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SECTION 1 : CORPORATE STATEMENT

CHAIRMAN'S 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 2014.

Our positive financial results are reflected in our performance by being in the black for 12 consecutive years.

“SEDC earned a total revenue of RM45.73 million exceeding the budgeted revenue of RM39.61 million for 2014. This was attributed to revenue from dividends, sales of properties, and income from rentals and interest, surpassing the budget for the year.

With the increase in revenue, prudent spending and close monitoring of expenditure, the Corporation achieved a Profit Before Tax (PBT) of RM22.63 million, RM11.01 million higher from the budgeted PBT of RM11.62 million.

Our Group posted total revenue of RM216.85 million and recorded a total PBT of RM56.48 million.”



Our Performance

On the whole, I am pleased to report that the Group continued to perform well in 2014. The three (3) key contributors to the Group's performance were the Mineral & Mining, Road & Works and Tourism & Leisure sectors.

2014 has been a very eventful year for SEDC as the Corporation kick-started two notable projects – the Golden Bridge across Sg. Sarawak and its new office headquarters, the SEDC Tower at the Isthmus – which are scheduled for completion in 2016.

Our Accomplishments

SEDC was entrusted by the State Government with the implementation of the Golden Bridge costing RM35.0 million. The Golden Bridge will be an iconic structure that will enhance the beauty of Kuching City and one that our people will be proud of.

The new SEDC Tower, also as iconic, will be given the Green Building Index (GBI), designed to conserve energy and promote environmental friendliness. It will be worth our investment of RM80.40 million as the Corporation continues to take on new challenges in its role as a catalyst for the economic development of Sarawak.

The Tourism and Leisure sector was boosted with the upgrading of the Damai Golf and Country Club (DGCC) with its greens, bunkers and fairway subsoil completed at a cost of RM2.52 million. Another RM7 million was allocated for the upgrading of Damai Beach Resort including the swimming pool and function hall, commencing in the middle of the year. The project was completed in 2014. Construction of the new 18-storey, 272-room hotel, an extension to the Riverside Majestic Hotel in Kuching is on schedule for completion in April 2016.

Reclamation works at the Kuching Waterfront added another 73 metres to the People's Place, bringing the total stretch to 1.31km.

Phase 3 and the final phase of the joint-venture development of mixed properties consisting of shop lots and residential houses at Palm Villa, Kota Samarahan took off in October 2013 and is scheduled for completion in 2015.

In the agriculture sector, SEDC saw the completion in the construction of its three units of birdhouses located at Jemoreng, Daro which is then rented out to local entrepreneurs for the bird's nest harvest operations. We also commenced a site development works on our new 1,000 hectares oil palm plantation at Asajaya. This development is targeted for completion in 2016.

Our Responsibility to Bumiputera Entrepreneur Development

SEDC's new approach in the development of its Bumiputera entrepreneurs paid off with 5,243 farmers and entrepreneurs benefiting from the various programmes and activities implemented throughout the year. Our people went out to identify the needy groups instead of waiting for them to approach us. We provided financial assistance consisting of loans and equipment valued at RM1.79 million through various programmes to 835 participants.

These programmes included Program Peningkatan Usahawan Bumiputera (PUTERA), Skim Pinjaman Industri Kecil dan Sederhana (SPIKS), Program Usahawan Desa Pelbagai, Commercial Broiler Programmes, Inkubator dan Bimbingan Usahawan (PIBU) and 1 AZAM-Niaga.

Affordable office space and business premises were made available to 1,596 entrepreneurs through the PIBU and business outlets at 26 locations spread throughout the State.

Training sessions focusing on cultivating self-reliance and the development of their competitive edge were given to 2,194 entrepreneurs through 27 courses.

And in our endeavor to create awareness of the spirit of entrepreneurship among the young generation we embarked on the Program Tunas Niaga (PROTUNe) which is specifically targeted at school students. To date 60 teachers and 173 students have gained knowledge and experience from the programme.

Marketing and promotional assistance is extended to all entrepreneurs registered with SEDC through the group's participation in national events. 385 entrepreneurs have had the opportunities to showcase their products throughout 2014.

Our Commitment to Corporate Governance

The Corporation embarked on yet another corporate governance initiative in 2013 with the implementation of Risk Management. With this in place, we hope to further strengthen and enhance our operations through a systematic evaluation of the risks in our business and mitigation to reduce our risk exposure.

Our integrity and governance journey is now captured and displayed in the SEDC Integrity and Governance Gallery in Menara SEDC, the first among government agencies in Sarawak. We had it set up this year so that everything we have done is put on record and it will serve as a one-stop reference for both our staff and visitors.

We believe that an effective integrity regime and corporate governance must be founded on conviction and, more importantly, practice. Everyone in the Corporation has a stake in the governance process. We do not compromise our standards in this aspect.

In recognition of its efforts and compliance to procedures, SEDC maintained its 4-Star rating the highest level under the Accountability Index for its Financial Management Practices by the National Audit Department for the fourth consecutive year.

Our Corporate Citizenship

Our CSR programmes included donations in cash and kind to the less fortunate and fire victims, annual contribution of business tithes (Zakat) of RM300,000 to Tabung Baitulmal, gifts to children of Kampung Sinar Baru and patients of Rajah Charles Brooke Memorial Hospital, children of Rumah Kanak-kanak Kuching and Sri Aman, residents of Home for the Aged, and blood donation and gotong royong projects.

