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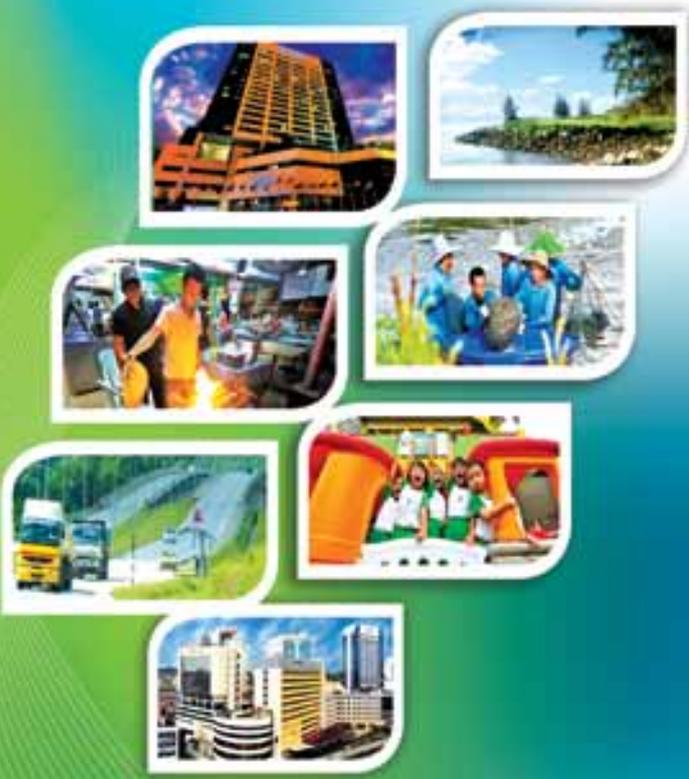
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CHAIRMAN'S STATEMENT



SECTION 1 : CORPORATE STATEMENT

On behalf of the Members of the Board, I am pleased to report the performance of the Sarawak Economic Development Corporation (SEDC) for the year 2012.

SEDC did well against a backdrop of volatile market conditions that is increasingly challenging with each year. The Corporation posted a strong Profit Before Tax (PBT) of RM21.51 million which is significantly higher than the budgeted PBT of RM11.70 million for 2012. At the Group level, SEDC recorded a PBT of RM65.00 million in 2012, a notable increase of RM30.29 million or 87 per cent compared to the PBT of RM34.71 million recorded in 2011. The profits were mainly due to the increase in the Group's total income and share of Associate's results.

Our financial performance for the year reflects the resilience of our companies under difficult economic conditions. I am pleased with the performance of our business sectors especially the four main performers namely, the Mineral and Mining, Roads and Works, Tourism and Leisure and Agro-Food sectors.

For Agro-Food, it has been a most eventful year with its success in turning around a subsidiary that has been in the red for a number of years. The sector reported a couple of other achievements besides the successful turnaround. Among others, its aquaculture project in Santubong was awarded the Fish Quality Certificate by the European Union which allows us to export to EU countries.

In our coconut plantation project, we have successfully planted 42,900 seedlings of matag specie coconut palms covering an area of 197 hectares. Once completed, the whole project will cover an area of 2,115 hectares in Asajaya, Samarahan Division.

Our cattle farms, Rosewood Station, Strathmere Beardie and Karabungan successfully sold a total of 8,836 heads valued at RM20.7 million during the year. Rosewood Station also went on to win the Best Overall Exhibitor Award and Champion Brahman 2012 as well as being in the top three in other categories of the Cattle Awards, including Cattle Exported to South East Asia, in the 2012 Kununurra Livestock Show, Australia.

The Agro-Food sector has also embarked on a number of joint-venture projects to develop Swiftlets Eco-Park in the State. We are confident these will yield good returns for the Corporation in future despite the current market conditions.

In property development, a number of projects were implemented in 2012. The highlight in 2012 was the joint-venture development of Palm Villa (Phase 1), comprising 60 units of houses and shop lots, which was completed in July 2012. Phase 2 consisting of 65 similar units, has also started and is scheduled for completion next year.

The Kuching Waterfront saw reclamation works being carried out as part of the extension of the project. The completion will see an addition of 73 metres to the existing Kuching Waterfront, bringing the total stretch to 1.31 km. A total of 11 old pontoons were replaced and three new ones were installed costing RM3.42 million.

CHAIRMAN'S STATEMENT



**YANG BERTHORMAT
DATUK HAJI TALIB ZULPILIP
CHAIRMAN**

Sarawak Economic Development Corporation

In Tourism and Leisure, works on SEDC's new three-star hotel in the Golden Triangle of Kuching took off in June and is expected to be completed by August 2014 at a cost of RM60 million. The 18-storey hotel, located just next to Riverside Majestic Hotel, aims to be a unique hotel with its décor and facilities leveraging on Sarawak's rich cultural heritage.

To further enhance our properties in Damai, upgrading works at the Damai Golf and Country Club (DGCC) to improve the greens, bunkers and fairway subsoil are expected to be completed in the middle of next year at a cost of RM2.52 million. With this, DGCC is expected to see better returns with more tournaments and golfing rounds in the coming years.

SEDC, as a trust agency, continued its push to create, develop and strengthen business opportunities for the local Bumiputera community. In 2012, various schemes and programmes aimed at enhancing the capacity and capability of local entrepreneurs in Sarawak were carried out benefiting a total of 3,434 entrepreneurs. These programmes include Program Peningkatan Usahawan Bumiputera (PUTERA), Program Pembangunan Rakyat Khas (PPRK) and Skim Pinjaman Industri Kecil dan Sederhana (SPIKS), Skim Pinjaman Usahawan Desa Pelbagai, Community and Commercial Broiler Programmes, Capacity Building Programmes, Pusat Inkubator dan Bimbingan Usahawan (PIBU) and 1 AZAM-Niaga.

In our SeDidik Child and Family Development Programme, we continued with the development of new centres and upgrading of our existing centres funded under the National Key Result Areas (NKRA) for education. A total of 77 centres are providing education for 2,080 children throughout Sarawak.

