



A N N U A L R E P O R T 2 0 1 8
SARAWAK FOUNDATION

**TO BE
A
WORLD CLASS
FOUNDATION
IN DEVELOPING
QUALITY HUMAN CAPITAL
IN SARAWAK**

*"We are committed to advancing the development of quality human capital in Sarawak through effective assistance and support."
- Sarawak Foundation's Mission*



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CHAIRMAN'S MESSAGE

*Assalamualaikum Warahmatullahi
Wabarakatuh, Salam Sejahtera*

Congratulations to Sarawak Foundation for all the efforts and initiatives that have been devoted to publish this Annual Report. The publication of this Annual Report will hopefully give a clear picture of the strong financial position of Sarawak Foundation. I am pleased that Sarawak Foundation has been able to maintain a healthy Balance Sheet and a respectable surplus of about RM 12 million for the year 2018.

I am happy to note that Sarawak Foundation has been consistently generating surpluses all these years. As Chairman, I am proud that Sarawak Foundation has also been able to obtain clean bill of health for all these years.

This report is also a reflection of the aspirations of Sarawak Foundation towards an enhanced educational development in Sarawak.

I am confident that Sarawak Foundation through its various forms of educational programs and activities will continue its role in producing a balanced and well-rounded citizen that will certainly become the much-needed asset to the state and the country's development.

As front liners, Sarawak Foundation's employees should always be prepared to provide educational assistance to the people regardless of place and time. With integrity and commitment, I am confident that service delivery at Sarawak Foundation will constantly be upgraded.

Finally, I also would like to take this opportunity to congratulate the management and the staff of Sarawak Foundation for their dedication in carrying out their duties.

Wassalam.



**DATUK PATINGGI (DR) ABANG HAJI ABDUL RAHMAN ZOHARI
BIN TUN DATUK ABANG HAJI OPENG**

CHIEF MINISTER OF SARAWAK
CHAIRMAN OF SARAWAK FOUNDATION

DIRECTOR'S STATEMENT

*Assalamualaikum Warahmatullahi
Wabarakatuh, Salam Sejahtera*

Yayasan Sarawak has achieved admirable performance and achievements in terms of its financial undertaking, with the steadfast support from the Board of Trustees lead by YAB Datuk Patinggi (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg as Chairman.

In 2018, Yayasan Sarawak achieved another continuous year of stable operating performance. The performance is particularly satisfying as the operating environment in the past year has been challenging for Yayasan Sarawak. In comparison with previous year, Yayasan Sarawak did not receive as much opportunities for short term investment in the money market.

Nonetheless, the increased interest rate has benefitted Yayasan Sarawak's interest income while a marginal improvement in timber premium has contributed to the overall satisfactory financial performance as well.

Meanwhile, the liquidity and reserves remain strong, enabling Yayasan Sarawak to build up additional buffer to meet possible contingencies arising in particular from demand of Yayasan Sarawak's core business of providing financial support for quality education.

Hereby I present to you an overview of Yayasan Sarawak's 2018 financial standing.



HAJI AZMI BIN HAJI BUJANG
DIRECTOR OF SARAWAK FOUNDATION

FINANCIAL PERFORMANCE

2018 ASSET

RM 1,097,357,499

For Financial Year Ended 31 December 2018, Yayasan Sarawak has recorded total asset worth RM 1,097,357,499, an increase of 18.24 % compared to 2017. In addition, Yayasan Sarawak has also witnessed increase of liquidity in the form of cash and bank balances amounting to RM 385.04 million in 2018, an increase of 68.43% as compared to RM 228.61 million in 2017.

The significant increase in both asset and liquidity can be attributed to drastic rise of Special Grant received from the State Government of Sarawak as well 11th Malaysia Plan (RMK-11) Projects Grant.

Meanwhile at the Group level, the total asset was RM 1.65 billion, an increase of 12.24% compared to RM 1.47 billion in year 2017.

