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S.E.D.C.  
sarawak

# 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 2016. Overall, the Corporation has performed well despite the challenges and economic downturn affecting not only Malaysia but the world in general.

### Financial Performance

At Corporation level, SEDC recorded a total revenue of RM41.70 million, exceeding the budgeted revenue of RM39.5 million for 2016, which is an increase of 5.5% above our budget. This was mainly attributed to revenue from dividends, sale of properties, as well as income from rentals and interests.

However, the Corporation recorded a Loss Before Tax (LBT) of RM35.8 million in 2016, due to the effect of changes in accounting policy as a result of the adoption of the Malaysian Private Entities Reporting Standard (MPERS) which came into effect on 1st January 2016.

Meanwhile, on the operational perspective of the Corporation's performance, SEDC achieved an Operating Profit Before Tax (PBT) of RM17.21 million which surpassed the budgeted Operating Profit Before Tax of RM10.6 million, or 62.2% above our budget.

At Group level, SEDC posted a total revenue of RM229.1 million and recorded a PBT of RM24.0 million. The financial position of the Corporation remained strong with Total Assets and Reserves amounting to RM1,306.5 million and RM763.6 million respectively as at 31st December 2016.

Group Total Assets and Group Reserves amounted to RM1,930.6 million and RM1,213.8 million respectively as at 31st December 2016.

### Project Highlights

2016 was a busy year for SEDC as the Corporation was involved in the three notable projects namely, the Golden Bridge across Sungai Sarawak, SEDC's new headquarters building at the Isthmus and a new 18-Storey Riverside Majestic Hotel New Wing project at Jalan Tunku Abdul Rahman, Kuching.

SEDC was entrusted by the state government with the implementation of the pedestrian bridge costing RM35.0 million. The Golden Bridge will be an iconic structure that would enhance the beauty of Kuching City and one that our people can be proud of. The bridge is expected to be opened to the public by the end of 2017.

Works on the new Menara SEDC was also on-going with target completion by December 2017. We looked forward to relocating to the new SEDC Headquarters building which is Green Building Index (GBI)-compliant that would enhance SEDC's corporate profile.



To enhance its role as one of the major players in the State's tourism industry, the new hotel wing adjacent to the existing Riverside Majestic Hotel is expected to open its doors to guests by end of 2017. The 272-room hotel would complement the existing city hotels under SEDC and among its attractions are a sky lounge and restaurant at the top floor, sky bridge to connect to the present hotel and function rooms that have unique views of the city and the Sarawak river.

Another unique project developed by SEDC and funded by the Ministry of Finance is the B744 project, the first National Blue Ocean Strategy's (NBOS) Blue Ocean Entrepreneur Town (BOET) in Kuching. Its primary components are Crafts, Performing Art, Music, Visual Art (including Photography), Fashion, Film and Entrepreneurship and has been completed in February 2017.

### **Socio-economic Programmes and Schemes**

In line with our corporate objectives, SEDC continued to pursue its programmes to strengthen entrepreneur development. Among them, we continued to provide affordable business premises to local entrepreneurs with the development of new business premises in Sri Aman and Miri. The new business premises in Sri Aman has been completed by March 2017 while the new Miri Business Premises is set to complete by March 2018. In total, affordable office space and business premises were made available to 2,853 entrepreneurs through the PIBU and business outlets at 42 locations spread across the state.

SEDC's new approach in the development of local entrepreneurs continued to pay off with 8,884 farmers and entrepreneurs benefiting from the various programmes and activities implemented throughout the year.

Other SEDC entrepreneur development programmes include Program Peningkatan Usahawan Bumiputera (PUTERA), Skim Pinjaman Industri Kecil dan Sederhana (SPIKS), Skim Niaga Jaya, Skim Niaga Perdana, Skim Niaga Fest, Commercial Broiler Programmes, Pusat Inkubator dan Bimbingan Usahawan (PIBU), 1Azam-Niaga, Financial Aid Scheme, training and marketing.

Under our Financial Aid Scheme, we provided financial assistance consisting of loans and equipment valued at RM5.28 million through various programmes to 1,012 participants.

Training and capacity-building sessions focusing on cultivating self-reliance and the development of their competitive edge were given to 2,809 entrepreneurs through 65 courses.

In our endeavour to develop the spirit of entrepreneurship among younger generations, we initiated the Program Tunas Niaga (PROTUNE) which is specifically designed for school students.

Marketing and promotion assistance was extended to all entrepreneurs registered with SEDC through participation in both local and national events. A total of 2,070 entrepreneurs were given the opportunities to exhibit and sell their products under this marketing programme.

In line with the State's objective to utilise ICT, SEDC also initiated its plan to assist entrepreneurs in online sales and marketing of their products through e-commerce programme.

