers, with the objective of strengthening collaboration towards increasing development programmes and initiatives in Sabah. This began with a visit to then-Minister of Education and Innovation Datuk Dr. Yusof Yacob on January 31, 2020. The objective of the visit was to discuss collaboration towards the development of human capital, including the creative industry in Sabah, especially during the Twelfth Malaysia Plan and in line with the vision and agenda of the State and Federal Governments towards achieving Shared Prosperity Vision 2030.

Along with the delegation from SEDIA led by then-Chief Executive Datuk Dr. Mohd Yaakub Haji Johari, participants of the courtesy visit included officers from Malaysia Digital Economy Corporation (MDEC) and a representative of Giggle Garage, a Cyberjaya-based and fully Sabahan-owned production company. SEDIA had included MDEC and Giggle Garage in the courtesy visit to identify avenues for expanding creative industry activities and opportunities in Sabah.

The representatives from MDEC informed Datuk Dr. Yusof that MDEC had been planning to have its creative content festival programme held in Sabah later in 2020. During the discussion, the minister said that these initiatives will see to the development of the creative industry ecosystem, and be able to further bridge any gaps between education providers and industry players.

Datuk Dr. Yusof welcomed the delegation's initiative in establishing ties with the ministry, as they are working to identify tertiary education opportunities for all school leavers, based on students' varied grade competencies. In welcoming the initiatives discussed during the visit, the minister encouraged collaboration between education institutions and industry players so as to ensure industry demands are met, which will increase graduate employability.



*Then-Minister of Education and Innovation Datuk Dr. Yusof Yacob (seated, centre), then-SEDIA Chief Executive Datuk Dr. Mohd Yaakub Hj Johari (seated, second from right), with other participants of the meeting from the Ministry of Education and Innovation, SEDIA, MDEC and Giggle Garage.*



*The SEDIA management, led by then-Chief Executive Datuk Dr. Mohd (fifth from left) presenting a memento to then-Deputy Chief Minister cum Minister of Tourism, Culture and Environment Datuk Christina Liew during a courtesy visit to the latter's office*

SEDIA had then followed up with a courtesy visit to then-Deputy Chief Minister cum Minister of Tourism, Culture and Environment Datuk Christina Liew on February 4, 2020. The objective of the visit was to identify avenues for collaboration towards the development of the tourism industry, aligning with SDC initiatives. The tourism sector is recognised as a core growth driver and one of the Sabah economy's key strengths, whereby SEDIA has been promoting Sabah under the SDC investment tagline, "A preferred destination for business, culture and nature". Datuk Liew welcomed SEDIA's visit, and had recommended opening ongoing communication with her officers in order to identify avenues for collaboration in the shortest time possible, of which she suggested to include health tourism. She informed the SEDIA delegation that her ministry was also looking into the redevelopment of the Poring hot springs in Ranau, as well as a proper jetty at Semporna for entry into world heritage Sipadan island.

Due to the immediate deteriorating situation of the Covid-19 pandemic during the month of March, SEDIA was not able to continue with its courtesy visits. Several meetings had actually been planned, as SEDIA looked towards developing stronger ties with the State Government.



*Then-SEDIA Chief Executive Datuk Dr. Mohd Yaakub Haji Johari (bottom image, second from right) presenting a memento to then-Minister of Education and Innovation Datuk Dr. Yusof Yacob following the discussion on collaboration towards the development of human capital, including the creative industry in Sabah (top image).*

### 3.7.3 Presentation on SDC during the World Islamic Economic Forum Roundtable

The World Islamic Economic Forum (WIEF) Foundation had extended an invitation to SEDIA then-Chief Executive Datuk Dr. Mohd Yaakub Haji Johari to be a speaker at WIEF Roundtable Kota Kinabalu 2020, a full-day event held on March 12, 2020.

WIEF promotes global commerce and economic wellbeing while inciting Islamic ethics of peace, fairness and equality. This means WIEF is open to, and includes, all Muslim as well as non-Muslim countries globally. The event brings together government leaders, captains of industry, academicians, regional experts, professionals and corporate managers to discuss opportunities for business partnerships in the Muslim world. The objectives for WIEF events are:

- To enhance the economic well-being of Muslim nations through encouraging trade and business opportunities not only among themselves also the world at large;
- To package the Muslim world as a lucrative trade and investment caucus that is able to attract foreign investors and business partners worldwide;
- To package the Muslim world as a lucrative trade and investment caucus that is able to attract foreign investors and business partners worldwide;
- To promote dialogue and foster cooperation among all business people because collaboration is important for 21st century international relations and can become genuine bridges towards peace and prosperity between Muslim and non-Muslim world.

The event began with the arrivals of Guests of Honour, then-Chief Minister Datuk Seri Panglima Haji Mohd Shafie bin Haji Apdal and then-Deputy Chief Minister Datuk Seri Panglima Wilfred Madius Tangau. The opening ceremony saw welcoming remarks delivered by WIEF FoundatChairman Tun Musa Hitam, and the opening keynote address by the Chief Minister.



*Then-SEDIA Chief Executive Datuk Dr. Mohd Yaakub Haji Johari (standing at the rostrum, left) presenting on SDC at the WIEF Roundtable KK 2020*



Datuk Dr. Mohd Yaakub Haji Johari was a speaker during the fourth session, titled “Sabah Focus — Investment Opportunities in Sabah” and moderated by National University of Malaysia Senior Lecturer Dr. Farizal bin Mohd Razalli, during which the SEDIA Chief Executive spoke briefly on SDC and then played the SDC 10-year anniversary video. Other speakers during this session were IRDA Chief Executive Datuk Ismail Ibrahim, and POIC Sdn Bhd Deputy CEO Lynette Hoo. Datuk Seri Panglima Wilfred Madius Tangau had also delivered a keynote address for the session.

Topics for the other sessions were “Forging Sustainable Development: Impacting the Future” (session one), “Promoting Investment During Challenging Times” (session two), and “Indonesia’s Shifting Capital: Opportunities for Borneo” (session three).

Following the end of the WIEF Roundtable after the fourth session, Datuk Dr. Yaakub proceeded with an interview for Astro Awani by their Editor-in-Chief Kamarul Bahrin Haron, who was also the moderator during the first session of the WIEF event.



*Then-SEDIA Chief Executive Datuk Dr. Mohd Yaakub Haji Johari (left) along with then-Deputy Chief Minister Datuk Seri Panglima Wilfred Madius Tangau and other keynote speakers during the session.*

### 3.7.4 Engagements with the Minister for Economic Affairs in the Prime Minister's Department

During 2020, SEDIA had several opportunities of engagement with Dato' Sri Mustapa Mohamed, the Minister for Economic Affairs in the Prime Minister's Department. The first engagement was between the minister and SEDIA management members through a video call on April 23, 2020, during which he was briefed on the latest updates on SDC programmes and initiatives.

SEDIA then gave the minister a briefing of the Sapangar Bay Container Port (SBCP) on September 6, 2020 at the office of Sabah Ports Sdn Bhd, during which Dato Sri' Mustapa had been on a two-day working visit to Sabah to visit several FELDA projects. During this visit, he got to know of the achievements of cattle breeder Bakri Pawerdi in Lahad Datu, and urged SEDIA to assist local breeders especially through the Keningau Integrated Livestock Centre under SDC.



*Minister for Economic Affairs in the Prime Minister's Department Dato' Sri Mustapa Mohamed (seated, centre) with SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan (seated, third from right) along with members of management of SEDIA and Sabah Ports Sdn Bhd.*

SEDIA welcomed Dato' Sri Mustapa to the Sabah Agro-Industrial Precinct (SAIP) on September 20, 2020 for a briefing and tour of the SDC project. The visit to SAIP had actually followed a day after the seminar on 2019 Poverty Line Income, during which the minister presented his remarks and then toured the Sabah International Convention Centre (SICC) which was the event venue. SICC is a project which had received funding through SDC, and is touted as a world-class meetings, incentives, conventions and exhibitions (MICE) facility.

### 3.7.5 Briefings for the Minister for Sabah and Sarawak Affairs in the Prime Minister's Department



*SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan (fifth from right) presenting a memento to Minister for Sabah and Sarawak Affairs in the Prime Minister's Department Datuk Seri Panglima Dr. Maximus Johnity Ongkili, in the presence of Deputy Minister for Economic Affairs in the Prime Minister's Department Arthur Joseph Kurup and management members of SEDIA.*

SEDIA had received Datuk Seri Panglima Dr. Maximus Johnity Ongkili, the Minister in the Prime Minister's Department for Sabah and Sarawak Affairs on two separate occasions. The Minister first visited Wisma SEDIA on June 15, 2020 along with Arthur Joseph Kurup (Deputy Minister in the Prime Minister's Department for Economic Affairs), and then had a second visit on October 1, 2020. Datuk Seri Panglima Dr. Ongkili expressed his interest to be briefed regularly on SDC projects and initiatives following the announcement by Prime Minister Y.A.B. Tan Sri Dato' Haji Muhyiddin Yassin on May 10, 2020. The Prime Minister said that while matters related to financial policy, planning and allocation are placed under the Minister in the Prime Minister's Department for Economic Affairs, Datuk Seri Panglima Maximus is to supervise the operations, implementation as well as monitoring of development projects funded through Federal allocations.



*Minister for Sabah and Sarawak Affairs in the Prime Minister's Department Datuk Seri Panglima Dr. Maximus Johnity Ongkili (centre) seen discussing with SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan and other management members of SEDIA during a visit to Wisma SEDIA.*



### 3.7.6 Session in Sabah for the Ministry of Finance Malaysia with Tourism and Agriculture Industry Players Focus Group Programme, in conjunction with Budget 2021 Preparations

Together with the Federal Ministry of Finance, SEDIA had organised a focused group session on September 9, 2020, together with industry players from the state tourism and agriculture sectors. The focus group session was chaired by Datuk Haji Abdul Rahim bin Bakri, the Deputy Minister of Finance I, with the objective of collecting industry feedback and suggestions for consideration as input towards planning and strategy measures for Budget 2021. The input gathered is then able to steer the Federal Government towards Sabah's most urgent and pressing needs, and identify high-impact projects to be submitted for Budget 2021.