CHAIRMAN'S STATEMENT

continuation

SeDidik is the first pre-school and child-care provider in the State to be certified by the Malaysian Productivity Corporation (MPC) for its 5S practices. It also received its certification for MS ISO 9001:2008 during the year. SeDidik has also established networking with UNESCO on benchmarking with international kindergartens and pre-primary schools and also with UNICEF on promoting bilingual programmes.

Much of the success of SEDC is attributed to the concerted efforts of everyone in SEDC and their unwavering spirit of dedication towards upholding a high standard of corporate governance, professionalism, integrity and excellence in their work. In SEDC, we seek to create an environment that allows governance to flourish and be wholesomely practised.

The Corporation believes good governance is not an ad hoc thing; it is an on-going exercise in the practice of sound management principles, accountability, transparency and integrity.

Our strength lies in our strong fundamentals and core values that we so passionately uphold in enhancing management efficiency and delivering value to our stakeholders.

For its efforts, SEDC maintained its 4-Star rating (highest level under the Accountability Index) for its Financial Management Practices by the National Audit Department for the third year running.

We continued to do our share for the community as part of our Corporate Social Responsibility (CSR) and corporate citizenship. CSR programmes included donations in cash and kind to the less fortunate and fire victims, annual contribution of Zakat Perniagaan to Tabung Baitulmal amounting to RM252,885.94, "Love-In-A-Box" with the presentation of gifts to needy children, Majlis Titian Kasih with the Tuan Yang Terutama Yang Di-Pertua Negeri Sarawak, assistance to residents of Old Folks' Home, Blood Donation and gotong royong projects.

As a learning organisation, we continued to invest heavily in the training and development of our people to help them to realise their full potential. With the right training, skills and work environment, our staff are motivated to add value to the group with innovative ideas and professionalism in the delivery of services to customers.

I am confident in the commitment and dedication of our board, management and staff in working as a team in realising SEDC's mission and targets.

While I rate the year's achievements highly, I see our performance as an impetus for more ambitious targets. SEDC has to prove its worth as a state trust agency to the State Government with positive results that will impact the economic development and growth of Sarawak.

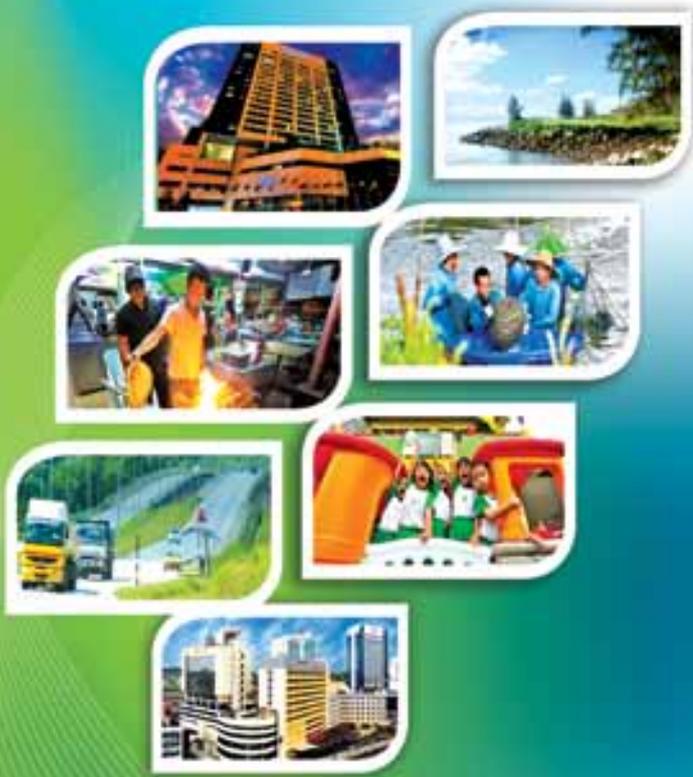
SEDC is fully charged to pioneer into new areas to grow greater returns for the Corporation and the State as a whole. We will remain committed to meet the expectations of all our stakeholders and fulfil our social and economic obligations as a trust agency for the people of Sarawak.

We look forward to yet another successful year for SEDC in 2013.

"COMMITTED TO EXCELLENCE"

YB Datuk Haji Talib Zulpilip
CHAIRMAN





SECTION 2 : CORPORATE INFORMATION

CORPORATE BACKGROUND

The Sarawak Economic Development Corporation (SEDC) was established on 1st March 1972 as a state - owned statutory body with the general aim of promoting the commercial, industrial and socio-economic development of the State.

SEDC was established under the Perbadanan Pembangunan Ekonomi Sarawak Ordinance (Sarawak Cap. 35), a law duly passed by the Sarawak State Assembly in accordance with the powers conferred on and delegated to the State Government of Sarawak under the Constitution of Malaysia.

SEDC is a statutory body established under the laws of the State of Sarawak and its also comes under the purview of the Federal Government of Malaysia through the Federal Ministry of Finance (MOF).

As a catalyst, SEDC is committed to promoting economic development in the State with emphasis on pioneering in strategic industries and undertaking new investments, managing existing commercial operations on its own or through joint ventures.

As a trust agency, SEDC also undertakes programmes and schemes to enhance the development of local entrepreneurs in commerce and industry, apart from carrying out special projects for the government to enhance the general economic well-being and quality of life of the people in the State.

SEDC complements the realisation of the State's development agenda towards a developed State by 2020 by implementing its projects effectively, efficiently, economically and ethically.