**SeDidik Pre-School Education Programme**

Through SeDidik, SEDC provides early childhood education and care. SeDidik was established in 1990 with the objective of providing quality early childhood education and care particularly to the lower income group and the rural communities.

Today, 79 SeDidik centres have been established throughout the state with a total enrolment of 1,784 children, mostly in the rural areas. What makes SeDidik unique is its approach to wholesome early childhood development particularly in these three programmes:-

- Kindergym – Providing organised physical activities to develop listening, coordination, balance and strength in children
- Kindergardening – Exposing children early on to basic knowledge about vegetables and herbs and their life cycle and basic gardening equipment and techniques
- Music Class – Children learn how to play music and appreciate the joys of experiencing music

**Corporate Citizenship – Reaching Out To the Community**

As part of its corporate citizenship culture, SEDC continued to undertake various programmes and initiatives to help the needy and underprivileged. These programmes and initiatives were carried out as part of SEDC's Corporate Social Responsibility (CSR) programmes with the aim of reaching out and giving back to the community.

Our CSR programmes included donations in cash and kind to the underprivileged, annual contribution of business tithes (Zakat) amounting to RM300,000.00 to Tabung Baitumal, gifts to the children of PERYATIM Orphanage Home and children of Rumah Kanak – Kanak Toh Puan Hajah Norkiah Kuching and Rumah Kanak – Kanak Datuk Ajibah Abol Sri Aman, special "Love-In-A-Box" programme for children of Kampung Sinar Baru Kuching, special treat for residents of Home for the Aged, and blood donations and gotong – royong projects.

**Enhancing Service Delivery**

As a state agency that provided a wide range of products and services for its stakeholders and customers, SEDC continued to pursue initiatives to enhance its service delivery. Among these initiatives included Corporate Risk Management Programme to identify and mitigate risks, Corporate Balanced Scorecard (BSC) for strategic planning and performance measurement, ISO 9001 Quality Management System and 5S Quality Management System among others.

Through its own ICT Division, the Corporation has also established or improved a number of programmes leveraging on ICT. Among these are Asset Management system through the IFCA's Property and Asset Management Information System (PAMIS), Financial Management through the IFCA Finance, and Human Resource Management system known as KaizenHR. In line with the State's objective to maximise ICT, SEDC will continue to improve its service delivery systems by leveraging on IT and digital systems.



### **Empowering Our People, Good Governance and Corporate Culture**

The Corporation's performance is largely the result of the great teamwork, commitment and enthusiasm of staff in delivering quality service as well as prudent management of its leadership in focusing on results and growth.

SEDC continued to provide opportunities to its staff to develop their potential. Its emphasis and investment in human capital development and good governance have motivated them to develop themselves and added value to the Corporation with new ideas and innovation.

The Corporation also continued to provide training opportunities for graduates and practical trainees through the SEDC Internship Programme, with a total of 809 graduates while a total of 964 practical trainees have been attached to the Corporation since 2000.

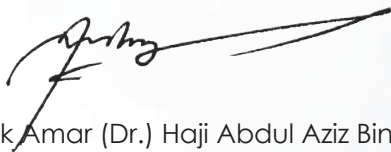
In recognition of its initiatives and performance based on good corporate governance, SEDC maintained its 4-Star rating, the highest level, under the Accountability Index for its Financial Management Practices by the National Audit Department for the five years consecutively from 2009 - 2013. Subsequently SEDC was given exemption from this award from 2014 – 2016 (3 years).

### **Moving Forward**

Moving forward, SEDC is confident in meeting the challenges ahead by growing new businesses and generating wealth for the Group in the coming years. The Corporation would continue to cement its role as a dynamic and vibrant agency, entrusted with bringing about economic and social transformation to the State through strategic and pioneering projects.

On the drawing board, the Corporation is studying potential areas for new developments in the tourism industry in the Damai Peninsular and Lundu-Sematan area, whilst our agro-food sector is exploring the development of new plantations, swiftlet eco-parks and new halal abattoir. Beyond this, SEDC is expected to be entrusted with the development of new mega projects that will strategically transform the State's economic landscape in the coming years. Among them, the State's first Light-rail Transit System (LRT) project and methanol plant in Bintulu.

We would like to express our sincere thanks and appreciation to the former chairman, Board Members, our stakeholders, departments and agencies, our customers, the community, our vendors, clients, our JV partners and associate companies for their trust in SEDC and we look forward to your continuous support in the years ahead.