*Deputy Minister of Finance I Datuk Haji Abdul Rahim bin Bakri (centre) chairing the focus group session, with SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Paijan (third from right) and stakeholders from the industry sector.*



*Many industry players from the state tourism and agriculture sectors had attended the session to provide valuable input towards the planning and strategy measures for Budget 2021.*

### 3.7.7 Seminar on *Pendapatan Garis Kemiskinan* 2019



Minister for Economic Affairs in the Prime Minister's Department Dato' Sri Mustapa Mohamed (left, at the rostrum) presenting his remarks at the start of the seminar

In collaboration with the Economic Planning Unit (EPU), SEDIA has organised a seminar on September 19, 2020 at the Sabah International Convention Centre (SICC) for stakeholders to discuss on the findings and implications of the 2019 poverty line income (PLI). The seminar saw representatives from various government agencies and departments in attendance, to discuss the findings that were presented. Dato' Sri Mustapa Mohamed, the Minister for Economic Affairs in the Prime Minister's Department, presented his remarks and then toured SICC while the seminar carried on. Following the conclusion of the seminar, a delegation from EPU also visited the Sabah Animation and Creative Content Centre (SAC3) later that afternoon.



Stakeholders comprising representatives from various government agencies and departments were in attendance to discuss the findings of the 2019 poverty line income.



### 3.7.8 SEDIA Organises Seminar on Digital Economy

SEDIA held a seminar on morning of September 25, 2020, entitled “Digital Economy Initiative: from Alibaba experience” at the IDS Hall of Excellence, Wisma SEDIA. The seminar was presented by Tobin Ng, who is among the first batch of Malaysian entrepreneurs selected to attend the Alibaba Netpreneur programme.

Tobin began his career by serving as a Non-Executive Director of NCT Group in 2017, during which he received the Innovation of The Year award 2018 by Global Logistics Supply Chain. He is the Chief Executive Officer of Epost, a startup that he created at the age of 25, to serve as a B2B and B2C e-commerce solution, and an offline-to-online bridge connecting traditional businesses and customers with courier services tailored for the digital marketplace. With his supply chain experience and investment resources in Southeast Asia, Tobin led Epost to become a major online platform connecting businesses to consumers both domestically and internationally. In 2019, he was appointed as a Director in Warisan Harta, which is the Sabah State Government’s investment arm.



*Epost CEO Tobin Ng (right) presenting his views on the digital economy, watched on by Ministry of Agriculture and Food Industry Permanent Secretary Dr. Mariana Tinggal (front row, left), SEDIA Chief Executive Datuk Seri Panglima Haji Hashim Pajjan (front row, in white) and other event participants.*

SEDIA recognised the timeliness of organising the seminar to provide participants with a clearer understanding of current global economic trends towards digitalisation, and how it affects both the Malaysia economy in general, and specifically the Sabah economy. The objective is for participants to learn from the speaker’s experience from attending the Alibaba Netpreneur programme in 2019, as well as what he learned from the Alibaba Bainiu Village initiative, where the China company helped villagers to sell their products through Taobao and other e-commerce platforms. Through Epost, Tobin has been providing education and consultant services to local SMEs affected by the Covid-19 pandemic, enabling them with knowledge and expertise to not only survive, but excel during this period.

The seminar emphasised on digital economies as a new development driver, in line with the Federal and State Governments’ focus on ensuring the Malaysian workforce keeps up with the adoption of IR 4.0 technologies. This also aligns with SEDIA’s efforts to adopt a more focused and targeted approach in attracting quality investments in new growth areas, especially in service-based, innovation-led and knowledge-intensive industries including in Industry 4.0.



## CHAPTER 4

### SDC-SEDIA PROGRESS REPORT

#### 4.1 SDC PERFORMANCE REVIEW

#### 4.2 INVESTMENT PERFORMANCE

#### 4.3 DEVELOPMENT PERFORMANCE OF PHYSICAL PROJECTS

##### 4.3.1 Keningau Integrated Livestock Centre (KILC)

##### 4.3.2 Sabah Agro-Industrial Precinct (SAIP)

#### 4.4 HUMAN CAPITAL DEVELOPMENT

##### 4.4.1 Agro-SAIP Training Programme

##### 4.4.2 SEDIA Student Internship Opportunities

*Located in Kimanis, in the district of Papar, the Sabah Agro-Industrial Precinct (SAIP) is one of the SDC flagship projects that will develop new sources of economic growth within the agriculture sector, especially in the agri-biotech sub-sector.*





## 4.1 SDC PERFORMANCE REVIEW

The Sabah Economic Development and Investment Authority (SEDIA) has steered the Sabah Development Corridor (SDC) through the fifth year of the Third Phase of SDC (2016–2025), as well as the final year of the Eleventh Malaysia Plan (11MP) (2016–2020). To this end, the SDC initiative has thus far driven development in Sabah towards becoming a developed state, especially in SDC focus areas such as tourism, agriculture, oil and gas, logistics, and human capital development.

## 4.2 INVESTMENT PERFORMANCE

Towards the goal of garnering investment into Sabah, SEDIA has implemented proactive measures since the Second Phase of SDC to encourage both domestic and foreign investment, as well as developing Small and Medium industries (SMIs) in SDC-focused sectors. This has continued during the Third Phase of SDC (2016–2025) which is the expansion phase. Cumulative committed investment in SDC as at December 2020, as shown in TABLE 4.1 and CHART 4.1, amounted to RM190.88 billion, while realised investment amounted to RM85.68 billion. The Cumulative Investment target of RM77.5 billion by 2020 had been achieved ahead of schedule, in terms of Cumulative Committed Investment since 2011, as well as the Cumulative Realised Investment since 2018. CHART 4.2 meanwhile provides a breakdown of the cumulative investment by way of sectors.

TABLE 4.1: SDC CUMULATIVE COMMITTED AND REALISED INVESTMENT (2008–2020)

Year	Committed		Realised	
	Investment (RM billion)	Cumulative investment (RM billion)	Investment (RM billion)	Cumulative investment (RM billion)
2008	11.87	11.87	0.92	0.92
2009	7.68	19.55	0.49	1.41
2010	21.81	41.36	4.54	5.95
2011	77.41	118.77	1.55	7.5
2012	4.46	123.23	10.63	18.13
2013	4.75	127.98	7.73	25.86
2014	10.13	138.11	24.89	50.76
2015	15.36	153.45	4.56	55.31
2016	5.77	159.22	5.01	60.32
2017	5.78	165.00	5.77	66.09
2018	1.84	166.84	14.91	81.00
2019	6.47	173.31	3.85	84.85
2020	17.57	190.88	0.83	85.68

Source: SEDIA, 2020

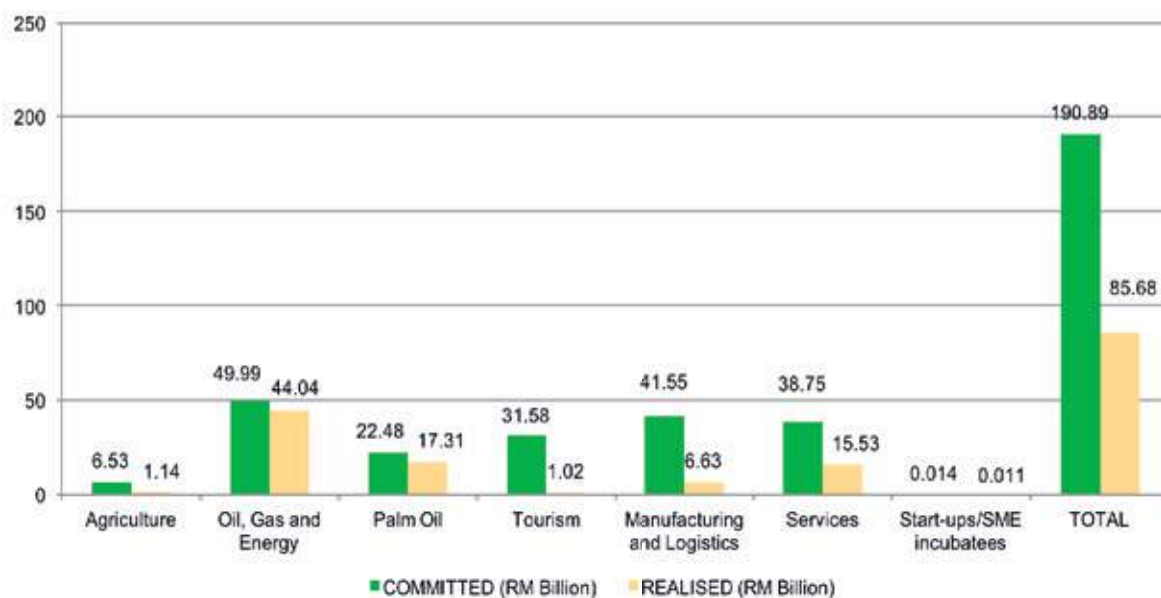


CHART 4.1: SDC CUMULATIVE INVESTMENT (2008–2020)



Source: SEDIA, 2020

CHART 4.2: SDC CUMULATIVE INVESTMENT BY SECTOR (2008–2020)



Source: SEDIA, 2020

## 4.3 DEVELOPMENT PERFORMANCE OF PHYSICAL PROJECTS

Sabah Development Corridor projects comprise of several flagship projects, as well as including projects by the private sector under Public-Private Partnerships (PPPs).

In terms of development expenditure performance, SEDIA had expended 94.61 percent of the total allocation received cumulatively during the Ninth (9MP), Tenth (10MP) and Eleventh Malaysia Plans (11MP), as at December 31, 2020. This expenditure has no doubt added further momentum to the overall economic growth through spillover effects from the implemented projects (refer to TABLE 4.2) (see also TABLE 4.3 for the list of Federal government-funded SDC projects).