VISION

To be the premier State agency in Malaysia

MISSION

To spearhead the economic and social development of the State by implementing and managing projects and programmes effectively, economically, efficiently and ethically

SHARED VALUES

To serve and grow together through integrity, teamwork, quality, professionalism, innovation, creativity and caring

MOTTO

“COMMITTED TO EXCELLENCE”

WAR CRY

“GET IT DONE - FAST AND RIGHT”



Agro-Food Based



Tourism and Leisure



Entrepreneur Development

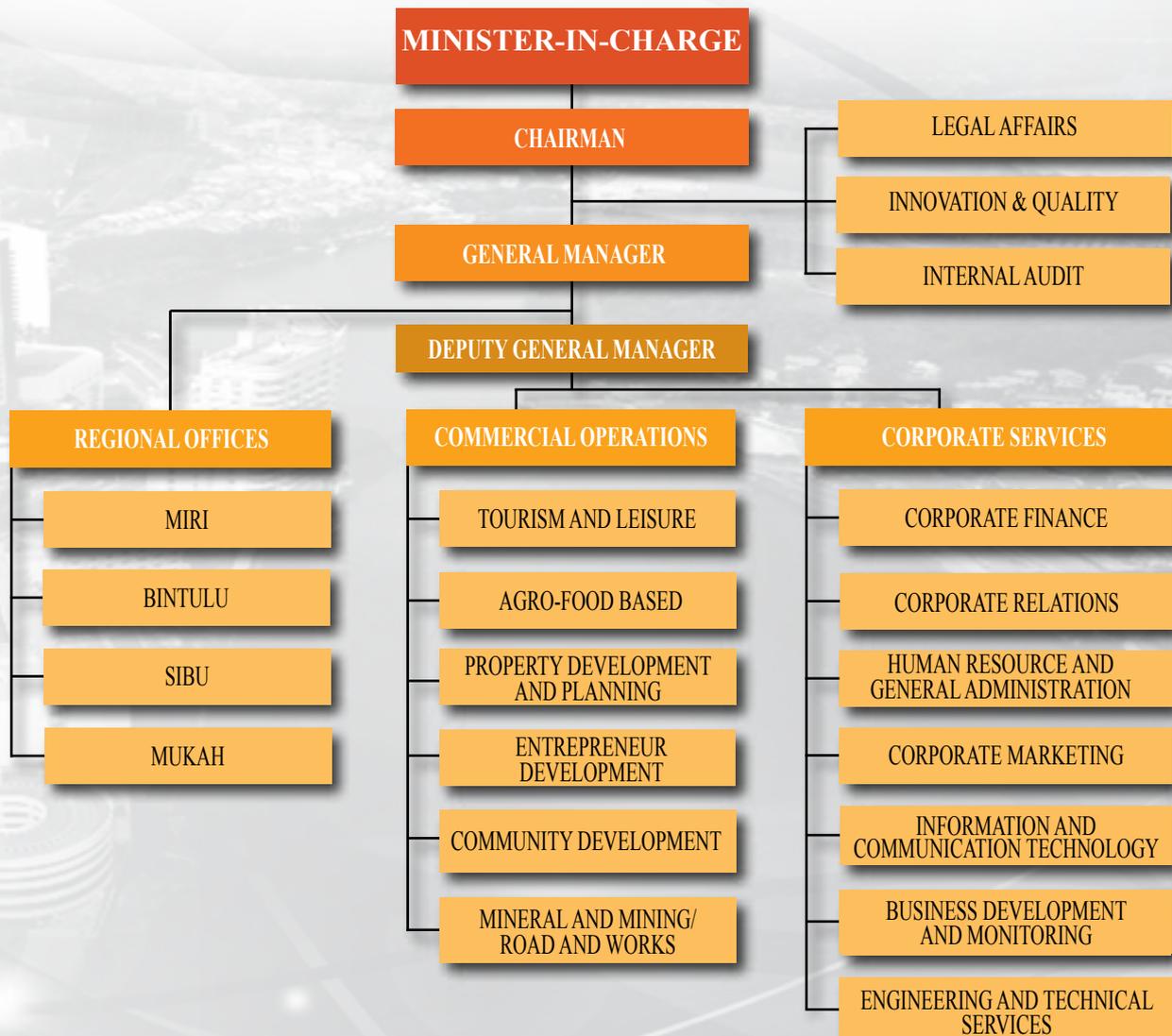


Property Development



Community Development

Organisation Structure



*Celebrating 40 Years Of Service
To The State And Rakyat*

SEDC BOARD MEMBERS 2012



**YANG BERTHORMAT DATUK
HAJI TALIB ZULPILIP**
Chairman



**YANG BERTHORMAT TAN SRI DATUK
AMAR HAJI MOHAMAD MORSHIDI
BIN ABDUL GHANI**
Sarawak State Secretary



**YBHG. DATO SRI AHMAD TARMIZI
BIN HAJI SULAIMAN**
Sarawak State Financial Secretary



**YBHG. DATU HAJAH JABIDAH
BINTI MONSERI**



**YANG BERTHORMAT DATUK
DR STEPHEN RUNDI UTOM**



**YBHG. DATUK AMAR WILSON
BAYA DANDOT**



**YBHG. DATUK FONG
JOO CHUNG**



**YBHG. DATUK HAJI ISMAIL
BIN HAJI HASHIM**



**YBHG. DATU SUDARSONO
BIN OSMAN**



**YBHG. DATU HAJI ABDUL
RASHID BIN HAJI AZIZ**



YBHG. ENCIK JASNI BIN JUBLI

MANAGEMENT TEAM 2012



**YANG BERHORMAT DATUK
HAJI TALIB ZULPILIP**
Chairman



**YBHG. TUAN HAJI
SOEDIRMAN HAJI AINI**
General Manager



**PUAN HAJAH RAKAYAH
HAMDAN**
Director
Corporate Finance



**TUAN HAJI JAMALUDIN
MOHD. YUSOF**
Director
Entrepreneur Development



**ENCIK JOHN W CHAMBERLIN
SIRAU**
Director
Legal Affairs & Risk Management



ENCIK EDWIN ABIT
Director
Corporate Relations & Communications,
Tourism & Leisure



**PUAN HAJAH SITI HAJAR
ABANG MON**
Director
Property Development,
Engineering & Project Management



PUAN MARILYN N BIYOR
Director
Human Resource & General
Administration



ENCIK JAMES DAGO
Director
Innovation & Quality, Planning &
Monitoring



ENCIK YAP YIEN CHIANG
Director
Internal Audit



ENCIK ASLANSIA YAHYA
Director
Agro-Food Based



**CIK SITI NURAZLINA
DOLLAH AHMAT USOP**
Acting Director
Information & Communications Technology

SEDC GROUP OF COMPANIES TOURISM & LEISURE

Subsidiaries

Sara Resorts Sdn Bhd

❖ *Sara Hospitality Sdn Bhd*

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Urusharta Sdn Bhd

Unit R207, Level 2, Sarawak Plaza
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-412150
Fax: 082-255964
Website: www.sedctourism.com

