



*Your Solution Provider  
and Partner in the SDC*



*Sustainable Growth with Equity and Social Inclusion*

# Annual Report 2023





***Sustainable Growth with Equity  
and Social Inclusion***

# ABOUT THIS REPORT

The Sabah Economic Development and Investment Authority (SEDIA) Annual Report 2023 encompasses reports both financial and non-financial for the year ending 31 December 2023. The aim of this report is to provide information on the financial position of SEDIA, the performance and progress in regard to the implementation of the Sabah Development Corridor (SDC) programme, and future direction of SEDIA that takes into account the initiatives and priorities of the State and Federal Governments.

SEDIA, as a State statutory body, is committed towards increasing value-add to the process of planning, implementation, monitoring and performance evaluation of all the functions that have been mandated to us, in line with national and state development plans.

## *Scope and Boundaries*

The SEDIA Annual Report is issued and published annually, covering the period from 1 January until 31 December of the given year unless stated otherwise. The report covers all the operations, activities, current performance and financial statements of SEDIA.

## *Assurances*

The financial information contained in this report has been extracted from the Audited Financial Statements for the year ended 31 December 2023 by MNZWAJA which had been appointed by the National Audit Department.

## *Point of Contact*

As part of our continuous efforts to improve the quality and preparation of our reports, SEDIA welcomes any suggestions and enquiries from our readers and stakeholders. For any feedback, please reach out to us at:

## **Corporate Communication Section**

### **Sabah Economic Development and Investment Authority (SEDIA)**

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# Message from Our Leadership

## CHAIRMAN'S STATEMENT



Dear Stakeholders,  
It gives me great pleasure to present to you the Sabah Economic Development and Investment Authority (SEDIA) Annual Report for the year 2023.

This year has been a stark reminder of the fragility of our world, socially, economically, and environmentally. While the COVID-19 pandemic may have passed, its residual effects continue to be felt. At the same time, the global economy has shown signs of recovery, aided by the reopening of China's economy and the stabilisation of the food supply chain and markets. However, the macroeconomic landscape remains challenged by ongoing conflicts. Geopolitical tensions, particularly in the Middle East, have caused heightened uncertainty, contributing to volatile energy prices, and adding complexity to the global energy sector, which is still adjusting to the repercussions of the Russia-Ukraine war. These global dynamics are reflected in

the International Monetary Fund's (IMF) projections, which forecast moderate global GDP growth of 3.0% for 2023, down from 3.5% in 2022.

On the domestic front, Malaysia's economy mirrored the global trend, with a moderated GDP growth of 3.6% in 2023, following the robust 8.9% rebound in 2022. While domestic demand remained resilient, growth was tempered by weaker external demand, in line with the global economic slowdown.

Sabah's GDP grew at a more modest pace of 1.3% in 2023, compared to 3.9% the previous year. Concurrently, GDP per capita declined from RM35,860 to RM31,147, due to a population growth rate of 5.2%, which outpaced the State's economic growth. Nevertheless, Sabah's total GDP rose to RM83.2 billion, compared to RM82.1 billion in 2022, demonstrating that the State's economy continues to grow and remains resilient. Furthermore, the State Government's revenue reached an all-time high of RM6.974 billion in 2023, surpassing the previous record of RM6.960 billion in 2022. This strengthened financial position allows the State Government to provide increased support for human capital development, educational initiatives, and the well-being of its people.

### Key Focus on Economic Growth Sectors

In 2023, the State Government concentrated its efforts on accelerating development in key growth sectors: agriculture, manufacturing, and tourism. The agriculture sector continues to be a priority, with targeted initiatives to strengthen the sub-sectors of crops, livestock, fisheries, aquaculture, and rubber commodities.

The manufacturing sector in Sabah saw rapid development, signalling the growing sustainability of the economy. The state attracted investments totalling RM11.34 billion in 2023, the seventh highest in Malaysia. Of this, RM1.51 billion was from the manufacturing sector, underscoring its significance as an economic driver. Notable investments include a RM2 billion project from China's Kibing Group to build a solar glass panel manufacturing plant in Kota Kinabalu Industrial Park (KKIP), along with silica sand mining operations and processing plant in Sikuati, Kudat. This initiative is set to create 2,100 job opportunities. Similarly, SK Nexilis (M) Sdn. Bhd. launched in KKIP its first overseas copper foil factory, with a total investment of RM4.2 billion,

providing 7,000 jobs during the construction phase and an estimated 400 full-time jobs in its operational phase.

The tourism sector showed strong signs of recovery, with tourist arrivals rising to 2.61 million, compared to 1.72 million in 2022. This rebound is expected to have a positive ripple effect on various industries, including transportation, hospitality, retail, and food services.

The State Government will continue to focus on initiatives to boost investor confidence in sectors such as green technology, biomass, food processing, manufacturing, and medical devices. Other efforts include developing a policy direction for the manufacturing sector, creating a master plan for two new industrial parks in Kota Belud and Kudat, and implementing Sabah's Oil Palm Biomass Industry Policy. The energy sector, which has been a critical growth engine for Sabah, will remain central to the State's economic development, with ongoing projects like the Sabah Energy Roadmap and Master Plan 2040 (Sabah Energy RAMP 2040).

#### Sabah Development Corridor (SDC) Initiatives

The Sabah State Government is committed to further strengthening its collaboration with the Federal



Government on development projects, particularly under the Sabah Development Corridor (SDC). In 2023, SEDIA received RM210 million in development allocations from the Federal Government under the Twelfth Malaysia Plan (12MP), a significant increase from RM111 million in 2022. SEDIA has also been tasked with implementing socio-economic programmes designed to empower local communities, such as the Hardcore Poverty Eradication Programme and *People-centric Projects*. These efforts are aligned with the Sabah Maju Jaya Development Plan and the Malaysia MADANI policy framework.

#### Acknowledgements

I would like to express my sincere gratitude to the members of the SEDIA Authority for their unwavering support, invaluable guidance, and strategic counsel throughout what has been a challenging and dynamic year. Their leadership has been instrumental in helping us navigate the complexities of development with foresight and resilience. I also wish to acknowledge the efforts of our management team, supported by our dedicated employees, whose hard work and commitment have been central to our continued success.

In closing, I look forward to the continued collaboration and support of the State and Federal Governments, as well as all our stakeholders, as we move forward with optimism and dedication towards a more prosperous future for Sabah — aligned with the goals of Sabah Maju Jaya and Malaysia MADANI.

DATUK SERI PANGLIMA HAJI HAJJI BIN HAJI NOOR  
Chief Minister of Sabah



# Message from Our Leadership

## CHIEF EXECUTIVE'S STRATEGIC REVIEW



Dear Stakeholders,  
We are delighted to present the Sabah Economic Development and Investment Authority (SEDIA) Annual Report for the year 2023.

In 2023, global growth slowed amid a challenging environment, with the economy moderating to 3.0%, down from 3.5% in 2022. This slowdown was primarily driven by tight monetary policies and elevated inflation. However, the impact of these factors was partially mitigated by strong wage growth and the drawdown of excess savings. Despite these global challenges, the Malaysian economy continued to expand in 2023, achieving a 3.6% growth rate, even in the face of weak external demand, disruptions in commodity production, and rising living costs. Growth was largely supported by resilient domestic demand and a recovery in the tourism sector. Exports, on the other hand, faced headwinds due to subdued global demand, falling commodity prices, and a shift towards services spending. Improving labour market conditions and supportive policy

measures also helped to sustain household spending, particularly for vulnerable groups affected by the higher cost of living. Private sector capital expenditure drove overall investment activity, particularly in information technology and electrical and electronics (E&E). Despite moderation in growth in export-oriented industries, all sectors continued to expand in 2023.



### Investment Promotion

The Malaysian economy's growth trajectory continued in 2023, albeit at a moderated pace of 3.6%, compared to the robust 8.9% recorded in 2022. This economic expansion was reflected in a 23% increase in Malaysia's total approved investments, reaching RM329.5 billion in 2023, up from RM267.7 billion in the previous year. In Sabah, total investments amounted to RM11.34 billion (2022: RM11.5 billion). Through the Sabah Development Corridor (SDC), SEDIA secured RM7.77 billion in committed investments for the year, with RM5.19 billion of these investments realised. Notable projects include the InterContinental Resort by Taiwan's Sinyi Group, the Sheraton Kota Kinabalu Hotel by Interland Development Sdn Bhd, and the Integrated Freight Facilities (IFF) with Cold Chain Services by MTT Shipping Sdn Bhd. This success is the result of effective economic policies, a conducive investment climate, and active promotion by both the State and Federal Governments.

### Implementation of Physical Projects and Studies

The implementation of projects under the SDC initiative, including the People's Income Initiative (IPR) programme by the Ministry of Economy, is progressing as planned. To date, the expenditure performance of funds allocated to the SDC, from the Ninth to Twelfth Malaysia Plans (9MP to 12MP), stands at 87.45%. For the period 2021–2023 under

the 12MP, the total development allocation received was RM359.25 million, of which RM111.67 million (31.08%) was spent.

In 2023, SEDIA remained committed to ensuring the timely and effective implementation of key projects, such as the SDC — *Sapangar Bay Container Port Expansion*, SDC — *Upgrading of the Industrial Link Road from FEZ KKIP to Sapangar Bay Container Port*, SDC — *Kota Kinabalu City Beautification Package 3 (Physical Upgrading of the Atkinson Clock Tower and Australia Place)*, and *Sabah Border Project — Upgrading the Access Road to the Proposed ICQS Site in Serudong, Kalabakan, Sabah*. Additionally, four studies were completed, including the SDC — *Sabah Border Economic Development Master Plan Study*, and the SDC — *Feasibility Study for the Redevelopment of Tourism in Mesilau, Sabah*.

### Implementation of Socio-Economic Programmes

Aligned with the Sabah Maju Jaya Development Roadmap, as well as the Malaysia MADANI and MADANI Economy frameworks, SEDIA collaborates with the State Economic Planning Unit and Universiti Malaysia Sabah to implement key initiatives from the Ministry of Economy. These include the Hardcore Poverty Eradication Programme (*Program Basmis Miskin Tegar, BMT*) and the People's Income Initiative programme (*Inisiatif Pendapatan Rakyat, IPR*). SEDIA is committed to ensuring that these programmes achieve their intended objectives and positively impact the local communities.

### Operational Financial Management

For the financial year ending 31 December 2023, SEDIA's audited financial statements were awarded a Clean Audit Certificate by the National Audit Department. We continue to prioritise sound financial management, adhering to laws, Treasury Malaysia circulars, and internal regulations,



which are regularly updated. SEDIA also follows the MS ISO 9001:2015 Quality Management System, which is annually assessed by an independent auditor.

During 2023, SEDIA acquired two office buildings (16 lots) at Aeropod Commercial Square for RM17.97 million, which will house SEDIA's new offices, set to be operational by the end of 2024. In the same financial year, SEDIA received an operating grant from the Federal Government amounting to RM16.5 million, compared to RM15 million in 2022. Additionally, SEDIA generated RM7.64 million in other income, with operating expenses for the year totalling RM18.91 million. We continue to enhance our investment promotion activities through strategic media campaigns, conferences, domestic trade expos, and other promotional events to further promote Sabah's investment potential.

### Acknowledgements

The progress we achieved in 2023 would not have been possible without the unwavering support and guidance of the Members of Authority, who ensured our focus on delivering impactful outcomes. I would like to express my sincere thanks to both the State and Federal Governments, particularly the Ministry of Economy, as well as government agencies and the private sector for their contributions to Sabah's continued development.

In conclusion, I would like to extend my heartfelt appreciation to the SEDIA management team and all employees for their dedication and individual contributions. It is through your collective efforts that we continue to succeed in our role as a One-Stop Authority, driving the Sabah Development Corridor (SDC) initiatives forward.

DATUK SERI PANGLIMA HAJI HASHIM BIN PAIJAN  
Chief Executive of SEDIA



# About SEDIA

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# THE SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY

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

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

The main goal of SEDIA is to ensure effective implementation of plans for the SDC, promote and facilitate private sector investment in the Corridor, and monitor delivery of projects to improve the wellbeing of people in Sabah.

Beginning in 2021, all SDC programmes and initiatives are guided by the SDC Blueprint 2.0 (2021–2030), a strategic plan that charts Sabah's development till 2030. SEDIA will implement and co-ordinate the SDC programmes and initiatives in accordance with the plans set out through the SDC Blueprint 2.0. The institutional framework for SDC is well laid out, with SEDIA as an agency of the Federal Government, working under the State Government and in close collaboration with State Agencies and local authorities. As an agency with links to both the Federal and State Governments, SEDIA plays a key role in connecting investors, businesses, the government, talents and communities to deliver outcomes across SDC, as guided by the SDC Blueprint 2.0.

## OUR OBJECTIVES

Under Section 6 of the Sabah Economic Development and Investment Authority Enactment 2009, the objectives of the Authority are as follows:

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



SEDIA's Members of Authority (MOA)

## OUR FUNCTIONS

Under Section 7 of the Sabah Economic Development and Investment Authority Enactment 2009, the Authority shall perform the following functions:

- a) To recommend to the Government or the Federal Government on all projects of potential economic growth and opportunities to be included in the Sabah Development Corridor;
- b) To disburse funds received from the Government or the Federal Government for the Sabah Development Corridor to the relevant implementing Government Entities;
- c) To co-ordinate the expeditious implementation of all projects in the Sabah Development Corridor by performing the functions of a one-stop centre;
- d) To monitor and report to the Government and the Federal Government the status of all projects in the Sabah Development Corridor;
- e) To promote and market the Sabah Development Corridor as an attractive business and investment location;
- f) To recommend to the Government and the Federal Government incentives for the Sabah Development Corridor;
- g) To recommend to the Government or the Federal Government on policy reforms and other initiatives for the Sabah Development Corridor;
- h) To source funds for the Sabah Development Corridor; and
- i) 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 2009.

## OUR CORPORATE VISION

Our 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.

## OUR MISSION

- a) To provide strategic direction, roadmap, planning integration, implementation co-ordination, monitoring and evaluation on the implementation of SDC;
- b) To promote SDC as a preferred investment destination for business, culture and nature;
- c) 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;
- d) To facilitate and serve as a solution provider and partner to realise the objectives of SDC; and
- e) To enhance stakeholders' value propositions, confidence and acceptance through optimum engagement, information dissemination and accountability.

## OUR STRATEGIES

- a) Attract investments and business initiatives in targeted areas to unlock SDC's regional value creation potential through road shows and trade fairs, and by offering business support to fast-track approvals and customised incentives;
- b) Develop innovative business models and pioneering initiatives to drive long-term, sustainable value creation for SDC, especially in innovative and strategic industries such as in Information Communications Technology (ICT), biotech and nanotechnology;
- c) Create strategic development areas comprising green field clusters in tourism, agriculture and manufacturing driver by creativity, knowledge convergence and eco-sensitive lifestyle;
- d) Enhance capacity building for Small and Medium Enterprises (SMEs), the poor and disadvantaged groups to benefit from the SDC initiatives;
- e) 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;
- f) 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
- g) Respond rapidly to opportunities and challenges to support the SDC initiatives.

We will carry out the corporate strategies through the various committees, operating sections 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 sectors, sections and units under the overall supervision of the Chief Executive.

## OUR ROLE TO ENSURE EFFECTIVE DELIVERY

### 1 STRATEGISE AND SYNERGISE

Direction for SDC to ensure achievement of balanced development aspirations, and that all SDC initiatives are aligned with National and State development policies;

### 2 ENGAGE AND FACILITATE

Stakeholders across the public and private sectors to ensure effective collaboration towards implementation of SDC initiatives;

### 3 DEVELOP AND PROMOTE

Investment opportunities and the investment ecosystem to attract a diversified range of investors, and increase realised investment rates;

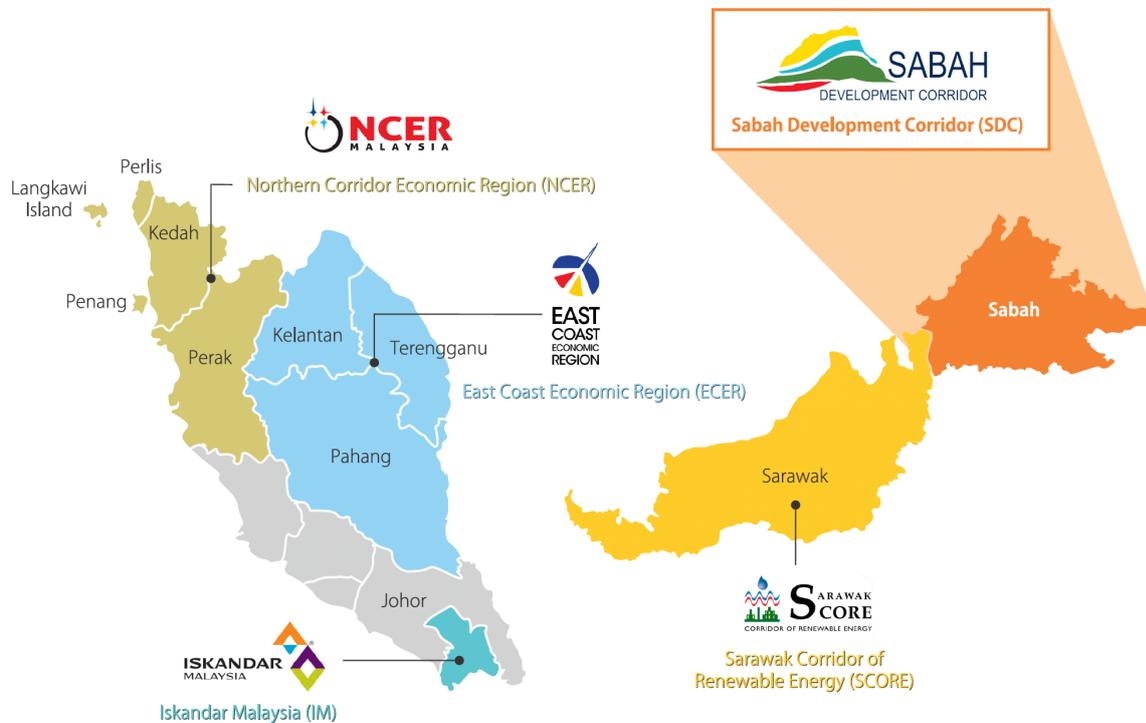
### 4 INITIATIVE AND EXECUTE

High impact programmes to deliver tangible outcomes through transformative projects; and

### 5 ADVISE ON, AND MONITOR

Implementation of the SDC Blueprint 2.0 to ensure not just timely completion but also that desired outcomes are delivered.

## OUR PRESENCE IN MALAYSIA



SDC is one of five Economic Corridors in Malaysia, which includes the likes of the Sarawak Corridor of Renewable Energy (SCORE), Iskandar Malaysia, Northern Corridor Economic Region (NCER), and East Coast Economic Region (ECER).

For SDC, the focus is on development programmes as based on the SDC Blueprint 2.0, in order to close the development gap between the regions of Peninsular Malaysia, Sabah and Sarawak as well as strengthen investment promotion through SDC.