2018 TOTAL INCOME

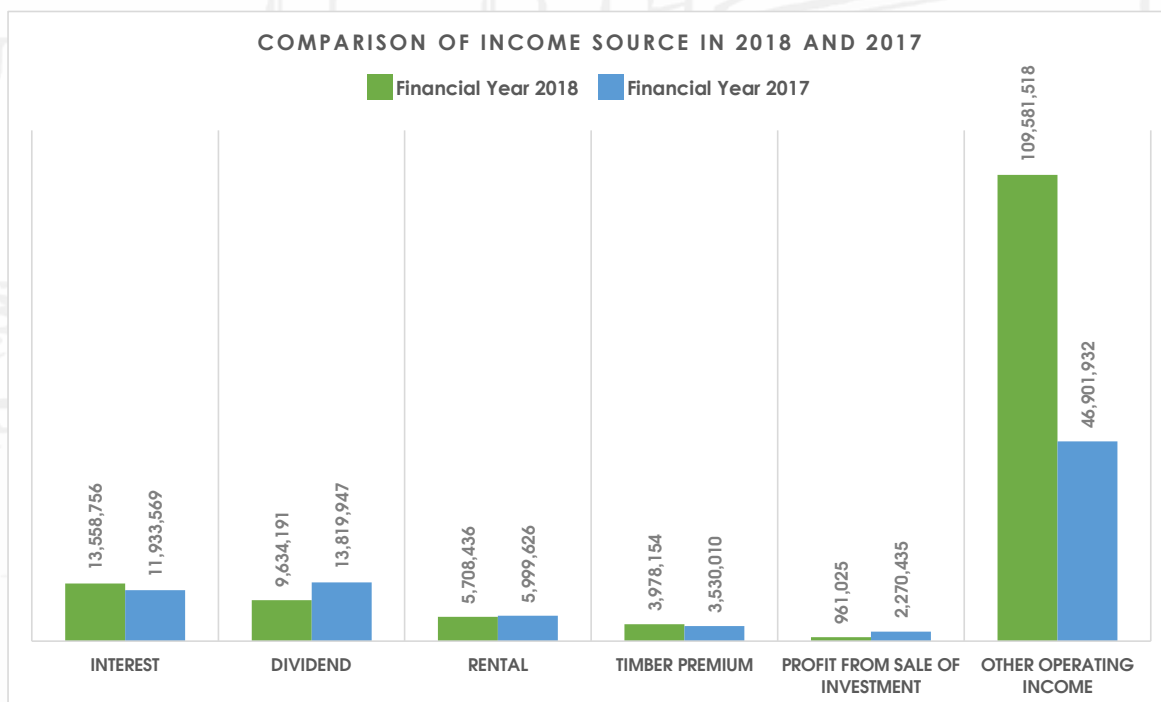
RM 143,422,080

For Financial Year Ended 31 December 2018, Yayasan Sarawak has recorded RM 143,422,080 in income.

	FINANCIAL YEAR 2018 (RM)	FINANCIAL YEAR 2017 (RM)	
Interest	13,558,756	11,933,569	▲
Dividend	9,634,191	13,819,947	▼
Rental	5,708,436	5,999,626	▼
Timber Premium	3,978,154	3,530,010	▲
Profit from Sale of Investment	961,025	2,270,435	▼
Other Operating Income	109,581,518*	46,901,932	▲
TOTAL	143,422,080	84,455,519	▲

*inclusive of 11th Malaysia Plan (RMK-11) Grant amounting to RM 73,312,000

Sarawak Foundation Table 1: Comparison of income source in 2018 and 2017



Sarawak Foundation Chart 1: Comparison of income source in 2018 and 2017

In comparison with Financial Year 2017, Yayasan Sarawak total income of RM 84,455,519 has increased to RM 143,422,080, or 69.82% amounting to RM 58,966,561.