Damai Cove Resorts Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Rasa Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Resorts Holdings Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Convention Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Damai Beach Resort Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

❖ *Subsidiary of holding company*

Kuching Hotels Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Damai Beach Golf Course Bhd

❖ *Damai Golf & Country Club Bhd*

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Resorts Management Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Bukit Saban Resort Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Tourism & Leisure Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Hotels Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sejadu Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Worldwide Vacations Bhd

❖ *Asia Vacations Club Sdn Bhd*

Unit W22-02, Level 22
Gateway Kuching
No. 9, Jalan Bukit Mata
93100 Kuching
Tel: 082-238007
Fax: 082-248007
Website: www.clubasia.com.my

Permata Carpark Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Sara Great Horizon Sdn Bhd

9th Floor, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-422453
Website: www.sedctourism.com

Investment

Borsarmulu Resort Sdn Bhd

Lot 154-156, 2nd Floor,
Jalan Sungai Padungan,
93100 Kuching
P.O. Box 2113, 93742 Kuching
Tel: 082-413877
Fax: 082-244406
Website: www.sedc.com.my



SEDC GROUP OF COMPANIES

AGRO-FOOD BASED

Subsidiaries

Sara Spectrum Holdings Sdn Bhd

- ❖ *Hakanda Sdn Bhd*
- ❖ *PPES Poultry Farm Sdn Bhd*
- ❖ *Sarawak Coconut Enterprise Sdn Bhd*
- ❖ *Carbon Supplies (Sarawak) Sdn Bhd*

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

PPES Ternak Holdings Sdn Bhd

- ❖ *PPES Ternak Sdn Bhd*
- ❖ *Rosewood Station Pty Ltd*
- ❖ *Sarabif Sdn Bhd*

Lot 1260, Jalan Mersawa
Bintawa Industrial Estate
93450 Kuching
Tel: 082-482015 / 085-739317
Fax: 082-481350 / 082-424330
Website: www.sedc.com.my

PPES Aqua (Santubong) Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

PPES Akua (Mukah) Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Eastern Empress Silk Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Sarapine Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Sara-HL Plantation Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Sara Sago Industries Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Associates

SOP Karabungan Sdn Bhd

No. 124-126
Jalan Bendahara
P. O. Box 547
98007 Miri
Tel: 085-436969
Fax: 085-432929
Website: www.sop.com.my

Sara Concrete Poles Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Kenyalang Teguh Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Good Harvest Plantation Sdn Bhd

No. 85 - 90 Pusat Pedada
Jalan Pedada
96000 Sibu
98007 Miri
Tel: 084-310190
Fax: 084-330893

❖ *Subsidiary of holding company*



SEDC GROUP OF COMPANIES

ENTREPRENEUR DEVELOPMENT

Subsidiaries

Comerich Sdn Bhd

1st & 2nd Floor, Lot 2592
Wisma Sandhu, Green Road
93400 Kuching
Tel: 082-332160
Fax: 082-419455
Website: www.comerich.com.my

Taskwin Marketing Sdn Bhd

6th - 11th Floors
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Revlin Holdings Sdn Bhd

6th - 11th Floors
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my



COMMUNITY DEVELOPMENT

Subsidiaries

SeDidik Sdn Bhd

No. 53, Lot 67, Section 66
Yoshi Square, Jalan Pelabuhan
93450 Kuching
Tel: 082-347489
Fax: 082-346859
Website: www.sedidik.com.my



MINERAL & MINING

Associates

CMS Infra Trading Sdn Bhd

No. 2128, Sublot 2
Jalan Utama, Pending
93450 Kuching
Tel: 082-348950/ 082-348951
Fax: 082-348952
Website: www.cmsb.com.my

CMS Resources Sdn Bhd

- ❖ CMS Quarries Sdn Bhd
- ❖ CMS Premix Sdn Bhd
- ❖ CMS Premix (Miri) Sdn Bhd
- ❖ CMS Penkuari Sdn Bhd
- ❖ PPES Concrete Product Sdn Bhd

7th Mile, Kuching-Serian Road
93250 Kuching
Tel: 082-615605 / 082-610226
Fax: 082-611986 / 082-615598
Website: www.cmsb.com.my

ROADS & WORKS

Associates

CMS Land Sdn Bhd

Level 5, Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching
Tel: 082-237777
Fax: 082-252652
Website: www.cmsproperty.com.my

CMS Property Management Sdn Bhd

Level 5, Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching
Tel: 082-237777
Fax: 082-252652
Website: www.cmsproperty.com.my

PPES Works (Sarawak) Sdn Bhd

1st - 4th Floor, Lot 691- 623
Section 62, Jalan Padungan
93100 Kuching
Tel: 082-340588
Fax: 082-340695
Website: www.cmsb.com.my

- ❖ Subsidiary of holding company

SEDC GROUP OF COMPANIES

OTHERS

Subsidiaries

Sarawak Car Care Centre Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Permaisara Sdn Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Goebilt Seafoods Processing Bhd

6 -11th Floors, Menara SEDC
Jalan Tunku Abdul Rahman
93100 Kuching
Tel: 082-416777
Fax: 082-424330
Website: www.sedc.com.my

Associates

IDS Sebor (S'wak) Holdings Sdn Bhd

Lot 2678, Section 64 KTLD
Jalan Kwong Lee Bank
93450 Kuching
Tel: 082-335677
Fax: 082-484720
Website: www.idsgroup.com

Syarikat Sebangun Sdn Bhd

Off 21KM, Tanjung Kidurong Road
P O Box 168, 97007 Bintulu
Tel: 086-253549 / 086-253569
Fax: 086-253919

GOS Management Holdings Sdn Bhd

18th Floor, Wisma Bapa Malaysia
Petra Jaya
93502 Kuching
Tel: 082-311990 / 082-492336
Fax: 082-442235 / 082-448308
Website: www.sedc.com.my

Investment

Sarawak Consolidated Industries Bhd

Lot 1258, Jalan Utama
Pending Industrial Area
93450 Kuching
Tel: 082-334485
Fax: 082-334484/082-345597
Website : www.scib.com.my