## OUR CORPORATE PROFILE

### REGISTERED AND CORPORATE OFFICE

Block M1 & M2,  
Aeropod Commercial Square,  
Jalan Kepyayan,  
88200 Kota Kinabalu, Sabah

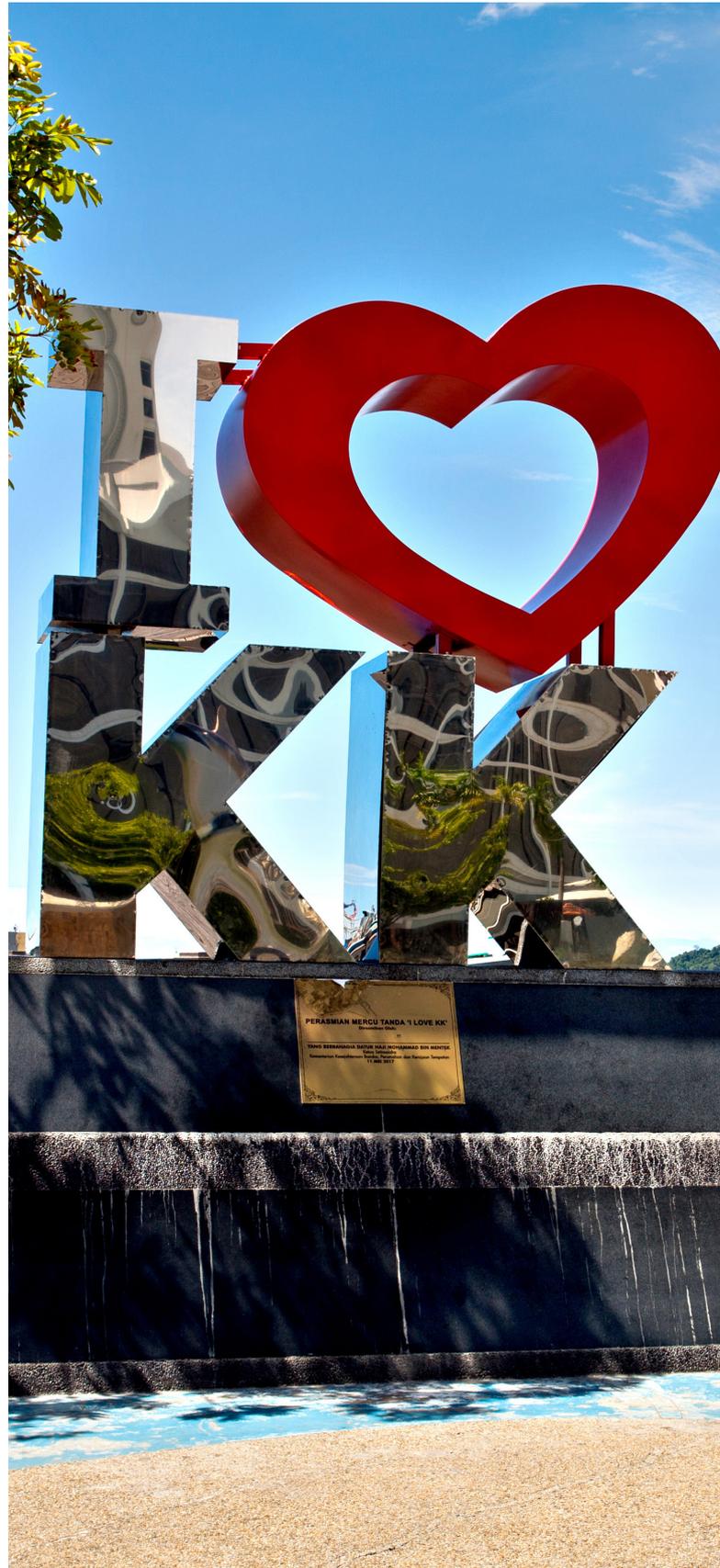
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E-mail : info@sedia.com.my  
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### MAILING ADDRESS

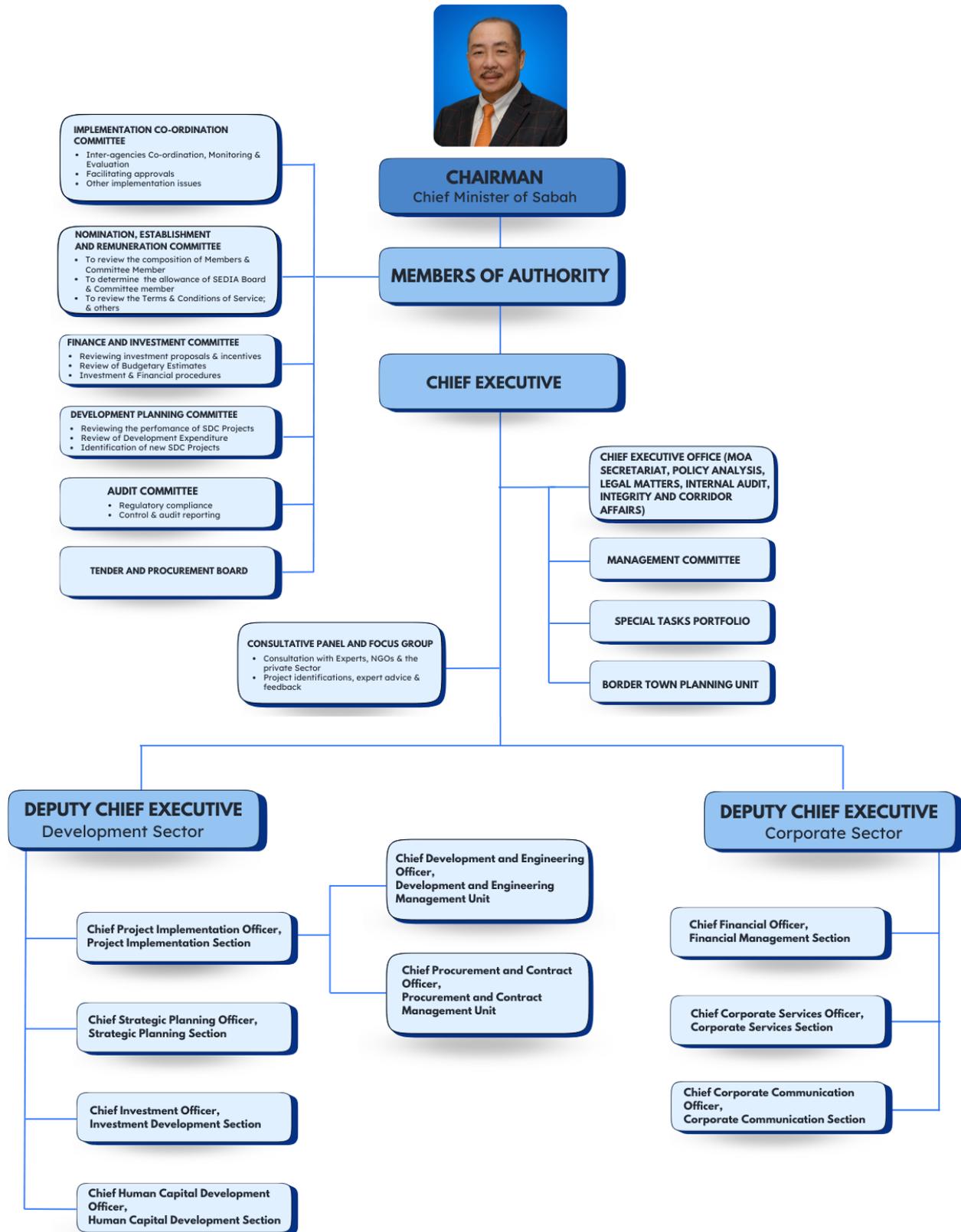
Sabah Economic Development and  
Investment Authority (SEDIA)  
P.O. Box 17251  
88873, Kota Kinabalu, Sabah

### AUDITORS

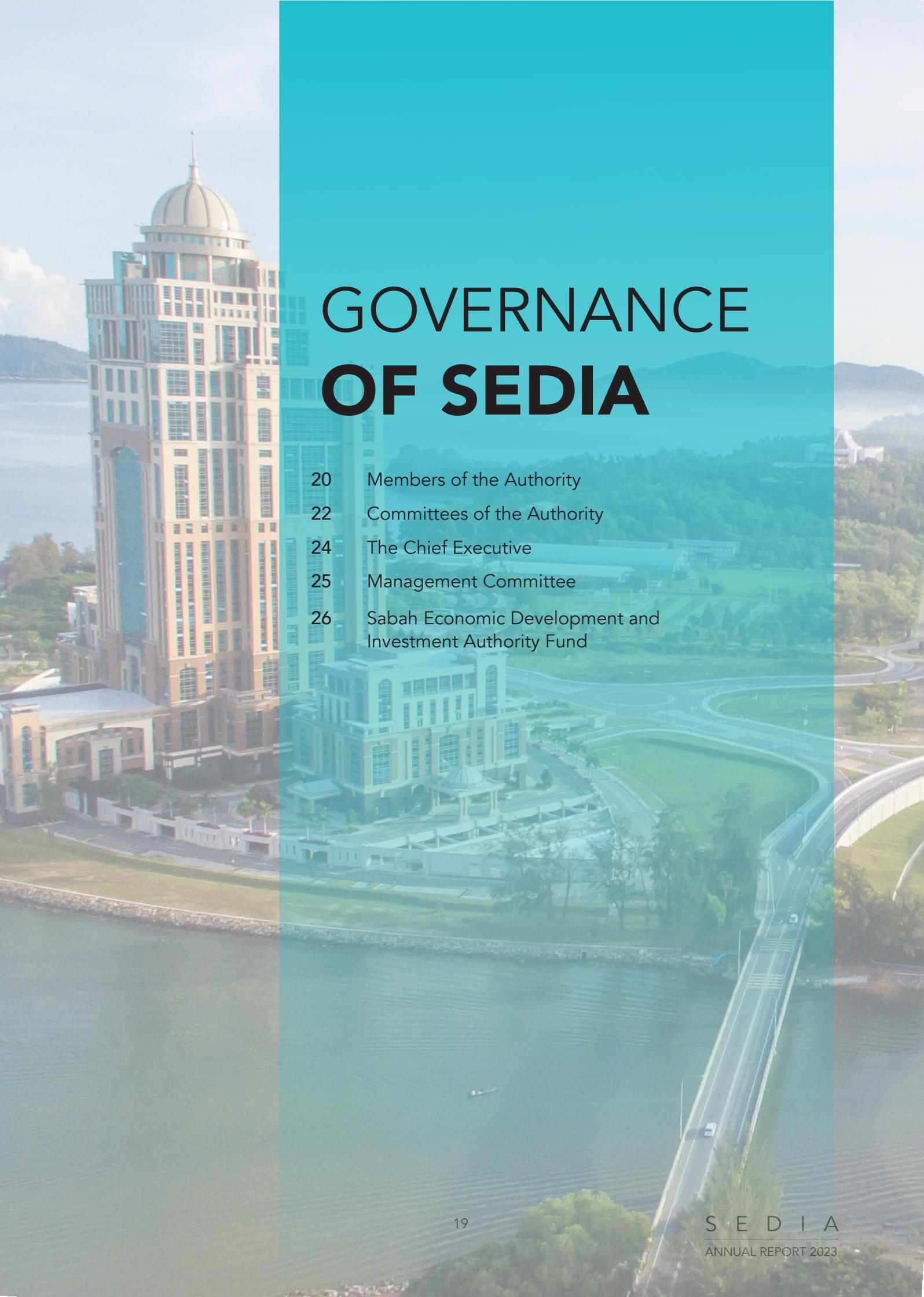
MNZWAJA  
Chartered Accountant  
No. F-2-4, Lot 34, Blok F  
Lorong Plaza Alamesra  
88400 Kota Kinabalu, Sabah



# SEDIA ORGANISATIONAL STRUCTURE







# GOVERNANCE OF SEDIA

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- 22 Committees of the Authority
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- 26 Sabah Economic Development and Investment Authority Fund

## MEMBERS OF THE AUTHORITY

The Sabah Economic Development and Investment Authority Enactment 2009 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.



## MEMBERS OF AUTHORITY



### CHAIRMAN

**YAB DATUK SERI PANGLIMA HAJI HAJI BIN HAJI NOOR**  
Chief Minister



### DEPUTY CHAIRMAN

**YB DATUK SERI PANGLIMA DR. JOACHIM GUNSALAM**  
Deputy Chief Minister II cum  
Minister of Local Government and Housing

### MEMBER



**TAN SRI DATO' SERI  
MOHD ZUKI BIN ALI**  
Chief Secretary to the Government



**YB DATUK SERI PANGLIMA  
SR. HAJI SAFAR BIN UNTONG, JP**  
Sabah State Secretary



**THE HONOURABLE DATUK  
NOR ASIAH BINTI MOHD YUSOF**  
Sabah State Attorney-General



**DATO'  
NOR AZMIE BIN DIRON**  
Secretary General, Ministry of Economy



**DATUK  
MOHD SOFIAN ALFIAN NAIR**  
Permanent Secretary,  
Ministry of Finance, Sabah



**DATUK  
TEO GECK CHOO @ JASMINE**  
Director,  
State Economic Planning Unit (UPEN)



**DATUK SR.  
BERNARD LIEW CHAU MIN**  
Director,  
State Department of Land and Survey



**DATUK  
NOORLIZA AWANG ALIP**  
Mayor, Kota Kinabalu  
City Hall (DBKK)



**RAFIDAH BINTI DATU DERIN**  
Officer of the Federal Treasury,  
Sabah



### SECRETARY

**DATUK SERI PANGLIMA HAJI HASHIM PAJAN**  
Chief Executive of SEDIA

## COMMITTEES OF THE AUTHORITY

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.

## SEDIA COMMITTEES

### IMPLEMENTATION CO-ORDINATION COMMITTEE

CHAIRMAN:

**YB Datuk Seri Panglima Sr. Haji Safar bin Untong, JP  
Sabah State Secretary**

MEMBERS:

Dato' Makhzan bin Mahyuddin  
Sabah Federal Secretary

Datuk Seri Panglima Haji Hashim Paijan  
Chief Executive of SEDIA

Rafidah binti Datu Derin  
Officer of the Federal Treasury, Sabah

Datuk Thomas Logijin  
Permanent Secretary, Ministry of Industrial Development,  
Sabah

Datuk Norlijah binti Haji Danin  
Permanent Secretary, Ministry of Rural Development,  
Sabah

Datuk Robert Stidi  
Permanent Secretary, Ministry of Agriculture and Food  
Industry, Sabah

Datuk Sr. Haji Mohd Yusrie Abdullah,  
Permanent Secretary, Ministry of Tourism, Culture and  
Environment, Sabah

Datuk Dr. Jamili Nais  
Permanent Secretary; Ministry of Local Government and  
Housing, Sabah

Datuk Jasmine Teo Geck Choo  
Director, State Economic Planning Unit (UPEN)

Datuk Sr. Bernard Liew Chau Min  
Director, State Department of Land and Survey

Augus Tamaning  
Director, State Department of Urban and Regional  
Planning

Datuk Ir. Haji Ali Ahmad Hamid  
Director, State Department of Public Works

Datuk Noorliza Awang Alip  
Mayor, Kota Kinabalu City Hall

Prof. Madya Datuk Ts. Dr. Ramzah Dambul  
Chief Executive Officer, Institute for Development  
Studies, Sabah (IDS)

## SEDIA COMMITTEES

### FINANCE AND INVESTMENT COMMITTEE

#### CHAIRMAN:

YB Datuk Seri Panglima Dr. Joachim Gunsalam  
Deputy Chief Minister II cum Minister of Local  
Government and Housing

#### MEMBERS:

Dato' Makhzan bin Mahyuddin  
Sabah Federal Secretary

Datuk Seri Panglima Haji Hashim Paijan  
Chief Executive of SEDIA

Rafidah binti Datu Derin  
Officer of the Federal Treasury, Sabah

Datuk Mohd Sofian Alfian Nair  
Permanent Secretary, Ministry of Finance, Sabah

Datuk Robert Stidi  
Permanent Secretary, Ministry of Agriculture and Food  
Industry, Sabah

Datuk Sr. Haji Mohd Yusrie Abdullah  
Permanent Secretary, Ministry of Tourism, Culture and  
Environment, Sabah

Datuk Thomas Logijin  
Permanent Secretary, Ministry of Industrial Development,  
Sabah

Datuk Jasmine Teo Geck Choo  
Director, State Economic Planning Unit (UPEN)

Joseph Benjamin  
Director, Malaysia Investment Development Authority,  
Sabah

Prof. Madya Datuk Ts. Dr. Ramzah Dambul  
Chief Executive Officer, Institute for Development  
Studies, Sabah (IDS)

### DEVELOPMENT PLANNING COMMITTEE

#### CHAIRMAN:

Dato' Nor Azmie bin Diron  
Secretary General, Ministry of Economy

#### MEMBERS:

Dato' Makhzan bin Mahyuddin  
Sabah Federal Secretary

Datuk Seri Panglima Haji Hashim Paijan  
Chief Executive of SEDIA

Rafidah binti Datu Derin  
Officer of the Federal Treasury, Sabah

Dr. Hj. Mohd Shaharin bin Umar  
Director of Regional Development, Ministry of Economy

Datuk Thomas Logijin  
Permanent Secretary, Ministry of Industrial Development,  
Sabah

Datuk Robert Stidi,  
Permanent Secretary, Ministry of Agriculture and Food  
Industry, Sabah

Datuk Dr. Jamili Nais  
Permanent Secretary; Ministry of Local Government and  
Housing, Sabah

Datuk Norlijah binti Haji Danin  
Permanent Secretary, Ministry of Rural Development,  
Sabah

Datuk Jasmine Teo Geck Choo  
Director, State Economic Planning Unit (UPEN)

Prof. Madya Datuk Ts. Dr. Ramzah Dambul  
Chief Executive Officer, Institute for Development  
Studies, Sabah (IDS)

## SEDIA COMMITTEES

### NOMINATION, ESTABLISHMENT AND REMUNERATION COMMITTEE

#### CHAIRMAN:

Datuk Sr. Bernard Liew Chau Min  
Director, State Department of Land and Survey

#### MEMBERS:

Datuk Seri Panglima Haji Hashim Paijan  
Chief Executive of SEDIA

Rafidah binti Datu Derin  
Officer of the Federal Treasury, Sabah

Datuk Mohd Sofian Alfian Nair  
Permanent Secretary, Ministry of Finance, Sabah

Director, Development Division  
Prime Minister's Department

### AUDIT COMMITTEE

#### CHAIRMAN:

Datuk Mohd Sofian Alfian Nair  
Permanent Secretary, Ministry of Finance, Sabah

#### MEMBERS:

Datuk Seri Panglima Haji Hashim Paijan  
Chief Executive of SEDIA

Rafidah binti Datu Derin  
Officer of the Federal Treasury, Sabah

Datuk Jasmine Teo Geck Choo  
Director, State Economic Planning Unit (UPEN)

Datuk Mary Angela Sipaun  
Sabah State Treasurer, State Treasury Department,  
Ministry of Finance, Sabah

## MEMBERS OF AUTHORITY AND COMMITTEE MEETINGS

### Members of Authority meetings

36th Meeting of the Members of Authority

3 April 2023

37th Meeting of the Members of Authority

23 November 2023

### Implementation Co-ordination Committee meetings

21st Meeting of the Implementation Co-ordination Committee

9 October 2023

### Finance and Investment Committee meetings

33rd Meeting of the Finance and Investment Committee

6 March 2023

34th Meeting of the Finance and Investment Committee

2 November 2023

### Development Planning Committee meetings

24th Meeting of the Development Planning Committee

16 February 2023

25th Meeting of the Development Planning Committee

10 November 2023

### Nomination, Establishment and Remuneration Committee meetings

19th Meeting of the Nomination, Establishment and Remuneration Committee

15 August 2023

### Audit Committee meetings

31st Meeting of the Audit Committee

31 March 2023

32nd Meeting of the Audit Committee

10 October 2023

## THE CHIEF EXECUTIVE

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

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

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

## THE MANAGEMENT COMMITTEE



**DATUK SERI PANGLIMA HAJI HASHIM PAIJAN**

Chief Executive of SEDIA



**IR. DR. CHONG VUN LEONG**

Deputy Chief Executive  
(Development Sector)  
cum

Chief Project Implementation Officer



**YUNUS GASTOM**

Deputy Chief Executive  
(Corporate Sector)  
cum

Chief Financial Officer



**MARY SINTOH**

Senior Vice President  
Special Task Portfolio



**IWAN HERMAWAN BIN MASRUL**

Chief Strategic Planning Officer  
Strategic Planning Section



**YONG SIEW PING @ VANESSA**

Chief Procurement and  
Contract Officer  
Procurement and Contract  
Management Unit



**KEVIN GEORGE UKANG**

Chief Investment Officer  
Investment Development Section



**JANET LEE OI CHIN**

Chief Human Capital Development Officer  
Human Capital Development Section



**IR. WONG CHUNG YEN @ IAN**

Chief Development and  
Engineering Officer  
Development and Engineering  
Management Unit



**RUSLAN BIN ISMAIL**

Chief Corporate Services Officer  
Corporate Services Section



**SHEILA RADIN**

Chief Corporate Communication Officer  
Corporate Communication Section

## SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY FUND

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

Section 14 (1) of the Sabah Economic Development and Investment Authority Enactment 2009 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;
- Undertaking approved and lawful investments, and acquisition of shares or interests in companies or property movable or immovable for the purposes of the Enactment; and
- Paying any other expenses lawfully incurred in the discharged or performances of its functions and duties under this Enactment.









# ABOUT SABAH DEVELOPMENT CORRIDOR (SDC)

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# INTRODUCTION TO THE SABAH DEVELOPMENT CORRIDOR

The Sabah Development Corridor (SDC) was launched on 29 January 2008 to enhance the quality of life of the people, by accelerating the growth of Sabah's economy, promoting regional balance, and bridging the rural-urban divide, while ensuring sustainable management of the state's resources. It is part of the five economic corridors inspired by former Prime Minister Tun Abdullah bin Haji Ahmad Badawi, and had been in line with the key thrusts and objectives of the *Halatuju Pembangunan dan Kemajuan Negeri Sabah*, launched in 2004 by the then-Chief Minister of Sabah Tan Sri Musa Haji Aman, which outlined the direction of the state's development.