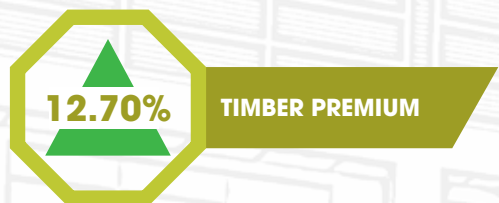
The income can be broadly categorized into operating income (i.e. income raised from operations) and other income in particular of grants.

The significant increase in total income between 2018 and 2017 is mainly attributed to the 133.64 % increase in Other Operating Income leading to a huge leap from RM 46,901,932 in 2017 to RM 109,581,518 in 2018. It is noted however a sizable portion of the Other Income is the receipt of grant for 11th Malaysia Plan (RMK-11) Projects for 2018.

Under the Malaysian Private Entities Reporting Standards (MPERS), all monies an organization received from the State in the form of grant for development or operation must be realized as Income and thus reflected as so in reported total income.

The RMK-11 Grants are used for implementation of various projects within Sarawak, in particular establishment of Centre of Technical Excellence Sarawak (CENTEXS) campuses and centres at Lundu, Dalat, Mukah, Betong and Lawas.





Meanwhile, Yayasan Sarawak has also achieved modest growth of income from Interest Income as well as Timber Premium.

For Interest Income, Yayasan Sarawak has recorded an income of RM13,558,756 in 2018 in comparison with RM 11,933,569 achieved in 2017, an increase of 13.62%.

The modest increase is due to higher placements in fixed deposits in 2018 as compared to 2017. As for Timber Premium, Yayasan Sarawak has recorded income of RM 3,978,154 in 2018 in comparison with RM 3,530,010, a 12.70% percent increase which is attributed to modest increase of timber production volume from Yayasan Sarawak's own timber concession.

While subject to policy changes as well as prevailing economic trend, Yayasan Sarawak is anticipating continuous modest growth from these sources to bolster the standing of income in the coming year.

On the other hand, Yayasan Sarawak has also noted a marked decrease of income between 2017 and 2018 from Rental income and Dividend income, with the dip ranging from 4.85% for Rental Income to significant 30.29% drop for Dividend. The decline of income from Rental and Dividend is reflective of overall economic scenario for the year.

Meanwhile at Group level, the total income for Financial Year Ended 31 December 2018 is RM 363,564,280 as compared to RM 301,405,341 in 2017, an increase amounting to RM 62,158,939 or 20.62 %.