Our Human Resource

I must commend everyone in SEDC for their solid teamwork and commitment and dedication towards upholding a high standard of corporate governance, integrity, professionalism and commitment on the way they carry out their duties and responsibilities.

Our emphasis and investment in the training and advancement of our people have motivated them to develop to their full potential and added value to the Corporation with new ideas and innovation.

The Corporation continued to provide the training ground for graduates and practical trainees through the SEDC Internship Programme. The exposure to the working environment of SEDC will enhance the employability of the interns, in one way or another. A total of 770 graduates and 1,466 practical trainees have been attached to the corporation since the year 2000.

Our Plans

Looking forward, we aim to grow new business and generate wealth for the Group in the years ahead.

Among the new projects, we are pleased to report that SEDC has been entrusted with the responsibility of implementing the first Urban Transformation Centre (UTC) in Sarawak. We thank the Ministry of Finance for its trust and confidence in SEDC in delivering the project according to specifications and within cost and schedule in 2014.

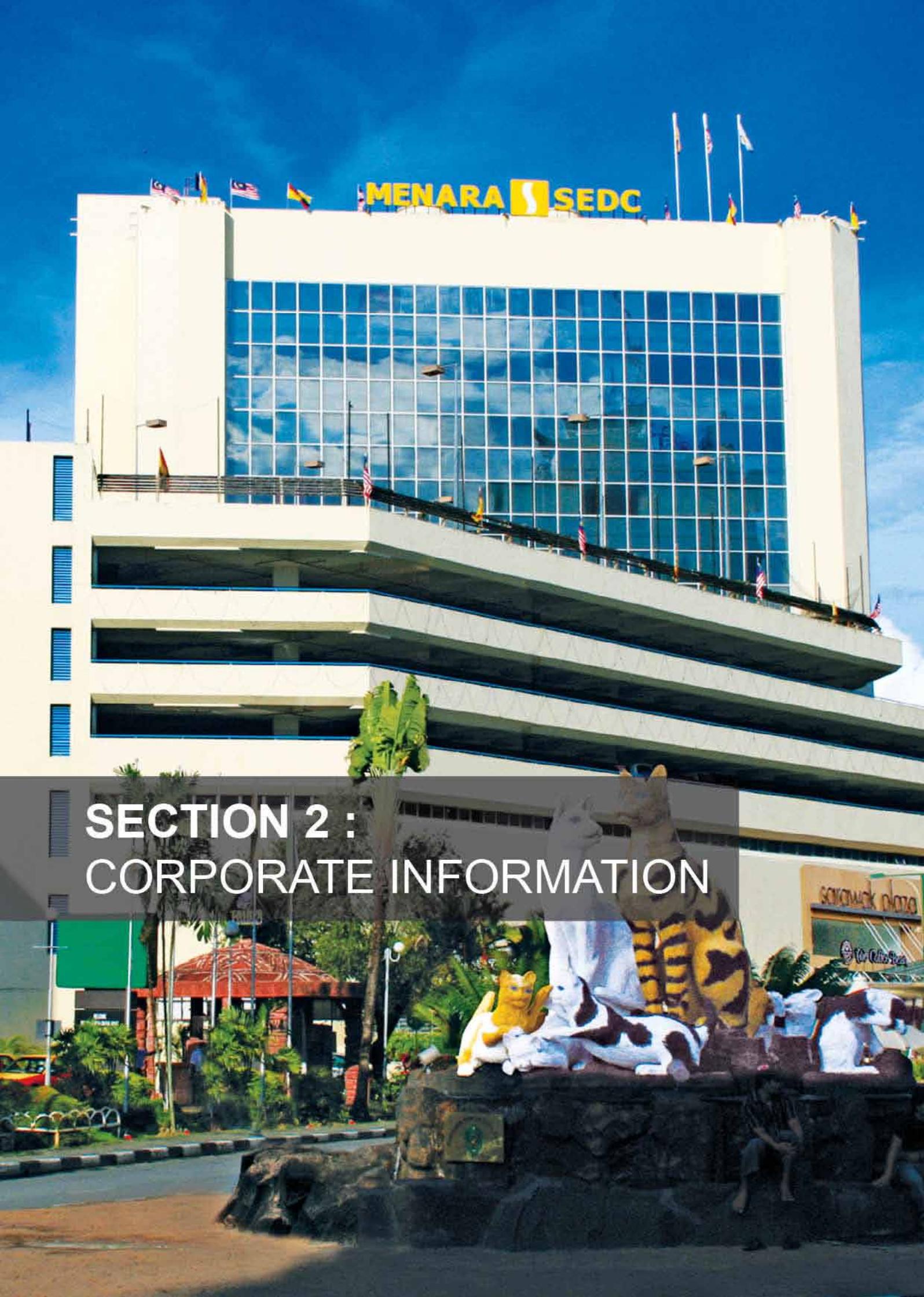
We have, on the drawing board, new projects to further tap the potential of the tourism industry in the Damai Peninsular while our agro-food sector is exploring the development of new plantations, swiftlet eco-parks and new halal abattoir.

Local Bumiputera entrepreneurs can be assured of new commercial units and opportunities to expand their business as SEDC embarks on the development of new business premises in Miri, Lundu and Sri Aman. All these are part of our continuing efforts to further develop Bumiputera entrepreneurs. We thank our stakeholders for their trust in SEDC and we need their continuous support for our plans and challenges in the years ahead.