During the year 2021, SEDIA had commissioned a study for the review of the SDC Blueprint and thus published the SDC Blueprint 2.0 (2021–2030). The publication of this Blueprint is timely to ensure alignment with the Federal Government's Shared Prosperity Vision 2030 (SPV2030), as well as the State Government's Sabah Maju Jaya Plan (*Pelan Pembangunan SMJ 1.0: 2021–2025*) by YAB Datuk Seri Panglima Haji Hajiji bin Haji Noor, the current Chief Minister of Sabah. In line with Malaysia's commitments as a responsible global community, the SDC Blueprint 2.0 also provides an opportunity to connect Sabah's development priorities with the United Nations Sustainable Development Goals (SDGs).

The theme for the SDC Blueprint 2.0 is **Sustainable Growth with Equity and Social Inclusion**, which is also in line with the Malaysia MADANI concept introduced by YAB Datuk Seri Anwar bin Ibrahim, the current Prime Minister. MADANI represents a convergence of Malaysia's varied cultures and experiences, combining existing practices with new methods in order to address new issues and uncertainties. MADANI comprises six core values, namely sustainability, prosperity, innovation, respect, trust and compassion, which articulate a closely related and integrated framework of policies and philosophies, with each reinforcing the others. MADANI was inspired by the concept of willingness to accept change, taking into account the suggestions of all levels of society with the desire for recovery through substantive reforms for the sake of a more advanced and prosperous Malaysia.

# THE SABAH DEVELOPMENT CORRIDOR BLUEPRINT 2.0 FRAMEWORK

The SDC Blueprint 2.0 (2021–2030) was formulated following an extensive review of the SDC Blueprint implementation, and considering the SDC’ key strengths and implications from mega trends to 2030. The process involved extensive desk research and analysis, as well as engagement with a number of stakeholders within and outside Sabah. Reference was also made to other corridor development plans, state and national -level policies, and sector-specific development plans.

## VISION AND ASPIRATIONS

A renewed Vision for the SDC that builds on the 2008 vision statement while reinforcing three priorities.

### “A Competitive, Inclusive and Sustainable Corridor by 2030”

<p><b>COMPETITIVENESS</b></p>	<p>Positioning SDC as an attractive destination for manufacturing, agriculture, tourism, and logistics. Leveraging on its strength to make Sabah more attractive for high-value investors and top talents, and to create better jobs for locals;</p>
<p><b>INCLUSIVENESS</b></p>	<p>Creating opportunities for everyone to advance skills and capabilities, engage in high-value economic activities, and actively participate in community life; and</p>
<p><b>SUSTAINABILITY</b></p>	<p>Conserving Sabah’s unique natural heritage for current and future generations, and ensuring resilience in the face of economic or environmental challenges.</p>

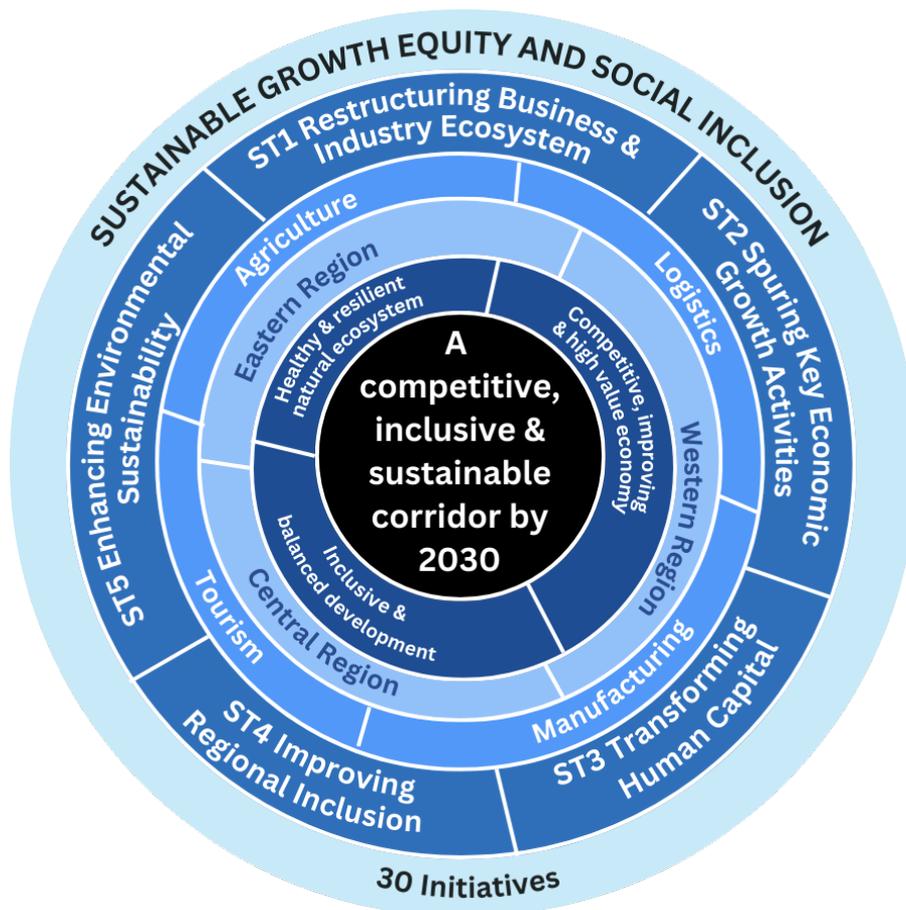
Three mutually reinforcing Aspirations will help to realise the Vision, reflecting the desired outcomes for Sabah by the end of the SDC Blueprint 2.0 period as synthesised in the theme for the Blueprint 2.0:

### “Sustainable Growth with Equity and Social Inclusion”

# VISION AND ASPIRATIONS (CONTINUED)

ECONOMIC (Competitiveness)	Competitive, innovative and high-value economy;
EQUITABLE (Inclusiveness)	Inclusive and balanced development; and
ENVIRONMENTAL (Sustainability)	Foster a healthy and resilient natural ecosystem.

The SDC Blueprint 2.0 Framework



- Aspirations
- Regions
- Primary Sectors
- Strategic Thrusts

# STRATEGIC THRUSTS AND INITIATIVES

## The Five Strategic Thrusts (STs)

<p><b>RESTRUCTURING THE BUSINESS AND INDUSTRY ECOSYSTEM</b></p>	<p><b>ST1</b></p>
<p>Building a more competitive ecosystem that meets the needs of investors and businesses through digitalisation, entrepreneur and supply chain development, and strengthening knowledge hubs to promote application of new technologies for increased productivity and value-creation.</p>	
<p><b>SPURRING KEY ECONOMIC GROWTH AREAS</b></p>	<p><b>ST2</b></p>
<p>Strengthening economic development by focusing on seven Key Economic Growth Areas (KEGAs) that maximise Sabah’s strengths:</p> <ul style="list-style-type: none"> <li>KEGA 1 (K1) - Food &amp; Agriculture</li> <li>KEGA 2 (K2) - Commodities &amp; Downstream Manufacturing</li> <li>KEGA 3 (K3) - Logistics</li> <li>KEGA 4 (K4) - Coastal and Maritime Economy</li> <li>KEGA 5 (K5) - Renewable Energy &amp; Green Economy</li> <li>KEGA 6 (K6) - Advanced and Modern Services</li> <li>KEGA 7 (K7) - Tourism</li> </ul>	
<p><b>TRANSFORMING HUMAN CAPITAL</b></p>	<p><b>ST3</b></p>
<p>Increasing workforce capabilities and productivity by boosting technical and digital skills with on-the-job training, increased participation in TVET and tertiary education, and improved access to talent and jobs.</p>	
<p><b>IMPROVING REGIONAL INCLUSION</b></p>	<p><b>ST4</b></p>
<p>Balancing development across regions with targeted efforts aimed at maximising each region’s strengths, and creating locally-based economic opportunities through infrastructure development, entrepreneurship and skills-training and agricultural extension programmes.</p>	
<p><b>ENHANCING ENVIRONMENTAL SUSTAINABILITY</b></p>	<p><b>ST5</b></p>
<p>Ensuring protection of natural capital through conservation, environmental management and climate resilience efforts.</p>	

# 30 SDC INITIATIVES TO 2030

30 SDC Initiatives to 2030 have been prioritised for implementation across the five STs. These SDC Initiatives are expected to have a catalytic effect on SDC's overall socio-economic development, while ensuring balanced growth across the Corridor. Each initiative is mapped to a single ST (the Primary ST) and interlinked with other STs (Related STs). Each region's development agenda is planned - based on its comparative advantage, unique strengths & opportunities for future growth.



- Site-specific Initiatives**  
(Located in one particular site)
- 2 Special Economic Zone (KKIP Free Zone)
  - 5 Sabah Agro Industrial Precinct (SAIP 2.0)
  - 7 Sipitang Oil & Gas Industrial Park (SOGIP)
  - 8 Sapangar Bay Container Port (SBCP)
  - 10 KKIA as International Air Cargo/ Freight Transshipment Hub
  - 15 KK City Lifestyle Hub

- SDC-wide Initiatives**  
(Will be implemented across the entire SDC)
- 1 Digital Connectivity
  - 3 SME Growth & Cluster Development
  - 4 Knowledge Hubs
  - 13 Green Energy from Biomass
  - 16 Digital Economy
  - 20 Workforce of the Future
  - 21 Sabah Digital Academy
  - 22 Workforce Expansion
  - 23 Career & Talent Sabah
  - 24 Pan-Borneo Highway & Road Network Expansion
  - 27 Next Gen Farmer-Entrepreneurs
  - 28 100% Sustainable Production & Consumption
  - 29 Climate-resilient & Sustainable Infrastructure
  - 30 Green Growth

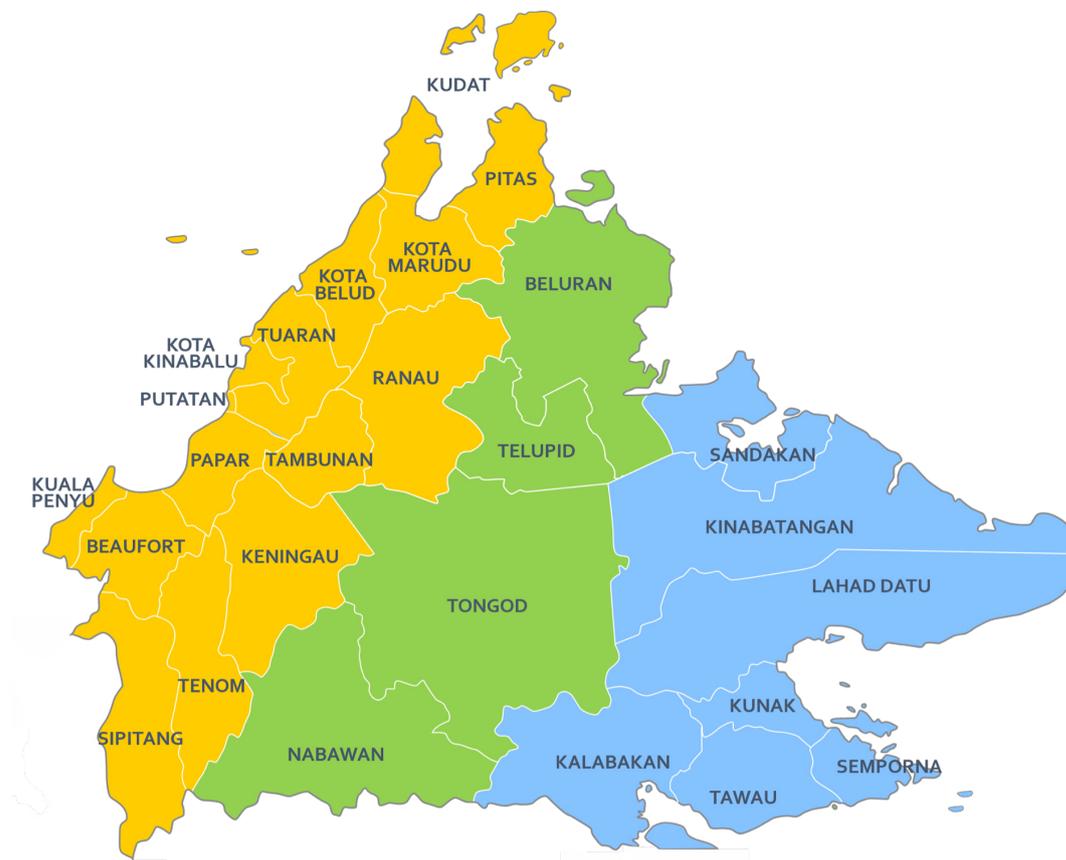
- Multi-site Initiatives**  
(Will be implemented in more than one site)
- 6 Palm Oil Industrial Clusters 2.0 (POIC 2.0)
  - 9 Sandakan, Lahad Datu & Tawau as regional trading hubs
  - 11 Sandakan, Lahad Datu & Tawau Air Cargo Supporting Spokes
  - 12 Integrated Sustainable Agro-Marine Hubs
  - 14 Green Technology Development Centre
  - 17 Sabah Gold Coast Enclave
  - 18 Sabah Premium Eco-Adventure
  - 19 Borneo's Marine Paradise
  - 25 Border Town & Inland Dry Port
  - 26 Interior Food Valley

# A REGIONAL DEVELOPMENT APPROACH FOR THE SDC BLUEPRINT 2.0

Defining the whole of Sabah as an economic corridor means that a coherent strategy is needed to achieve balanced development across the entire corridor. Balanced development does not mean equal development. It involves optimising potential based on strengths, and sharing the benefits of overall economic growth across SDC to ensure that no one is left behind, in line with national and state plans, as well as the United Nations Sustainable Development Goals.

Balanced regional development can help to reduce rural-urban migration, create jobs in-community where people have a social network and family support, and improve accessibility to basic amenities and to markets. A regional development approach will help to balance disparities across SDC based on the strengths and needs of each region.

With these in mind, three regions are defined for the purposes of the SDC Blueprint 2.0:



- Western Region — 14 districts from Kudat in the North to Sipitang in the South
- Central Region — 4 districts from Beluran in the North to Nabawan in the South
- Eastern Region — 7 districts from Sandakan in the North to Kalabakan and Tawau in the South

## INVESTMENT AND OUTCOME TARGETS

The 30 SDC initiatives require RM23 billion in government funding and RM95 billion in private investments during 2021–2030 over two phases, corresponding to the Twelfth and Thirteenth Malaysia Plan periods. The proposed phasing of the investment for the initiatives is shown below:

OUTCOMES	PHASE 1 (2021-2025)	PHASE 2 (2026-2030)	TOTAL (2021-2030)
Total Investment (RM Million)	50,300	67,700	118,000
Government Funding (RM Million)	9,000	14,000	23,000
Private Investment (RM Million)	41,300	53,700	95,000
GDP Contribution (RM Million)	8,200	11,800	20,000
Jobs Created	31,700	38,300	70,000

The outcomes are contingent upon the time and successful implementation of the 30 SDC initiatives, and must be balanced with two of the three aspirations for SDC, i.e., social well-being and environmental sustainability.

## SDC 2025 AND 2030 TARGETS

The successful implementation of the 30 SDC initiatives will contribute towards achieving national and state development plans. 14 indicators and targets have been defined to track outcomes delivered during 2021–2030 as below.

14 Indicators and Targets to track SDC's anticipated outcomes for 2025 and 2030

	GDP	GDP Per Capita	Mean Monthly Household Income	Mean B40 Monthly Household Income	Poverty Rate %	Skilled Workforce %	Unemployment Rate %	Sustainability (Oil Palm Plantation Certification)	Tourism Receipts	Manufacturing GDP Share %	Palm Oil Downstream Share %	Food Exports	Jobs Created*	Private Investments*
2020	RM81 billion	RM20,900	RM5,400	RM2,343 (2019)	19.5% (2019)	17%	8.0%	n.a	RM8.5 billion (2019)	8% (2019)	10%	RM1.6 billion (2019)	43,900 (2008-2019)	RM84.9 billion (2008-2019)
2025	RM108 billion	RM26,000	RM7,000	RM3,500	15%	22%	4.8%	95%	RM11 billion	9%	15%	RM2.0 billion (2021-2025)	31,700 (2021-2025)	RM41.3 billion (2021-2025)
2030	RM140 billion	RM32,000	RM8,600	RM5,800	5%	30%	3.2%	100%	RM15 billion	14%	30%	RM2.5 billion (2021-2030)	70,000 (2021-2030)	RM95 billion (2021-2030)





# 2023 PERFORMANCE REVIEW

- 40 SDC Allocation and Expenditure Performance as at 31 December 2023
- 40 SDC Physical Projects
- 45 SDC Studies
- 50 Socio-Economic Programmes
- 68 Investment Promotion Performance for the Year 2023

th **1**

Berth **2**

Berth **3**

Berth **5**

# SDC ALLOCATION AND EXPENDITURE PERFORMANCE AS AT 31 DECEMBER 2023

SDC Allocations and Expenditure Performance under the Malaysia Plans (MPs) as at 31 December 2023

Malaysia Plan (MP)	Allocations (RM)	Expenditure (RM)	%
9MP	919,000,000	919,000,000	100%
10MP	970,179,492	932,389,256	96.10%
11MP	723,768,847	647,040,185	89.40%
12MP	359,250,100	111,667,709	31.08%
<b>Total</b>	<b>2,972,198,439</b>	<b>2,610,097,150</b>	<b>87.82%</b>

Source: Project Implementation Section, 2023

For the year ending on 31 December 2023, there are nine (9) projects through allocations from the Twelfth Malaysia Plan (12MP), comprising five (5) physical projects and four (4) studies. Additionally, three studies from the previous year had been completed during Q1 2023. For the physical projects, two have are in the implementation phase while three are undergoing pre-implementation and design preparation stages. The four aforementioned studies

comprise one study whereby the drafted final report is being prepared, two studies are in the implementation phase, and one study is undergoing pre-implementation. The physical projects are located within Kota Kinabalu and Kalabakan, while the studies have bear focus on Lahad Datu, Sandakan, the interior regions of Sabah and also the Sabah-Sarawak-Indonesia border.

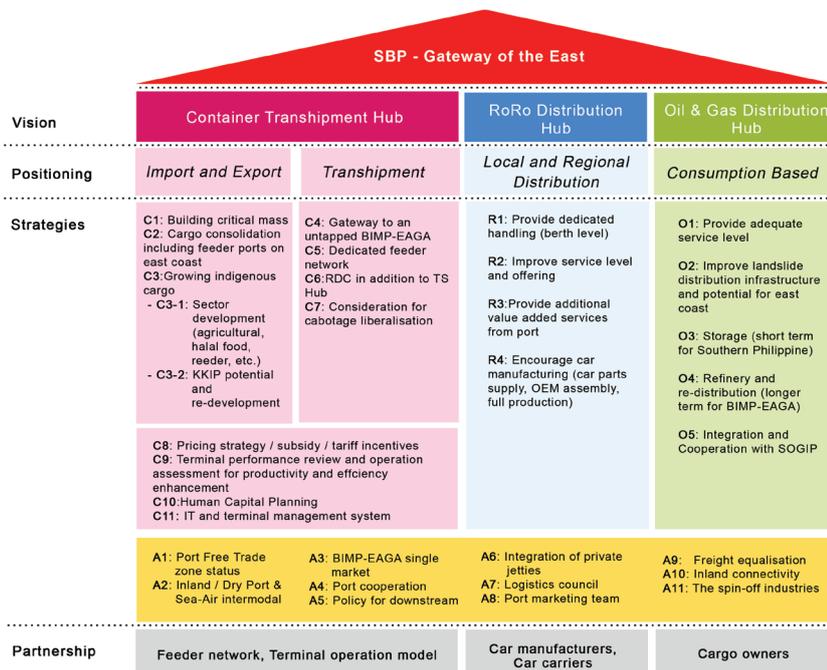
## SDC PHYSICAL PROJECTS

### 1. SAPANGAR BAY CONTAINER PORT EXPANSION

This initial expansion project is the first critical step for Sapangar Bay Container Port (SBCP) to attract direct shipping calls and transshipment cargo in the region, with the long-term goal being to transform the port into a regional transshipment hub for the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) so that industrial and economic development for the whole of Sabah is able to benefit from reduced logistics costs. This potential growth trajectory will also impact roll-on, roll-off (Ro-Ro), and oil and gas distribution opportunities.

The Masterplan and Business Study for the expansion of SBCP was completed during 2017, focused on transforming container operations into a transshipment hub and enhancing the port 's overall competitiveness within BIMP-EAGA. The masterplan will guide the expansion for more efficient container handling that will speed up discharging and loading operations. The expansion project is needed so as to address the logistic gaps and inefficiency faced in Sabah, support industrialisation of the state economy for high value-add manufacturing, as well as attract investment for foreign direct investment.