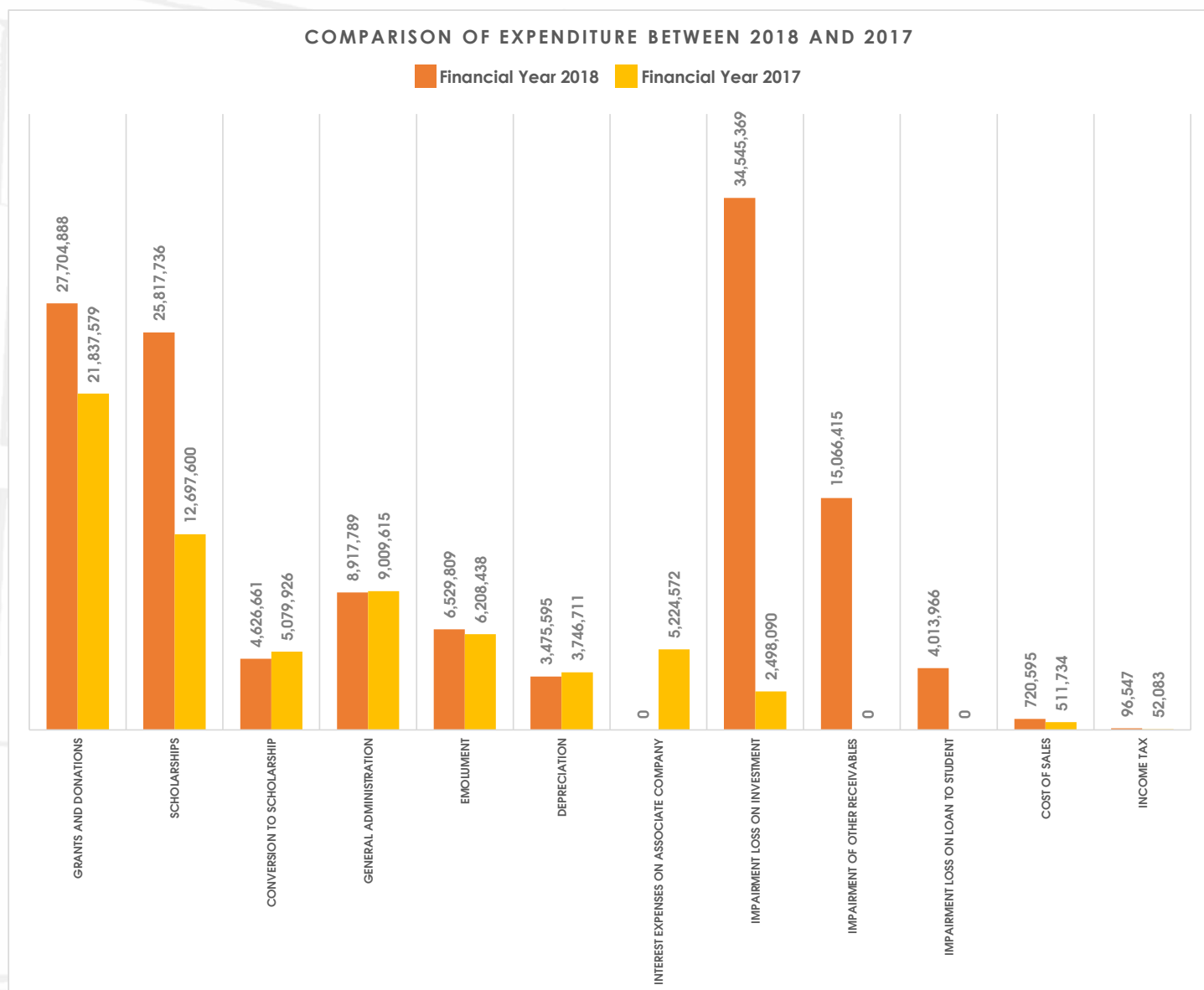
2018 TOTAL EXPENDITURE

RM 131,515,370

For Financial Year Ended 31 December 2018, Yayasan Sarawak reported total expenditure of RM 131,515,370 in comparison with RM 66,866,348 in 2017, a drastic 96.68 % increase. The expenditures can be broadly categorized into two groups, namely core business expenditures involving core operations as well as General Administration and Emolument; and non-core business expenditures involving Depreciation and Impairment Loss in particular.

	FINANCIAL YEAR 2018 (RM)	FINANCIAL YEAR 2017 (RM)	
Grants and Donations	27,704,888	21,837,579	▲
Scholarships	25,817,736	12,697,600	▲
Conversion to Scholarship	4,626,661	5,079,926	▼
General Administration	8,917,789	9,009,615	▼
Emolument	6,529,809	6,208,438	▲
Depreciation	3,475,595	3,746,711	▼
Interest Expenses on Associate Company	-	5,224,572	▲
Impairment Loss on Investment	34,545,369	2,498,090	▲
Impairment of Other Receivables	15,066,415	-	
Impairment Loss on Loan to Student	4,013,966	-	
Cost of Sales	720,595	511,734	▲
Income Tax	96,547	52,083	▲
TOTAL	131,515,370	66,866,348	▲

Sarawak Foundation Table 2: Comparison of expenditure between 2018 and 2017



Sarawak Foundation Chart 3: Comparison of expenditure between 2018 and 2017

A closer examination of core business expenditures relating to Yayasan Sarawak revealed a notable increase spending in both Grant and Donation as well as Scholarship. The expenditure for Grants and Donation has increased from RM 21,837,579 in 2017 to RM 27,704,888 in 2018, a 26.87% increase.