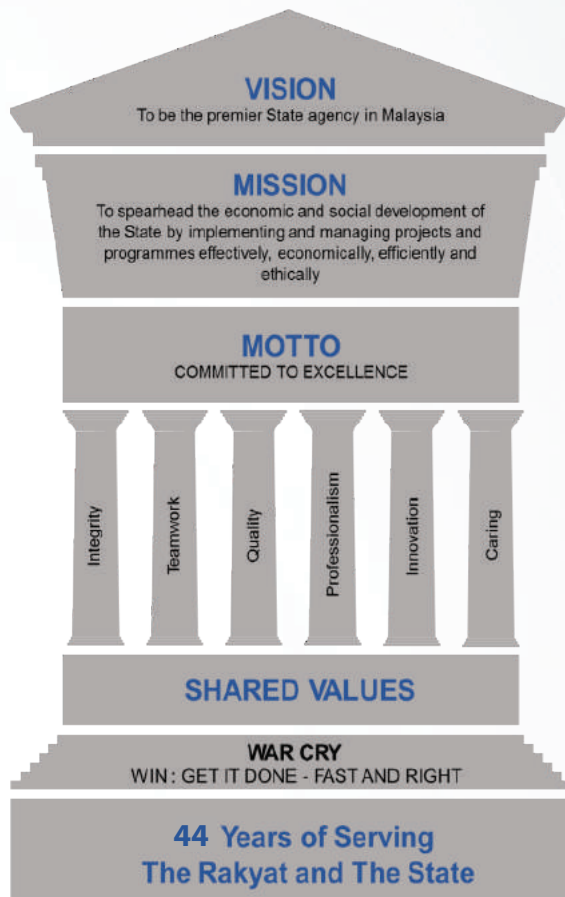


YBhg. Tan Sri Datuk Amar (Dr.) Haji Abdul Aziz Bin Dato Haji Husain  
Chairman



# **SECTION 2**

CORPORATE INFORMATION



Pillar of SEDC

## 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).

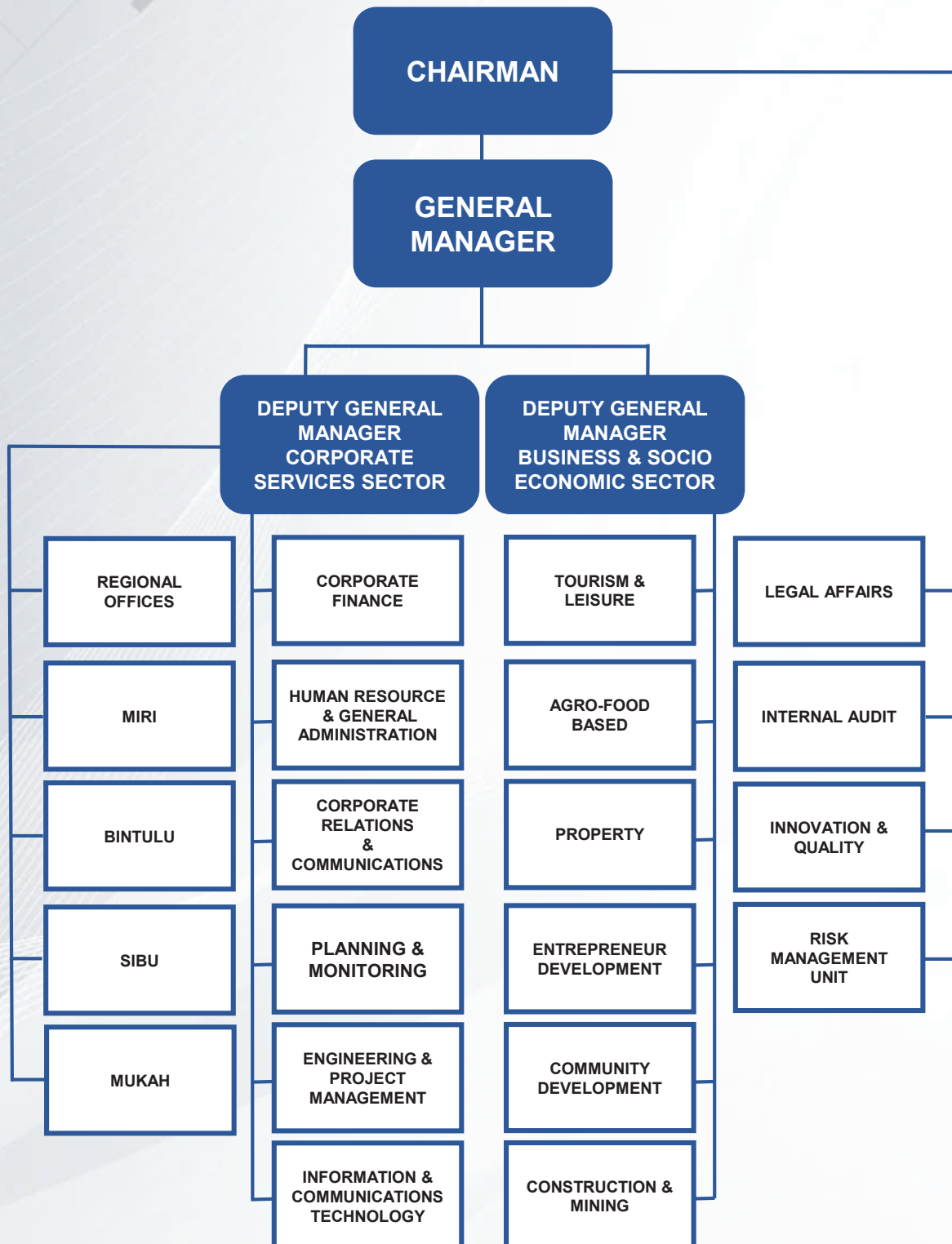
As a catalyst, SEDC is committed to promoting economic development in the State with emphasis on pioneering in strategic industries and undertaking new investments, managing existing commercial operations on its own or through joint ventures.