TABLE 4.2: SDC PROJECTS FINANCIAL PERFORMANCE UNDER THE MALAYSIA PLANS (MPs) AS AT DECEMBER 31, 2020

MP	Year	Allocations	Expenditure	Remaining	%
		(RM)			
9MP	2010	919,000,000	919,000,000	0	100%
10MP	2011	263,950,000	258,190,673	5,759,327	97.82%
	2012	230,408,500	224,518,060	5,890,440	97.44%
	2013	186,900,000	172,199,561	13,479,640	92.13%
	2014	115,500,000	100,500,000	15,000,000	87.01%
	2015	173,420,992	168,002,589	2,220,595	96.88%
11MP	2016	159,186,096	137,397,057	2,997,693	86.31%
	2017	241,100,000	153,772,231	25,429,042	63.78%
	2018	92,034,263	125,666,374	(33,632,111)	136.54%
	2019	162,148,590	113,841,726	48,306,864	70.21%
	2020	69,299,899	10,087,633	59,212,265	14.56%
Total		2,612,948,339	2,472,126,694	140,821,645	94.61%

Source: SEDIA, 2020

From TABLE 4.3, it can be seen that most of the feasibility studies, research and training projects had been carried out and completed. In terms of development projects, all of 9MP projects had been completed. Some 10MP projects had been rolled over into 11MP.

TABLE 4.3: FEDERAL GOVERNMENT-FUNDED PROJECTS UNDER SDC  
AS AT DECEMBER 31, 2020

Sector	Type of project	Name of project	Status (Completed/ In progress)
Tourism	Feasibility studies, research and training projects	Impact assessment of palm oil plantations and mills on quality of rivers	Completed
		<i>Kajian kemungkinan pembinaan Jalan Serusop-Kelawat, Kota Belud</i>	Completed
		<i>Kajian pelan pengurusan lokaliti stesen dan hub-stesen di Taman Banjaran Crocker</i>	Completed
		<i>Kajian pelan induk pelancongan bagi kawasan persisiran pantai dari Tuaran ke Kota Belud</i>	Completed
		<i>Kajian pelan pengurusan Taman Pulau Penyu</i>	Completed
		<i>Kajian alternatif bekalan tenaga elektrik ke Taman Tunku Abdul Rahman</i>	Completed
		<i>Kajian alternatif bekalan air bersih ke Taman Tunku Abdul Rahman</i>	Completed
		<i>Kajian peningkatan air panas di Poring Hot Springs, Ranau</i>	Completed
		<i>Kajian pembentukan "Wildlife Corridor" menghubungkan Taman Kinabalu dan Taman Banjaran Crocker</i>	Completed
		<i>Kajian pelan pengurusan Taman Pulau Tiga</i>	Completed
	Physical projects	<i>Rekreasi hutan dan eko pelancongan – Menaiktaraf/ Penyelenggaraan/Balikpulih kawasan pelancongan di Hutan Simpan Kebun Cina</i>	Completed
		<i>Projek peningkatan kemudahan pelancongan (Tenom, Tambunan, Nabawan dan Keningau)</i>	Completed
		<i>Pembangunan Pusat hub repository maklumat koleksi budaya dan saintifik Muzium Sabah</i>	Completed
		<i>Penaikan taraf pameran tetap muzium Sabah</i>	Completed
		<i>SDC - Cadangan perumahan rakyat di Kg. Gusi, Kinarut</i>	Design Completed
Agriculture	Feasibility studies, research and training projects	<i>Taman Kekal Pengeluaran Makanan Sg. Koyah, Kinabatangan</i>	Completed
		<i>Taman Kekal Pengeluaran Makanan Mandalipau, Papar</i>	Completed
		<i>Taman Kekal Pengeluaran Makanan Sg. Lokan, Kinabatangan</i>	Completed
		<i>Taman Kekal Pengeluaran Makanan Langkawit, Papar</i>	Completed
		<i>Biomass policy</i>	Completed
	Physical projects	<i>Projek khas tanam baru dengan getah di kawasan termundur Semenanjung Bengkoka, Pitas</i>	Completed



## CONTINUED

Sector	Type of project	Name of project	Status (Completed/ In progress)
		<i>Tanam baru getah berkelompok dengan klon lateks balak</i>	Completed
		<i>Pembinaan jalan pertanian di beberapa daerah (21 sub-projek)</i>	Completed
		<i>Projek Agropolitan Pitas</i>	Completed
		<i>Projek Agropolitan Kemabong</i>	Completed
		<i>Keningau Integrated Livestock Centre (KILC)</i>	Completed
		<i>Projek Agropolitan Beluran</i>	Completed
		<i>Projek Agropolitan Tongod</i>	Completed
		<i>Projek Mini Estet Sejahtera (MESEJ)</i>	Completed
		<i>Sabah Agro-Industrial Precinct (SAIP)</i>	Completed
Manufacturing and logistics	Feasibility studies, research and training projects	<i>SDC – Pembesaran pelabuhan kontena Sapangar (1.25 juta TEU/tahun)</i>	Completed
		<i>SDC – Kajian Pelan Induk untuk hab penerbangan dan logistic fret udara di Sabah</i>	Completed
	Physical projects	<i>Projek Kelompok Industri Berasaskan Kelapa Sawit (Lahad Datu), Fasa 2</i>	Completed
		<i>Projek Kelompok Industri Berasaskan Kelapa Sawit (Sandakan)</i>	Completed
		<i>Perobohan Kompleks mini Ko-Nelayan, Kuala Penyu</i>	Completed
		<i>Menaiktaraf kawasan persekitaran Pusat Bandaraya Kota Kinabalu</i>	Completed
		<i>Pengorekan dasar laut – Laluan masuk ke kawasan pelabuhan, jeti minyak dan POIC Sandakan</i>	Completed
		<i>Pembinaan Jalan Tongod-Pinangah</i>	Completed
		<i>Menaiktaraf Jalan Labuk, dari KM15 ke KM26 (11 km), Sandakan</i>	Completed
		<i>Pembinaan jalan dua hala dari UiTM ke Sapangar Bay Container Terminal (3 km), Kota Kinabalu</i>	Completed
		<i>SDC – Pembinaan jeti minyak sawit di POIC Sandakan</i>	Completed
		<i>SDC – Pembesaran Pelabuhan Kontena Teluk Sapangar</i>	In progress
		<i>SDC – Projek pembinaan jambatan pekan Tuaran-Sungai Damit, Jalan Pekan Tuaran, Tamparuli, Tuaran</i>	In progress

## CONTINUED

Sector	Type of project	Name of project	Status (Completed/ In progress)
Others	Research and training projects	<i>Hutan Bukan Kayu – Penyelidikan dan pembangunan (R&amp;D)</i>	Completed
		Social development BCIC (Bumiputera Commercial and Industrial Community)	Completed
	Physical projects	<i>Perhutanan masyarakat</i>	Completed
		<i>Penyediaan infrastruktur bagi projek Sandakan Education Hub</i>	Completed
		<i>Projek pembiakan Badak Sumatra di negeri Sabah</i>	Completed
		<i>Pusat inkubator pembangunan kandungan kreatif</i>	Completed
		<i>Pusat inkubator pembangunan kandungan kreatif (Fasa 2)</i>	Completed

Source: SEDIA, 2020

During the year 2020 and as at December 31, 2020, one project was implemented under the provisions of the Tenth Malaysian Plan (10MP), while two physical projects and one research project was implemented under the Eleventh Malaysia Plan (11MP).

The physical project under 10MP allocations is the proposed restructure of the Ko-Nelayan fisheries complex in Kuala Penyu, with project cost of RM750,000 and beginning on October 25, 2019. The implementation of this project was fully completed in August 2020.



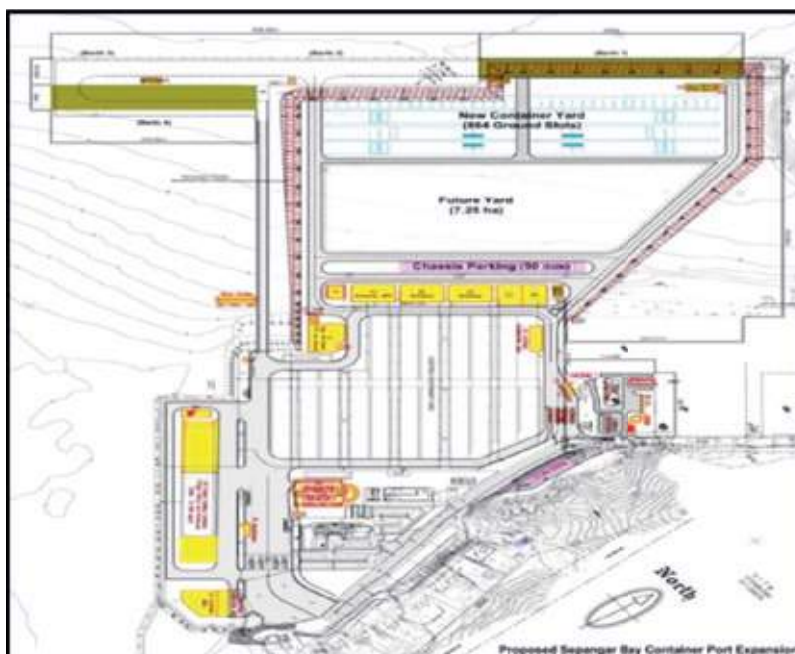
An aerial view of Phase Four of the Sabah Agro-Industrial Precinct (SAIP).

Following with the physical projects undertaken through 11MP, the first is the proposed Physical Capex Development of the Sabah Agro-Industrial Precinct (SAIP) in the Papar district, under Phase 4 of SAIP. Implementation began on November 13, 2017 with project cost of RM29.7 million, and was successfully completed on January 8, 2020.



*Construction of the Damit river bridge will reduce travel time between the Tuaran township and the nearby villages.*

The second project, being the construction of the Damit river bridge situated in Tuaran town, Jalan Pekan Tuaran, Tamparuli, has project cost of RM15.6 million and is in progress as at December 31, 2020.



*Upon completion, the expansion of Sapangar Bay Container Port will allow Sabah to handle increased container throughput.*

A research project was implemented through 11MP allocations, namely the Traffic Impact Study for the SDC — Sapangar Bay Container Port Expansion (1.25 million TEUs/year). The study first began implementation on November 8, 2019, with a study cost of RM371,915.80 and had been completed on February 7, 2020. This was followed with preparing C&S and M&E design plans for the project and beyond the project implementation stage, and supervise onsite construction works. The tender for this project was advertised on September 14, 2020 with the tender validity date ending on December 14, 2020.