Cahaya Mata Sarawak Bhd

Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching
Tel: 082-238888
Fax: 082-338611
Website: www.cmsb.com.my

Permodalan ASSAR Sdn Bhd

Lot 357, Section 5, KTLD
Jalan Satok
93400 Kuching
Tel: 082-231085
Fax: 082-232514
Website: www.assar.com.my

CORPORATE ACTIVITIES

CORPORATE FUNCTIONS

INTEGRITY DAY 2011 11 January 2012, Grand Margherita Hotel



Launching by YAB Chief Minister of Sarawak



Recipients of SEDC Integrity Awards with YAB Chief Minister of Sarawak

Presidential Address 2012 17 February 2012, Grand Margherita Hotel



SEDC Chairman YB Datuk Haji Talib Zulpilip delivering his Presidential Address



Management Contract Signing

SEDC 40th Anniversary Dinner 25 May 2012, Riverside Majestic Hotel



Official launching by YAB Chief Minister of Sarawak



Recipients of SEDC Awards with YAB Chief Minister of Sarawak

Majlis Pembukaan Rasmi Kompleks Perniagaan Kubah Ria 16 November 2012, Kompleks Kubah Ria



Official Opening by YAB Chief Minister of Sarawak



YAB Chief Minister of Sarawak at one of the food outlets

CORPORATE ACTIVITIES

INTEGRITY DAY 2012

4 December 2012, Grand Margherita Hotel



Launching by Minister of Tourism Sarawak, YB Datuk Amar Abang Haji Abdul Rahman Zohari bin Tun Abang Haji Openg



Talk on Integrity by SEDC Chairman YB Datuk Haji Talib Zulpilip

Media Appreciation Night

7 December 2012, Grand Margherita Hotel



SEDC Chairman Datuk Haji Talib Zulpilip presenting a prize to Araffie Iगत of TV3



Stage Performance by the media group

CORPORATE SOCIAL RESPONSIBILITY

Majlis Berbuka Puasa with YAB Chief Minister of Sarawak and Children of PERYATIM Orphanage Home

27 July 2012, Grand Margherita Hotel



SEDC Chairman YB Datuk Haji Talib Zulpilip presenting Zakat Perniagaan SEDC to Tabung Baitulmal Sarawak



YAB Chief Minister of Sarawak handing over Hari Raya gifts to children of PERYATIM

Majlis Titian Kasih with The Head of State

21 October 2012, Astana Negeri



Toh Puan Datuk Patinggi Hajah Norkiah, wife of Head of State of Sarawak, presenting Hari Raya gifts



One for the album

CORPORATE ACTIVITIES

LOVE-IN-A-BOX Programme with Children of Kampung Sinar Baru

11 December 2012, Sir Charles Brooke Memorial Hospital, Kuching



The children with SEDC Chairman YB Datuk Haji Talib Zulpilip



Presentation of gifts by SEDC Chairman YB Datuk Haji Talib Zulpilip

Hi-Tea with Residents of Rumah Sri Kenangan

19 December 2012, Damai Beach Resort



SEDC Chairman YB Datuk Haji Talib Zulpilip presenting goodies to residents of Rumah Sri Kenangan



A corporate sponsor presenting a contribution to Rumah Sri Kenangan

5S Certification Renewal Audit

27 April 2012, Dewan Kenyalang, Menara SEDC



General Manager of SEDC Tuan Haji Soedirman Haji Aini chairing the audit meeting



Encik Izani Ishak from Malaysian Productivity Centre (MAMPU) presenting the audit findings

SEDC Innovation & Quality Convention 2012

18 - 19 July 2012, Dewan Kenyalang, Menara SEDC



Harimau Team from Human Resource Management Division presenting its project



Presentation of the champion trophy to D'ANTZ Team

CORPORATE ACTIVITIES

CULTURE BUILDING

SEDC Mothers and Fathers' Day 22 June 2012, Dewan Kenyalang, Menara SEDC

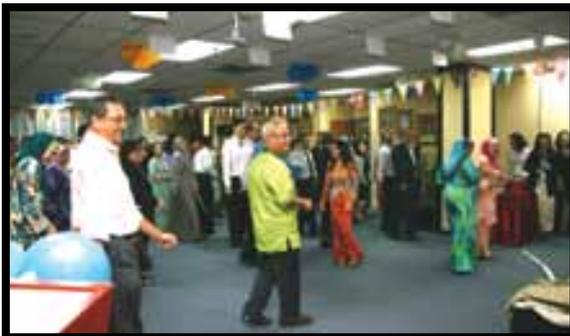


SEDC Mother and Father award winners



SEDC Fathers taking part in a flower-arrangement competition

Combined Morning Starter (Monthly Staff Get Together) Dewan Kenyalang, Menara SEDC



Morning Exercise



Punctuality Award winners

MEETINGS, WORKSHOPS AND SEMINARS

Motivational Talk on "Jati Diri" 8 May 2012, Grand Margherita Hotel



Motivational Talk by SEDC Chairman YB Datuk Talib Zulpilip



Participants at the talk

CORPORATE ACTIVITIES

Talk on “Akta Wang Tak Dituntut” 30 July 2012, Dewan Kenyalang



Briefing by Encik Vijaya Kumar from Jabatan Akauntan Negara, Negeri Sarawak



Participants at the talk

SEDC Strategic Planning Regroup 20 - 21 September 2012, Damai Beach Resort



Regroup Sessions

Understanding Business Transformation Framework and Corporate Governance Practices 7 - 8 November 2012, Grand Margherita Hotel



Training Sessions

CORPORATE ACTIVITIES

EXPOSITIONS AND EXHIBITIONS

Hari Peladang, Penternak dan Nelayan Negeri

25 - 26 August 2012, Limbang



SEDC's booth

Sarawak Builders Expo (SARBEX)