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 State's development agenda towards a developed State by implementing its projects effectively, efficiently, economically and ethically.



## ORGANISATIONAL STRUCTURE



## MEMBERS OF THE BOARD



YBhg. Tan Sri Datuk Amar (Dr.)  
Haji Abdul Aziz bin Dato Haji Husain  
***Chairman***



YB Tan Sri Datuk Amar  
Haji Mohamad Morshidi bin Abdul Ghani  
***State Secretary***



YBhg. Datu  
Haji Ismawi bin Haji Ismuni



YBhg. Datu Laura Lee Ngien Hion  
***State Financial Secretary (Sarawak)  
Representative***



YBhg. Tan Sri Datuk Amar  
Wilson Baya Dandot



Yang Arif Datuk  
Talat Mahmood bin Abdul Rashid

Encik Mohd Saiful Sungkih bin Abdullah  
*Federal Treasury Representative*



YBhg. Dato Sharkawi Alis

Dr. Haji Wan Lizozman bin Wan Omar



Dr. Philip Raja

Puan Rashidah Maideen  
*Secretary to the Board*





## MANAGEMENT TEAM



Haji Soedirman Haji Aini  
***General Manager***

Hajah Rakayah Hamdan  
***Deputy General Manager Corporate Services Sector***  
***Director Corporate Finance***



Edwin Abit  
***Deputy General Manager Commercial Sector***  
***Director Tourism & Hospitality /***  
***Corp Relations & Communications***

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



Marilyn N. Biyor  
***Director Human Resource &***  
***Administration***



James Dago  
*Director Planning & Monitoring /  
Innovation & Quality*



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



Sulzari Mohamed  
*Director Entrepreneur &  
Community Development*



Yap Yien Chiang  
*Director Internal Audit*



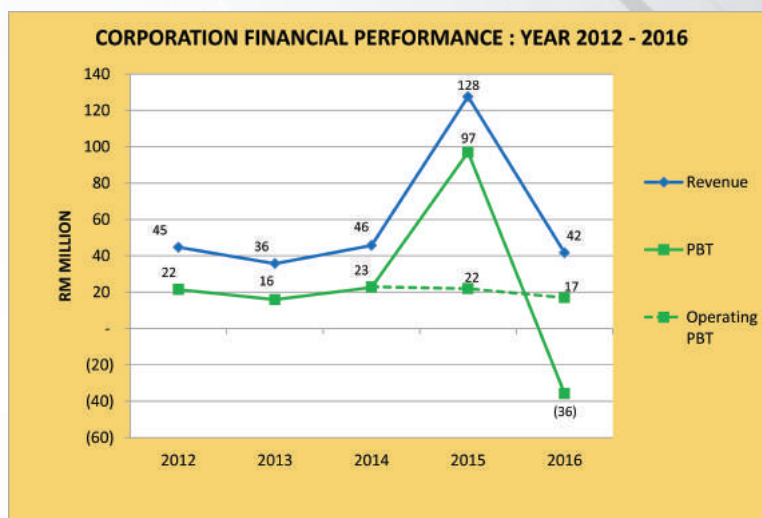
Sia Ting Lung  
*Deputy Director Agro – Food Based*