“COMMITTED TO EXCELLENCE”



Yang Berhormat Datuk Haji Talib Zulpilip
CHAIRMAN

A photograph of the Menara SEDC building, a modern multi-story structure with a large glass facade. The building is white with blue accents. The name "MENARA SEDC" is displayed in yellow letters on the top edge. Several flags are flying from poles along the roofline. The building is set against a clear blue sky. In the foreground, there is a large, dark, rocky sculpture featuring several stylized figures, including a tiger and a cow. A paved road and some greenery are visible in the lower part of the image.

MENARA SEDC

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 it 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 Bumiputera 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.



Tourism and Leisure



Entrepreneur Development



Community Development



Agro-Food Based



Property Development



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

MOTTO

COMMITTED TO EXCELLENCE

Integrity

Teamwork

Quality

Professionalism

Innovation

Caring

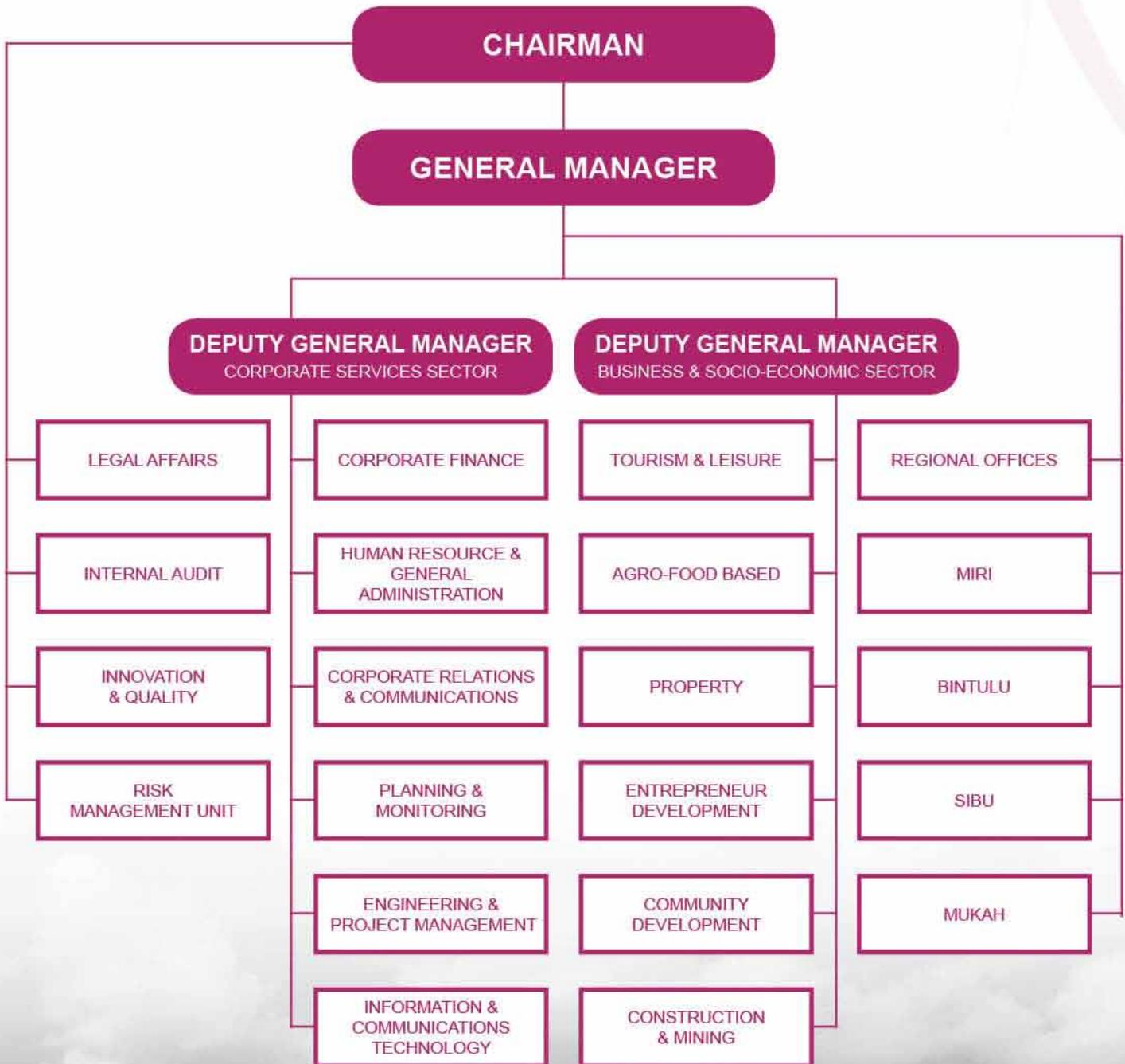
SHARED VALUES

WAR CRY

WIN : GET IT DONE - FAST AND RIGHT

**“42 Years of Serving
The Rakyat and The State”**

Organisation Structure



MEMBERS OF THE BOARD



**Yang Berhormat Datuk
Haji Talib Zulpilip**
Chairman



**Yang Berhormat Tan Sri Datuk
Amar Haji Mohamad Morshidi
bin Abdul Ghani**
Sarawak State Secretary



Datu Laura Lee Ngien Hion
State Financial Secretary
Representative



**Datu Hajah Jabidah
binti Monseri**
Federal Treasury
Representative



**Yang Berhormat Datuk
Dr. Stephen Rundi Utom**



**Tan Sri Datuk Amar
Wilson Baya Dandot**



Datuk Fong Joo Chung



**Datuk Haji Ismail
bin Haji Hashim**



**Datu Sudarsono
bin Osman**



**Datu Haji Abdul Rashid
bin Haji Aziz**



Encik Jasni bin Jubli

MANAGEMENT TEAM



**Yang Berhormat Datuk
Haji Talib Zulpilip**
Chairman



**Tuan Haji
Soedirman Haji Aini**
General Manager



**Puan Hajah
Rakayah Hamdan**
Acting Deputy General Manager
Director
Corporate Finance



Encik Edwin Abit
Acting Deputy General Manager
Director
Tourism & Leisure / Corporate
Relations & Communications