In addition to the above projects is the review of the Sabah Development Corridor Blueprint, with study cost of RM3.58 million, as well as a project under the supervision of Kota Kinabalu City Hall (tender for Package 3 of Upgrading Environmental Areas of Kota Kinabalu City Center — Physical Improvement of the Atkinson Clock Tower Areas and Australia Plan) that had been advertised from December 11, 2020, until January 5, 2021.

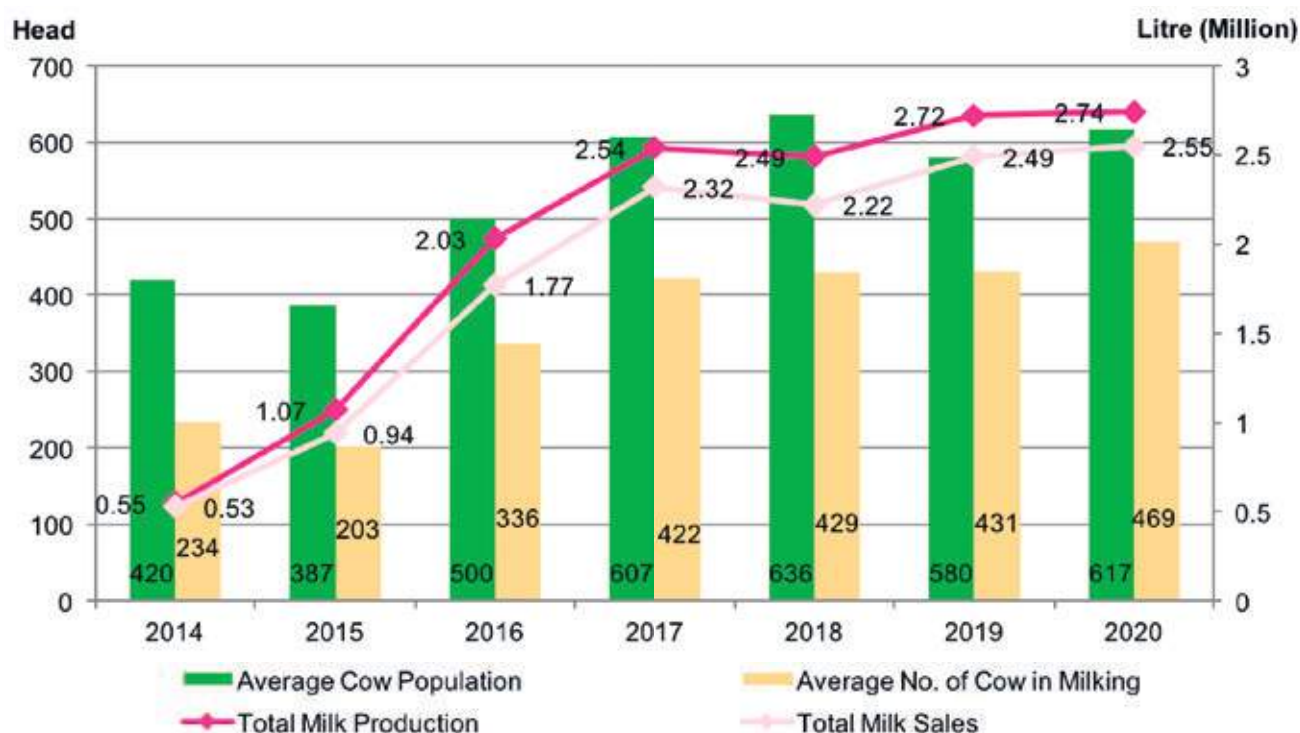


#### 4.3.1 Keningau Integrated Livestock Centre (KILC)

In the hinterland, the Keningau Integrated Livestock Centre (KILC) is a State Government initiative to establish an integrated livestock production area, with the main objective of producing sufficient beef, mutton, fresh milk as well as dairy and meat products to meet domestic demand, with the long-term objective of exporting surplus produce, be it in the form of frozen meat, milk or processed products.

SEDIA has overseen the operations and management of KILC since taking over operations from Sawit Kinabalu in 2014, and has seen to the consistent increase in dairy milk production (as shown in CHART 4.3). Milk production further increased with the addition of 200 New Zealand Holstein dairy breeds in January 2016. As at December 31, 2020, the cattle population comprised of 617 cows, of which 76 percent are producing milk. The average milk production per cow reached over 16 litres daily, with KILC producing a daily total of at over 7,482 litres. The project is currently the second largest milk production farm in Sabah, and SEDIA continues to manage the KILC and ensure all requirements and needs are met in order to achieve the target quality and results.

CHART 4.3: KENINGAU INTEGRATED LIVESTOCK CENTRE COW AND MILK STATISTICS



Source: SEDIA, 2020

#### 4.3.2 Sabah Agro-Industrial Precinct (SAIP)

Located in Kimanis, in the district of Papar, the Sabah Agro-Industrial Precinct (SAIP) is one of the SDC flagship projects that will develop new sources of economic growth within the agriculture sector, especially in the agri-biotech sub-sector. The technology precinct serves as an enabler and platform for the development of the agro-based industry, focusing on food and specialty crops as well as natural products, as well as an incubator for the creation of local agri-entrepreneurs, and is one of the key elements in enabling rural communities to move into a high-income economy.

2020 had been a challenging year, forcing most people to adapt to new realities and norms, and there was no exception for the operations of SAIP. Most of the processing activities had been reduced to a minimum and operated in accordance to strict standard operating procedures (SOPs).

Nevertheless, several companies continued utilising SAIP facilities for their processing activities. MYJ Green, a local company from Kota Kinabalu, has been producing healthy okra (kacang bendi) snacks in SAIP. The freshly harvested okra is processed using the in-house vacuum-frying machine, creating a snack that is well sought-after in the market. There is also MS Herbal Sdn. Bhd., which produced Sabah Snake Grass (*Clicananthus nutans*) and Pegaga (*Centella asiatica*) herbal teas, is another local company operating in SAIP. They plant the organic raw herbs in one of the SAIP's greenhouses, and also do the processing and packaging of products in the SAIP food processing facility. Meanwhile, other notable companies such as Mix Venture Manufacturing Sdn. Bhd. which produces beverages mainly from fruit juices, and Borneoceutical with its Tongkat Ali extract tablets, are also in operation.

It came as no surprise for these companies to be able process their products, as SAIP is a dedicated agro-processing area consisting of a business incubator, agro-food processing facility and R&D facility. SAIP facilities are built to enhance local agro-based entrepreneurs' capacity and capability in the downstream processing of agro-food and specialty crops, within a centralised agriculture industrial park. SAIP food processing facilities are capable of producing virgin coconut oil (VCO), fruit juices, tea sachets, vacuum-fried snacks and spray-dried powders. The facility is equipped with around 30 processing machines and 21 supporting equipment. Having commenced in 2017, the facility has been servicing about 120 companies and entrepreneurs, producing multiple products from herbal teas to fruit juices.

In line with its purpose to serve as an incubator for the creation of local agri-entrepreneurs, priority is placed on assisting SAIP incubatees and government agencies with their products. In 2020, SAIP has received a total of 116 visitors with many with interest of utilising the common-use facilities. As a matter of fact, SAIP has been servicing more than 400 requests from the local entrepreneur since 2017 (refer TABLE 4.4). Visitors from public and private sectors, including students, NGOs and interested individuals, are welcome to visit SAIP facilities, learn of the programmes and services offered, and also gain exposure on agro-processing technology.

TABLE 4.4: UTILISATION OF SAIP LABORATORY SERVICES AND COMMON FACILITIES (JANUARY 2017–DECEMBER 2020)

Type of services and facilities provided	Usage requests
Food Quality Control	160
Product Development	25
Analytical Chemistry	47
Plant Tissue Culture	14
Herbal Processing Plant	29
Production Line Facility	120
Post-Harvest Handling Facility	18
SMART Mushroom House	1
Controlled Environment Farming	3
<b>Total</b>	<b>417</b>

Source: SEDIA, 2020



The Sabah Agro-Industrial Precinct (SAIP) houses various machinery available for use by entrepreneurs in agro-food industries.



## 4.4 HUMAN CAPITAL DEVELOPMENT

### 4.4.1 Agro-SAIP Training Programme

The establishment and implementation of the Agro-SAIP training programme is aimed at providing for, and empowering agri-entrepreneurs by giving the necessary exposure and transfer of knowledge especially on the processing of agri-food and Specialty Natural Products (SNPs). Between 2012 and 2019 (refer to TABLE 4.5 and TABLE 4.6), SEDIA has organised a total of 40 courses with a cumulative total of 2,487 participants. The courses organised covered themes such as virgin coconut oil processing, CEF, fisheries and aquaculture, agri-food, essential oils, honey bee farming, and bird nest farming and processing, as well as business plan development and e-commerce. SEDIA collaborates with several agencies such as MARDI, SME Bank, the Sabah Department of Veterinary Services, and the Department of Agriculture in initiating these training programmes. Since the programme was introduced in 2012, SEDIA has organised a total of 41 courses with a cumulative total of 2501 participants.