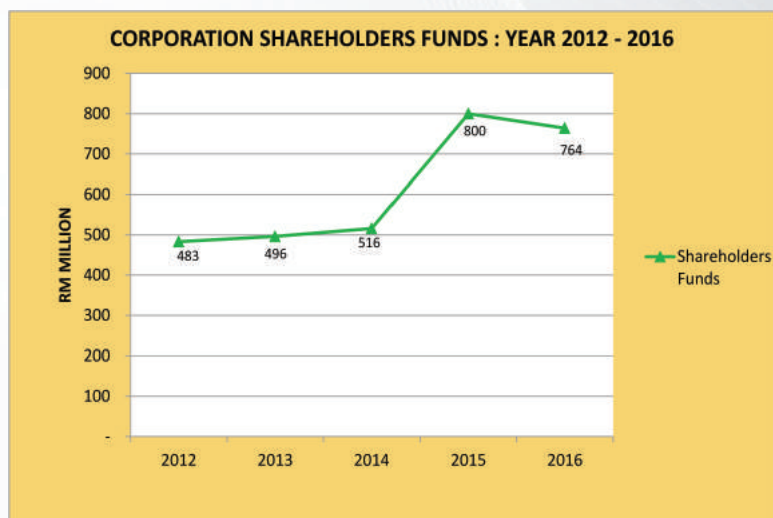
Rashidah Maideen  
*Acting Director  
Legal Affairs / Risk Management Unit*

## FINANCIAL PERFORMANCE

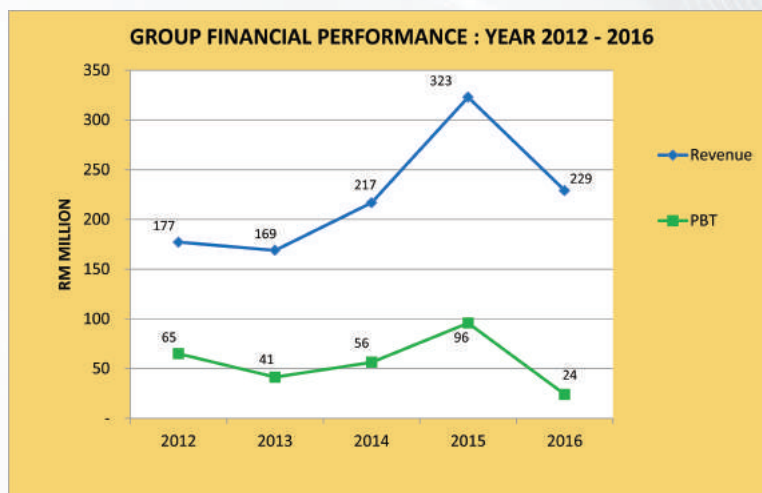
### Financial Performance



### Shareholder's Fund



### Group Revenue & Profit Before Tax (PBT)





## 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](http://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](http://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](http://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](http://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](http://www.sedctourism.com)

#### SUBSIDIARIES

Kuching Hotels Sdn Bhd  
9th Floor, Menara SEDC  
Jalan Tunku Abdul Rahman 93100  
Kuching  
Tel : 082 – 416777  
Fax : 082 – 422453  
Website : [www.sedctourism.com](http://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](http://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](http://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](http://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](http://www.sedctourism.com)

#### SUBSIDIARIES

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](http://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](http://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](http://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](http://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](http://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.sedctourism.com](http://www.sedctourism.com)

## GROUP OF COMPANIES

### AGRO-FOOD BASED



#### SUBSIDIARIES

Sarapine Sdn Bhd  
6 - 11<sup>th</sup> Floor, Menara SEDC  
Jalan Tunku Abdul Rahman 93100 Kuching  
Tel : 082 - 416777  
Fax : 082 - 424330  
Website : [www.sedc.com.my](http://www.sedc.com.my)

PPES Ternak Holdings Sdn Bhd  
(PPES Ternak Sdn Bhd)  
(Rosewood Station PTY LTD)  
Lot 1260, Jalan Mersawa  
Bintawa Industrial Estate  
93450 Kuching  
Tel : 082 - 482015 / 085 - 739317  
Fax : 082 - 481350 / 424330  
Website : [www.sedc.com.my](http://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

Good Harvest Plantation Sdn Bhd  
No. 85 - 90, Pusat Pedada  
Jalan Pedada  
96000 Sibu  
Tel : 084 - 310190  
Fax : 084 - 330893



#### SUBSIDIARIES

Sara Spectrum Holdings Sdn Bhd  
• Hakanda Sdn Bhd  
(Kemudi Saling Sdn Bhd)  
• Sarawak Coconut Enterprise Sdn Bhd  
• Carbon Supplies Sarawak Sdn Bhd  
6 - 11<sup>th</sup> Floor, Menara SEDC  
Jalan Tunku Abdul Rahman 93100 Kuching  
Tel : 082 - 416777  
Fax : 082 - 424330  
Website : [www.sedc.com.my](http://www.sedc.com.my)