Encik Anas Haji Nasir
Acting Director
Agro-Food Based



**Puan Hajah
Siti Hajar Abang Mon**
Director
Property Development /
Engineering & Project Management



Encik Safiee Haji Ahmad
Director
Entrepreneur Development



**Encik John
W. Chamberlin Sirau**
Director
Legal Affairs / Risk 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



**Cik Siti Nurazlina
Dollah Ahmat Usop**
Director
Information & Communications
Technology

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

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

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

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



GROUP OF COMPANIES

AGRO-FOOD BASED

Subsidiaries

Sara Spectrum Holdings Sdn Bhd

- ❖ *Hakanda Sdn Bhd*
- *Kemudi Saling 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

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 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

❖ Subsidiary of holding company

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

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

PPES Ternak Holdings Sdn Bhd

- ❖ *PPES Ternak Sdn Bhd*
- ❖ *Rosewood Station Pty Ltd*
- ❖ *Sara-Bif 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

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

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

Good Harvest Plantation Sdn Bhd

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



LEGEND



- Subsidiaries



- Investment



- Associates

GROUP OF COMPANIES

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: trading.cmsb.com.my

CMS Resources Sdn Bhd

- ❖ CMS Quarries Sdn Bhd
- ❖ CMS Premix Sdn Bhd
- ❖ CMS Premix (Min) 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

ROAD & 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

ENTREPRENEUR DEVELOPMENT

Subsidiaries

Comerich Sdn Bhd

City Bridge Commercial Centre
Jalan Utama
93450 Kuching
Tel: 082-332160 / 082-332164
Fax: 082-334162
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

Revin 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

Subsidiary

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



LEGEND

- Subsidiaries
- Investment
- Associates

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

Associates**LF Asia 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

POP Media Sdn Bhd

Kilang B, Lot 775, Block 8, MTL D Demak
Laut Industrial Park
93900 Kuching
Tel: 082-432252