TABLE 4.5: SUMMARY OF COURSES UNDER THE AGRO-SAIP PROGRAMME  
(2012–2020)

Year	Number of courses	Number of participants
2012	6	463
2013	8	346
2014	5	312
2015	4	263
2016	4	144
2017	5	212
2018	4	281
2019	4	466
2020	1	14
<b>Total</b>	<b>41</b>	<b>2,501</b>

Source: SEDIA, 2020



TABLE 4.6: LIST OF AGRO-SAIP COURSES AS AT DECEMBER 2020

Date	Course Title	No. of participants
September 3, 2012	Pharmaceutical herbs industry	34
September 4, 2012	Business plan workshop (with SME Bank)	24
October 1–2, 2012	Swiftlet rearing and bird nest processing industry	155
October 3, 2012	Business plan workshop (with SME Bank)	41
December 3–4, 2012	Agro-food industry	102
December 5–6, 2012	Agro-organic industry	107
January 29, 2013	Bioscience and biotechnology industry	33
January 30, 2013	Business plan workshop (with SME Bank)	37
May 21, 2013	Swiftlet rearing and bird nest processing industry (follow-up course)	36
June 25, 2013	Fisheries and aquaculture industries	72
August 27, 2013	Neutraceutical industry: Potential of soursop and watermelon	50
October 22, 2013	Essential oils and aromatic plants industry	51
October 29, 2013	Business plan workshop (with SEDIA IBDD)	38
October 30, 2013	Workshop on preparations for cash management and bookkeeping (with SEDIA IBDD)	29
March 11, 2014	Introduction and industry opportunities for controlled environment farming (CEF)	65
May 20, 2014	Introduction and industry opportunities for plant seed production	68
September 23, 2014	E-commerce business and marketing	49
September 30, 2014	Crop post-harvest handling technology	76
October 29, 2014	Outreach awareness/dialogue programme – Financing for SMEs in SDC (with SEDIA IBDD)	54
June 16, 2015	Commercial honey farming	66
August 26, 2015	Processing technology and applications for VCO	63
December 1, 2015	Packaging and labelling for agriculture and food production	71
December 2, 2015	Introduction and industry opportunities for controlled environment farming (CEF)	63
March 22, 2016	Establishing online shopping	6
November 29, 2016	Introduction and industry opportunities in agro-food	41
November 30, 2016	Introduction and industry opportunities in planting Saba bananas, pineapple and ginger	59
December 1, 2016	Introduction and industry opportunities for controlled environment farming (CEF)	38
October 17, 2017	Hands-on training on marketing through social media	30
October 19, 2017	Hands-on training on mushroom farming	31
October 31, 2017	Introduction and industry opportunities in the coconut industry	57

## CONTINUED

November 1, 2017	Introduction and industry opportunities in planting Saba bananas, pineapple and ginger	64
November 27, 2017	Entrepreneurial opportunities in livestock downstream industries	30
May 15–16, 2018	Introduction and industry opportunities in stingless bee honey farming and processing	70
August 8, 2018	Product packaging and labelling	78
September 12, 2018	Digital entrepreneur: Marketing and advertisement through social media	46
October 30–31, 2018	Introduction of Swiftlet farming and bird's nest industry opportunities	87
April 30, 2019	Introduction and entrepreneurial potential in the pineapple (MD2) industry	137
July 20, 2019	Introduction and entrepreneurial potential in ginger cultivation	106
August 19, 2019	Introduction and entrepreneurial potential in ginger cultivation	136
August 20, 2019	Product packaging and labelling	87
February 3–5, 2020	Napier grass cultivation and business potential in Keningau, Sabah	14
<b>Total</b>		<b>2,501</b>

Source: SEDIA, 2020

#### 4.4.2 SEDIA Student Internship Opportunities

Internship programmes are among SEDIA's ongoing initiatives to provide tertiary education students with opportunities for practical work environment exposure. The internship furnishes students with additional skills and knowledge, as well as increased competitiveness to survive and excel in their later careers. Internship programmes were initiated in 2010, a year after the establishment of SEDIA, and commenced with four interns from the Graduate Employability Management Scheme, later followed by students directly from universities and other education institutions.

As at December 2020, a total of 148 undergraduates from diverse disciplines and institutions have undergone training at SEDIA. Accepted interns were exposed to, and experienced various scopes of work, such as development planning, project management, human resources, business development and investment, marketing, entrepreneurship as well as technology related to agro-industries, pharmaceuticals, and even livestock and farming. TABLE 4.7 breaks down the internship figures by year and education institutions.



TABLE 4.7: STUDENT INTERNSHIP AT SEDIA (2010–2020)

Institutions	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
GEMS	4		3	3								10
KOLEJ VOKASIONAL									2		1	3
MICET									1			1
NIOSH									1			1
POLITEKNIK								1	12		3	16
TPM				1								1
UCSF									1		1	2
UKM									2			2
UMP						1						1
UMS		1	4		1	2	3	16	15		3	45
UMT				3					1			4
UNI. OF BATH (UK)			1									1
UNIMAS					2			3	2			7
UNITAR			1	3	5	1		2	2			14
UPM							1	8				9
UTHM			4									4
UTM				2	2							4
UUM									2			2
UiTM						5	2	4	6		1	18
ZSU								3				3
<b>Total</b>	<b>4</b>	<b>1</b>	<b>13</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>6</b>	<b>37</b>	<b>47</b>	<b>0</b>	<b>9</b>	<b>148</b>

Source: SEDIA, 2020

The interns are placed at three different offices, which are Wisma SEDIA, the Sabah Agro-Industrial Precinct, and Keningau Integrated Livestock Centre. Their placements are based on respective education background, related discipline, and the scope of work agreed between SEDIA and the supervisors prior to their registration.

Most of the students enrolled in the internship programmes are from the undergraduate degree level, but there are sizeable numbers from diploma and certificate programmes. The average duration of internship is around three months, but there have been occasions whereby SEDIA accepts six-month internships, depending on any given institution's request.

In certain circumstances, the interns are permitted to further extend their training period by means of applying for and obtaining approval from the SEDIA management. Through the internship initiatives, SEDIA had later recruited several students to be absorbed into the SEDIA workforce, as they had shown suitability to their given roles as well as demonstrated excellent performance and commitment.

## **CHAPTER 5**

### **FINANCIAL REPORT**

- 5.1 STATEMENT OF CORPORATE GOVERNANCE
- 5.2 THE AUTHORITY
- 5.3 AUTHORITY MEETINGS
- 5.4 SEDIA COMMITTEES
- 5.5 ACCOUNTING AND AUDIT
- 5.6 INTERNAL AND EXTERNAL CONTROLS AND COMPLIANCE
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### **APPENDIX**

- AUDITOR GENERAL'S REPORT
- MS ISO CERTIFICATE





## 5.1 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”.

## 5.2 THE AUTHORITY

The Authority is the highest decision-making body of SEDIA. It is governed by its Members under the Chairmanship of the Chief Minister of Sabah cum Minister of Finance.

Members of the Authority during the year are:

1. YAB. Datuk Seri Panglima Haji Hajiji bin Haji Noor  
- Chairman  
(Chief Minister and Finance Minister of Sabah, appointed with effect 29th September 2020 replacing YB Datuk Seri Panglima Haji Mohd Shafie bin Haji Apdal – retired on 25th September 2020)
2. Y.B. Dato’ Sri Bung Moktar Bin Radin  
- Deputy Chairman I  
(Deputy Chief Minister of Sabah and Minister of Works, appointed with effect 16th November 2020 replacing YB. Datuk Dr. Haji Jaujan bin Haji Sambakong – retired on 15th November 2020)
3. Y.B. Datuk Dr. Joachim Gunsalam  
- Deputy Chairman II  
(Deputy Chief Minister of Sabah II and Minister of Industrial Development, appointed with effect 16th November 2020 replacing YB. Datuk Peter Anthony– retired on 15th November 2020)
4. Y.B. Datuk Seri Panglima Haji Sr. Safar Untong  
- Member  
(Sabah State Secretary)
5. YBhg. Dato’ Asri Hamidon  
- Member  
(Secretary General of the Treasury, Ministry of Finance, appointed with effect 11th May 2020 replacing Y.Bhg. Tan Sri Ahmad Badri Bin Mohd Zahir – retired on 10th May 2020)

6. YBhg. Dato' Saiful Anuar bin Lebai Hussen  
- Member  
(Director General of Economic Planning Unit, Prime Minister Office)
7. Tuan Haji Rusdin @ Musidi bin Riman  
- Member  
(Permanent Secretary, Ministry of Finance Sabah, appointed with effect 9th December 2020 replacing YBhg. Datuk Haji Kaim bin Haji Kalimin – retired on 1st September 2020)
8. Tuan Azmi Salim @ Nicholas Lim  
- Member  
(Director, Sabah State Economic Planning Unit, appointed with effect 9th December 2020 replacing Mdm Gwendolen Vui Fui Khin - resigned on 15th October 2020)
9. Encik Bernard Liew Chau Min  
- Member  
(Director, Sabah Lands and Surveys Department, appointed with effect 20th May 2020)
10. YBhg. Tan Sri Ahmad Zaki Ansore  
- Member  
(Appointed with effect 10th February 2020)
11. Tuan Lu Kim Yen  
- Member  
(Appointed with effect 9th December 2020)
12. Tuan Mohamad Hassanel bin Jarai  
- Member  
(Appointed with effect 20th May 2020 and resigned on 15th November 2020)
13. YBhg. Datuk Hajah Zaleha Rose binti Datuk Haji Pandin  
- Member  
(Appointed with effect 20th May 2020 and resigned on 13th July 2020)

YBhg. Datuk Seri Panglima Haji Hashim bin Paijan is the Secretary to the Authority and Chief Executive of the Authority replacing YBhg. Datuk Dr. Mohd Yaakub bin Haji Johari (JP) who retired on 1st March 2020.

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.

## 5.3 AUTHORITY MEETINGS

During the review period, the Authority met a total of 3 times. The Authority Meetings were held on 11th June, 18th August and 16th December 2020. 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 SEDIA Management and the Authority's performance review. All issues were deliberated and decisions made were accordingly minuted.

## 5.4 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 Committee; and
7. Tender and Procurement Board.

## 5.5 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*.



## 5.6 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.

## 5.7 ANNUAL FINANCIAL REVIEW

### Statement of Comprehensive Income

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, 2020 amounted to RM10,000,000 (2019: RM8,850,000). SEDIA also received other income comprises of generated profits from deposits in licensed banks in Malaysia amounting to RM2,240,240 (2019: RM1,640,135) as well as tender fees, book sales, and others income in current financial year, that totalled up to RM106,012 (2019: RM123,061).

In year 2020, SEDIA recorded a deficit of RM9,847,502 compared to deficit of RM2,106,097 for the financial year 2019. The significant increase in deficit was mainly due to the write off of KILC accumulated prepayments amounting to RM9,517,958 in the current year.