Sara - HL Plantation Sdn Bhd  
6 - 11<sup>th</sup> Floor, Menara SEDC  
Jalan Tunku Abdul Rahman 93100 Kuching  
Tel : 082 - 416777  
Fax : 082 - 424330  
Website : [www.sedc.com.my](http://www.sedc.com.my)

Sara Concrete Poles Sdn Bhd  
6 - 11<sup>th</sup> Floor, Menara SEDC  
Jalan Tunku Abdul Rahman 93100 Kuching  
Tel : 082 - 416777  
Fax : 082 - 424330  
Website : [www.sedc.com.my](http://www.sedc.com.my)

PPES Aqua (Santubong) Sdn Bhd  
6 - 11<sup>th</sup> Floor, Menara SEDC  
Jalan Tunku Abdul Rahman 93100 Kuching  
Tel : 082 - 416777  
Fax : 082 - 424330  
Website : [www.sedc.com.my](http://www.sedc.com.my)

Eastern Empress Silk Sdn Bhd  
6 - 11<sup>th</sup> Floor, Menara SEDC  
Jalan Tunku Abdul Rahman 93100 Kuching  
Tel : 082 - 416777  
Fax : 082 - 424330  
Website : [www.sedc.com.my](http://www.sedc.com.my)





## GROUP OF COMPANIES

### OTHERS

#### MINERAL & MINING

##### ASSOCIATES

CMS Infra Trading Sdn Bhd  
No. 2128, Sublot 2  
Jalan Utama, Pending  
93450 Kuching  
Tel : 082 – 348950 / 348951  
Fax : 082 – 348952  
Website : [trading.cmsb.com.my](http://trading.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  
7<sup>th</sup> Mile, Kuching – Serian Road  
93250 Kuching  
Tel : 082 – 615605 / 610226  
Fax : 082 – 611986 / 615598  
Website : [www.cmsb.com.my](http://www.cmsb.com.my)



#### ENTREPRENEUR DEVELOPMENT

##### SUBSIDIARY

Comerich Sdn Bhd  
City Bridge Commercial Centre  
Jalan Utama  
93450 Kuching  
Tel : 082 – 482015 / 085 – 739317  
Fax : 082 – 481350 / 424330  
Website : [www.sedc.com.my](http://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](http://www.sedidik.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](http://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](http://www.cmsproperty.com.my)

PPES Works (Sarawak) Sdn Bhd  
1<sup>st</sup> – 4<sup>th</sup> Floor, Lot 691 – 623  
Section 62, KTLD  
Jalan Padungan  
93100 Kuching  
Tel : 082 – 340588  
Fax : 082 – 340695  
Website : [www.cmsb.com.my](http://www.cmsb.com.my)





## GROUP OF COMPANIES

### OTHER

#### INVESTMENT

Sarawak Consolidated Industries Bhd  
Lot 1258, Jalan Utama  
Pending Industrial Estate  
93450 Kuching  
Tel : 082 – 334485  
Fax : 082 – 334484 / 345597  
Website : [www.scib.com.my](http://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](http://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](http://www.assar.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

Syarikat Sebangun Sdn Bhd  
Off 21KM, Tanjung Kidurong Road  
P.O.Box 168, 97007 Bintulu  
Tel : 086 – 253549 / 253569  
Fax : 082 – 253919

GOS Management Holdings Sdn Bhd  
18<sup>th</sup> Floor, Wisma Bapa Malaysia  
Petra Jaya  
93502 Kuching  
Tel : 082 – 311990 / 492336  
Fax : 082 – 442235 / 448308  
Website : [www.sedc.com.my](http://www.sedc.com.my)

Fieldmart Care Sdn Bhd  
Kilang B, Lot 775, Lorong  
Demak Maju 8  
Demak Laut Industrial Park  
93900 Kuching  
Tel : 082 – 432252  
Fax : 082 – 433352

#### SUBSIDIARIES

Permaisara Sdn Bhd  
6 – 11<sup>th</sup> Floors, Menara SE  
Jalan Tunku Abdul Rahm  
93100 Kuching  
Tel : 082 – 416777  
Fax : 082 – 424330  
Website : [www.sedc.com](http://www.sedc.com)

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# **SECTION 3**

BOARD &  
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; and
- Not less than three, but not more than eight other members.