21 September 2012, Borneo Convention Centre Kuching



SEDC's booth at the Expo

Career Expo

11 December 2012, Borneo Convention Centre, Kuching



Visitors at SEDC's Booth



YAB Chief Minister of Sarawak visits SEDC's booth

PROJECT HIGHLIGHTS

KUCHING WATERFRONT



Kuching Waterfront Extension

Stage 1 : Reclamation Works

Project Cost : RM 1.9 million

Location : Kuching Waterfront,
Kuching

Project Components :

This project will add 73 metres to the elevated walkway (234 metres was completed in 2011)

Completion Date : 26 July 2013

NEW SEDC HOTEL



Proposed 18-Storey New Hotel

Project Cost : RM60.0 million

Location : Lot 276, Section 48, KTL D,
Jalan Tunku Abdul Rahman, Kuching,
Sarawak

Project Components : 168 Rooms
F&B Outlet
2 Meeting Rooms

Completion Date : 08 August 2014



PROJECT HIGHLIGHTS



DAMAI GOLF & COUNTRY CLUB

Upgrading Works

Project Cost : RM2.52 million
Location : Damai Golf & Country Club
Project Components : Green renovation
Bunkers renovation
Fairway subsoil improvement
Other works
(including nursery establishment
and roofing works)

Completion Date : July 2013



PALM VILLA PROPERTIES



Project Cost : RM44.0 million

Location : Samarahan Division

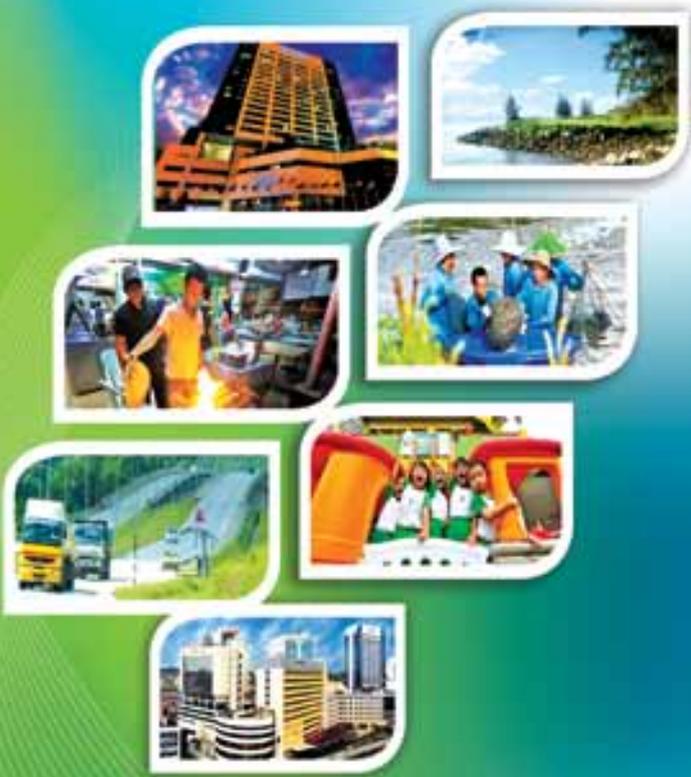
Project Components : 10 units of double storey shophouses
197 units of residential houses

Completed Date : 31 July 2012 (Phase 1)

Commencement Date : 1 March 2013 (Phase 2)

Completed Date : 30 November 2013

Joint development with Hock Peng Realty Sdn Bhd.



SECTION 3 : BOARD AND BOARD COMMITTEES

BOARD AND BOARD COMMITTEES

SEDC BOARD

Section 41(1) of the SEDC Ordinance provides that the Board of the Corporation shall consist of the following Members:-

- A Chairman
- Two official members
- Not less than three, but not more than eight other members

Meetings held in 2012

In 2012, a total of four (4) meetings were held as follows : -
28 February 2012, 24 May 2012, 25 September 2012 and 18 December 2012

The record of attendance to the meetings are as follows:-

Members	No. of Meetings Attended
YB Datuk Haji Talib Zulpilip State Financial Secretary	4 out of 4
(Represented by YBhg Datu Laura Lee Ngien Hion /Encik Abdul Kadir Zainudin)	4 out of 4
YBhg Datu Hajah Jabidah Monseri (Federal Treasury Representative)	4 out of 4
YB Tan Sri Datuk Amar Haji Mohamad Morshidi bin Abdul Ghani	4 out of 4
YB Datuk Dr Stephen Rundi Utom	3 out of 4
YBhg Datuk Amar Wilson Baya Dandot	3 out of 4
YBhg Datuk Fong Joo Chung	3 out of 4
YBhg Datuk Haji Ismail bin Haji Hashim	2 out of 4
YBhg Datu Haji Abdul Rashid bin Haji Aziz	4 out of 4
YBhg Datu Sudarsono bin Osman	3 out of 4
YBhg Encik Jasni bin Jubli	1 out of 4

BOARD AND BOARD COMMITTEES

BOARD

Chairman :	YB Datuk Haji Talib Zulpilip
Members :	YBhg Dato Sri Ahmad Tarmizi bin Haji Sulaiman (State Financial Secretary) YBhg Datu Hajah Jabidah binti Monseri (Federal Treasury Representative) YB Tan Sri Datuk Amar Haji Mohamad Morshidi bin Abdul Ghani YB Dr Datuk Stephen Rundi Utom YBhg Datuk Amar Wilson Baya Dandot YBhg Datuk Fong Joo Chung YBhg Datuk Haji Ismail bin Haji Hashim YBhg Datu Haji Abdul Rashid bin Haji Aziz YBhg Datu Sudarsono bin Osman YBhg Encik Jasni bin Jubli

BOARD COMMITTEES

The Corporation has established various committees to enhance and adopt good corporate governance practices in the Corporation. These Committees are as follows:-

ESTABLISHMENT COMMITTEE (SEC)

Chairman :	YBhg Datuk Amar Wilson Baya Dandot
Members :	YBhg Datu Haji Abdul Rashid bin Haji Aziz YBhg Encik Bakrie Zaini (<i>Director, Human Resource Management Unit, Jabatan Ketua Menteri</i>) YBhg Tuan Haji Soedirman bin Haji Aini

TENDER, FINANCE AND INVESTMENT COMMITTEE (TFIC)