### Diagram: Sapangar Bay Port Integrated Business Model



The SBP expansion project is a Sabah Development Corridor (SDC) flagship initiative under the Twelfth Malaysia Plan (12MP). The physical construction is expected to be completed within 42 months, and allow SBP to handle up to 0.875 twenty-foot equivalent units (TEUs) per year.

The current onsite work centres on the installation of silt curtain in Section C, concrete works for Level One and Two of the Ancillary Building Area, second floor beam and slab in the Berth & Planning Office, Base Slab in the Sewage Treatment Plant (STP), as well as seabed dredging in the Outer Berth Area – Phase B which has been completed.



Concrete works for the second-floor beam at the Elevated Water Tank and Pump House



Structural works for the hydrant tank and hydrant pump have been completed



Concrete works for the second-floor beam and slab at the Billing and Berth Planning Office Area



View from the Section N seawall



View from the existing trestle at Section S



SO, Consultants and Contractors site office



## 2. SDC — UPGRADING OF THE INDUSTRIAL LINK ROAD FROM FEZ KKIP TO SAPANGAR BAY CONTAINER PORT, SABAH

This physical project, “SDC – Upgrading of the Industrial Link Road from FEZ KKIP to Sapangar Bay Container Port, Sabah”, is still in the pre-implementation and design preparation stage, with a total approved project cost of RM70 million. On 24 November 2023, JKR Sabah as the Implementing Agency issued a Letter of Acceptance for the appointment of a civil and structural (C&S) consultant, Environmental Impact Assessment, and Land Surveyor.

The C&S consultant submitted the Inception Report to the SEDIA office in December 2023. This project is divided into three parts, namely the widening of Jalan EOIZ Phase 1 KKIP along 1.4km from a single road to a dual carriageway, the paving of a 500-meter road at Jalan Kayu Madang A, and the improvement of a 650-meter road at Jalan Sapangar Bay, specifically the entrance road to the Sapangar Bay Container Port.

## 3. SDC — KOTA KINABALU CITY BEAUTIFICATION

The project is split into three components, namely the Atkinson Clock Tower area (Component One), the Treetop Walkway (Component Two), and also the conservation of the Observation Tower (Component Three) which was completed on 25 December 2023.

For component one, concrete works for the ditch, ramp and walkway are currently under implementation. Meanwhile, micro piling installation works are being implemented for the second component's area. Additionally, the Building Plan (BP) for this project was approved on 29 December 2023.

### 3A. SDC — KOTA KINABALU CITY BEAUTIFICATION PACKAGE 3 — PHYSICAL UPGRADING OF THE ATKINSON CLOCK TOWER AND AUSTRALIA PLACE

The “SDC — Kota Kinabalu City Beautification Package 3 — Physical Upgrading of the Atkinson Clock Tower and Australia Place”, is a continuation of an existing project, with implementation scheduled to take place over 18 months by a contractor appointed by Kota Kinabalu City Hall (DBKK) at a recorded cost of RM11.09 million.

Pictures: Components of Kota Kinabalu City Beautification Package 3



Component one: Atkinson Clock Tower



Component two: Treetop Walkway



Component three: Observation Tower

### 3B) SDC — KOTA KINABALU CITY BEAUTIFICATION — PEDESTRIAN WALKWAY AND CYCLEWAY FROM TANJUNG ARU TO UMS (PARCEL 4) — CONSTRUCTION OF BRIDGE

The “SDC — Kota Kinabalu City Beautification — Pedestrian Walkway and Cycleway from Tanjung Aru to UMS (Parcel 4) — Construction of Bridge” project under the provisions of 12MP is in the final stages of design preparation, with a project cost of RM2.09 million. Tenders for the construction of this project were invited on 22 November 2023, and Kota Kinabalu City Hall is in the process of preparing the Tender Evaluation Report.



#### 4) SDC — SABAH BORDER PROJECT — UPGRADING THE ACCESS ROAD TO THE PROPOSED ICQS SITE IN SERUDONG, KALABAKAN, SABAH

The “Sabah Border Project — Upgrading the Access Road to the Proposed ICQS Site in Serudong, Kalabakan, Sabah”, with a total approved cost of RM9 million, is currently in the pre-implementation and design state. The implementation of this project is meant to upgrade the road from KM20 to KM35 near the Luis Pos Camp in Serudong, Kalabakan towards the proposed ICQS site, into an access road that will better accommodate heavy vehicles. As of 31 December 2023, a SEDIA Consultant Evaluation Committee Meeting has been scheduled to be held on 19 January 2024 to evaluate and consider the Technical and Financial Proposals submitted by the appointed surveyor consultants.



## SDC STUDIES

### 1) SDC — SABAH BORDER ECONOMIC DEVELOPMENT MASTER PLAN STUDY

The “SDC — Sabah Border Economic Development Master Plan Study” is under the direct monitoring of SEDIA, and is implemented over a period of 18 months beginning on 25 August 2022 and scheduled to be completed by 24 February 2024, with a cost of RM9.56 million.

Spanning across four districts of Sabah, namely Sipitang, Nabawan, Kalabakan and Tawau, this 568-kilometre land border of Sabah plays an important role in supporting the growth of Sabah’s economy, which is currently in a critical period of revitalisation. Sabah faces competition for talent and investments from its neighbouring states, particularly Sarawak and Kalimantan, Indonesia, which has pushed Sabah to rethink its economic development strategy especially along the land border region where collaboration for mutual benefits is much needed. The ambitious plan of Indonesia to relocate its capital city to East Kalimantan has further disrupted Sabah’s economic trajectory, and emphasises an urgent need for strategic adjustments to tap into emerging opportunities.

The Sabah Border Economic Development Study provides a timely opportunity to create a compelling strategy for the Sabah land border that aligns with the Sabah Development Corridor’s vision of becoming “a competitive, inclusive, and sustainable corridor by 2030”.

In assessing the opportunities along the border — referred to in this study as the “Border Region” — a 10km study area has been defined along both the 418km Sabah-Kalimantan border and the 150km Sabah-Sarawak border which are located along the southern side of Sabah State. The total study area is approximately 4,380 square kilometres.

The study serves as a roadmap for the growth and development of the SDC, with a particular focus on the border region. It will explore opportunities arising from the development of Indonesia’s new capital city, and the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA). The study will establish a clear vision and objectives for the border region, aligning them with the broader context of the SDC and regional integration. Key components include; proposing strategies to manage and improve border security, identifying key industry sectors as economic growth drivers, outlining key economic projects to target, and suggesting initiatives to promote inclusiveness and equity for the communities along the border.

Additionally, the study will develop integrated land use and comprehensive plans for potential border developments, ensuring sustainable and strategic growth in the region.

Four Catalytic Projects have been identified to kick-start the border development: the Living Borneo Institute, Strengthening the Heart of Borneo Tourism Ecosystem, Kalabakan Industrial Park, and the Cowie Bay Blue Economic Zone.

A total of 58 departments and agencies have been involved in shaping the direction of this study through the Coordination Committee, Technical Committee, and to be finalised at the Steering Committee meeting chaired by the State Secretary and the Federal Secretary. As at 31 December 2023, the Second Interim Report was approved during the Steering Committee Meeting No. 3/2023 on 19 December 2023.

## 2) SDC — MASTER PLAN AND BUSINESS PLAN STUDY FOR FREE ECONOMIC ZONE, LOGISTICS HUB AND COLD STORAGE DEPOT IN POIC LAHAD DATU

**Sabah Economic Development and Investment Authority**

*Kajian Pelan Induk & Pelan Perniagaan Untuk Zon Ekonomi Bebas, Hab Logistik & Depot Penyimpanan Sejuk di POIC Lahad Datu*

Submitted by:  
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SEDIA POIC

The “SDC — Master Plan and Business Plan Study for Free Economic Zone, Logistic Hub and Cold Storage Depot in POIC Lahad Datu” is a study being implemented over a nine-month period from 17 July 2023 until 17 April 2024 with a study cost of RM1.96 million.

In 2005, the Sabah State Government established POIC Lahad Datu to foster the development of palm oil-based downstream activities. POIC Lahad Datu was incorporated within SDC, and is owned and managed by POIC Sabah Sdn Bhd which is a state-owned GLC under the purview of the State Ministry of Industrial Development and Entrepreneurship (MIDE).

The objective of this study is to develop a 15-year Master Plan and Business Plan for POIC Lahad Datu, by positioning the industrial park as a regional port and logistic hub for BIMP- EAGA. Three key development components have been identified to support this development: a Free Zone, Logistic Hub and Cold Storage Depot.

Five industries have been proposed for POIC Lahad Datu, based on the factors of supply, demand, linkage to development components, policy support, and economic impact. The targeted industries for POIC Lahad Datu are Fisheries & Aquaculture, Biomass, Biofuels, Edible Oils, and Oleochemicals. As of 31 December 2023, the consultant has submitted an Interim Report and will be presented and reviewed at the SEDIA Technical Committee Meeting on 5 February 2024.



### 3) SDC — STUDY FOR POIC SANDAKAN ECONOMIC MASTER PLAN AND BUSINESS PLAN

The “SDC — Study for POIC Sandakan Economic Master Plan and Business Plan” is to be carried out over nine months, starting from 17 July 2023 until 17 April 2024 with a study cost of RM1,981,240.94.

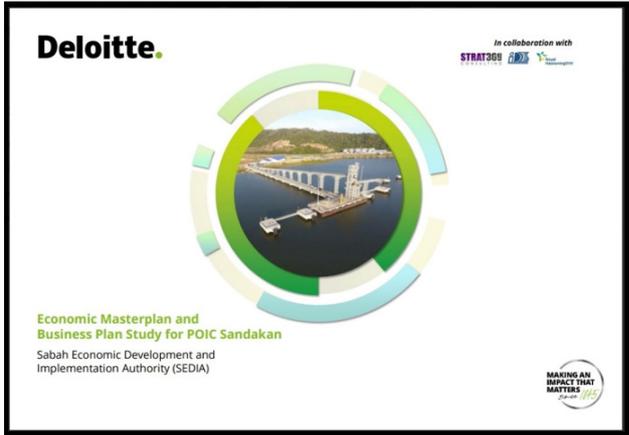
Sabah has 1.5 million hectares of palm oil plantation, which as at 2022, produce up to 4.28 million tonnes of CPO. A total of RM1.71 billion has been committed by the Federal and State governments to develop POIC Sandakan into a palm oil industrial cluster, leveraging on the abundance of palm oil plantations and a stable, captive supply of feedstock within Sabah.

The overall study aligns itself to the initial intention and aims to provide a catalytic transformation of the park by exploring new value-added industries and sectors, so that the overall development of the park can serve the purpose of creating economic activities and attracting investment to Sandakan district and state of Sabah, as well as prospering the wealth and wellbeing of local communities.

This study outlines the way forward for POIC Sandakan over the next 10 years, laying out key strategies and the implementation plan towards realising the vision of POIC

Sandakan becoming a viable and competitive industrial park. To achieve the overall mission and key development principles of POIC Sandakan during the next 15 years, three key industries are proposed: Palm Oil and Biomass, Fisheries and Aquaculture and Renewable Energy.

As of 31 December 2023, the SEDIA Steering Committee has endorsed the Inception Report prepared by the consultant in a meeting held on 7 November 2023. The consultant is expected to submit an Interim Report in January 2024.



## 4) SDC — STUDY FOR A MASTER PLAN OF SABAH INTERIOR FOOD VALLEY

The “SDC—Study for a Master Plan of Sabah Interior Food Valley” has been set up in order to drive the growth of Sabah’s food industries, as well as promote food security and self-sufficiency for the state.

Sabah’s geographical landscape and fertile soil condition is well-suited for agricultural activities to enhance local food production. Food security in Sabah is a recurring issue that remains a critical priority due to various challenges. These challenges include limited arable land, dependence on food imports, unpredictable climate patterns, and socio-economic disparities that affect food access for certain communities. Food security encompasses not only the availability and accessibility of food but also its affordability, nutritional value, and stability in supply.

The project scope is to identify suitable locations in the district of Keningau, Tenom, Nabawan, Tongod and Tambunan for main production of agro-food in inland in Sabah.

The scope of this study covers the following:

- 1) Development Plan and Action Plan;
- 2) Market and Community Engagement;
- 3) Coordination of policies, regulations and implementing agencies;
- 4) Economic analysis and business models;
- 5) Infrastructure, land use planning, and environmental assessment;
- 6) Focus on agriculture and specific land use patterns;
- 7) Incentives and attraction of agricultural sector players; and
- 8) Sustainable development and Environmental Protection.

The objectives of this study are to:

- 1) Employ suitable and cost-effective modern agricultural practices;
- 2) Enhance productivity and optimal economies of scale of this industry;
- 3) Ensure long-term national food security and the ability to access higher value markets in the long term.

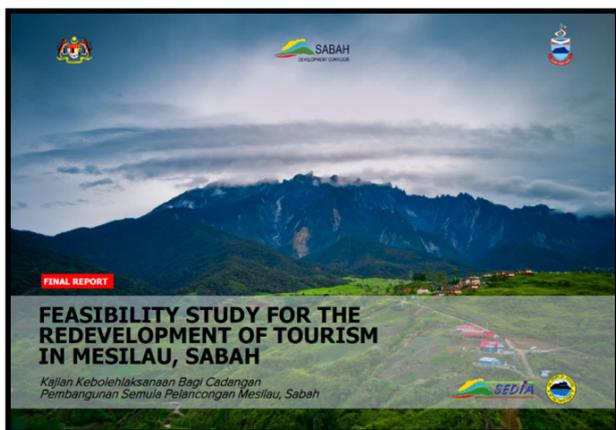
As of 31 December 2023, a SEDIA Consultant Evaluation Meeting has been scheduled to be held on 19 January 2024 to discuss and approve the Terms of Reference (TOR) for this study.

Sabah, known for its fertile soil and diverse agro-food products from fisheries, fruits and poultry, faces challenges related to the perishability of these products due to its tropical climate. While traditional preservation methods like fermentation, drying, cooling, and freezing are commonly used, a promising modern technique using ionizing radiation and ionizing gas offers a safe, chemical-free alternative that eliminates waste and contributes to environmental sustainability.

Irradiation techniques are still uncommon in Sabah; therefore, to explore this opportunity, a feasibility study for a Multipurpose Sterilisation Centre for Export (MSCE) had been proposed to evaluate the establishment of a modern, sustainable Export Product Sterilisation Centre at the Sabah Agro-Industrial Precinct (SAIP). This initiative aims to expand the export of agricultural products to international markets while ensuring compliance with biosecurity standards. SAIP, covering 185 acres in Kimanis, Papar is envisaged to become a new centre of excellence in agrobiotechnology that optimises the state’s abundant natural resources to produce value-added food and specialty products. It is also to enhance local SMEs’ capacity in agro downstream processing.



## 5) SDC — FEASIBILITY STUDY FOR THE REDEVELOPMENT OF TOURISM IN MESILAU, SABAH



Mesilau is located at the southern border of Kinabalu National Park, adjacent to Kundasang and is situated within the Ranau District. Prior to the earthquake in 2015, Mesilau offered an alternative trail to Mount Kinabalu (Tambang Gate) and tourist accommodations. Unfortunately, these were damaged by the earthquake and left in a state of disrepair.

This feasibility study is to produce a master plan for reimagining Mesilau as a competitive and sustainable tourism destination by leveraging on the UNESCO Triple Crown designation of Kinabalu Park. This master plan will act as a guide for Sabah Parks for redevelopment of tourism activities, infrastructure and facilities. The redevelopment will be driven by four components: the Premium Eco-Resort, MICE, Tourism, and UNESCO C2C.

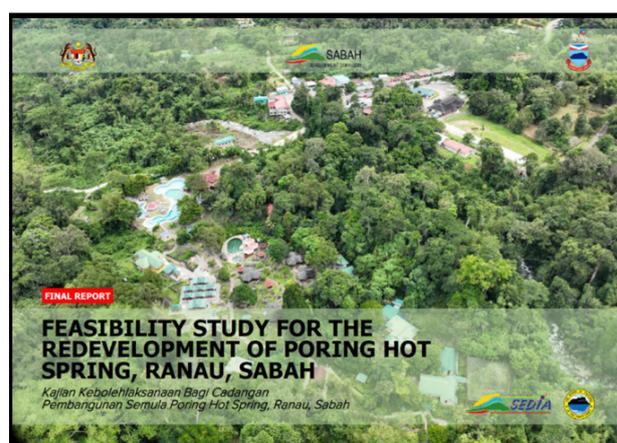
This study was completed in March 2023, with investment opportunities to support green innovation in tourism, fostering growth and development in the local economy.

## 6) SDC — FEASIBILITY STUDY FOR THE REDEVELOPMENT OF PORING HOT SPRING, RANAU

Poring Hot Spring is a popular natural hot spring located near the foothills of Mount Kinabalu within the Kinabalu Park — a UNESCO World Heritage Site and IUCN Category II protected area.

The goal of the feasibility study is to produce a master plan for the redevelopment of Poring Hot Spring into a competitive and sustainable ecotourism destination that showcases the value proposition of the Kinabalu Park World Heritage Site, which needs to be rebranded to become more competitive by leveraging the UNESCO Triple Crown brand, as Kinabalu Park is only one of three sites in the world to have received all three UNESCO awards.

The Feasibility Study for the Redevelopment of Poring Hot Spring, Ranau, Sabah was completed in March 2023. Findings from the study suggested Poring Hot Spring to be redeveloped and repositioned as a premium hot spring and wellness tourism destination with thematic hot spring facilities and a wellness resort. Supporting developments are Education- and Eco-tourism, and Community-based tourism (CBT). Interested investors can participate in the redevelopment of Poring Hot Spring, Ranau Sabah.



# SOCIO-ECONOMIC PROGRAMMES

## 1) HARDCORE POVERTY ERADICATION PROGRAMME

The Hardcore Poverty Eradication Programme (*Program Basmi Miskin Tegar*, BMT programme) focuses on the eradication of hardcore poverty among heads of households (*Ketua Isi Rumah*, KIR) and household members (*Ahli Isi Rumah*, AIR) nationwide, by the end of 2025.

The implementation of the BMT programme spans three and a half years, from 2022 until 2025, and during 2023 has continued to target the eradication of hardcore poverty in Sabah by providing direct economic improvement tools, training and motivational courses. With continued support from the Ministry of Economy through SEDIA, the programme has progressively furthered its goals of reducing poverty and improving the standard of living for the state's most vulnerable populations.

As of 2023, a total of 219 KIR through 30 programmes comprises the implementation of BMT in Sabah. One of the key successes of the BMT programme has been the improvement in the participants' income levels. This outcome demonstrates the positive impact of BMT in lifting households out of poverty.

Table: List of BMT Projects Approved in Sabah as of 31st December 2023

No.	Locality, District	No. of Approved Projects	No. of Heads of Households	Total Approved Funds (RM)
1.	Kg. Penimbawan, Tuaran	3	23	598,888
2.	Kg. Pelakat, Sipitang	1	24	387,750
3.	Kg. Binsulok, Membakut	5	32	429,175
4.	Kg. Bongkol, Pitas	8	35	663,000
5.	Kg. Kaingaran, Ranau	9	25	616,998
6.	Kg. Lima, Nabawan	2	38	582,800
7.	Kg. Penangah, Tongod	2	42	940,800
<b>TOTAL</b>		<b>30</b>	<b>219</b>	<b>4,219,411</b>

Source: BMT Unit, Chief Executive's Office, 2023

Chart: Participants' Average Income Before and During the BMT Programme



Source: BMT Unit, Chief Executive's Office, 2023



Pictures: Assistance for belacan-packing activities, sewing machine and fishing equipment in Kg. Binsulok, Membakut.



Pictures: Assistance in the form of fishing equipment and cages, at Kg. Penimbawan, Tuaran.



Pictures: Assistance in the form of cooking equipment and supplies for on-the-go preparations of chicken wing and ayam golek, at Kg. Kaingaran, Kundasang.



Pictures: Cultivation of Cili Padi Bara using polybags at Kg. Pelakat, Sipitang.

## 2) PEOPLE-CENTRIC PROJECTS

Under the Twelfth Malaysia Plan (12MP), there is a focus on enhancing socioeconomic development in Sabah and Sarawak. These development efforts aim to address socioeconomic imbalances and promote equitable growth among regions in Malaysia. Measures will be undertaken to strengthen regional development strategies in ensuring higher development impact. This will be undertaken by emphasising development based on specific spatial focus with identified economic activities, while optimising local resources utilisation. In delivering this, SEDIA will intensify efforts in expediting the implementation of strategic development projects. SEDIA will be actively collaborating with various agencies to create an environment conducive for attracting quality investment.