### Operating Expenses

Operating expenses for the year ended December 31, 2020 are as follows:

- Staff costs have been recorded as RM8,449,748 (2019: RM8,092,331). Included in the staff costs are payment of incentive in the form of staffs' contracts and employment obligation benefit expenses for year 2020. In current year financial period, staff costs increased by RM357,417. The increase was contributed by the recognition of gratuity scheme amounting to RM301,191 in the financial year.

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

- Promotional costs in 2020 was RM190,584 reduced by RM635,671 compared to RM826,255 for the previous year. The activities consisted of Strategic Media Campaigns, Conferences and Seminars, and Domestic Trade Expos and Exhibitions as well as other promotional and awareness events. Marketing and promotional activities has dropped tremendously due to the COVID-19 pandemic and Movement Control Order (MCO) that was imposed in 2020.
- SEDIA remains committed to carrying out its functions to monitor the status of all projects under the Sabah Development Corridor to archive its objectives. Aside from staff and promotional costs, administrative and other operating costs have increased by RM9,752,715 to RM13,533,422 in 2020 (2019: RM3,800,707). The significant increase is due to the write off of KILC prepayments.

## Statement of Financial Position

The main components of the Statement of Financial Position are as follows:

- I. In the year 2020, SEDIA has spent RM13,104 (2019:RM12,410) for the procurement of computers, and office equipment.
- II. Other receivables, deposits and prepayments balance as at year end 2020 was RM2,118,009 as compared of RM14,665,003 in the year 2019. During the financial year, SEDIA has written off KILC prepayments amounting to RM9,517,958. Aside from the major write off, adjustments made on Sabah Digital Technology & Innovation Centre (SDTIC) advance payments had also reduced the other receivables, deposits and prepayments balance.
- III. Cash and bank balances for the financial year ended December 31, 2020 amounted to RM234,197,484 (2019: RM17,008,975) and is reserved for its contractual obligations under the Ninth, Tenth and Eleventh Malaysian Plan operating expenses and liabilities.
- IV. SEDIA's fund for development expenditure as at December 31, 2020 amounted to RM174,827,493 (2019: RM140,487,500) which mostly devoted to contractual obligations projects under the Ninth, Tenth and Eleventh Malaysian Plan.
- V. Special programme grant's cash balance as at December 31, 2020 amounted to RM43,671,764 (2019: RM14,892,675) for SME Facilitation Fund Programme and National Talent Enhancement Programme (NTEP), Economic Development Grant between Sabah and North Kalimantan Region, grant for Sabah Digital Technology & Innovation Centre (SDTIC) and People Centric Grant.
- VI. Other payables and accruals as at December 31, 2020 of RM700,950 (2019: RM2,276,415) 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.



## 5.8 STATEMENT BY THE MEMBERS

### SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY

We, **Datuk Seri Panglima Haji Hajiji bin Haji Noor** dan **Tuan Haji Rusdin @ Musidi bin Riman** 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 statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements give a true and fair view of the financial position of **SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY** as at 31 December 2020 and of its operating results and cash flows for the year ended on that date.

On behalf of the members,



.....  
**Name** : YAB. DATUK SERI PANGLIMA HAJI HAJIJI BIN HAJI NOOR  
**Position** : Chairman  
**Date** : 20 April 2021  
**Place** : Kota Kinabalu



.....  
**Name** : TUAN HAJI RUSDIN @ MUSIDI BIN RIMAN  
**Position** : Member  
**Date** : 13 April 2021  
**Place** : Kota Kinabalu

## 5.9 STATUTORY DECLARATION BY THE OFFICERS PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY

We, **Datuk Seri Panglima Hashim bin Paijan** 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 statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, 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 provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named at **KOTA KINABALU**, Sabah this day 9 April 2021.



.....  
**Datuk Seri Panglima Hashim bin Paijan**



.....  
**Yunus Gastom Abdullah**

Before me,

  
.....  
**WONG KEE YU JP**  
391218-12-5043  
Unit No. A921, 9th Floor,  
Nisma Merdeka, Phase 1,  
Jalan Tun Razak, 89000  
Kota Kinabalu, Sabah



**- 9 APR 2021**

.....  
**Commissioner for Oaths**

## 5.10 STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 RM	2019 RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	61,388	116,304
		61,388	116,304
<b>CURRENT ASSETS</b>			
Other receivables, deposits and prepayments	4	2,118,009	14,665,003
Cash and cash equivalents	5	234,197,484	170,008,975
		236,315,493	184,673,978
<b>TOTAL ASSETS</b>		236,376,881	184,790,282
<b>EQUITY</b>			
Operating fund		15,777,812	25,625,314
		15,777,812	25,625,314
<b>NON-CURRENT LIABILITIES</b>			
SDC development fund	6	174,827,493	140,487,500
Special programme grant	7	43,671,764	14,892,675
Employment benefit obligations	8	951,262	1,036,392
		219,450,519	156,416,567
<b>CURRENT LIABILITIES</b>			
Other payables and accruals	9	700,950	2,276,415
Employment benefit obligations	8	447,600	471,986
		1,148,550	2,748,401
<b>TOTAL LIABILITIES</b>		220,599,069	159,164,968
<b>TOTAL EQUITY AND LIABILITIES</b>		236,376,881	184,790,282



## 5.11 STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 RM	2019 RM
<b>Revenue</b>			
Operating grants received		10,000,000	8,850,000
Other income	10	2,346,252	1,763,196
		12,346,252	10,613,196
<b>Expenses</b>			
Operating expenses	11	(22,193,754)	(12,719,293)
(Deficit) for the year		(9,847,502)	(2,106,097)

## 5.12 STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Operating Funds RM
<b>As at January 1, 2019</b>	27,731,411
Deficit for the year	(2,106,097)
<b>As at 31 December 2019</b>	25,625,314
<b>As at January 1, 2020</b>	25,625,314
Deficit for the year	(9,847,502)
<b>As at 31 December 2020</b>	15,777,812

### 5.13 STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 RM	2019 RM
<b>OPERATING ACTIVITIES</b>			
(Deficit) for the financial year		(9,847,502)	(2,106,097)
Adjustment for:			
Depreciation of property, plant and equipment		68,020	78,702
Employment benefit obligations		301,191	469,968
Interest income		(2,240,240)	(1,640,135)
(Deficit) before working capital changes		(11,718,531)	(3,197,562)
(DECREASE) / INCREASE IN:			
Other receivables and deposits		12,546,994	(3,696,343)
Other payables and accruals		(1,575,465)	1,446,874
Cash used in operating activities		(747,002)	(5,447,031)
Employee benefit plan payments		(410,707)	(391,597)
<b>Net cash used in operating activities</b>		<b>(1,157,709)</b>	<b>(5,838,628)</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		2,240,240	1,640,135
Purchase of property, plant and equipment		(13,104)	(12,410)
<b>Net cash from investing activities</b>		<b>2,227,136</b>	<b>1,627,725</b>
<b>FINANCING ACTIVITIES</b>			
Net SDC development fund received		34,339,993	64,212,038
Net special project grant received / (utilised)		28,779,089	(5,309,441)
<b>Net cash used in financing activities</b>		<b>63,119,082</b>	<b>58,902,597</b>
<b>Net changes in cash and cash equivalents</b>		<b>64,188,509</b>	<b>54,691,694</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>170,008,975</b>	<b>115,317,281</b>
<b>Cash and cash equivalents at the end of year</b>	<b>5</b>	<b>234,197,484</b>	<b>170,008,975</b>

Note:

Cash and cash equivalents for the financial year ended 31 December 2020 stated as follow:

Cash and cash equivalents at the end of year	5	234,197,484	170,008,975
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## 5.14 NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020

### 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 31 December 2020 was 106 persons (2019: 106).

The registered office and the principal place at which business is carried out are located at Wisma SEDIA, Lot 1 & 2, Off Jalan Pintas Penampang, 88873 Kota Kinabalu, Sabah.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Malaysian Private Entities Reporting Standard (“MPERS”) issued by the Malaysian Accounting Standard Board (“MASB”) and the requirements of the Companies Act, 2016 (Act 777) in Malaysia.

#### *Application of Amendments to MPERS*

In October 2015, MASB issued amendments to MPERS which are effective for the annual periods beginning on or after 1 January 2017. The Authority has early adopted such amendments to the MPERS for the financial year ended 31 December 2016.

#### **(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 standards 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 statement of comprehensive income.



## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**2. Summary of significant accounting policies (continued)****(b) Property, plant and equipment (continued)*****Depreciation***

Property, plant and equipment purchased at a cost of RM2,000 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, Printers and Software	33 $\frac{1}{3}$ %
Furniture, Fittings, Office Equipment and Renovation	20%

Residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

***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 comprehensive 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 comprehensive 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 comprehensive 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 end of the financial year.

**(d) 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 - 31 December 2020 (Continued)

**2. Summary of significant accounting policies (*continued*)****(e) SDC development fund**

Development fund is managed on behalf of, and funded by the Federal Government under the Ninth Malaysia Plan (9MP), Tenth Malaysia Plan (10MP) and Eleventh Malaysia Plan (11MP) 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.

**(f) Special programme grant**

These represent grants received from TERAJU and PEMANDU for the SME facilitation funds, Bumiputera Entrepreneur Development Program funds and Economic Development Grant between Sabah and North Kalimantan Region. During the financial year, SEDIA has received People Centric Grant from EPU-PMO for small impactful projects. 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.

**(g) Interest from development fund and special project 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.

**(h) Income*****Operating grant***

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

***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 comprehensive income statement when there is approval obtained from Members of Authority.

***Other income***

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

**(i) Interest expense**

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

## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**2. Summary of significant accounting policies (continued)****(j) Foreign currency**

The financial statements of SEDIA are presented in Ringgit Malaysia, the currency of the primary economic environment in which SEDIA 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 comprehensive income statement

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

<b>Foreign Currencies</b>	<b>2020 RM</b>	<b>2019 RM</b>
1 British Pound (GBP)	5.4904	5.2532
1 US Dollar (USD)	4.0170	4.1385

*Source: Bank Negara Malaysia*

**(k) Employee benefits****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.

**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.

**Defined benefit plans (Retirement Gratuity Scheme)**

SEDIA operates an unfunded defined benefit plan for qualifying all its employees, both permanent and under contract. Under the plans, the employees are entitled to retirement benefits of one (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.

## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**2. Summary of significant accounting policies (*continued*)****(l) 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 13** 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 statement of financial position date.

**(m) 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.

**(n) Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Initial recognition and measurement***

A financial asset or a financial liability (including derivative instruments) is recognised only when the Authority becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset or a financial liability is measured at the transaction price, including transaction costs. For a financial asset or a financial liability that is subsequently measured at fair value through profit or loss, transaction costs are expensed to comprehensive income statement when incurred.

An arrangement constitutes a financing transaction, if payment is deferred beyond normal business terms. Under a financing transaction, a financial asset or a financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition.

***Subsequent measurement***

Debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, unless the arrangement constitutes, in effect, a financing transaction.

Investments in non-convertible preference shares and non-puttable ordinary or preference shares, that are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort, are measured at fair value with changes in fair value recognised in comprehensive income statement. All other such investments are measured at cost less impairment.

Derivative financial instruments (other than derivatives designated as a hedging instrument) are measured at fair value and changes in fair value recognised in comprehensive income statement.

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



## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**2. Summary of significant accounting policies (*continued*)****(n) Financial instruments (*continued*)*****Impairment***

At the end of each reporting period, financial assets that are measured at cost or amortised cost are assessed as to whether there is objective evidence of impairment. If there is objective evidence of impairment, an impairment loss is recognised in comprehensive income statement immediately.

For a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in comprehensive income statement.

***Derecognition***

A financial asset is derecognised only when (i) the contractual rights to receive the cash flows from the financial asset expire or are settled; or (ii) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, including circumstances when the entity acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised only when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

## 3. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Computers, Printers and Softwares	Furniture, Fittings, Office Equipments and Renovation	Total
	RM	RM	RM	RM
<b>COST</b>				
At the beginning of year	1,073,880	212,515	2,047,051	3,333,446
Additions	-	3,100	10,004	13,104
Disposals	-	-	-	-
At the end of year	1,073,880	215,615	2,057,055	3,346,550
<b>ACCUMULATED DEPRECIATION</b>				
At the beginning of year	1,016,775	198,866	2,001,501	3,217,142
Charge for the year	39,153	13,457	15,410	68,020
Disposals	-	-	-	-
At the end of year	1,055,928	212,323	2,016,911	3,285,162
<b>NET CARRYING AMOUNT</b>				
At 31 December 2020	17,952	3,292	40,144	61,388
At 31 December 2019	57,105	13,649	45,550	116,304
Depreciation charge for the year ended 31 December 2019	39,154	25,956	13,592	78,702

Included in property, plant and equipment are fully depreciated assets which are still in use, with a total cost of RM3,056,681 (2019 : RM2,993,379).

## 4. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 RM	2019 RM
Other receivables and prepayments	1,391,727	1,382,114
Keningau Integrated Livestock Centre (KILC)	9,517,958	9,833,811
Sabah Digital Technology & Innovation Centre (SDTIC)	351,668	3,087,712
Deposits	334,503	315,279
Advances	40,111	46,087
Less : KILC accumulated prepayments written off	(9,517,958)	-
<b>Balance as at 31 December</b>	<b>2,118,009</b>	<b>14,665,003</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**4. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)**

Included in other receivables and prepayments are prepayments made for Keningau Integrated Livestock Centre (KILC) project amounting to RM9,517,958 (2019: RM9,833,811). During the financial year, SEDIA has written off the accumulated prepayments as per details as follows:

	2020 RM	2019 RM
<b>Balance as at 1 January</b>	<b>(9,833,811)</b>	<b>(8,854,123)</b>
Income	9,085,014	8,877,319
Less: Capital expenditure	(31,322)	(92,336)
Less: Inventory at cost	(6,349,093)	(6,291,108)
Less: Operation costs	(2,942,603)	(2,480,410)
Less: Others	553,857	(993,153)
Deficit during the year	315,853	(979,688)
<b>Balance as at 31 December</b>	<b>(9,517,958)</b>	<b>(9,833,811)</b>

The project will subsequently be awarded to a third party in 2021 and all future expenses incurred will be borne by the respective party.

**5. CASH AND CASH EQUIVALENTS**

	2020 RM	2019 RM
Cash in banks	234,195,484	170,006,975
Cash at hand	2,000	2,000
<b>Total</b>	<b>234,197,484</b>	<b>115,317,281</b>

**6. SDC DEVELOPMENT FUND**

	2020 RM	2019 RM
At the beginning of year	140,487,500	76,275,462
Add : Development fund received from Federal Government	69,299,899	162,148,590
	209,787,399	238,424,052
Add : Interest income	2,211,968	1,628,785
	211,999,367	240,052,837
Less: Utilisation of development fund for the year	(34,959,906)	(97,936,552)
Less: Interest income transferred	(2,211,968)	(1,628,785)
<b>At the end of year</b>	<b>174,827,493</b>	<b>140,487,500</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

## 7. SPECIAL PROGRAMME GRANT

	2020 RM	2019 RM
At the beginning of year	14,892,675	20,202,116
Fund Received for Sabah Digital Technology & Innovation Centre (SDTIC)	87,805	123,607
Add : Grant received for People Centric	29,481,100	-
	44,461,580	20,325,723
Add : Interest received	120,730	116,587
	44,582,310	20,442,310
Less: Utilisation of special programme grant for the year	(910,546)	(5,549,635)
<b>Balance as at 31 December</b>	<b>43,571,764</b>	<b>14,892,675</b>

Special project grants consist of four types namely SME Facilitation grant, Bumiputera Entrepreneur Development Program funds as well as Economic Development Grant between Sabah and North Kalimantan Region(SEEDS) and People Centric Grant. The grants are channelled through the Performance Management and Delivery Unit (PEMANDU), Unit Peneraju Agenda Bumiputera TERAJU) and Prime Minister's Office (PMO). The Sabah Digital Technology & Innovation Center Fund is the current year's income generated by the centre, such as student fees and course fees. The fund is recognized in the statement of financial position as the project is still in the implementation period in year 2020.

## 8. PROVISION FOR EMPLOYMENT BENEFIT OBLIGATIONS

This represents provision for retirement gratuity schemes for employees:

	2020 RM	2019 RM
Provision for:		
Retirement gratuity scheme	1,398,862	1,508,378

The maturity structure of the provisions is as follows:

Within one year	447,600	471,986
Within 2 to 5 years	951,262	1,036,392
	1,398,862	1,508,378



## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**8. PROVISION FOR EMPLOYMENT BENEFIT OBLIGATIONS (Continued)**

The amount included in the balance sheet arising from the entity's obligation in respect of its retirement gratuity scheme is as follows:

Present value of defined benefit obligations	1,398,862	1,508,378
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Amount recognised in the income statement in respect of the retirement gratuity scheme is as follows:

Current service costs	301,191	392,173
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Movement in the present value of the retirement gratuity scheme in the current year are as follows:

At the beginning of year	1,508,378	1,430,007
Adjustments	-	77,795
Additions	301,191	392,173
Payments	(410,707)	(391,597)
At the end of year	1,398,862	1,508,378

The most recent actuarial valuation of employee benefit liabilities or contingent was conducted on March 1, 2018 by Actuarial Partners Consulting Sdn. Bhd. The present value of employee benefit obligations and related current service cost is measured using the projected unit credit method. The principal assumptions used for the purposes of the valuation are as follows:

	2020 %	2019 %
Discount rate: Corporate Bond worth AA	5.40	5.40
Expected rate of salary increases	5.00	5.00

## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**8. PROVISION FOR EMPLOYMENT BENEFIT OBLIGATIONS (Continued)**

The mortality rate is based on the experience of assured lives in Malaysia from 1999 to 2013. The Standard MO9903 announced as used in the insurance industry. The defect rate is 10% of the death rate. Turnover rate corresponding to the average staff turnover rate is about 2% per year for permanent staff, while contract staff considered no withdrawal.

The management uses the best estimate of expected salary workers, the remaining years of service of the appropriate discount rate from January 1, 2019 to determine current service cost. All staff has been included in the estimated cost of the current cost.

SEDIA operate unfunded retirement gratuity scheme and provision is made for benefits that eligible employees have earned in return for their service in the current and prior periods. Under this scheme, eligible employees are entitled to retirement benefits of one month salary each year of services on attainment of the retirement age of 60 or early retirement on medical grounds or passed away before attaining the retirement age given that the said employee has provided service to the Authority of 10 years. The amounts recognised in the balance sheet are determined based on the present value of amount due.

Provision for employment benefits are recognised initially on the financial year ended 31 December 2020 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 providing services until the retirement age of 60 years. Rating 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 5.40 %, the yield of Government Bonds issued by Bank Negara Malaysia (BNM). During the financial year ended 31 December 2020, the number of employees included in the obligation for employee benefits totalled 106 persons.