Chairman :	YB Datuk Haji Talib Zulpilip
Members :	YBhg Dato Sri Ahmad Tarmizi bin Haji Sulaiman YB Tan Sri Datuk Amar Haji Mohamad Morshidi bin Abdul Ghani Representative from Federal Treasury YBhg Datu Laura Lee Ngien Hion

BOARD AND BOARD COMMITTEES

BOARD AUDIT COMMITTEE (BAC)

Chairman : YB Tan Sri Datuk Amar Haji Mohd. Morshidi bin Abdul Ghani
Members : YB Datuk Dr Stephen Rundi Utom
YBhg Datuk Haji Ismail bin Haji Hashim
YBhg Datu William Lee Boon Tong
Encik Abdul Kadir Zainuddin (State Financial Secretary Representative)



Seated (L-R):
YB Datuk Dr Stephen Rundi Utom, YB Tan Sri Datuk Amar Haji Mohd. Morshidi bin Abdul Ghani and YBhg Tuan Haji Soedirman bin Haji Aini

Standing (L-R): Encik Abdul Kadir Zainuddin, YBhg Datuk Haji Ismail bin Haji Hashim and YBhg Datu William Lee Boon Tong

BOARD RISK COMMITTEE (BRIC)

Chairman : YBhg Datuk Haji Ismail bin Haji Hashim
Members : YBhg Datu Hajah Jabidah binti Monseri
YBhg Datu Laura Lee Ngien Hion
YBhg Dr Loh Leong Hua



From (L-R):
YBhg. Datu Laura Lee Ngien Hion, YBhg. Dr. Loh Leong Hua, YBhg Datuk Haji Ismail bin Haji Hashim and YBhg Datu Hajah Jabidah Monseri

BOARD AND BOARD COMMITTEES

SEDC BOARD AUDIT COMMITTEE (BAC)

Composition Of The BAC

The members of the SEDC Board Audit Committee are appointed by the SEDC Board. The Board Audit Committee shall comprise members (other than the Chairman) from among SEDC Board members or any other person as shall be determined by SEDC Board under Section 16 of the SEDC Ordinance.

The Board Audit Committee consist of not fewer than three (3) members, of whom a majority shall not be persons having relationship which, in the opinion of the Board, would interfere with the exercise of independent judgement in carrying out the duties of the BAC.

The Board Audit Committee Members are: -

YB Tan Sri Datuk Amar Haji Mohamad Morshidi Abdul Ghani	(Chairman)
YB Datuk Dr Stephen Rundi Utom	(Deputy Chairman)
YBhg Datuk Haji Ismail Haji Hashim	(Member)
YBhg Datu William Lee Boon Tong	(Member)
State Financial Secretary or his representative	(Member)

DUTIES AND RESPONSIBILITIES

The Committee is responsible for the following duties:

To oversee the Internal Audit function and to approve the Annual Audit Plan

To review Internal Audit Reports and consider findings and management responses thereto, and other problems, reservations and major issues of concern

To ensure affirmative action is taken by the auditee in respect of Board Audit Committee's decisions

To review Draft Audited Financial Statements and the Auditors' Report thereon prior to tabling for adoption and/or approval by the SEDC Board

To recommend the appointment and remuneration of external auditors of subsidiaries, where appropriate

To review the maintenance of an effective internal control system including financial and accounting system and to support and recommend measures to improve internal controls

To review the accounting policies and reporting requirements and compliance with legal requirements and accounting standards

To institute efficiency reviews and help to establish the environment in which controls can operate effectively

To initiate special audits and investigations and consider findings arising from such audits and investigations

To perform any other related duties as directed by the Board

BOARD AND BOARD COMMITTEES



AUDIT COMMITTEE MEETINGS

Four BAC meetings were held during the financial year ended 31 December 2012. The record of the attendance to these meetings is as follows:-

Members	No. of Meetings Attended
YB Tan Sri Datuk Amar Haji Mohamad Morshidi Abdul Ghani	4 out of 4
YB Datuk Dr Stephen Rundi Utom State Financial Secretary	3 out of 4
(Represented by YBhg Encik Abdul Kadir Zainuddin)	4 out of 4
YBhg Datuk Haji Ismail Haji Hashim	3 out of 4
YBhg Datu William Lee Boon Tong	4 out of 4

Activities

Summary of activities of the BAC for the financial year ended 31 December 2012:

Reviewed and approved the annual audit plan of the Internal Audit Division for 2012, including its scope and coverage over the activities of the SEDC's Headquarters, Regional Offices and Subsidiary Companies.

Reviewed and deliberated the audit reports of the Internal Audit Division vis-a-vis findings with regard to the system of internal control highlighted during the course of the audits and the responses from the management.

Reviewed and made recommendations on significant issues on the audited financial statements of the Corporation and the Group before tabling to the SEDC Board for deliberation.

BOARD AND BOARD COMMITTEES

SEDC ESTABLISHMENT COMMITTEE (SEC)



Composition of the SEC

SEC was established in accordance with the provision in Section 16 of the SEDC Ordinance. The Committee consists of three members of the Board, the General Manager and any other person as the Corporation deems fit. The members are appointed by the Chairman of SEDC. A quorum of three members is required for the meeting to proceed. The Secretary of the Committee is the Director of the Human Resource and General Administration Division of SEDC.

Duties and Responsibilities

This Committee is responsible for the following functions and duties:-

Approve the appointment to all posts in the Managerial and Professional group (Grade 44 or equivalent and higher grades)

Approve the promotion of employees in the Managerial and Professional group

Dismiss and demote employees

Establish new posts and abolish redundant posts in the Managerial and Professional group