Meanwhile for Scholarship, an increased in expenditure from RM 12,697,600 in 2017 to RM 25,817,736 in 2018, a notable 103.33% leap more than double in increment.

On the flip side, Conversion to Scholarship experienced a decreased, dropping from RM 5,079,926 in 2017 to RM 4,626,661 in 2018, a modest decreased of 8.92%. Conversion of Loan to Scholarship is part of Yayasan Sarawak's incentive for loan repayment in which proportion of loan converted is dependent on academic performances of the loan borrowers. The amount of loan converted into scholarship will be absorbed as part of core business expenditures.

The rapid increased in expenditure for the core business ran in tandem to growth of Yayasan Sarawak's remit and commitment of providing financial support for education. Yayasan Sarawak will remain prudent of ensuring the core business is within manageable level in relation to budget allocated while remaining committed in providing financial support for education.

Further inspection of our total expenditure however revealed Administrative expenses formed a significant bulk as well as the main factor behind the dramatic rise from total expenditure going from 2017 to 2018. Yayasan Sarawak has recorded administrative expenses of RM 72,548,943 for financial year ending 2018 in comparison with 2017 with RM 26,687,426, a drastic increase of RM 45,861,517 or 171.85%.


Impairment of Investment in particular recorded RM 34,545,369 in expenditure for 2018 in comparison with merely RM 2,498,090 in 2017, a whopping 1282.87% leap amounting to RM 32,047,279.


Furthermore, Yayasan Sarawak also recorded Impairment of Other Receivables amounting to RM 15,066,415 as well as Impairment loss on loan to student amounting to RM 4,013,966. Regarding the increment in Impairment expenditures, Yayasan Sarawak will continue to review our investment portfolio to ensure better returns for our stakeholders as well as strengthening our loan collection mechanism to ensure timely repayment of loan by borrowers thus reducing expenditure on that front in the coming year.

On a more positive note, we have recorded reduced spending on General Administration from RM 9,009,615 in 2017 to RM 8,917,789 in 2018, a marginal reduction of RM 91,826 or 1.02%; as well as reduction in Depreciation from RM 3,746,711 in 2017 to RM 3,475,595 in 2018, a sensible drop of 7.24% amounting to RM 271,116.

Meanwhile at Group level, the total expenditure for Financial Year Ended 31 December 2018 is RM 336,476,571 as compared to RM 278,376,499 in 2017, an increase amounting to RM 58,100,072 or 20.87%.

The summary of all the programs/activities for the last three years and the number of recipients are shown in the table below.

SCHOLARSHIP		
	NUMBER OF RECIPIENTS RECEIVING ASSISTANCE	
	2018	2017
SARAWAK FOUNDATION TUN TAIB SCHOLARSHIP	59 STUDENTS RM 5,022,175.00	36 STUDENTS RM 4,768,000.00
SARAWAK TUNKU ABDUL RAHMAN SCHOLARSHIP FOUNDATION (YBSTAR)	72 STUDENTS RM 5,978,175.00	73 STUDENTS RM 5,953,800.00
SPECIAL MEDICAL PROGRAM SCHOLARSHIP (UNIMAS)	40 STUDENTS RM 20,000,000.00	40 STUDENTS RM 20,000,000.00
TERTIARY/TECHNICAL INSTITUTION ENROLLMENT ASSISTANCE	2,640 STUDENTS RM 3,006,300.00	1,396 STUDENTS RM 1,092,300.00
SARAWAK FOUNDATION LOCAL SCHOLARSHIP	1,568 STUDENTS RM 1,654,300.00	2,181 STUDENTS RM 1,260,750.00