In 12MP, socioeconomic development in Sabah is intensified to promote regional inclusion. To do this, the provision of infrastructure will be solidified, economic potential optimised, access to social services improved, inclusive development enhanced and cooperation

between the Federal agencies and state governments strengthened. The implementation of these measures will reduce disparities and uplift living standards in Sabah.

Since 2020 and carrying over until 2023, SEDIA has been given the responsibility to disburse funding for what is termed "people-centric projects". While the identification and implementation of people-centric projects during 2020 was divided based on parliamentary areas, beginning from 2021 the selection and implementation of these projects had been done through collaboration and recommendation of the district offices, as these offices are keenly aware of their respective districts' priority public infrastructure requirements.

For the year 2023, a total of 87 projects had been approved by the Ministry of Economy, with a total project cost of over RM14.7 million.

**Table: Progress of People-centric Projects**

Year	No. of Approved Projects	No. of Completed Projects	Completion Progress (%)	Project Costs (RM)	Project Expenditure (RM)	Expenditure Progress (%)
2020	704	704	100.00%	29,481,100	29,387,302.85	99.68%
2021	287	284	98.95%	29,383,000	27,008,691.77	90.75%
2022	48	47	97.92%	6,000,000	4,784,368.40	59.08%
2023	87	62	71.26%	14,730,420	4,247,994.00	28.84%
<b>Total</b>	<b>1,126</b>	<b>1,097</b>	<b>97.42%</b>	<b>79,594,520</b>	<b>65,428,357.02</b>	<b>82.20%</b>

Source: Project Implementation Section, 2023

Table: Total Approved People-centric Projects Completed in 2023

No.	District	Name of Projects
1	Kota Marudu (5 Projects)	Membina Kemudahan Pusat Rekreasi Untuk Kegunaan Ramai Di Kawasan Pelancongan Luar Bandar Di "Borneo D'pagung & Baliojong River" Tandek, Kota Marudu
2		Naiktaraf Jalan Gravel Ke Konkrit Di Kg. Kandawayon Ghosen, Kota Marudu
3		Penyelenggaraan Jalan Kampung Di Kg Lama Kota Marudu
4		Selenggara Parit Di Kg Pekan Lama, Kota Marudu
5		Naiktaraf Jalan Gravel Ke Konkrit Kg Popok Laut, Kota Marudu
6	Matunggong (12 projects)	Memasang Gabion Di Rumah Panjang Kg. Muhang, Matunggong
7		Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Ronggu, Matunggong
8		Membina Jalan Konkrit Di Kg. Popot, Matunggong
9		Membina Dewan Komuniti Kg. Rondomon, Matunggong
10		Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Inukiran, Matunggong
11		Naiktaraf Jalan Tanah Ke Jalan Gravel Serta Kerja-Kerja Berkaitan Di Jalan Pertanian Kg. Inukiran Baru, Matunggong
12		Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Timbagan, Matunggong
13		Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Hobut Lokasi B, Matunggong
14		Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Mompilis, Matunggong
15		Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Sumangkap, Matunggong
16		Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Gombizau, Matunggong
17		Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Narandang, Matunggong
18	Ranau (7 Projects)	Baikpulih Culvert Di Jalan Pertanian Kg. Sagindai Baru Ranau
19		Membina Jambatan Gantung di Kg. Lobou Lama, Ranau
20		Naiktaraf Ke Konkrit Jalan Perumahan Kg Kebuh Baru, Ranau
21		Naiktaraf Ke Konkrit Jalanraya di Kg. Bahab, Ranau
22		Membina Jalan Konkrit di Kg. Simpang Poring, Ranau
23		Membina Jalan Konkrit di Perumahan Kg. Sarapong, Ranau
24		Membina Jalan Konkrit di Kg. Togop Laut, Ranau



Completed Projects



Ongoing Projects

Table: Total Approved People-centric Projects Completed in 2023 (continued)

25		Naiktaraf Jalan Gravel Ke Jalan Konkrit Kg. Pelakat Tanjung, Sipitang	
26		Membina Baharu Gabion (Penahan Tebing) Kg. Melalia, Sipitang	
27		Membina Jalan Baharu Kg. Sungai Bubus, Ulu Sipitang, Sipitang	
28		Membbaikpulihan Jalan Gravel Kg Lumut Bypass, Kg Lumut, Sipitang	
29		Menaiktaraf Jalan Konkrit Kg Batu 2 Merintaman, Sipitang	
30		Membina Baharu Parit Konkrit Kg. Kawang Baru, Sipitang	
31		Naiktaraf Jalan Gravel Ke Jalan Konkrit Kg. Sindumin Baru, Sipitang	
32		Selenggara Jalan Kg Marau, Sipitang	
33	Sipitang (18 Projects)	Menaiktaraf Jalan Konkrit Di Jalan Utama Kg Kebawang, Sipitang	
34		Menaiktaraf Jalan Gravel Ke Jalan Konkrit Kg Muaya Baru, Sipitang	
35		Menaiktaraf Jalan Rangkaian Konkrit Kg Bamban, Sipitang	
36		Selenggara Jalan Kg Muntur Meligan, Sipitang	
37		Menaiktaraf Dapur Awam Kg. Iburu, Sipitang	
38		Naiktaraf Jalan Gravel Ke Jalan Konkrit Simpang Sk. Melalia, Sipitang	
39		Selenggara Jalan Kg. Batu Satu, Sipitang	
40		Naiktaraf Jalan Gravel Ke Jalan Konkrit di Kg. Pelakat Skim, Sipitang	
41		Naiktaraf Jalan Gravel Ke Jalan Konkrit Kg. Naparan, Sipitang	
42		Membina Baru Parit Konkrit Dan Kerja Berkaitan di Kg. Guruh-Guruh, Sipitang	
43		Kalabakan (4 projects)	Balai Adat Suku Kaum Murut di Kg. Murut, Kalabakan
44			Balai Adat Suku Kaum Tidung di Kg. Sungai Tuda, Kalabakan
45			Projek Pemasangan Lampu Jalan di Lorong Jalan Kg. Sungai Tuda, Kalabakan
46			Projek Pemasangan Bekalan Air Ke Kiosk Dan Dewan Terbuka Daerah Kalabakan
47		Kinabatangan (5 Projects)	Naiktaraf Jalan Konkrit Kg. Nusa Jaya, Kinabatangan
48			Naiktaraf Jalan Konkrit Kg. Pelangi, Kinabatangan
49			Naiktaraf Jalan Konkrit Kg. Berjaya 1, Kinabatangan
50			Naiktaraf Jalan Konkrit Kg. Berjaya 2, Kinabatangan
51	Naiktaraf Jalan Konkrit Kg. Sungai Rotan, Kinabatangan		
52	Papar (12 Projects)	Bina Jalan Konkrit Lorong Abd Dor Kg. Beringgis Papar	
53		Bina Jalan Konkrit Jalan Komeng Kg. Lama Kawang	
54		Bina Jalan Konkrit Kg. Kigandang Mandalipau Papar	
55		Bina Parit Konkrit Lorong Ag. Ali Kg Lama Kawang Papar	
56		Bina Parit Konkrit Jalan Tugu Lama Kawang Papar	
57		Membina Baharu Jambatan Konkrit Jalan Tabuan, Papar	
58		Konkrit Jalan Perkuburan Kristian Dan Muslim, Kg. Muumbai Papar Serta Kawasan Gereja St. Anne	

 Completed Projects

 Ongoing Projects

Table: Total Approved People-centric Projects Completed in 2023 (continued)

59		Konkrit Jalan Kg. Batu Bandung, Papar
60		Bina Baharu Pondok Perkuburan Mandang Kampung Tampasak, Papar
61		Membina Jalan Konkrit Di Jalan Kobungan Kg. Kawari
62		Membina Jalan Konkrit Fasa 2 Di Jalan Tanah Kuburan Kristian Di Kg. Kayau
63		Kerja-Kerja Mengaspal Jalan Di Lorong-Lorong Jalan Kg. Tengah Benoni
64	Pitas	Memagar Kawasan Perkuburan di Kg Bokir, Pitas
65	(5 Projects)	Memagar Kawasan Perkuburan di Kg Kelumpang, Pitas
66		Memagar Kawasan Perkuburan di Kg Kemiri, Pitas
67		Naiktaraf Jalan Gravel Ke Konkrit Menuju Ke Pengkalan di Kg Gusung, Pitas
68		Naiktaraf Jalan Gravel Ke Konkrit di Jalan Sinsilok, Pitas
69	Beaufort	Menaiktaraf Jalan Konkrit Ukuran: 400m X 3m Kg. Luagan Beaufort
70	(4 projects)	Menaiktaraf Jalan Konkrit Ukuran: 400m X 3m Kg. Luagan Laut Beaufort
71		Membina Gelanggang Futsal Ukuran: 90' X 70' Kg. Pintas Beaufort
72		Membina Astaka Terbuka Ukuran: 40' X 80' X 15' Kg. Muhibbah Beaufort
73	Membakut	Menaiktaraf Jalan Gravel Ke Jalan Aspal Kg. Masagit, Membakut
74	(3 Projects)	Menyelenggara Jalan Gravel Jalan Kg. Layun Mawao, Membakut
75		Menaiktaraf Jalan Gravel Ke Jalan Aspal Kg. Lampijas, Membakut
76	Tamparuli	Baikpulih 'Low Level Crossing' Kg. Poturidong Kiulu, Tamparuli
77	(3 Projects)	Naiktaraf Jalan Ke Rumah-Rumah Di Kg. Puhus, Tamparuli
78		Bina Baru Paip Gravity Kg. Puhus, Tamparuli
79	Tawau	Membina Parit Konkrit Di Terminal Bas Bandar Seri Indah, Tawau
80	(3 Projects)	Selenggara Jalan Bergosong Sebatik, Tawau
81		Selenggara Jalan Kg. Sungai Limau Sebatik
82		Membina Semula Jambatan Titian Di Kg Sri Aman
83	Penampang	Naiktaraf Jalanraya (Rigid Pavement) Kg. Kibunut
84	(5 Projects)	Naiktaraf Jalanraya (Rigid Pavement) Kg. Tinduuzon
85		Menurap Semula (Resurfacing) Jalanraya Perkampungan Kg. Dahazan
86		Naiktaraf Parit (Konkrit) Kawasan Perkampungan Kg. Koidupan
87		Naiktaraf Jalanraya (Rigid Pavement) Kg. Kolopis

 Completed Projects

 Ongoing Projects

## Pictures of Completed People-Centric Projects

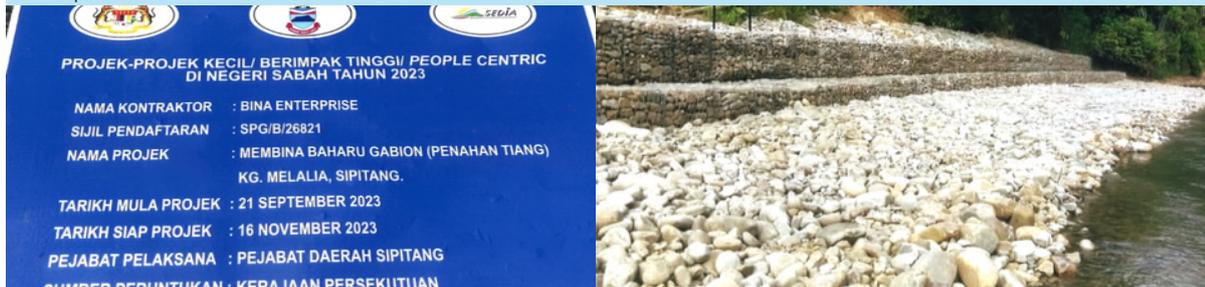
Project Name	Naiktaraf Jalan Gravel Ke Konkrit Di Kg. Kandawayon Ghosen, Kota Marudu
Parliament/State Constituency	P.168 Kota Marudu/N.7 Tandek
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Kota Marudu
Contract Costs	RM149,800.00
Completion Date	19 September 2023



Project Name	Penyelenggaraan Jalan Kampung Di Kg. Lama Kota Marudu
Parliament/State Constituency	P.168 Kota Marudu/N.7 Tandek
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Kota Marudu
Contract Costs	RM49,900.00
Completion Date	20 October 2023



Project Name	Membina Baharu Gabion (Penaan Tebing) Kg. Melalia, Sipitang
Parliament/State Constituency	P.178 Sipitang/N.35 Sindumin
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Sipitang
Contract Costs	RM97,850.00
Completion Date	16 November 2023



## Pictures of Completed People Centric Projects (continued)

Project Name	Naiktaraf Jalan Gravel Ke Jalan Konkrit Di Kg. Pelakat Skim, Sipitang
Parliament/State Constituency	P.178 Sipitang/N.35 Sindumin
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Sipitang
Contract Costs	RM95,980.00
Completion Date	16 November 2023



Project Name	Membina Dewan Komuniti Kg. Rondonon, Matunggong
Parliament/State Constituency	P.168 Kota Marudu/N.5 Matunggong
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Kecil Matunggong
Contract Costs	RM499,970.00
Completion Date	30 November 2023



Project Name	Membina Jalan Konkrit Dan Kerja-Kerja Berkaitan Di Kg. Timbagan, Matunggong
Parliament/State Constituency	P.168 Kota Marudu/N.5 Matunggong
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Kecil Matunggong
Contract Costs	RM249,970.00
Completion Date	26 October 2023



## Pictures of Completed People Centric Projects (continued)

Project Name	Membina Jambatan Gantung Di Kg. Lobou Lama, Ranau
Parliament/State Constituency	P.179 Ranau/N.36 Kundasang
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Ranau
Contract Costs	RM147,506.00
Completion Date	30 November 2023



Project Name	Naiktaraf Ke Konkrit Jalanraya Di Kg. Bahab, Ranau
Parliament/State Constituency	P.179 Ranau/N.38 Paginatan
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Ranau
Contract Costs	RM100,000.00
Completion Date	30 November 2023



Project Name	Naiktaraf Jalan Konkrit Kg. Sungai Rotan, Kinabatangan
Parliament/State Constituency	P.187 Kinabatangan/ N.58 Lamag
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Kinabatangan
Contract Costs	RM50,000.00
Completion Date	16 November 2023



Pictures of Completed People Centric Projects (continued)

<b>Project Name</b>	<b>Naiktaraf Jalan Konkrit Kg. Berjaya 2, Kinabatangan</b>
Parliament/State Constituency	P.187 Kinabatangan/ N.58 Lamag
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Kinabatangan
Contract Costs	RM50,000.00
Completion Date	16 November 2023



<b>Project Name</b>	<b>Bina Jalan Konkrit Lorong Abd Dor Kg. Beringgis Papar</b>
Parliament/State Constituency	P.175 Papar/ N.28 Kawang
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Papar
Contract Costs	RM49,938.00
Completion Date	10 November 2023



<b>Project Name</b>	<b>Bina Parit Konkrit Jalan Tugu Lama Kawang Papar</b>
Parliament/State Constituency	P.175 Papar/ N.28 Kawang
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Papar
Contract Costs	RM49,964.00
Completion Date	10 November 2023



## Pictures of Completed People Centric Projects (continued)

Project Name	Konkrit Jalan Perkuburan Kristian Dan Muslim, Kg. Muumbai Papar Serta Kawasan Gereja St. Anne
Parliament/State Constituency	P.176 Kimanis/N.30 Bongawan
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Papar
Contract Costs	RM119,900.00
Completion Date	30 October 2023



Project Name	Membina Jalan Konkrit Di Jalan Kobungan Kg. Kawari
Parliament/State Constituency	P.176 Kimanis/N.30 Bongawan
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Papar
Contract Costs	RM249,900.00
Completion Date	23 October 2023



Project Name	Membina Gelanggang Futsal Ukuran: 90' X 70' Kg. Pintas Beaufort
Parliament/State Constituency	P.177 Beaufort/ N.32 Klias
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Beaufort
Contract Costs	RM199,950.00
Completion Date	1 December 2023



## Pictures of Completed People Centric Projects (continued)

Project Name	Membina Astaka Terbuka Ukuran : 40' X 80' X 15' Kg. Muhibbah Beaufort
Parliament/State Constituency	P.177 Beaufort/ N.32 Klias
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Beaufort
Contract Costs	RM199,959.00
Completion Date	1 December 2023



Project Name	Baikpulih 'Low Level Crossing' Kg. Poturidong Kiulu, Tamparuli
Parliament/State Constituency	P.170 Tuaran/ N.14 Tamparuli
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Kecil Tamparuli
Contract Costs	RM499,250.00
Completion Date	27 December 2023



Project Name	Bina Baru Paip Gravity Kg. Puhus, Tamparuli
Parliament/State Constituency	P.170 Tuaran/ N.14 Tamparuli
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Kecil Tamparuli
Contract Costs	RM129,500.00
Completion Date	7 December 2023

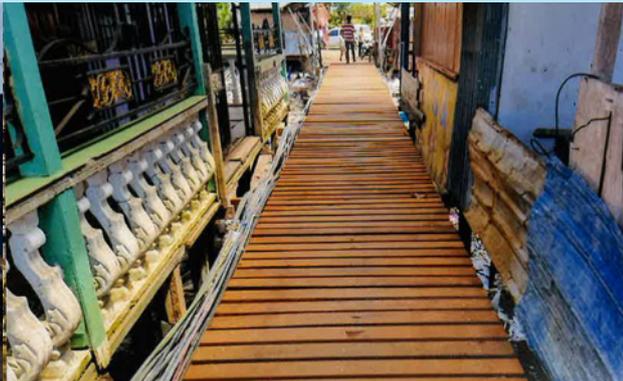


## Pictures of Completed People Centric Projects (continued)

Project Name	Membina Parit Konkrit Di Terminal Bas Bandar Seri Indah, Tawau
Parliament/State Constituency	P.190 Tawau/ N.67 Balung
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Tawau
Contract Costs	RM249,900.00
Completion Date	13 November 2023




Project Name	Membina Semula Jambatan Titian Di Kg Sri Aman, Tawau
Parliament/State Constituency	P.190 Tawau/ N.68 Apas
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Tawau
Contract Costs	RM248,700.00
Completion Date	20 October 2023

Pictures of Completed People Centric Projects (continued)

Project Name	Naiktaraf Jalanraya (Rigid Pavement) Kg. Kibunut, Penampang
Parliament/State Constituency	P.174 Penampang/ N.26 Moyog
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Penampang
Contract Costs	RM249,916.00
Completion Date	14 November 2023



Project Name	Menurap Semula (Resurfacing) Jalanraya Perkampungan Kg. Dahazan, Penampang
Parliament/State Constituency	P.174 Penampang/ N.26 Moyog
Project Owner	SEDIA
Implementing Agency	Pejabat Daerah Penampang
Contract Costs	RM249,750.00
Completion Date	5 December 2023



### 3) PEOPLE'S INCOME INITIATIVE

The People's Income Initiative programme under the Ministry of Economy, better known as *Inisiatif Pendapatan Rakyat* or IPR, was launched by the Federal Government during 2023 to increase the income of people living in hardcore poverty, and those in the B40 income group, by assisting them in earning more sustainable income.

IPR focuses on a two-pronged strategy to increase the income of the poorest families and the B40 — by eradicating poverty, and increasing the income of the people through agricultural initiatives, food businesses and service operators — while simultaneously working to solve daily economic problems through IPR initiatives. The programme will create an ecosystem between applicants, stakeholders and local communities. The programme comprises three modules: the Agro Entrepreneur (INTAN, Food Entrepreneur (INSAN) and the Services Operator (IKHSAN).

In Sabah, efforts through the IPR programme are facilitated through SEDIA. During 2023, the following efforts had been approved:

- 1) IPR-INTAN: "Projek Tanaman Jagung Bijirin dan Kacang Soya di Pelbagai Daerah di Sabah"; and
- 2) IPR-INSAN: Installation of five vending machines at Universiti Malaysia Sabah (1), UiTM KK Campus (3), and UiTM Tawau Campus (1).



IPR-INTAN was introduced in Sabah to enhance the income-generating capacity of Sabah's rural communities through structured agricultural ventures. In 2023, the programme received approval for several initiatives that aim to provide sustainable livelihood opportunities, improve food security, and create long-term income streams for participants. The project commenced on 10 October 2023 with RM3.5 million in allocations approved, with the involvement of nine villages with 294 acres of collective land across the districts of Kudat, Kota Marudu, Matunggong and Tambunan. A total of 150 participants were recorded with RM863.29 in averaged earnings.