Upgrade and re-designate existing posts

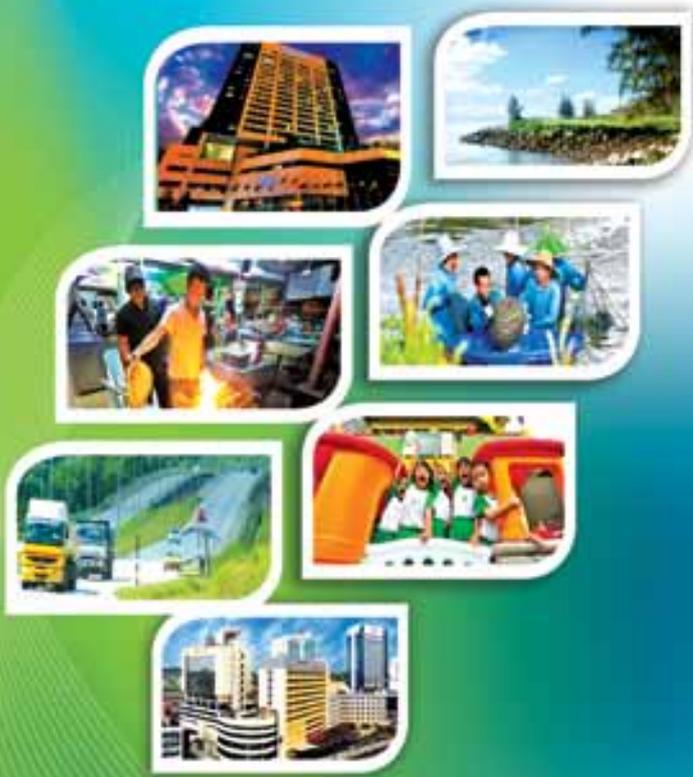
Ex-gratia payment

Guidelines on staff welfare

Meetings Held in 2012

Two meetings were held in 2012.

Members	No. of Meetings Attended
YBhg Datuk Amar Wilson Baya Dandot	2 out of 2
YBhg Datu Haji Abdul Rashid Bin Haji Aziz	2 out of 2
YBhg Encik Bakrie Zaini Director, Human Resource Management Unit, Jabatan Ketua Menteri	2 out of 2
YBhg Tuan Haji Soedirman Bin Haji Aini	2 out of 2



SECTION 4 : CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Background

The Corporation's Charter for Good Corporate Governance was launched by the then State Secretary, YB Datuk Amar Haji Abdul Aziz Husain on 5 February 2001. SEDC was the first government agency in Malaysia to draw up and launch its Charter for Good Corporate Governance.

The Charter lays down the principles and best management practices and corporate behaviour in the following areas:-

- ❖ Law
- ❖ Morality
- ❖ Profitability
- ❖ Quality
- ❖ Good Management
- ❖ Good Corporate Citizenship

COMPLIANCE & REGULATIONS

The Corporation seeks to ensure full compliance with the laws and regulations applicable to the Corporation. These laws and regulations include:-

- ❖ The SEDC Ordinance (Swk. Cap. 35)
- ❖ Statutory Bodies (Conduct and Discipline) Ordinance, 2004
- ❖ Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995
- ❖ SEDC Financial Regulations and Accounting Procedure Regulations 1980 (Revised 2009)
- ❖ State and Federal Circulars

In addition, the Management is required to implement and enforce the decisions agreed at SEDC's Board Meetings.

Whereas in respect of subsidiaries, the Management is required to comply and adhere to applicable laws and the company's internal regulations such as its Memorandum & Articles of Association, Company Operations Manual and Companies Act, 1965.

The Corporation will continue to undertake various activities to strengthen its corporate governance and thereby enhancing business integrity and corporate accountability.

For the year 2012, numerous activities, programmes and events were held to enhance and strengthen corporate governance within the Corporation and its Group. These include the following:-

❖ **Presidential Address 2012**

The Presidential Address 2012 was held on 17 February 2012 to disseminate and share information on the following:

- Corporate achievement for 2011
- Corporate targets for 2012
- Corporate direction

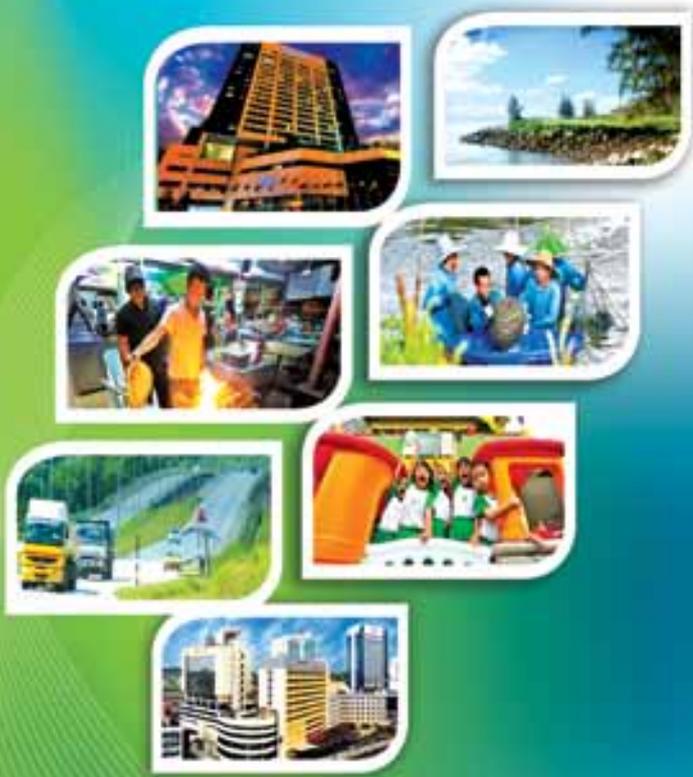
❖ **'Management Contract'** signing was done by all Divisional Directors during the Presidential Address on 17 February 2012. The Contract serves as a Key Performance Indicator (KPI) mechanism to measure the performance of the Divisions

❖ **INTEGRITY Day (2011 & 2012)** were held on 11 January and 4 December 2012

❖ **Jawatankuasa Keutuhan Tadbir Urus (JKTU) Meetings** were conducted on 10 February, 10 June and 4 October 2012

❖ **ISO Quality Management System Internal Quality Audit** was held on 3 May to 13 June 2012 and 22 October until 6 November 2012

❖ Representatives from **Jawatankuasa Keutuhan Tadbir Urus (SEDC)** attended the **Seminar Jawatankuasa Keutuhan Tadbir Urus (JKTU) Jabatan/Kementerian dan Agensi Kerajaan Negeri** on 18 to 19 June 2012, Premier Hotel Sibul



SECTION 5 : FINANCIAL STATEMENTS