EDUCATION FUNDING		
	NUMBER OF RECIPIENTS RECEIVING ASSISTANCE	
	2018	2017
EDUCATION SCHOLARSHIP-LOAN (LOCAL)	739 STUDENTS RM 10,281,364.36	311 STUDENTS RM 10,924,852.00
OVERSEAS EDUCATION LOAN	57 STUDENTS RM 4,243,500.00	50 STUDENTS RM 3,664,000.00
TECHNICAL TRAINING SCHOLARSHIP LOAN	393 STUDENTS RM 2,422,874.84	430 STUDENTS RM 2,635,300.00

PROGRAMME & ASSISTANCE



NUMBER OF RECIPIENTS RECEIVING ASSISTANCE

2018

2017

STUDENT EXCHANGE PROGRAM	132 STUDENTS RM 370,015.00	125 STUDENTS RM 392,086.00
SARAWAK FOUNDATION HIGH-PERFORMANCE ACHIEVEMENT STUDENT AID	1,385 STUDENTS RM 690,500.00	1,432 STUDENTS RM 775,400.00
SCHOOL UNIFORM ASSISTANCE	17,775 STUDENTS RM 3,555,000.00	19,329 STUDENTS RM 3,879,600.00
COMMUNITY EDUCATION PROGRAM	490 STUDENTS RM 19,250.00	1,000 STUDENTS RM 33,506.00
HIGH PERFORMING RURAL SCHOOLS (HIPERS)	1,250 STUDENTS RM 1,500,000.00	1,250 STUDENTS RM 1,500,000.00
BOOK FOR ASIA	206 STUDENTS RM 100,000.00	217 STUDENTS RM 70,000.00

Table 3: Yayasan Sarawak Education Assistance Data from 2018 until 2017.

With the full support from the State Government and guidance from the Board of Trustees, Yayasan Sarawak will move forward and explore more opportunities and avenues to enhance the development of human capital for the State Government.

HAJI AZMI BIN HAJI BUJANG
DIRECTOR OF SARAWAK FOUNDATION

CORPORATE PROFILE

The Sarawak Foundation was established under the **Sarawak Foundation Ordinance** as a Statutory Body on **27 May 1971**.

The objectives as stipulated in the **Ordinance** are as follows:

Section 3: Establishment And Objects Of The Foundation

(a)	To grant scholarships or to provide financial assistance of any form to any person born in Sarawak, in particular, and to any Malaysian citizen, in general, to pursue their education in schools, colleges, universities or institutions of higher learning within Malaysia or abroad on such terms and conditions as the Board deems fit or proper;
(b)	Actively to promote improvement of opportunities for education for the peoples of Sarawak in particular and Malaysia in general, both locally and in any institution of higher learning throughout the world, but especially the Universities in Malaysia;
(c)	To grant, and arrange for the award by other bodies of, scholarships or other educational assistance for the peoples of Sarawak or any Malaysian citizen whenever it deems fit to do so;
(d)	To give assistance and provide relief, to any person whose circumstances are, in the opinion of the Board, considered to be deserving of such assistance or relief;
(e)	To provide assistance, by way of loans, grants or otherwise, to organizations or institutions which are organized and governed for scientific, medical, educational, welfare, social or charitable purposes; and
(f)	To make contribution and provide assistance towards the relief of national emergencies or calamities.





The Sarawak Foundation's logo represents the integration of a dynamic, progressive and innovative organization. The logo reflects the role of Sarawak Foundation in the field of education for the development of quality human capital.

The design of Sarawak Foundation logo uses the integrated geometric form, representing the vision, mission and aspiration of the organization towards achieving a developed nation.

COLOURS

YELLOW

Flame, representing the ever burning desire to promote the growth of knowledge.

GREEN

Prosperity and progress of the State of Sarawak.

BLUE

The clear vision, mission and aspiration of the Foundation.