One of the highest achievements within the IPR-INSAN project was made by the participant in Tawau, who recorded a monthly income of RM12,450 in December 2023. The IPR-INSAN vending machines provide participants with a unique opportunity to generate income through the sale of various products, including snacks, beverages, and other essentials. This innovative model has expanded the programme's reach and created an additional, passive income stream for participants involved in the operation and stocking of the machines. This success demonstrates the potential for innovative solutions to create sustainable income sources for participants, particularly in university and campus environments where foot traffic is high.



## 4) FIELDWORK SURVEY OF AGRICULTURAL RESOURCES IN THE DISTRICTS OF SABAH



Having commenced in January 2023, a team of SEDIA officers under the Chief Executive's Office began a fieldwork survey spanning 14 of Sabah's districts. The main objective is to survey agri-food and non-food resources among agriculture smallholders in Sabah districts. The team of SEDIA officers served as enumerators during the study, of which the outcome will assist in planning and at the SEDIA decision-making level, in line with the development initiatives planned through the SDC 2.0 Blueprint (2021–2030).

A total of 208 agricultural smallholders were engaged and assessed through a questionnaire, providing beneficial feedback. The results had recognised issues that were previously reported and currently being studied, as listed below:

1. **Young people in lack interest in agriculture.**

Key observations:

63% respondents were middle-aged farmers ranging from 37 to 58 years old. Of these, 78% were not receiving any aid or grants/funds from the government.

2. **Dominance of foreigners in the agriculture sector.**

Key observations:

72% are non-citizen farmers, with 24% renting agriculture land from locals.

3. **Large smallholders still employ traditional farming practices.**

Key observations:

66% practice subsistence farming, while 76% make a living from small farms. Only 32% of respondents have been receiving training or attending courses.

4. **Lack of on-farm post- harvest facility.**

Key observations:

99% are without on-farm collection and storage facilities, such as cold rooms.

The survey also identified several problems affecting smallholders, such as effects from climate change including erratic rainfall, high fertiliser prices, pests, and frequent power and water disruption. Stakeholders in the Sabah agriculture sector must be prepared to increase local production so as to reduce the state's dependence on imports, especially given rising import costs, volatile markets and the risk of countries banning certain imports. It is pertinent to optimise land use for food security, collaborate with all stakeholders on development projects, and increase investment in livestock sectors, crop cultivation, downstream production and marketing activities in the state.

## INVESTMENT PROMOTION PERFORMANCE FOR THE YEAR 2023

SDC Total Committed and Realised Investment Based on Malaysia Plans (9MP–12MP)

Malaysia Plan (MP)	Total Committed Investment (RM Billion)	Total Realised Investment (RM Billion)
9MP (2008–2010)	41.36	5.95
10MP (2011–2015)	112.11	49.36
11MP (2016–2020)	37.43	30.37
12MP (2021–2023)	21.82	8.94
<b>Cumulative Total</b>	<b>212.72</b>	<b>94.62</b>
<b>Year 2023</b>	<b>7.77</b>	<b>5.19</b>

Source: Investment Development Section, 2023

As we entered the year 2023, the global situation surrounding the COVID-19 pandemic had largely stabilised and movement restriction measures were lifted, allowing industries worldwide to regain their footing. The global economy, supply chains, and tourism were slowly returning to pre-pandemic levels. Alongside this recovery, the digital transformation that accelerated during the pandemic created growing demand for efficient logistics and delivery services.

In line with this, RM7.77 billion worth of committed investments were secured through SDC for the year, with RM5.19 billion of investments realised. Among the noteworthy projects were InterContinental Resort by Taiwan's Sinyi Group, Sheraton Kota Kinabalu Hotel by Interland Development Sdn Bhd, and Integrated Freight Facilities (IFF) with Cold Chain Services by MTT Shipping Sdn Bhd.

A standout development in Sabah's hospitality sector is the RM1 billion five-star luxury resort being built by Taiwan's Sinyi Group in collaboration with UK-based hospitality company InterContinental Hotels Group. Located in Melingsung, Papar, this project will significantly boost the local tourism industry and further establish Sabah as a premium destination for luxury travellers.

Sheraton Kota Kinabalu Hotel by Interland Development Sdn Bhd is another gem to the state's tourism industry. This project is set to feature 345 keys and has already entered a hotel management and franchise agreement with Marriott International, making it an exciting prospect for both local and international visitors. Positioned near the Kota Kinabalu Central Business District, this development promises to elevate the city's hospitality offerings.

On the logistics front, MTT Shipping Sdn Bhd's investment in the construction of IFF with cold chain services is another significant milestone. As the region's logistics sector continues to be a key driver of economic growth, this facility will be critical in meeting the growing demand for efficient, temperature-sensitive transportation and storage services.

Complementing these developments is the ongoing progress of the Pan Borneo Highway, a major infrastructure project that stretches 706 km from the Sabah-Sarawak border, Sindumin up to Tawau. Under Phase 1A, four packages have been completed (WP05: Donggongon to Papar, WP27: Kinabatangan to Sandakan, WP15: Tawau to Semporna, and WP21: Lahad Datu Bypass). Work continues for the remaining packages, including the crucial routes connecting Kota Kinabalu up to Tawau. Meanwhile, Phase 1B, covers mostly the East Coast of Sabah: Semporna to Tawau, Lahad Datu, Kinabatangan, Telupid to Ranau, and Tuaran to Kudat.



Looking ahead, private consumption is expected to maintain a steady pace of growth, contributing to the state's market liquidity. With a positive economic outlook and investor confidence on the rise, Sabah is poised for further economic growth and spurring business activities. The combination of private investments various sectors especially tourism and logistics, along with a growing labour force as well as supportive internal policies from the government, will continue to attract additional investment and create job opportunities in Sabah.



## SDC TAX INCENTIVE PACKAGE

The Sabah Development Corridor (SDC) investment tax incentive package, sanctioned by Malaysia's Ministry of Finance (MoF) in November 2012, received an extension from its original expiry date of 31 December 2022 and will now conclude on 31 December 2024. Recognising the need for an updated and enhanced incentive package, a comprehensive study was undertaken to address the rapidly changing economic and investment landscape. Over time, the attractiveness of the existing package to potential investors had decreased somewhat, necessitating a more competitive approach that aligns with modern dynamics.

The new incentive package is envisioned to complement the SDC Blueprint 2.0 (2021–2030), which introduces updated economic and investment strategies through 30 initiatives spanning various sectors. By leveraging Sabah's natural strengths and opportunities, the blueprint targets key economic milestones: achieving an **additional RM20 billion** in GDP, **RM95 billion** in private investments, and creating **70,000 jobs** by 2030.

Conducted by Ernst & Young (EY), the study spanned nine months, beginning with a kick-off meeting on **10 February 2023**. The study delivered a series of reports, beginning with the **Inception Report** on **3 March 2023**, followed by the **Interim Report** on **5 May 2023**, the **Draft Final Report** on **28 July 2023** and concluded with the **Final Report** on **16 October 2023**. These reports were presented to the committees for feedback and refinement.

To oversee the development of this study, two committees were established: the Technical Committee and the Steering Committee. The Technical Committee provided technical input and guidance, comprising representatives from the Sabah branch of the Malaysian Investment Development Authority (MIDA), the Department of Fisheries, the Department of Development and Research, the Sabah Tourism Board, the Department of Agriculture, and the Department of Veterinary Services. The Steering Committee meanwhile included representatives from MoF, the Ministry of Finance Sabah, the Inland Revenue Board

the Department of Agriculture, and the Department of Veterinary Services. The Steering Committee meanwhile included representatives from MoF, the Ministry of Finance Sabah, the Inland Revenue Board Malaysia, MIDA, the Ministry of Industrial Development and Entrepreneurship (MIDE), and the Ministry of Tourism, Culture, and Environment. This committee played a pivotal role in providing strategic oversight throughout the study.

Several key meetings were held during the study to review progress and present findings:

- On **22 May 2023**, the Technical Committee convened for the first time to discuss the initial progress of the study (Inception and Interim Report);
- On **20 June 2023**, the Steering Committee convened for the first time to provide input and direction on the study's initial progress (Inception and Interim Report);
- On **11 August 2023**, the Technical Committee met to review findings and provide further input into the Draft Final Report;
- On **12 September 2023**, the Steering Committee reconvened to assess revised proposals in the Draft Final Report; and
- On **14 November 2023**, the Technical Committee reviewed the Final Report.

Stakeholder engagement was integral to the study, ensuring the incentive proposals were refined and aligned with broader strategic goals. Several syndication sessions were held with key agencies and ministries prior to the finalising the newly proposed incentive package for SDC:

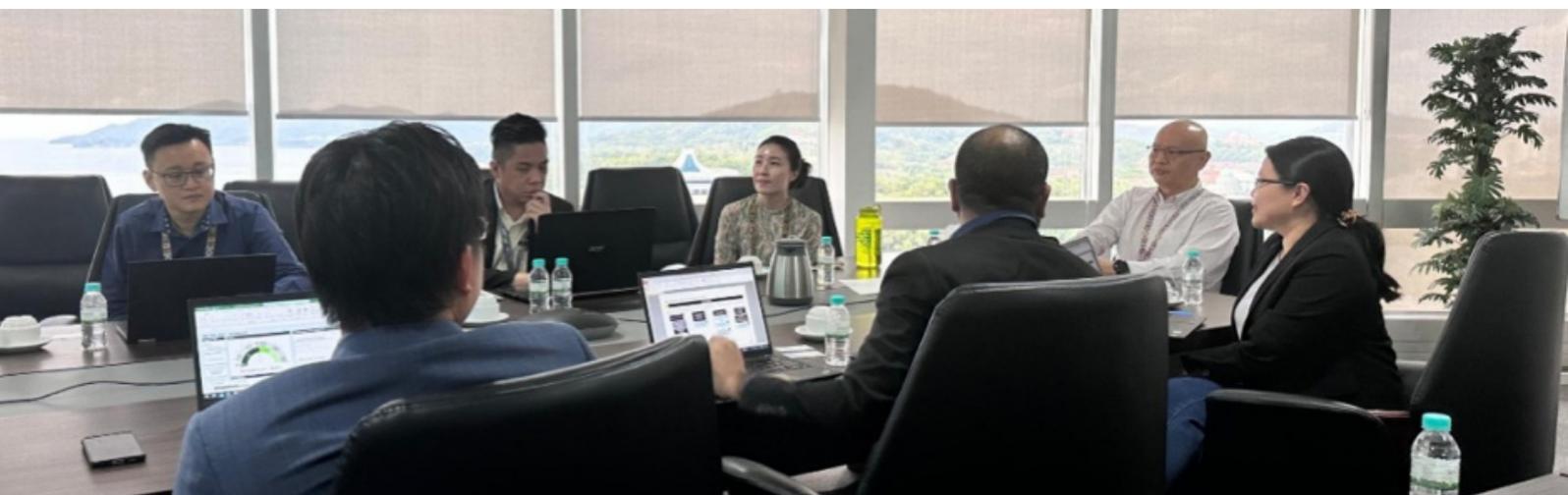
- On **12 June 2023**, a meeting with the MoF in Putrajaya provided an overview of SEDIA's intention to propose the new incentive package;

- On **26 October 2023**, a session with MIDA's Strategic Planning & Policy Advocacy Division focused on the proposed incentives and scoring model;
- On **15 December 2023**, a final syndication meeting with MoF offered further refinements to the proposal.

Subsequent Steering Committee meetings and syndication sessions with the Ministry of International Trade and Industry (MITI) had to be scheduled for January 2024 due to unavoidable circumstances and will be documented in the following year's annual report.

A significant outcome of the study was the development of the **Scoring Model Dashboard**, a tool designed to streamline the evaluation process for determining the level of incentives offered to investors. This tier-based system accounts for international tax developments, such as **BEPS 2.0**, ensuring the proposed incentives remain relevant and competitive.

In conclusion, the study successfully developed a robust and competitive tax incentive package tailored to Sabah's economic ambitions and investment needs. By benchmarking against global standards, engaging stakeholders, and introducing innovative tools like the scoring model dashboard, the new incentives are designed to attract quality investments, drive economic growth, and support the achievement of the SDC Blueprint 2.0's targets.



Picture: To familiarise relevant SEDIA staff to the dashboard, Ernst & Young (EY) had conducted a briefing, demonstration, and training session on 11 and 12 September 2023.

## ENHANCING VISIBILITY AMONG GLOBAL INVESTORS

One of SEDIA’s primary efforts involves increasing Sabah’s visibility on the global stage. By participating in international trade expos, business summits and forums, SEDIA showcases Sabah’s vast opportunities and competitive advantages, including its rich natural resources, strategic location, and government incentives.



Keynote speaker at the 3rd Hospitality Asia Conference – Malaysia series that was held at Sheraton Imperial Kuala Lumpur on 12 July 2023. The presentation from SEDIA was titled “The Hidden Gems of Sabah: Discover the Potential Investment Opportunities”.



SEDIA took part in the Taiwan Trade Mission for the Cold Chain Industry on 2 October 2023. Organised by the Bureau of Foreign Trade (MOEA) and Taiwan External Trade Development Council (TAITRA), the event connected SEDIA with 11 leading Taiwanese logistic firms, thus building connections for Sabah’s future.



“Sabah’s Tourism Opportunities: Where Investment and Leisure Meet” — a successful webinar showcasing Sabah’s vibrant tourism sector. With insightful speakers from Sabah Parks and the Sabah Tourism Board, this webinar highlighted key areas for investment while celebrating the beauty and potential of Sabah.



SEDIA had received a visit from MIDA, which helped foster a mutual understanding of each agency’s role and efforts for the betterment of the country. The fruitful discussion paves the way for stronger synergies and impactful initiatives.



Bridging opportunities between Sabah and Singapore — SEDIA had a meaningful discussion with the Sabah Trade and Tourism Office in Singapore to explore collaborative efforts towards promoting trade, investment, and tourism.

## STRENGTHENING STRATEGIC PARTNERSHIPS

SEDIA actively collaborates with relevant authorities to drive infrastructure development across Sabah. Key industrial hubs such as the Kota Kinabalu Industrial Park (KKIP), Sipitang Oil and Gas Industrial Park (SOGIP), and POIC Lahad Datu exemplify our commitment to fostering modern facilities and robust logistical support for investors. These hubs are strategically designed to support vital industries, including oil and gas, renewable energy, and manufacturing, thus positioning Sabah as a prime destination for investment.



Additionally, SEDIA fosters strategic collaborations with government agencies, industry leaders, and local communities to ensure a holistic approach to investment facilitation.

SEDIA received a visit from the High Commission of the Republic of Singapore in Kuala Lumpur. During this significant meeting, SEDIA provided an in-depth briefing about the SDC and the pivotal roles of SEDIA in driving Sabah's economic development and investment opportunities.



Strengthening global ties for Sabah's investment and economic growth; SEDIA visited the Consulates of Japan and Denmark in Sabah to foster relationships and promote Sabah as a prime investment destination.

## FACILITATING INVESTMENT PROCESSES

Building relationships with potential investors is at the heart of SEDIA's investment mission. The team has established engagement platforms such as investment roundtables, site visits, and targeted investor briefings to understand investor needs, and align Sabah's offerings with global business expectations.



Collaboration is key to driving investment; together with SOGDC and KKIP, SEDIA had assisted a potential investor in exploring opportunities in Sabah.

To streamline investment processes, SEDIA is working to create a business-friendly environment by simplifying approval procedures, offering personalised advisory services, and providing comprehensive information on available incentives and opportunities. By prioritising transparency and efficiency, we aim to build investor confidence and position Sabah as a premier destination for global investments.



SEDIA continues to drive investment success; in assisting a potential investor in Sabah, the team facilitated a key meeting with the Civil Aviation Authority of Malaysia (CAAM) to finalise plans for establishing the potential investor's business.



Assisting a cold-chain logistics company — identified as a promising lead during the Trade Mission Taiwan in Kuala Lumpur — in exploring investment prospects in Sabah.

## SDC CUMULATIVE COMMITTED AND REALISED JOB CREATION FROM YEAR 2021 TO 2023

Year	Job Creation	
	Committed	Realised
2021	3,781	2,337
2022	4,880	3,264
2023	11,420	4,566
Total	20,081	10,167







# 2023 KEY EVENT HIGHLIGHTS

- 78 Sabah Drone Open Day
- 79 National Human Capital Conference & Exhibition 2023 — Borneo Region
- 79 Bizrider Mobile Mechanic Programme
- 80 Memorandum of Understanding Between UMS and SEDIA
- 81 Signing of Tripartite Agreement to Further Commercialisation of SAIP
- 82 Corporate Social Responsibility (CSR) Programme — Local Orphanages and Tahfiz Centres
- 83 Notable Events

## SABAH DRONE OPEN DAY

SEDIA is driving forward efforts to modernise and automate businesses in Sabah by utilising industrial drone technology, showcasing these possibilities at the Sabah Drone Open Day held on 26 June 2023.

SEDIA organised the Sabah Drone Open Day with support from the Ministry of Science, Technology and Innovation, Malaysian Research Accelerator for Technology and Innovation (MRANTI), as well as the Ministry of Higher Education's Department of Polytechnic and Community College Education.

On display at the event were the latest uses of drone technology in economic sectors, offering a variety of activities such as seminar and panel sessions, drone demonstration and showcase, drone talent / walk-in interview and hiring, business networking sessions, as well as an exhibition with booths by key stakeholders in the field of drone technology.

The event was held with the intention of benefiting targeted groups, such as:

- Industrial players in various sectors that have the potential to benefit from drone technology;
- Oil and gas, utilities as well as surveillance companies that can apply drone technology to their functions;
- Skills training providers; and
- The general public, particularly the youth.

The objectives of this seminar are:

- to serve as a platform to create awareness and encourage the use of drones in economic, recreational and general sectors;
- to provide exposure regarding the rules and regulations of drone usage; and
- to increase the attention and interest from the youth towards the use of drones.

The objectives of the Sabah Drone Open Day are also aligned with several SDC Blueprint 2.0 initiatives, namely to increase the competitiveness of the Sabah's business and industrial ecosystem, to provide a future workforce with expertise and technology, and to further create more future farmers (i.e. Next Gen Farmers) among the youth to support the Interior Food Valley initiative in Sabah.



## NATIONAL HUMAN CAPITAL CONFERENCE & EXHIBITION 2023 — BORNEO REGION

SEDIA collaborated with HRD Corp for their National Human Capital Conference & Exhibition 2023 — Borneo Region (NHCCE — Borneo). The event is the second stop of the NHCCE 2023 regional series, after the Northern Region Conference in Penang.

NHCCE 2023 – Borneo Region was held at the Sabah International Convention Centre during 4–5 July 2023 with the theme “HR5.0: The Next Evolution in Human Resource Development”. The event comprised of five discussion tracks aimed at equipping leaders, industry players, senior management, HR practitioners, and working professionals with the skills and knowledge to champion the implementation of transformative human capital initiatives in their respective organisations. The discussions and conversations also provided solutions and a path forward for human capital development in Sabah and Sarawak.



## BIZRIDER MOBILE MECHANIC PROGRAMME

Through a strategic collaboration with the Department of Polytechnic Education and Community Colleges (PolyCC), SEDIA introduced the Bizrider Mobile Mechanic programme which is meant to open Startup opportunities to PolyCC graduates and alumni through venturing into entrepreneurship activities based on skills acquired through education.

The objective of this programme is to encourage PolyCC graduates to carry out high-impact entrepreneurial activities, as well as realise a collaborative network of workshops centred on the programme participants. With this programme, participants play a role in expanding access to vehicle repair services in Sabah.

In conjunction with the launch of the Bizrider Mobile Mechanic programme on 16 November 2023, a handover ceremony was also held and officiated by Sabah Chief Minister cum SEDIA Chairman YAB Datuk Seri Panglima

Haji Hajiji Haji Noor, for the provision of motorcycles to assist programme participants. The ceremony was also followed by the handover of Certificate of Collaboration (COC) between SEDIA and PolyCC Zon Sabah which was represented by Kota Kinabalu Polytechnic and Tambunan Community College.

The handover of COC represents an effort to build a network of relationships and collaboration with SEDIA for student activities, as well as further strengthen PolyCC Zon Sabah's collaboration with SEDIA by working together in exhibitions, open interviews and career talks. The involved PolyCC Zon Sabah groups consisted of Politeknik Kota Kinabalu, Politeknik Sandakan, Politeknik Tawau, Kolej Komuniti Tambunan, Kolej Komuniti Tawau, Kolej Komuniti Semporna, Kolej Komuniti Lahad Datu, Kolej Komuniti Sandakan dan Kolej Komuniti Penampang.