### SEDC Board Members 2016

<b>Chairman</b>	<ul style="list-style-type: none"> <li>• YB Datuk Haji Talib Zulpilip (retired on 31st August 2016)</li> <li>• YB Tan Sri Datuk Amar Haji Mohamad Morshidi bin Abdul Ghani (1st September - 1st March 2017)</li> </ul>
<b>Official Members</b>	<ul style="list-style-type: none"> <li>• <b>State Financial Secretary Representative</b> (YBhg. Datu Laura Lee Ngien Hion)</li> <li>• <b>Federal Treasury Representative</b> (Encik Mohd Saiful Sungkih bin Abdullah)</li> </ul>
<b>Other members</b>	<ul style="list-style-type: none"> <li>• YB Tan Sri Datuk Amar Haji Mohamad Morshidi bin Abdul Ghani</li> <li>• YB Datuk Dr. Stephen Rundi Utom</li> <li>• YBhg. Tan Sri Datuk Amar Wilson Baya Dandot</li> <li>• YBhg. Datuk Fong Joo Chung</li> <li>• YBhg. Datuk Haji Ismail bin Haji Hashim</li> <li>• YBhg. Datu Haji Abdul Rashid bin Haji Aziz</li> <li>• YBhg. Datu Sudarsono bin Osman</li> <li>• YBhg. Encik Jasni bin Jubli</li> </ul>

### Meetings Held in 2016

In 2016, a total of four (4) SEDC Board meetings were held as follows:

- 169th Meeting – 24th March 2016
- 170th Meeting – 24th June 2016
- 171st Meeting – 29th August 2016
- 172nd Meeting – 15th December 2016



The record of attendance to the meetings is as follows

Members	No. Meetings Attended
YB Datuk Haji Talib Zulpilip (ceased as Chairman on August, 2106)	3 out of 4
YB Tan Sri Datuk Amar Haji Mohamad Morshidi bin Abdul Ghani (appointed as Chairman on 1st September 2016)	3 out of 4
<b>State Financial Secretary</b> Represented by YBhg. Datu Laura Lee Ngien Hion / Encik Abdul Kadir Zainuddin	4 out of 4
<b>Federal Treasury Representative</b>	4 out of 4
YBhg. Datu Hajah Jabidah binti Monseri / Encik Saiful Sungkih B. Abdullah	4 out of 4
YB Datuk Sri Dr. Stephen Rundi Utom	3 out of 4
YBhg.Tan Sri Datuk Amar Wilson Baya Dandot	2 out of 4
YBhg.Datuk Fong Joo Chung	4 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	3 out of 4
YBhg. Encik Jasni bin Jubli ( retired on the 2nd February 2016)	-

## BOARD ESTABLISHMENT COMMITTEE

The Corporation has established a number of committees to enhance and adopt good corporate practices in the Corporation. These Committees include:

<b>Chairman</b>	•YBhg. Tan Sri Datuk Amar Wilson Baya Dandot
<b>Members</b>	<ul style="list-style-type: none"> <li>•YBhg. Datu Haji Abdul Rashid bin Haji Aziz</li> <li>•Director of State Human Resource Unit, Chief Minister's Office</li> <li>•YBhg. Tuan Haji Soedirman bin Haji Aini, General Manager SEDC</li> </ul>
<b>Secretary</b>	•Director of Human Resource and General Administration Division SEDC

### 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; and
- Guidelines on staff welfare.

### Meetings Held in 2016

Three meetings were held in 2016 and the record of attendance is as follows:

<b>Members</b>	<b>No. of Meetings Attended</b>
YBhg. Tan Sri Datuk Amar Wilson Baya Dandot	3 out of 3
YBhg. Datu Haji Abdul Rashid bin Haji Aziz	3 out of 3
Director of State Human Resource Unit, Chief Minister's Office / Representative	3 out of 3
YBhg. Tuan Haji Soedirman bin Haji Aini, General Manager SEDC	3 out of 3

## BOARD AUDIT COMMITTEE

<b>Chairman</b>	•YBhg. Datuk Haji Ismail Haji Hashim
<b>Members</b>	•YB Dato Sri Dr. Stephen Rundi Utom •YBhg. Datu Sudarsono Osman •YBhg. Datu William Lee Boon Tong •State Financial Secretary Representative

### 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 amongst SEDC Board Members or any other person shall be determined by SEDC Board under Section 16 of the SEDC Ordinance; and

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

### 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 Audits 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 decision;
- To review Draft Audited Financial Statements and the Auditors' Report thereon prior to tabling for adoption and/or approval by 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 audit and investigation and consider findings arising from such audit and investigation; and
- To perform any other related duties as directed by the Board.