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

LEGEND

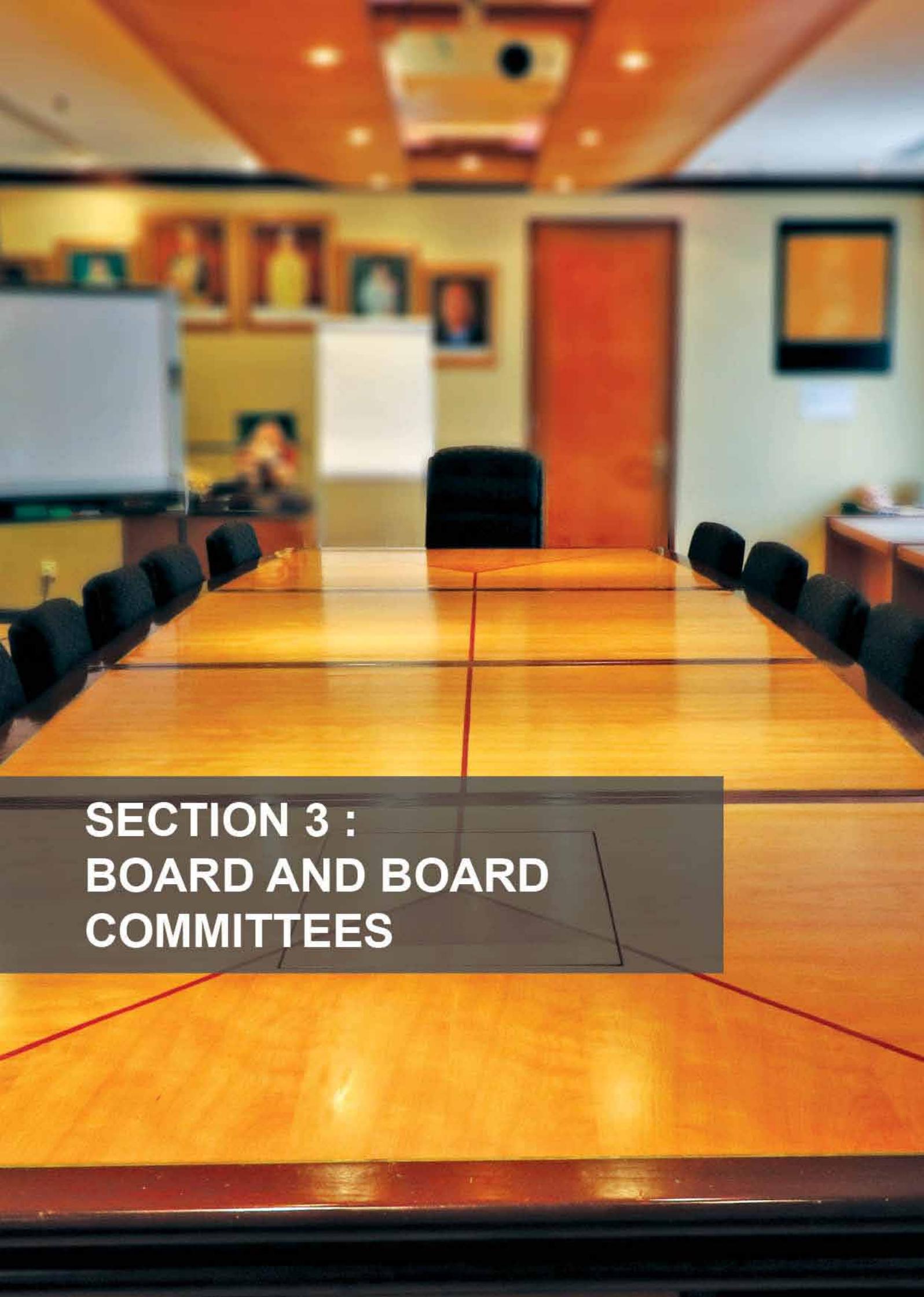
- Subsidiaries



- Investment



- Associates

A photograph of a conference room. In the foreground, a long, polished wooden conference table is visible, with several black chairs arranged around it. The room has a warm, orange-toned ceiling with recessed lights. In the background, there are whiteboards, framed pictures on the wall, and a person sitting at a desk. A semi-transparent grey box is overlaid on the bottom left of the image, containing the text.

**SECTION 3 :
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

Composition of the 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 Datuk Dr Stephen Rundi Utom YBhg Tan Sri 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

Meetings Held in 2014

In 2014, a total of four (4) meetings were held as follows : -

18 February 2014, 24 June 2014, 23 September 2014 and 9 December 2014

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

Members	No. of Meetings Attended
YB Datuk Haji Talib Zulpilip	4 out of 4
State Financial Secretary - Represented by YBhg Datu Laura Lee Ngien Hion	4 out of 4
Federal Treasury - Represented by YBhg Datu Hajah Jabidah Monseri	4 out of 4
YB Tan Sri Datuk Amar Haji Mohamad Morshidi bin Abdul Ghani	2 out of 4
YB Datuk Dr Stephen Rundi Utom	3 out of 4
YBhg Tan Sri 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	4 out of 4
YBhg Datu Haji Abdul Rashid bin Haji Aziz	4 out of 4
YBhg Datu Sudarsono bin Osman	0 out of 4
YBhg Encik Jasni bin Jubli	3 out of 4

BOARD COMMITTEES

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

Board Establishment Committee (BEC)

Chairman :	YBhg Tan Sri Datuk Amar Wilson Baya Dandot
Members :	YBhg Datu Haji Abdul Rashid bin Haji Aziz YBhg Dr. Razali Abon (Director, Human Resource Management Unit, Jabatan Ketua Menteri) YBhg Tuan Haji Soedirman bin Haji Aini



BEC Meeting in progress

Composition of the Board Establishment Committee

BEC 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 2014

Three meetings were held in 2014 and the record of attendance is as follows:-

Members	No. of Meetings Attended
YBhg Tan Sri Datuk Amar Wilson Baya Dandot	3 out of 3
YBhg Datu Haji Abdul Rashid Bin Haji Aziz	3 out of 3
YBhg Dr. Razali Abon (Director, Human Resource Management Unit, Jabatan Ketua Menteri)	2 out of 3
YBhg Tuan Haji Soedirman Bin Haji Aini	3 out of 3

BOARD AUDIT COMMITTEE (BAC)

Chairman :	YBhg Datuk Haji Ismail Haji Hashim
Members :	YB Datuk Dr Stephen Rundi Utom YBhg Datu Sudarsono Osman YBhg Datu William Lee Boon Tong Sate Financial Representative



Seated (L-R):

YBhg Datu William Lee Boon Tong, YBhg Datuk Haji Ismail bin Haji Hashim and YB Datuk Dr Stephen Rundi Utom

Standing (L-R):

YBhg Encik John Kennedy Janang, YBhg Datu Sudarsono and YBhg Tuan Haji Soedirman bin Haji Aini

Composition of the Board Audit Committee

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: -

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 Audit Committee meeting in progress

Meetings Held in 2014

Four BAC meetings were held during the financial year ended 31 December 2014. The record of the attendance to these meetings is as follows:-

Members	No. of Meetings Attended
YBhg Datuk Haji Ismail Haji Hashim	4 out of 4
YBhg Datuk Dr Stephen Rundi Utom	2 out of 4
YBhg Datu Sudarsono Osman	1 out of 4
YBhg Datu William Lee Boon Tong	4 out of 4
Sate Financial Secretary • (Represented by YBhg Encik Abdul Kadir Zainuddin) • (Represented by YBhg Encik John Kennedy Janang)	2 out of 4

Activities

Summary of activities of the BAC for the financial year ended 31 December 2014:

- ❖ Reviewed and approved the annual audit plan of the Internal Audit Division for 2015, 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 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
Secretariat :	Encik John W. Chamberlin Sirau