The Bizrider Mobile Mechanic programme is in line with the Third Strategic Thrust (ST3; Transforming Human Capital) of five strategic thrusts (STs) in SDC Blueprint 2.0. This programme ties into several ST3 initiatives, namely:

- “Workforce of the Future” — Capacity of the current workforce is built through on-the-job training or reskilling/upskilling the unemployed and underemployed;
- “Workforce Expansion” — Increased participation of at-risk youth, women, people with disabilities and other vulnerable communities; and
- “Career and Talent Sabah” — Capture and report labour market information, connects employers and workers, and promotes work/training opportunities.



## MEMORANDUM OF UNDERSTANDING BETWEEN UMS AND SEDIA

On 28 November 2023, SEDIA signed a Memorandum of Understanding (MoU) with Universiti Malaysia Sabah to strengthen, promote and develop economic research cooperation and related activities.

The MoU will facilitate collaboration between SEDIA and UMS in regards to Education and research, Training and workshops, Collaborative publication, Conferences and seminars, and Exchange of expertise.

The MoU was signed in conjunction with the opening of the International Conference of Economics 2023 (ICE 2023), which carries the theme “Building a Sustainable Future: Navigating the Economic Realities of Environment, Social and Governance Challenges”. ICE 2023 is an academic conference co-organised by UMS with SEDIA and the Institute for Development Studies, Sabah.

The efforts by SEDIA to increase collaboration with UMS is in line with Sabah Development Corridor (SDC) plans through several of its Initiatives, as outlined in the SDC Blueprint 2.0. These Initiatives are:

- #4 Knowledge Hub;
- #14: Green Technology Development Centre; and
- #23: Career and Talent Sabah.



## SIGNING OF TRIPARTITE AGREEMENT TO FURTHER COMMERCIALISATION OF SAIP

A signing ceremony was held on 1 December 2023 for a tripartite agreement between SEDIA, the Sabah Economic Development Corporation (SEDCO), and the Institute for Development Studies, Sabah (IDS). The tripartite agreement facilitates the transition of management and operations of the Sabah Agro-Industrial Precinct (SAIP) from SEDIA to SEDCO, and establishes the terms of lease for the land upon which SAIP is built, with IDS as the landowner.

In addition to the tripartite agreement, the ceremony also saw SEDCO sign a Memorandum of Understanding (MoU) with CAIQ Biosecurity Sdn Bhd to align SAIP with a commercial agribusiness. The MoU will facilitate the establishment of a Food Inspection and Testing Centre in Sabah, according to international standards. Through the MOU, SEDCO will carry out a proper study to ensure that the establishment of the aforementioned centre can be implemented, and furthermore enable local products to penetrate the China market. This Food Inspection and Testing Centre will be developed at SAIP, and will be a pilot business to commercialise and transform SAIP into an independent and viable entity.

Under the SDC, SEDIA was tasked to develop the preliminary infrastructure for SAIP in phases, and for SAIP to thereafter be handed over to an identified government entity for expansion and commercialisation. A Head of Agreement (HoA) was signed on 12 May 2022 between SEDCO, SEDIA and IDS, to further establish talks between the three parties in order to ensure a smooth transition of SAIP operations and assets.



## CORPORATE SOCIAL RESPONSIBILITY (CSR) PROGRAMME — LOCAL ORPHANAGES AND TAHFIZ CENTRES

For the year 2023, SEDIA organised for the first time a breaking fast ceremony between Chief Minister cum SEDIA Chairman YAB Datuk Seri Panglima Haji Hajiji bin Haji Noor and several orphanages and Tahfiz centres from the district of Tuaran. Through this event which was titled "Majlis Berbuka Puasa YAB Ketua Menteri Sabah Bersama Anak-anak Yatim dan Tahfiz Daerah Tuaran", the orphanages and Tahfiz centres received donations and *duit raya* in conjunction with the Ramadan month and *Hari Raya Aidilfitri*.

The event was held on 3 April 2023 at Shangri-La Rasa Ria Kota Kinabalu, Pantai Dalit Tuaran, aimed at remembering the plight of the less fortunate while observing Ramadan. It also serves as an opportunity to further strengthen working relationships between the State's top leadership and the local community, in particular the Tuaran district, and for SEDIA to strengthen its cooperation with State and district leadership.

This represents a part of SEDIA's efforts to exercise its corporate social responsibilities (CSR) through channelling aid to the needy. SEDIA hopes to foster a culture of helping each other and encourage local communities to participate in social activities, in line with the value of Ihsan (Compassion for the fate of all parties through the act of humanitarian empowerment) of the government's Malaysia Madani policy framework. Organising CSR efforts involving local communities also gives SEDIA the opportunity to boost public awareness of SEDIA's role as the implementing agency of the SDC programme.



# NOTABLE EVENTS



6 April 2023

Symbolic handover of kuih raya to Chief Minister YAB Datuk Seri Panglima Haji Hajiji bin Haji Noor during *Majlis Penyerahan Kuih Muih Hari Raya Aidilfitri* at the Auditorium Hall of Menara Kinabalu.



27 June 2023

Participation in the Mid-Term Review Engagement Session for the Twelfth Malaysia Plan (12MP) 2021–2025 with the Sabah State Government and attended by Minister of Economy YB Rafizi Ramli, at the Sabah International Convention Centre (SICC).



7 and 14 September 2023

The SEDIA Executive Forum 2023 was organised for the benefit of SEDIA executive staff, in order to enhance their public-speaking, presentation and critical discussion skills.



29 November 2023

Ministry of Economy's monthly gathering, held with its agencies in conjunction with Integrity Day and National Family Month 2023: "Integriti Citra Malaysia MADANI", Keluarga Harmoni, Negara MADANI", and officiated by Minister of Economy YB Rafizi. Ramli



## NOTABLE EVENTS

24 September 2023

Commencement of the second annual SEDIA Sports Day, held at Tun Adnan Sports Complex, Yayasan Sabah.



## NOTABLE EVENTS



3 October 2023

Malaysia SDG Summit 2023 Sarawak Region at Pullman Hotel Kuching. Officiated by YAB. Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg.



16–17 October 2023

Attending the State 2023 Integrity, Governance and Anti-Corruption Convention, themed "Integrity Core of Civil Service" which was officiated by Chief Minister YAB. Datuk Seri Panglima Haji Hajiji bin Haji Noor.



18 October 2023

Attending the Heads of Integrity Unit (KUI) in Public Agencies meeting at the Sabah International Convention Centre (SICC) Kota Kinabalu, chaired by YBhg. Datuk Seri Norazlan bin Mohd Razali, Deputy Chief Commissioner for the Prevention of Corruption, MACC.



31 October 2023

Attending the launching ceremony of National Integrity Month 2023: "Integriti Citra Malaysia MADANI" at Sime Darby Convention Centre, Kuala Lumpur, which was officiated by YBhg. Tan Sri Dato' Seri Mohd Zuki bin Ali, Chief Secretary to the Government cum Chairman of the Malaysian Institute of Integrity.

## NOTABLE EVENTS

24 May 2023

Collaboration between SEDIA and HRD Corp to organise the SSTEP-Skills Talent Fair 2023, in conjunction with National Training Week 2023



7 November 2023

Site visit led by SEDIA Chief Executive Datuk Seri Panglima Haji Hashim bin Paijan along with Kiulu Assistant District Officer YBrs. Herman Tungging and several SEDIA officers to monitor construction works of a bridge at Kg. Poturidong Baru, Kiulu, Tuaran.



## NOTABLE EVENTS



8 March 2023

Visit to Serudong, Kalabakan to inspect the proposed new site for the development of a Border Customs, Immigration, Quarantine and Security (CIQS) Centre with the Director-General of Immigration Malaysia Dato Sri' Khairul Dzamee bin Daud.



27 March 2023

Courtesy visit to the Consulate General of the Republic of Indonesia in Kota Kinabalu



11 May 2023

Courtesy visit to the Sabah Public Works Department (JKR) Director, Datuk Ir. Haji Ali Ahmad bin Hamid.



12 May 2023

SEDIA Chief Executive welcomes a visit by Dato' Sri Mustapa bin Mohamed, advisor to the society for promotion SDGs and a distinguished fellow at the United Nations Sustainable Development Solutions Network at Sunway University.

## NOTABLE EVENTS



24 May 2023

SSTEP Skills & Talent Fair 2023.



26 June 2023

Sabah Drone Open Day 2023.



3 August 2023

Visit to the Muva Agro Sandbox at Sabak Bernam.



21 August 2023

Secretary-General of the Ministry of Home Affairs (KDN) Datuk Haji Ruji bin Haji Ubi, chairs the Coordination Meeting on the Implementation of Sabah-Kalimantan Border Development Projects.

## NOTABLE EVENTS



22 November 2023

Working and networking visit by a delegation from North Kalimantan (Kaltara).



24 November 2023

Working visit to three project sites for the Agro Entrepreneur module of the People's Income Initiative (IPR-INTAN) at Matunggong, Kudat.



30 November 2023

Courtesy visit from the Farmers' Organisation Authority.



# FINANCIAL STATEMENTS

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**SIJIL KETUA AUDIT NEGARA  
MENGENAI PENYATA KEWANGAN  
PIHAK BERKUASA PEMBANGUNAN EKONOMI DAN PELABURAN SABAH  
BAGI TAHUN BERAKHIR 31 DISEMBER 2023**

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

#### **Pendapat**

Saya telah memberikan kuasa kepada firma audit swasta di bawah subseksyen 7(3) Akta Audit 1957 [Akta 62] untuk mengaudit Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah. Penyata kewangan tersebut merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2023 Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah dan Penyata Pendapatan Komprehensif, 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 33.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah pada 31 Disember 2023 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan Akta Tatacara Kewangan 1957 [Akta 61], Piawaiian Pelaporan Entiti Persendirian Malaysia (MPERS) dan keperluan Enakmen Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah Tahun 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 Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah 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, Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah bertanggungjawab terhadap maklumat lain dalam Laporan Tahunan. Pendapat saya terhadap Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah 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 Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah yang memberi gambaran benar dan saksama selaras dengan Akta Tatacara Kewangan 1957 [Akta 61], Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) dan keperluan Enakmen Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah Tahun 2009. Anggota Pihak Berkuasa juga bertanggungjawab terhadap penetapan kawalan dalaman yang perlu bagi membolehkan penyediaan Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah yang bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan.

Semasa penyediaan Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah, Anggota Pihak Berkuasa bertanggungjawab untuk menilai keupayaan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah 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 Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah 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) mengenal pasti dan menilai risiko salah nyata ketara dalam Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah, 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 Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah;
- 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 Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah 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 Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah atau, jika pendedahan tersebut tidak mencukupi, pendapat saya akan diubah. Kesimpulan saya dibuat berdasarkan bukti audit yang diperolehi sehingga tarikh Sijil Juruaudit. Bagaimanapun, peristiwa atau keadaan pada masa hadapan berkemungkinan menyebabkan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah tidak lagi berupaya meneruskan operasi secara usaha berterusan; dan
- e) menilai persembahan secara keseluruhan, struktur dan kandungan Penyata Kewangan Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah, termasuk pendedahannya, dan sama ada penyata kewangan tersebut telah melaporkan asas-asas urus niaga dan peristiwa-peristiwa yang memberikan gambaran saksama.

Anggota Pihak Berkuasa telah dimaklumkan, antaranya mengenai skop dan tempoh pengauditan yang dirancang serta penemuan audit yang signifikan termasuk kelemahan kawalan dalaman yang dikenal pasti semasa pengauditan.

**Hal-hal Lain**

Sijil ini dibuat untuk Anggota Pihak Berkuasa, Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah berdasarkan keperluan Enakmen Pihak Berkuasa Pembangunan Ekonomi dan Pelaburan Sabah Tahun 2009 dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan sijil ini.



**(DATUK WAN SURAYA BINTI WAN MOHD RADZI)**  
KETUA AUDIT NEGARA  
MALAYSIA

KOTA KINABALU  
13 SEPTEMBER 2024



## STATEMENT OF CORPORATE GOVERNANCE

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

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

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

### THE AUTHORITY

The Authority is the highest decision-making body of SEDIA. It is governed by its Members under the Chairmanship of 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)
2. YB Datuk Seri Panglima Dr. Joachim Gunsalam  
Deputy Chairman  
(Deputy Chief Minister II / Minister of Local Government and Housing)
3. Tan Sri Dato’ Seri Mohd Zuki bin Ali  
Member  
(Chief Secretary to the Government of Malaysia)
4. YB Datuk Seri Panglima Sr. Haji Safar bin Untong, JP  
Member  
(Sabah State Secretary)
5. Dato’ Nor Azmie bin Diron  
Member  
(Secretary General, Ministry of Economy, Malaysia)
6. Datuk Nor Asiah Binti Mohd Yusuf  
Member  
(Attorney General of the State of Sabah)
7. Rafidah Binti Datu Derin  
Member  
(Representative Secretary General of Treasury,  
Ministry of Finance, Malaysia)
8. Datuk Mohd Sofian Alfian Nair  
Member  
(Permanent Secretary, Ministry of Finance, Sabah)

9. Datuk Teo Geck Choo @ Jasmine  
Member  
(Director, Sabah State Economic Planning Unit)
10. Datuk Sr. Bernard Liew Chau Min  
Member  
(Director, Sabah Lands and Surveys Department)
11. Datuk Noorliza binti Awang Alip  
Member  
(Mayor, Kota Kinabalu City Hall)

Datuk Seri Panglima Haji Hashim bin Paijan is the Secretary to the Authority cum Chief Executive of the Authority.

The Authority is committed to ensure SEDIA practices the highest standards of corporate governance, in keeping with the Malaysian Code of Corporate Governance. The Authority provides strategic directions, reviews and approves policies and decisions for the development and promotion of the Sabah Development Corridor, ensuring proper financial administration and administrative support as well as oversees the overall management of SEDIA.

## AUTHORITY MEETINGS

In the financial year ended 31st December 2023, the Authority met a total of two (2) times. The Authority Meetings were held on 3rd April 2023 and 23rd November 2023. 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.

## SEDIA COMMITTEES

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

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

## ACCOUNTING AND AUDIT

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

## INTERNAL AND EXTERNAL CONTROLS AND COMPLIANCE

### Management

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

### Operational and Financial

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

In addition, SEDIA is also subjected to the Financial Procedure Act 1957 [Act 61] and all other financial procedures as laid down from time to time by the State of Sabah, Federal Ministry of Finance and the Prime Minister's Department. The internal and external control system is provided to safeguard SEDIA from fraud, loss or failure in its functions and operations.

## ANNUAL FINANCIAL REVIEW

### STATEMENT OF COMPREHENSIVE INCOME

Within the financial year, SEDIA received operating grants from the Federal Government to finance its operations and commitments. Operating grant received for the year ended 31st December 2023 amounted to RM16,500,000 (2022: RM15,000,000). SEDIA also received other income comprises of profits generated from deposits in licensed banks in Malaysia amounting to RM7,237,824 (2022: RM2,639,241) as well as tender fees, sales of book and others income that totalled up to RM401,888 (2022: RM484,497).

For the year ended of 31st December 2023, SEDIA recorded a surplus after tax of RM5,126,087 compared to RM2,452,891 for the financial year 2022. The increase in surplus of 2,673,196 was contributed by the increase in interest received and also operating grants received in the current year.

Operating expenses for the year ended December 31, 2023 are as follows:

Staff costs were recorded as RM13,620,252 (2022: RM10,339,650). Included in the staff costs are salaries, contributions to EPF and SOCSO, provision for employment benefit obligations for year 2023. In current year financial period, staff costs were increased by RM3,280,602. This increase is due to the adjustment of the new salary scale for SEDIA employees and the recognition of staff benefit plan provisions in the current year.

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

Promotion costs in 2023 were recorded as RM531,233 compared to RM530,484 from the previous year. Promotion activities consisted of Strategic Media Campaigns, Conferences and Seminars, Domestic Trade Expos and Exhibitions and other promotional and awareness events and sponsorship.

In 2023 financial year, administration and other operation costs were increased by RM190,949 to RM4,757,649 (2022: RM4,566,700). This increase was contributed by increased depreciation of property, plant and equipment and transportation expenses for outstation trips.

## STATEMENT OF FINANCIAL POSITION

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

- I. In the year 2023, SEDIA spent RM18,033,871 (2022: RM886,108) for the acquisition of buildings, computers, and office equipment. This significant increase is due to the purchase of a new SEDIA office building at Enbloc M-1 & M-2, Aeropod Phase 3A at a cost of RM17,967,216.
- II. Other receivables, deposits and prepayments balance as at year ended, 31 December 2023 were recorded RM496,813 as compared to RM541,542 in the year 2022. The decrease in receivables, deposits and prepayments due to effective monitoring of outstanding receivables and good debt collection.
- III. Cash and bank balances for the financial year ended 31 December 2023 amounted to RM483,363,003 (2022: RM310,423,606) and is reserved for its contractual obligations under the Tenth, Eleventh and Twelfth Malaysian Plan development and operation expenses.
- IV. SEDIA's fund for development expenditure as of December 31, 2023 amounted to RM389,378,747 (2022: RM243,836,110) which mostly devoted to contractual obligations projects under the Tenth, Eleventh and Twelfth Malaysian Plan.
- V. Special programme grant's cash balance as at December 31, 2023 amounted to RM73,857,415 (2022: RM43,678,469) for Bumiputera Entrepreneur Development Fund Program, Economic Development Grant between Sabah and North Kalimantan Region Study, People Centric Grant, SDC-Skill & Talent Enhancement Programme (SSTEP), Solar System Installation Project at Sabah State Government Building, Inisiatif Pendapatan Rakyat (IPR) and Inisiatif Kemudahan Rakyat (IKR).
- VI. Other payables and accruals as at December 31, 2023 were recorded at RM649,508 (2022: RM950,462) consist of contractual obligations under the operating grant to be settled after the year end. Significant decrease is due to the payment of most of the commitments for the year 2023 have been settled in the current year.

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

## STATEMENT BY THE MEMBERS SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY

We, Datuk Seri Panglima Haji Hajji bin Haji Noor and Datuk Mohd Sofian Alfian Nair 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 2023 and of its operating results and cash flows for the year ended on that date.

On behalf of the members,

.....  
Name : DATUK SERI PANGLIMA HAJI HAJJI BIN HAJI NOOR  
Position : Chairman  
Date : 19 April 2024  
Place : Kota Kinabalu

.....  
Name : DATUK MOHD SOFIAN ALFIAN NAIR  
Position : Member  
Date : 28 March 2024  
Place : Kota Kinabalu

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

We, Datuk Seri Panglima Haji 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 28 March 2024.