**9. OTHER PAYABLES AND ACCRUALS**

	2020 RM	2019 RM
Other payables	402,986	1,882,353
Accruals	297,964	394,062
<b>Total</b>	<b>700,950</b>	<b>2,276,415</b>

**10. OTHER INCOME**

	2020 RM	2019 RM
Interest income from SDC development fund	2,211,968	1,628,785
Interest income from operation fund	28,272	11,350
Other income	106,012	123,061
<b>Total</b>	<b>2,346,252</b>	<b>1,763,196</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**11. OPERATING EXPENSES**

The details of operating expenses are as follows:

	2020 RM	2019 RM
Auditors' Remuneration	30,449	26,516
Allowances for Members and Committees of the Authority	359,454	210,996
Salaries, Allowances and Benefits	7,585,108	7,274,847
EPF, SOCSO & Pension Contribution	864,640	817,484
Rental Expenses	439,489	331,348
KILC prepayments written off	9,517,958	-
Utilities Charges	422,733	348,591
Printing and Stationeries	124,281	86,929
Medical and Clinical Charges	317,210	300,690
Insurance	272,995	229,924
Entertainment and Hospitality	-	7,058
Training and Human Capital Development	114,473	192,730
Trade Missions and Investment Promotions	24,662	211,942
Exhibitions and Road Shows	12,312	398,628
Conference and Seminars	24,800	31,694
Corporate Branding and Marketing	123,510	121,080
Sponsorships	5,300	62,911
In-House Meeting Expenses	115,958	111,970
Publications, Multimedia and Advertisements	59,349	54,470
Postage and Courier Charges	3,650	3,628
Transportation, Leasing and Vehicle Maintenance	362,830	455,228
Airfares and Outstation Transport Charges	224,808	479,570
Subsistence Allowances	72,986	105,125
Lodging and Accommodations	50,487	125,586
Upkeep Of Office Equipment, Premise and Services	339,601	217,989
Depreciation	68,020	78,702
Subscription Fees, Technical Update and ICT Expenses	327,044	239,234
Legal, Professional, Research and Consultancy Charges	269,352	132,626
License, Registration and Assessment Fees	4,738	13,967
Bank Charges and Commission	4,000	6,443
Miscellaneous Expenses	51,557	41,387
<b>TOTAL</b>	<b>22,193,754</b>	<b>12,719,293</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020 (Continued)

**12. STAFF COSTS**

	2020 RM	2019 RM
<u>Operating Fund:</u>		
Staff Costs	7,283,917	6,804,879
EPF and SOCSO	864,640	817,484
Employment benefit obligations	301,191	469,968
	<b>8,449,748</b>	<b>8,092,331</b>

**13. INCOME TAX**

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

**14. OPERATING LEASE COMMITMENT**

SEDIA leases certain assets such as premise and office equipment. These leases are non-cancellable and expire on various dates through 2021. Future minimum annual lease payments are as follows:-

	Future Minimum Lease Payments	
	2020 RM	2019 RM
As of December 31:		
2020	-	430,871
2021	188,135	5,015
2022	79,267	-
2023	38,790	-
<b>Total</b>	<b>306,192</b>	<b>435,886</b>

**15. PROJECT DEVELOPMENT COMMITMENT**

During the year, total allocation approved and received under the Eleventh Malaysia Plan (11MP) for SDC projects are RM69,299,899 (2019: RM162,148,590).



## APPENDIX

### AUDITOR GENERAL'S REPORT



**SIJIL KETUA AUDIT NEGARA  
MENGENAI PENYATA KEWANGAN  
PIHAK BERKUASA PEMBANGUNAN EKONOMI DAN PELABURAN SABAH  
BAGI TAHUN BERAKHIR 31 DISEMBER 2020**

#### **Sijil Mengenai Pengauditan Penyata Kewangan**

##### **Pendapat**

Saya telah mewakilkan sebuah firma audit swasta untuk mengaudit Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi Dan Pelaburan Sabah (SEDIA). Penyata kewangan tersebut merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2020, Penyata Pendapatan, Penyata Perubahan Ekuiti serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut dan nota kepada penyata kewangan termasuklah ringkasan polisi perakaunan yang signifikan seperti yang dinyatakan pada muka surat 11 hingga 32.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan SEDIA pada 31 Disember 2020 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan piawaian pelaporan kewangan yang diluluskan oleh Anggota Pihak Berkuasa dan Enakmen SEDIA 2009.

##### **Asas Kepada Pendapat**

Pengauditan telah dilaksanakan berdasarkan Akta Audit 1957 dan *International Standards of Supreme Audit Institutions*. Tanggungjawab saya diuraikan selanjutnya di perenggan Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan dalam sijil ini. Saya percaya bahawa bukti audit yang diperoleh adalah mencukupi dan bersesuaian untuk dijadikan asas kepada pendapat saya.

### **Kebebasan dan Tanggungjawab Etika Lain**

Saya adalah bebas daripada SEDIA dan telah memenuhi tanggungjawab etika lain berdasarkan *International Standards of Supreme Audit Institutions*.

### **Maklumat Lain Selain Daripada Penyata Kewangan dan Sijil Juruaudit Mengenainya**

Anggota Pihak Berkuasa SEDIA bertanggungjawab terhadap maklumat lain dalam Laporan Tahunan. Pendapat saya terhadap Penyata Kewangan SEDIA tidak meliputi maklumat lain selain daripada Penyata Kewangan dan Sijil Juruaudit mengenainya dan saya tidak menyatakan sebarang bentuk kesimpulan jaminan mengenainya.

### **Tanggungjawab Anggota Pihak Berkuasa Terhadap Penyata Kewangan**

Anggota Pihak Berkuasa bertanggungjawab terhadap penyediaan Penyata Kewangan SEDIA yang memberi gambaran benar dan saksama selaras dengan piawaian pelaporan kewangan yang diluluskan oleh Anggota Pihak Berkuasa dan Enakmen SEDIA 2009. Anggota Pihak Berkuasa juga bertanggungjawab terhadap Kewangan SEDIA yang bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan.

Semasa penyediaan Penyata Kewangan SEDIA, Anggota Pihak Berkuasa bertanggungjawab untuk menilai keupayaan SEDIA untuk beroperasi sebagai satu usaha berterusan, mendedahkannya jika berkaitan serta menggunakannya sebagai asas perakaunan.

### **Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan**

Objektif saya adalah untuk memperoleh keyakinan yang munasabah sama ada Penyata Kewangan SEDIA secara keseluruhannya adalah bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan, dan mengeluarkan Sijil Juruaudit yang merangkumi pendapat saya. Jaminan yang munasabah adalah satu tahap jaminan yang tinggi, tetapi bukan satu jaminan bahawa audit yang dijalankan mengikut *International Standards of Supreme Audit Institutions* akan sentiasa mengesan salah nyata yang ketara apabila ia wujud. Salah nyata boleh wujud daripada fraud atau kesilapan dan dianggap ketara sama ada secara individu

atau agregat sekiranya boleh dijangkakan dengan munasabah untuk mempengaruhi keputusan ekonomi yang dibuat oleh pengguna berdasarkan penyata kewangan ini.

Sebagai sebahagian daripada pengauditan mengikut *International Standards of Supreme Audit Institutions*, saya menggunakan pertimbangan profesional dan mengekalkan keraguan profesional sepanjang pengauditan. Saya juga:

- a. Mengetahui dan menilai risiko salah nyata ketara dalam Penyata Kewangan SEDIA, sama ada disebabkan fraud atau kesilapan, merangka dan melaksanakan prosedur audit yang responsif terhadap risiko berkenaan serta mendapatkan bukti audit yang mencukupi dan bersesuaian untuk memberikan asas kepada pendapat saya. Risiko untuk tidak mengesan salah nyata ketara akibat daripada fraud adalah lebih tinggi daripada kesilapan kerana fraud mungkin melibatkan pakatan, pemalsuan, ketinggalan yang disengajakan, representasi yang salah, atau mengatasi kawalan dalaman.
- b. Memahami kawalan dalaman yang relevan untuk merangka prosedur audit yang bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman SEDIA.
- c. Menilai kesesuaian dasar perakaunan yang diguna pakai kemunasabahan anggaran perakaunan dan pendedahan yang berkaitan oleh Anggota Pihak Berkuasa.
- d. Membuat kesimpulan terhadap kesesuaian penggunaan asas perakaunan untuk usaha berterusan oleh Anggota Pihak Berkuasa dan berdasarkan bukti audit yang diperolehi, sama ada wujudnya ketidakpastian ketara yang berkaitan dengan peristiwa atau keadaan yang mungkin menimbulkan keraguan yang signifikan terhadap keupayaan SEDIA sebagai satu usaha berterusan. Jika saya membuat kesimpulan bahawa ketidakpastian ketara wujud, saya perlu melaporkan dalam Sijil Juruaudit terhadap pendedahan yang berkaitan dalam Penyata Kewangan SEDIA atau, jika pendedahan tersebut tidak mencukupi, pendapat saya akan diubah. Kesimpulan saya dibuat berdasarkan bukti audit yang diperolehi sehingga tarikh Sijil Juruaudit.
- e. Menilai sama ada keseluruhan persembahan termasuk pendedahan Penyata Kewangan SEDIA memberi gambaran yang saksama.

**Hal-hal Lain**

Sijil ini dibuat untuk Anggota Pihak Berkuasa berdasarkan Enakmen SEDIA 2009 dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan sijil ini.



**(HALIMUDDIN BIN CHONGGE)**

b.p. KETUA AUDIT NEGARA  
MALAYSIA

KOTA KINABALU  
12 OGOS 2020





## APPENDIX

### MSISO CERTIFICATE



## Certificate of Approval

This is to certify that the Management System of:

### Sabah Economic Development Investment Authority (SEDIA)

Lot 1, Wisma SEDIA, Off Jalan Pitas, Penampang, 88873 Kota Kinabalu, Sabah, Malaysia

has been approved by LRQA to the following standards:

ISO 9001:2015

A handwritten signature in black ink, appearing to read 'Basem Obaid'.

Basem Obaid - Global Head of Training and Improvement Services

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

for and on behalf of: Lloyd's Register Quality Assurance Limited

Current issue date: 25 March 2019  
Expiry date: 11 April 2022  
Certificate identity number: 10180663

Original approval(s):  
ISO 9001 – 12 April 2013

Approval number(s): ISO 9001 – 0047851

The scope of this approval is applicable to:  
Management of one stop authority for Sabah Development corridor.



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## Certificate of Approval

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### Sabah Economic Development Investment Authority (SEDIA)

Lot 1, Wisma SEDIA, Off Jalan Pitas, Penampang, 88873 Kota Kinabalu, Sabah, Malaysia

has been approved by LRQA to the following standards:

ISO 9001:2015

Basem Obaid - Global Head of Training and Improvement Services

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

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ISO 9001 – 12 April 2013

Approval number(s): ISO 9001 – 0047851

The scope of this approval is applicable to:  
Management of one stop authority for Sabah Development corridor.









# SEDIA

## YOUR SOLUTION PROVIDER AND PARTNER IN SDC

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