## Meetings Held in 2016

There were five BAC meetings held during the financial year ended 31st September 2016. The record of the attendance to these meetings is as follows:

Members	No. of Meetings Attended
YBhg. Datuk Haji Ismail Haji Hashim	5 out of 5
YBhg. Dato Sri Dr. Stephen Rundi Utom	2 out of 5
YBhg. Datu Sudarsono Osman	2 out of 5
YBhg. Datu William Lee Boon Tong	5 out of 5
<b>State Financial Secretary</b>  Represented by: •YBhg Encik Abdul Kadir Zainuddin	5 out of 5

## Activities

Summary of activities of the Board Audit Committee for the financial year ended 31st December 2016:

- Reviewed and approved the annual audit plan of the Internal Audit Division for 2017, including its scope and coverage over the activities of the SEDC Headquarters, Regional Offices and Subsidiary Companies;
- Reviewed and deliberated the audit reports of the Internal Audit Division vis-à-vis findings with regards to the system of internal control highlighted during the course of the audits and the responses from the management; and
- Reviewed and made recommendations of significant issues on the audited financial statements of the Corporation and the Group before tabling to the SEDC for deliberation.

## BOARD RISK COMMITTEE

### Composition of the Board Risk Committee

<b>Chairman</b>	•YBhg. Datuk Haji Ismail Haji Hashim
<b>Members</b>	<b>•Federal Treasury Representative</b> (YBhg. Datu HajahJabidah Binti Monseri replaced by YBhg. Encik Mohd Saiful Sungkih B. Abdullah appointed on 31st October 2016) •YBhg Datu Laura Lee Ngien Hion •YBhg Dr. Loh Leong Hua
<b>Secretary</b>	•Encik John Wayne Chamberlin Sirau

### Terms of reference of the Board Risk Committee

1. Review the context within which risk is managed in relation to the Group's strategic direction and objectives
2. Oversee and provide oversight and direction for the implementation of risk management in the Group and consistent application of risk principles
3. Periodically review the Group's risk management framework and supporting structure, including –
  - 3.1 Satisfying itself that appropriate systems are in place to identify assess and manage the significant risks affecting the Group
  - 3.2 Ensuring that officers are clear as to their roles and responsibilities with regards to the risk management
1. Ensure effective implementation of risk management activities of the Group
2. Receive and review reports on significant risks affecting the Group and recommendations on how such risks are being managed
3. Determine risk programmes and priorities
4. Review group risk profile
5. 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 2016

In 2016, a total of three (3) Board Risk Committee meetings were held as follows:

- 16th February 2016,
- 16th June 2016, and
- 9th November 2016



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

<b>Members</b>	<b>No. of Meetings Attended</b>
YBhg Datuk Haji Ismail Haji Hashim	3 out of 3
<b>Federal Treasury Representative</b>  YBhg Datu Hajah Jabidah Binti Monseri / YBhg. Encik Mohd. Saiful Sungkih B. Abdullah	2 out of 3
YBhg. Datu Laura Lee Ngien Hion	2 out of 3
YBhg. Dr. Loh Leong Hua	3 out of 3
YBhg. Datuk Haji Ismail Haji Hashim	3 out of 3



# **SECTION 4**

CORE BUSINESS &  
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 was launched by the then State Secretary, YB Datuk Amar Haji Abdul Aziz Husain on 5th 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

## Composition of the Board Audit Committee

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 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.

## Composition of the Board Audit Committee

For the year 2016, 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 2016 was held on 16th February 2016 to disseminate and share information on the following:
  - 2015 Performance Highlights
  - 2016 Business Plan
  - Corporate Direction
  - Corporate War Cry 2016
- Management Contract signing was done by all Divisional Directors during Presidential Address on 16th February 2016. The contract serves as a Key Performance Indicator (KPI) mechanism to measure the performance of the Divisions.
- Jawatankuasa Integriti dan Tadbir Urus (JITU) meetings were conducted on 21st April, 26 August and 14th December 2016.
- ISO Quality Management System Internal Quality Audit were held twice a year on 21st January to 18th February 2016 and 1st August – 25th August 2016.
- Representatives from Jawatankuasa Integriti dan Tadbir Urus (SEDC) and relevant staff/officers attended the following:

NO.	COURSE DETAILS	DATE
1	2nd Asian Public Governance Forum on Regulatory Reform	29-30th March 2016
2	Corporate Governance Managing Risks in Challenging Times	27th September 2016
3	Investigating and Handling Misconduct, Domestic Inquiry and Writing Fundings	24-25th October 2016
4	Konferensi Integriti PKNS Kali Ke-4: "Pemantapan Integriti dan Pengurusan Risiko Ke Arah Tadbir Urus Korporat Terbaik"	22nd November 2016
5	Program Sambutan Hari Integriti MCMC 2016 (1) Pembentangan "Stakeholders Engagement & Expectation" (2) Ceramah "Pegawai Berintegriti, Organisasi Berkualiti"	21st November 2016
6	Talk on Corporate Governance and Organisational Performance	4th December 2016