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

Term of Reference of Board Risk Committee

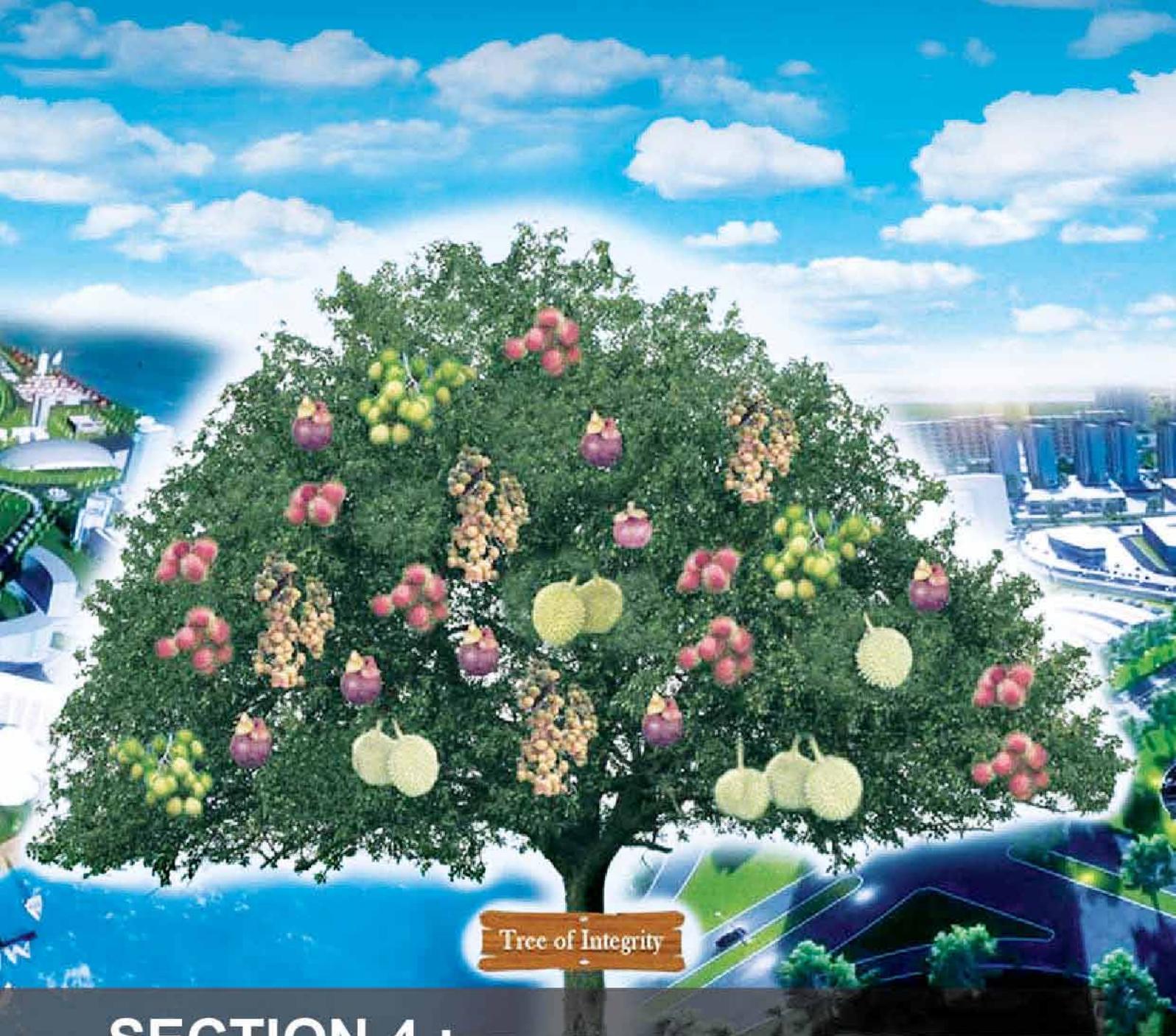
- ❖ Review the context within which risk is managed in relation to the Group's strategic direction and objectives
- ❖ Oversee and provide oversight and direction for the implementation of risk management in the Group and consistent application of risk principles
- ❖ Periodically review the Group's risk management framework and supporting structure, including:
 - satisfying itself that appropriate systems are in place to identify assess and manage the significant risks affecting the Group
 - ensuring that officers are clear as to their roles and responsibilities with regards to the risk management
- ❖ Ensure effective implementation of risk management activities of the Group
- ❖ Receive and review reports on significant risks affecting the Group and recommendations on how such risks are being managed
- ❖ Determine risk programmes and priorities
- ❖ Review group risk profile
- ❖ To recommend to the Board any matter or issue of significant import relating to risk management for the Board's decision or approval.

Meetings Held in 2014

In 2014, a total of three (3) BRIC meetings were held as follows:-
14th February 2014, 16th June 2014, and 12th November 2014

The record of attendance to the meetings is as follows:

Members	No. of Meetings Attended
YBhg Datuk Haji Ismail bin Haji Hashim	3 out of 3
YBhg Datu Hajah Jabidah Monseri	3 out of 3
YBhg Datu Laura Lee Ngien Hion	2 out of 3
YBhg Dr Loh Leong Hua	3 out of 3



SECTION 4 : CORPORATE GOVERNANCE AND CORPORATE ACTIVITIES HIGHLIGHTS

CORPORATE GOVERNANCE

Background

SEDC was the first government agency in Malaysia to draw up and launch its Charter for Good Corporate Governance. 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.