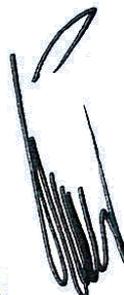


Datuk Seri Panglima Haji Hashim bin Paijan



Yunus Gastom Abdullah

Before me,

DATO CHONG KET SUI (JP)  
470720-12-5095  
Lot 1, Unit D, Ground Floor,  
Jalan Merdeka, Kg. Air,  
88000 Kota Kinabalu, Sabar  
Tel: 088-221 900

28 MAR 2024

**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	18,558,412	965,337
		<u>18,558,412</u>	<u>965,337</u>
<b>CURRENT ASSETS</b>			
Other receivables, deposits and prepayments	4	496,813	541,542
Cash and cash equivalents	5	483,363,003	310,423,606
		<u>483,859,816</u>	<u>310,965,148</u>
<b>TOTAL ASSETS</b>		<u>502,418,228</u>	<u>311,930,485</u>
<b>EQUITY</b>			
Operating fund		26,178,011	21,051,924
		<u>26,178,011</u>	<u>21,051,924</u>
<b>NON-CURRENT LIABILITIES</b>			
SDC development fund	6	389,378,747	243,836,110
Special programme grant	7	73,857,415	43,678,469
Loan	8	9,564,961	–
Employment benefit obligations	9	2,229,483	1,966,011
		<u>475,030,606</u>	<u>289,480,590</u>
<b>CURRENT LIABILITIES</b>			
Loan	8	435,039	–
Employment benefit obligations	9	47,610	353,532
Taxation payable	10	77,454	93,977
Other payables and accruals	11	649,508	950,462
		<u>1,209,611</u>	<u>1,397,971</u>
<b>TOTAL LIABILITIES</b>		<u>476,240,217</u>	<u>290,878,561</u>
<b>Total Equity and Liabilities</b>		<u>502,418,228</u>	<u>311,930,485</u>

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Revenue			
Operating grants received		16,500,000	15,000,000
Other income	<b>12</b>	<u>7,639,712</u>	<u>3,123,738</u>
		24,139,712	18,123,738
Expenses			
Operating expenses	<b>13</b>	<u>(18,909,124)</u>	<u>(15,436,834)</u>
Surplus from operation		5,230,588	2,686,904
Interest expense		<u>(43,570)</u>	<u>-</u>
Surplus before taxation		5,187,018	2,686,904
Taxation	<b>10</b>	<u>(60,931)</u>	<u>(234,013)</u>
Surplus after taxation		5,126,087	2,452,891

## STATEMENT OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Operating funds RM
As at January 1, 2022	18,599,033
Surplus for the year	<u>2,452,891</u>
As at 31 December 2022	21,051,924
As at January 1, 2023	21,051,924
Surplus for the year	5,126,087
As at 31 December 2023	<u>26,178,011</u>

**STATEMENT OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
<b>OPERATING ACTIVITIES</b>			
Surplus for the financial year		5,187,018	2,686,904
Adjustment for:			
Depreciation of property, plant and equipment		440,790	192,372
Employment benefit obligations		324,430	549,908
Interest income		43,570	-
Interest income		(7,237,824)	(2,639,241)
(Deficit)/Surplus before working capital changes		(1,242,016)	789,943
<b>INCREASE/[DECREASE] IN:</b>			
Other receivables, deposits and prepayments		44,729	415,210
Other payables and accruals		(300,954)	(915,298)
Taxation		(16,523)	93,977
Cash used in operating activities		(1,514,764)	383,832
Employee benefit plan payments		(366,880)	(533,317)
Tax expense		(60,931)	(234,013)
Net cash (used)/from in operating activities		(1,942,575)	(383,498)
<b>INVESTING ACTIVITIES</b>			
Interest received		7,237,824	2,639,241
Purchase of property, plant and equipment		(18,033,871)	(886,108)
Disposal of fixed asset		6	30
Net cash (used)/ from investing activities		(10,796,041)	1,753,163
<b>FINANCING ACTIVITIES</b>			
Loan Drawdown		10,000,000	-
Interest payment		(43,570)	-
Net SDC development fund received		145,542,637	58,684,790
Net special project grant received / [utilised]		30,178,946	6,089,926
Net cash used in financing activities		185,678,013	64,774,716
Net changes in cash and cash equivalents		172,939,397	66,144,381
Cash and cash equivalents at the beginning of year		310,423,606	244,279,225
Cash and cash equivalents at the end of year	5	483,363,003	310,423,606

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 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 2023 was 105 persons (2022: 100 persons).  
The registered office and the principal place are located at:

Tingkat 26-28,  
Menara Tun Mustapha,  
Kompleks Ibu Pejabat Yayasan Sabah,  
Teluk Likas,  
88817 KOTA KINABALU  
SABAH, MALAYSIA.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Sabah Economics Development Investment Authority (SEDIA) 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. The following accounting policies applied by SEDIA and in accordance with the Sabah Economic Development and Investment Authority Enactment 2009.

#### *Application of the Financial Reporting Framework to MPERS*

In October 2015, MASB issued amendments to the MPERS corresponding to the 2015 IASB Amendments to IFRS for small and medium sized businesses. Through this issuance, the accounting requirements for income tax have been align. This amendment is effective for annual periods beginning on or after 1 January 2016. SEDIA has initially applied the amendment for the financial year ended 31st 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 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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:

Building	2%
Motor Vehicles	25%
Computers, Printers and Software	33 <sup>1</sup> / <sub>3</sub> %
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 recognised, 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 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ((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 Tenth Malaysia Plan (10MP), Eleventh Malaysia Plan (11MP) and Twelfth Malaysia Plan (12MP) 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

Special project grants consist of five (5) funds namely Sabah Entrepreneur Development Program Fund, Study for Economic Development between Sabah and North Kalimantan Region Grant (SEEDS) (received from JPM), People Centric Grant (received from EPU-JPM), SDC-Skill & Talent Enhancement Programme (SSTEP) and *Inisiatif Pendapatan Rakyat (IPR)*. 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

##### (i) 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.

##### (ii) Interest income

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

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

##### (iii) Other income

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

#### (i) Interest expense

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Employee benefits

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

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

##### (ii) Defined contribution plan

SEDIA is required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all its eligible employees based on certain prescribed rates of the employees' salaries. SEDIA contributions to EPF are disclosed separately. The employee's contributions to EPF are included in salaries and wages. The said contributions are recognised as an expense when employees have rendered service entitling them to the contributions. SEDIA has no further payment obligations once these contributions have been paid.

##### (iii) Defined benefit plans (Retirement Gratuity Scheme)

SEDIA operates an unfunded defined benefit plan for qualifying all 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.

#### (k) Taxation

All income is subject to the Income Tax Act 1967. It is measured using tax rates that have been enacted or substantially by partially been enacted by the Inland Revenue Board (IRB) at the statement of financial position date.

#### (l) Lease

##### (i) Finance Lease

Leases in which SEDIA assumes substantially all the risks and rewards of ownership of the lease are finance leases. At the inception of the lease, the leased asset is stated at the lower of its fair value and the present value of the minimum lease payments. After initial measurement, the asset is accounted for in accordance with the accounting policy appropriate to the asset.

Minimum lease payments made under a finance lease are apportioned between finance costs and the reduction of the outstanding liability. Finance costs are allocated over the lease term to produce a constant rate of return over the lease term on the outstanding liability. Contingent lease payments are accounted for by adjusting the minimum lease payments over the remaining lease term when lease adjustments are confirmed.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (l) Lease (continued)

##### (i) Finance Lease (continued)

Leasehold land that is in essence a finance lease is classified as property, plant and equipment or investment property if it is held to earn rental income or capital appreciation or both. Property, plant and equipment held under finance leases are capitalised and depreciated in the same way as other assets owned by SEDIA and the corresponding obligations relating to the remaining principal payments are accounted for as liabilities. The depreciation rates for leased assets are as follows:

Building 2%

Office renovation 20%

##### (ii) Operation Lease

Leases where SEDIA does not substantially all the risks and rewards of ownership are classified as operating leases and, except for properties held under operating leases, the leased assets are not recognised in the statement of financial position. Properties held under operating leases, for the purpose of earning rental income or capital appreciation or both, are classified as investment properties and measured at fair value.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term. Lease incentives received are recognised in the income statement as part of the overall lease expense over the period.

#### (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

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Financial instruments (continued)

##### (i) Financial Assets are Measured at Fair Value Through Profit or Loss

Financial asset is classified as fair value through profit or loss when the financial asset is publicly traded or its fair value cannot be measured reliably without unjustified cost or effort. Different in fair value are recognized in profit or loss.

If an absolute measurement of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss therefore the fair value at the instrument's definitively assessable end date is treated as instrument cost, and it is measured at cost amount. This is deducted for impairment until an absolute measure of fair value is available.

##### (ii) Subsequent measurement

After early recognition, 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.

Effective interest method is a method to calculate amortized cost of financial assets and allocate interest income over the relevant period. Effective interest method is a discount rate estimated the future cash interest payment with accurate life financial asset or when appropriate, a shorter period, within the default amount of financial asset.

##### (iii) Financial Assets are Equity Instruments Measured at Cost Less Impairment

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.

##### (iv) Impairment

At the end of each reporting period, SEDIA evaluate whether there is any objective evidence that a financial asset measured at cost or cost is amortised, has been depreciated.

Objective evidence included: -

- Significant financial difficulties by the issuer.
- Void contract.
- The lender gives the borrower a concession that the lender will not consider.
- Possibility the borrower become bankrupt or other financial restructuring.
- Observation data can indicate that there had been measurement decline in estimated future cash flow from financial asset since initial recognition.

For certain financial assets categories, i.e. trade receivables, it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether material or not, the asset belongs to a group with similar risk characteristics and is collectively assessed for impairment value.

Impairment losses, in respect of financial assets measured at amortized cost, are measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the actual asset's effective interest rate.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Financial instruments (continued)

##### iv) Impairment (continued)

If there is objective evidence that impairment loss has been incurred on the financial asset measured at cost minus impairment value, the amount of impairment loss is measured as the difference between the asset's carrying amount and estimated best amount that SEDIA can accept for asset if sold at reporting date.

The carrying amount of financial asset reduced directly, except carrying amount of trade receivables which reduced through the use of allowance accounts. Any impairment loss is recognized in profit or loss immediately. If, in a subsequent period, any impairment amount loss decreases, the previously recognized impairment loss is reversed directly, excepts for amount relating to trade receivables that are reversed to re – enter the amount previously provided for the allowance account. These reversals are recognized in profit or loss immediately.

##### v) 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) SEDIA 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.

#### Financial Liability

A financial liability is recognised in financial statement when SEDIA become the party to allocation instrument contract.

In the initial recognition, financial liability is measured at transaction price, included transaction cost for financial liabilities not at fair value through profit and loss, unless the agreement constitutes, in where, a financing transaction for SEDIA to arrangement.

After initial recognition, financial liability classified to one of the three categories: financial liability measured at fair value through profit or loss, financial liability measured at amortised cost, or loan commitments are measured at cost less impairment.

##### i) Liability Measured at Fair Value Through Profit or Loss

Financial liability is classified as fair value through profit or loss when financial liability or if financial liability is publicly traded or its fair value cannot be measured reliably without undue cost or effort.

If a definitive measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, the fair value at the instrument's definitively assessable end date is treated as the cost of the instrument, and it is measured at the amount these costs are deducted for impairment until a definitive measure of fair value is available.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial Liability (continued)

##### ii) Financial Liability Measured at Amortized Cost

After initial recognition, financial liability other than financial liabilities are measure at fair value through profit and loss are measure at amortized cost using effective interest method. Profit or losses are recognised at profit or loss when financial liability derecognised or impaired.

The effective interest method is a method to calculate the amortised cost of financial liabilities and to allocate interest expense over the relevant period. An effective interest rate is an estimated discount rate of accurate future cash payments through the shelf life of a financial liability or, when appropriate, a shorter period, with the carrying amount of the financial liability.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 3. PROPERTY, PLANT AND EQUIPMENT

	Building RM	Motor Vehicles RM	Computers, Printers and Software RM	Furniture, Fittings, Office Equipment and Renovation RM	Total RM
<b>COST</b>					
At the beginning of year	-	649,574	1,043,813	423,291	2,116,678
Additions	17,967,216	-	49,600	17,055	18,033,871
Disposals	-	-	(14,682)	(11,588)	(26,270)
At the end of year	17,967,216	649,574	1,078,731	428,758	20,124,279
<b>ACCUMULATED DEPRECIATION</b>					
At the beginning of year	-	569,441	291,912	289,988	1,151,341
Charge for the year	59,891	40,064	300,688	40,147	440,790
Disposals	-	-	(14,680)	(11,584)	(26,264)
At the end of year	59,891	609,505	577,920	318,551	1,565,867
<b>NET CARRYING AMOUNT</b>					
At 31 December 2023	17,907,325	40,069	500,811	110,207	18,558,412
At 31 December 2022	-	80,133	751,901	133,303	965,337
Depreciation charge for the year ended 31.12.2022	-	40,064	111,914	40,394	192,372

Included in property, plant and equipment is a building with a book value of RM17,907,325 which was acquired with part of its cost financed by a loan for 10 years.

During the current financial year, the SEDIA Authority acquired a building with a cumulative cost of RM17,967,216 of which RM10,000,000 was financed through loans while the remaining RM7,967,216 was paid in cash. Included in property, plant and equipment are assets that have been fully depreciated in the current year but are still in use at a cost of RM852,635 (2022: RM874,132).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 4. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 RM	2022 RM
Other receivables and prepayments	11,017	62,581
Deposits	482,139	478,743
Advances	3,657	218
<b>Balance as at 31 December</b>	<b>496,813</b>	<b>541,542</b>

### 5. CASH AND CASH EQUIVALENTS

	2023 RM	2022 RM
Fixed Deposit	-	64,950,000
Cash in banks	483,360,003	245,470,606
Cash at hand	3,000	3,000
<b>Balance as 31 December</b>	<b>483,363,003</b>	<b>310,423,606</b>

### 6. SDC DEVELOPMENT FUND

	2023 RM	2022 RM
At the beginning of year	243,836,110	185,151,320
Add : Development fund received from Federal Government	210,000,000	111,000,100
	453,836,110	296,151,420
Add : Interest income	7,106,522	3,123,464
	460,942,632	299,274,884
Less: Utilisation of development fund for the year	(64,457,363)	(52,921,026)
Less: Interest income transferred	(7,106,522)	(2,517,748)
<b>Balance as at 31 December</b>	<b>389,378,747</b>	<b>243,836,110</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 7. SPECIAL PROGRAMME GRANT

	2023 RM	2022 RM
At the beginning of year	43,678,469	37,588,543
Add : Fund received for Sabah Digital Technology & Innovation Centre (SDTIC)	-	605,486
Add : Grant received for People Centric	14,730,420	6,000,000
Add : SDC – Skill & Talent Enhancement Programme	-	10,000,000
Add : Inisiatif Pendapatan Rakyat (IPR)	18,500,400	20,792,900
Add : Solar Installation Project	17,000,000	-
Add : Inisiatif Kemudahan Rakyat (IKR)	3,041,980	-
	96,951,269	74,986,929
Add : Interest received	5,592	5,078
	96,956,861	74,992,007
Less: Utilisation of special programme grant for the year	(23,099,446)	(31,313,538)
Less: Utilisation of interest for the current year	-	-
<b>Balance as at 31 December</b>	<b>73,857,415</b>	<b>43,678,469</b>

Special project grants consist of seven (7) funds namely Sabah Entrepreneur Development Program Fund, Study for Economic Development between Sabah and North Kalimantan Region Grant (SEEDS), People Centric Grant, SDC – Skill & Talent Enhancement Programme (SSTEP), Inisiatif Pendapatan Rakyat (IPR), Solar System Installation Project at Sabah State Government Building and Inisiatif Kemudahan Rakyat (IKR).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 8. Loan

	2023 RM	2022 RM
Current Liability		
Bank loan	435,039	-
Non-Current Liability		
Bank loan	9,564,961	-
Loan Maturity		
Within 1 year	924,330	-
More than 1 year and less than 2 years	1,008,360	-
More than 2 years and less than 5 years	2,016,720	-
More than 5 years	6,050,590	-
<b>Balance as at 31 December</b>	<b>10,000,000</b>	<b>-</b>

The effective interest rate at the statement of financial position date is 5.31% per annum. The loan maturity period is 10 years and repayment is on a monthly basis.

#### Loan Collateral:

1. The loan is to finance the purchase of Enbloc M-1 & M-2 buildings, Aeropod Phase 3A. To obtain the loan, the building was pledged to the bank.
2. Minimum advance of 2 months of grant payment as debt service reserve.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 9. PROVISION FOR EMPLOYMENT BENEFIT OBLIGATIONS

This represents provision for retirement gratuity schemes for employees:

	2023 RM	2022 RM
Provision for: Retirement gratuity scheme	2,277,093	2,319,543

The maturity structure of the provisions is as follows:

Within one year	47,610	353,532
Within 2-5 years	2,229,483	1,966,011
	<u>2,277,093</u>	<u>2,319,543</u>

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	<u>2,277,093</u>	<u>2,319,543</u>
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Amount recognised in the income statement in respect of the retirement gratuity scheme is as follows:

Current service costs	<u>324,430</u>	<u>549,908</u>
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Movement in the present value of the retirement gratuity scheme in the current year are as follows:

At beginning of the year	2,319,543	2,302,952
Adjustments	-	-
Additions	324,430	549,908
Payments	(366,880)	(533,317)
<b>At the end of the year</b>	<b><u>2,277,093</u></b>	<b><u>2,319,543</u></b>

The most recent actuarial valuation of employee benefit liabilities or contingent was conducted on 29th February 2021 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:

	2023 %	2022 %
Discount rate: Corporate Bond worth AA	4.20	4.20
Expected rate of salary increases	5.00	5.00

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (Continued)

### 9. PROVISION FOR EMPLOYMENT BENEFIT OBLIGATIONS (continued)

The mortality rate is based on the experience of assured lives in Malaysia from 1999 to 2003. 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 1 January 2023 (2022: 1 January 2022) to determine current service cost. All staff has been included in the estimated cost of the current cost.

SEDIA operates an 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 is recognised initially on the financial year ended 31 December 2022 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 4.2 %, the yield of Corporate Bonds worth AA produce within 3 to 15 mature years. During the financial year ended 31 December 2023, the number of employees included in the obligation for employee benefits totalled 105 persons.

### 10. 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. Beginning the year of assessment 2020, the exemption under this section has expired and all SEDIA income will be subject to taxation. Below is the corporate tax that has been charged in the current and previous years.

	2023 RM	2022 RM
Current year tax	77,454	93,977
Tax for year assessment 2022	(16,523)	140,036
<b>Total</b>	<b>60,931</b>	<b>234,013</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (Continued)**

11. OTHER PAYABLES AND ACCRUALS

	2023 RM	2022 RM
Other payables	318,647	617,202
Accruals	330,861	333,260
<b>Total</b>	<b>649,508</b>	<b>950,462</b>

12. OTHER INCOME

	2023 RM	2022 RM
Interest income from SDC development fund	7,126,522	2,517,748
Interest income from operation fund	111,302	121,493
Other income	401,888	484,497
<b>Total</b>	<b>7,639,712</b>	<b>3,123,738</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

#### 13. OPERATING EXPENSES

The details of operating expenses are as follows:

	2023 RM	2022 RM	Adjustment RM	2022 (restated) RM
Auditors' Remuneration	26,700	30,000	-	30,000
Allowances for Members and Committees of the Authority	492,343	394,824	-	394,824
Salaries, Allowances and Benefits	12,319,772	8,703,113	685,054	9,388,167
KWSP and PERKESO	1,300,480	951,483	-	951,483
Rental Expenses	903,341	918,264	-	918,264
Utilities Charges	235,647	253,759	-	253,759
Printing and Stationeries	73,198	163,598	-	163,598
Medical and Clinical Charges	281,162	287,110	-	287,110
Insurance	12,947	472,312	(461,357)	10,955
Entertainment and Hospitality	11,247	13,372	-	13,372
Training and Human Capital Development	295,343	249,060	-	249,060
Trade Missions and Investment Promotions	88,586	158,454	-	158,454
Exhibitions and Road Shows	36,578	62,490	-	62,490
Conference and Seminars	92,433	45,574	-	45,574
Corporate Branding and Marketing	166,832	186,563	-	186,563
Sponsorships	146,794	77,403	-	77,403
In-House Meeting Expenses	215,373	133,527	-	133,527
Publications, Multimedia and Advertisements	10,883	61,640	-	61,640
Postage and Courier Charges	2,975	3,012	-	3,012
Transportation, Leasing and Vehicle Maintenance	634,290	585,563	-	585,563
Airfares and Outstation Transport Charges	348,134	248,794	(9,844)	238,950
Subsistence Allowances	83,368	55,120	-	55,120
Lodging and Accommodations	94,480	82,048	(7,423)	74,625
Disposal of fixed asset	6	29	-	29
Upkeep Of Office Equipment, Premise and Services	341,952	376,319	-	376,319
Depreciation	440,790	192,372	-	192,372
Subscription Fees, Technical Update and ICT Expenses	121,045	521,683	(178,560)	343,123
Legal, Professional, Research and Consultancy Charges	56,044	117,744	-	117,744
License, Registration and Assessment Fees	27,969	10,144	-	10,144
Bank Charges and Commission	26,238	5,576	-	5,576
Miscellaneous Expenses	22,174	75,884	(27,870)	48,014
<b>TOTAL</b>	<b>18,909,124</b>	<b>15,436,834</b>	<b>-</b>	<b>15,436,834</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

### 14. STAFF COSTS

	2023 RM	2022 RM	Adjustment RM	2022 (Restated) RM
<u>Operating Fund:</u>				
Staff costs	11,995,342	8,153,205	685,054	8,838,259
EPF and SOCSO	1,300,480	951,483	-	951,483
Employment benefit obligations	324,430	549,908	-	549,908
<b>Total</b>	<b>13,620,252</b>	<b>9,654,596</b>	<b>685,054</b>	<b>10,339,650</b>

### 15. OPERATING LEASE COMMITMENT

SEDIA leases certain assets such as premises and office equipment. These leases are non-cancellable and expire on various dates through 2023. Future minimum annual lease payments are as follows: -

	Future Minimum Lease Payments	
	2023 RM	2022 RM
As of December 31:		
2023	-	1,058,987
2024	1,182,871	906,264
2025	1,075,124	906,264
2026	561,132	352,800
2027	3,672	2,448
<b>Total</b>	<b>2,882,799</b>	<b>3,226,763</b>

### 16. PROJECT DEVELOPMENT COMMITMENT

During the year, total allocation approved and received under the Twelfth Malaysia Plan (12MP) for SDC projects is RM210,000,100 compared to previous year RM111,000,100.







# *YOUR SOLUTION PROVIDER AND PARTNER IN THE SABAH DEVELOPMENT CORRIDOR*

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