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 and Regulations

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

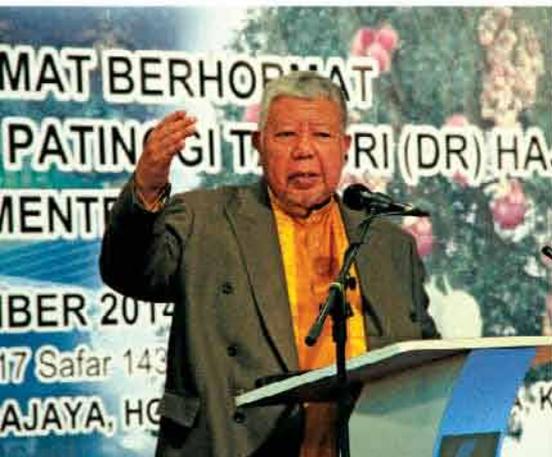
- ❖ The SEDC Ordinance (Swk. Cap. 35)
- ❖ Statutory Bodies (Conduct and Discipline) Ordinance, 2004
- ❖ Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995
- ❖ SEDC Financial Regulations and Accounting Procedure Regulations 1980 (Revised 2009)
- ❖ State and Federal Circulars

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.

SEDC Integrity Day 2014



Corporate Governance Activities in 2014

For the year 2014, 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 2014** was held on 12 February 2014 to disseminate and share information on the following:
 - Corporate achievement for 2013
 - Corporate targets for 2014
 - Corporate direction
- ❖ **Management Contract** signing was done by all Divisional Directors during the Presidential Address on 12 February 2014. The Contract serves as a Key Performance Indicator (KPI) mechanism to measure the performance of the Divisions
- ❖ **Integrity Day 2014** was held on 10 December 2014 and was graced by the Yang Amat Berhormat Chief Minister as the Guest of Honour.
- ❖ **Jawatankuasa Keutuhan Tadbir Urus (JKTU) Meetings** were conducted on 7 March and 2 September 2014
- ❖ **ISO Quality Management System Internal Quality Audit** were held on 20 February to 10 March 2014 and 10 July until 8 August 2014
- ❖ Representatives from **Jawatankuasa Keutuhan Tadbir Urus (SEDC) and relevant staff / officers** attended the following :

No	Course Details	Date
1	3rd Annual National Procurement & Integrity Forum For the Public and Private Sectors 2014	16 January 2014
2	Understanding the Personal Data Protection Act 2010	4 March 2014
3	Program Ceramah Integriti Perkhidmatan Awam Negeri Sarawak (CIPA) Siri 4/2014	22 June 2014
4	Program Ceramah Integriti Perkhidmatan Awam Negeri Sarawak (CIPA) Siri 5/2014	25 June 2014
5	Seminar Pencegahan Rasuah dan Pemerkasaan Integriti 2013	25 - 27 September 2014
6	Seminar Pelan Integriti Nasional: Pasca Pembentangan Laporan Tekad 2008-2013	16 October 2014
7	Seminar Integriti Anggota Penguatkuasa Perkhidmatan Awam Negeri Sarawak - Siri 3	20 - 21 October 2014
8	Personal Data Protection Act 2010	30 June - 1 July 2014



CORE BUSINESS HIGHLIGHTS**TOURISM & LEISURE**

- 2014 was a challenging year for SEDC's Tourism & Leisure group and Malaysia's tourism industry on the whole. The industry was affected by the global economic recession and 3 unfortunate air disasters, 2 involving the country's national carriers and 1 involving a Malaysian-owned budget air carrier.
- The group also faced strong competition with the emergence and existence of new/up-graded hotels and shopping complexes in Kuching including Citadines, Hotel 56, Boulevard Imperial Hotel, Plaza Merdeka, City One, and Summer Mall.
- Despite these challenges, the group still remained in the black with a Group Profit Before Tax (PBT) of RM9.110 million for the year 2014.
- Out of 15 operating companies under the group, 5 performed above budget and 14 were profit making for 2014.
- To ensure continued growth and enhancement of its properties, the group implemented a number of projects in 2014.
- There were (5) projects under implementation/completed in 2014 as follows:
 - (1) **New 18-storey Hotel Project at Jalan Tunku Abdul Rahman**

Located next to Riverside Majestic Hotel, construction works on the new 18-storey 4-star hotel commenced in June 2012 and is now expected to be completed in mid-2016. It will comprise of 272 guest rooms as well as 8 family suites. All rooms will come with free wireless internet connectivity and a Sky Bridge will link this tower to the existing Riverside to facilitate guest movement and sharing of facilities between the two towers.
 - (2) **Upgrading works at Damai Beach Resort**

The RM7.0 million upgrading works at Damai Beach Resort which commenced in June 2013 was completed in September 2014. The completed project components were a new banquet hall, swimming pool, covered walkway, new bin centre, road and car-parking bays, while works are still ongoing to upgrade the Cafe Satang and poolside changing room.
 - (3) **SCV Staff Quarters**

The remedial, restoration & upgrading works of staff quarters at a cost of RM297,077, commenced in August 2014 and was completed in December 2014. The new staff quarters are currently occupied by SCV's staff and students for the Apprentice SLDN programme.
 - (4) **Urban Transformation Centre (UTC)**

The renovation works on Urban Transformation Centre (UTC) Sarawak at Taman Kereta costing RM48.5 million commenced in June 2014 and completed in September 2014. Funded by the Federal Government, the centre is part of the government's transformation drive under the national Blue Ocean Strategy, aiming at providing the urban community with services offered by key government, private sector and non-governmental establishment, under one roof.
 - (5) **Golden Bridge Across Sg. Sarawak**

The proposed Golden Bridge as a Pedestrian bridge that will link Kuching Waterfront and the new Dewan Undangan Negeri Complex. Costing RM35.0 million, the 350 metres long bridge is expected to be a major tourist attraction and icon for the city.

Golden Bridge Across Sg. Sarawak, Kuching



New Hotel At Jalan Tunku Abdul Rahman, Kuching



Renovation and Upgrading Works for Damai Beach Resort



AGRO-FOOD BASED

SEDC's Agro-Food sector went through a difficult period 2014 especially in its aquaculture and oil palm businesses. Due to a disease that almost wiped out the aquaculture industry in the State and the oil palm price sinking to its lowest level in almost five years, our related companies were inevitably affected by these negative developments.

Despite these challenges, the overall performance of the companies under the group managed to achieve positive results with a Group Profit Before Tax (PBT) of RM9.67 million at the group level. At SEDC level, the actual Profit Before Tax(PBT) is RM6.59 million.

In the area of new business development, the group implemented a total of three projects out of which one development was completed in the year, namely, a joint venture on swiftlet eco-park development with Doland (M) Sdn Bhd. The other two projects are the development of an Oil Pam Estate at Asajaya that commenced site development in July/August 2014 and the development of a new Halal Abattoir at Siburan that saw the finalisation of the project's conceptual plan.

A study was carried out on the proposed development of a Gaharu Plantation and the project is geared for implementation in 2015.

Other highlights of the group's performance in 2014 include improved performance of Rosewood Station Pty Ltd, which registered an increase in livestock totaling 34,643 heads, higher calving (natural increase) of 9,327 heads and increased sales of 9,355 heads PPES Ternak Sdn Bhd registered live cattle sales totaling 863 heads while PPES Aqua (Santubong) Sdn Bhd managed to operate at minimum capacity despite the serious disease outbreak.

In Asajaya, Good Harvest Plantation Sdn Bhd increased its production of coconuts by 320% with its 82,491 nuts harvested in 2014, while SOP Karabungan Sdn Bhd generated a profit of RM5.273 million as its plantation stock has matured with an average production of 39,321 tonnes/year.

Rosewood Station Pty. Ltd, Australia



Rosewood Cattle Station, Northern Territory, Australia



Strathmere-Beardie Aggregation Farm, Queensland, Australia

PPES Ternak Karabungan Farm, Miri



Cattle Breeding Program



Breeder Cattle Grazing In Open Field



Cattle Fattening / Feedlotting

Swiftlet Eco-park Project Daro, Mukah



Completed Birdhouse



Birdhouses Under Construction



Coconut Plantation, Asajaya



Termite Spraying



Mature Palms



Mature Nuts

Oil Palm Plantation, Asajaya



Palm Seedlings Nursery



Access Road Topping



Perimeter Drain



Main Road Track



Oil Palm Plantation, Snibong, Lundu



Fruit-Bearing Palm



ENTREPRENEUR DEVELOPMENT (EDD)

The establishment of Entrepreneur Development Division (EDD) in SEDC is aimed at realising the objectives of Bumiputera Commercial and Industrial Community (BCIC) in developing more reliable and resilient Bumiputera entrepreneurs in commerce and industry.

Our key objectives of EDD are:

- To develop successful, competitive and genuine Micro, Small and Medium entrepreneurs
- In line with the objective of capacity and capability building, to encourage entrepreneurs to attend basic, intermediate and advanced courses and to train continuously in their respective fields
- To provide customer friendly and an efficient services delivery system for all our programmes and support services
- To instil the culture of financial discipline for loan and rental payment among Bumiputera entrepreneurs.

The entrepreneur development programmes are broadly categorised into four major areas, namely financial aids schemes for the Micro and SME entrepreneurs, providing affordable business premises and office space, entrepreneurial training to enhance their capacity and assisting in the marketing and promotional activities.

Program Pembangunan Rakyat Khas (PPRK), Program Pembangunan Desa (Pelbagai), Commercial Broiler Farming, Program Peningkatan Usahawan Bumiputera (PUTERA) are for micro entrepreneurs, whereas Skim Pinjaman Industri Kecil & Sederhana (SPIKS) is targeted at SME entrepreneurs. In 2014, a total of 502 entrepreneurs were given financial assistance under these programmes.

Meanwhile EDD continued to develop and acquire various business infrastructures and facilities such as Business Premises, Ready Built Factories, Pusat Inkubator dan Bimbingan Usahawan (PIBU), lots in shopping malls and Rest Centres throughout the State to assist and enable Bumiputera entrepreneurs to conduct their businesses.

As at December 2014, 137 participants were registered as full time members while another 1,013 participants registered as part time members under PIBU. Our Business Premises registered 94% occupancy rate, involving a total of 446 lots at 26 locations throughout the State.

Through capacity building programmes, EDD aims to provide awareness, training, knowledge and guidance to entrepreneurs in order to enhance their management skills.

As at end of 2014, 41 courses were conducted which benefited 2,194 participants. 27 courses were organised by EDD while 14 courses were jointly held in collaboration with other agencies. Business awareness talks to selected schools were also provided through Program Tunas Niaga (PROTUNE) which involved 60 teachers and 173 students throughout the state.

Marketing and promotional activities were also held to promote our products and services through various carnivals and expos. EDD also collaborated with other government agencies and participated in national-level events to promote local products.

For the year 2014, EDD had successfully organised and participated in 30 events, benefiting a total of 385 entrepreneurs. These events were either organised directly by SEDC or jointly organised in collaboration with other government or private agencies.