MOTIF



GRADUATE

Yayasan Sarawak's role in the field of education, providing services in the development of quality human capital.



OPEN BOOK

Represent volumes of knowledge as the foundation in the development of human capital.



Y AND S ALPHABET

Acronym for Yayasan Sarawak.

VISION

To Be A World Class Foundation In Developing Quality Human Capital In Sarawak.

MISSION

We Are Committed To Advancing The Development Of Quality Human Capital In Sarawak Through Effective Assistance And Support.

COMMON SHARED VALUES

- Integrity
- Kind and Caring
- Professionalism
- Sense of Urgency and Ownership
- Team Spirit
- Result-Oriented

BOARD OF TRUSTEES



CHAIRMAN

CHIEF MINISTER OF SARAWAK

YAB DATUK PATINGGI (DR) ABANG HAJI ABDUL RAHMAN ZOHARI
BIN TUN DATUK ABANG HAJI OPENG



DEPUTY CHAIRMAN

YBHG. DATU HAJI MOHAMAD ABU BAKAR BIN MARZUKI

DEPUTY STATE SECRETARY
(SOCIO-ECONOMIC TRANSFORMATION)



MEMBER

STATE FINANCIAL SECRETARY

YBHG. DATO SRI AHMAD TARMIZI
BIN HAJI SULAIMAN



MEMBER

YBHG. DATU DR. SABARIAH PUTIT

DEPUTY STATE SECRETARY
(PERFORMANCE & SERVICE DELIVERY
TRANSFORMATION)



MEMBER

STATE EDUCATION DIRECTOR

YBRS. DR. HAJI AZHAR BIN HAJI AHMAD



MEMBER

YBHG. DATUK GRAMONG JUNA



MEMBER

YBHG. DATU WILLIAM LEE BOON THONG



MEMBER

YBHG. DATO PETER MINOS

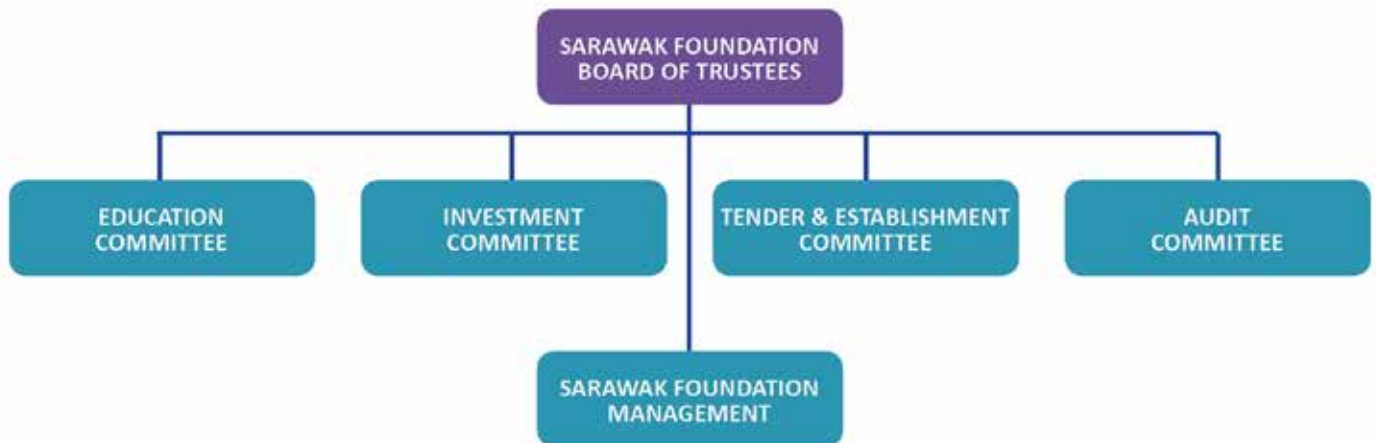


SECRETARY

DIRECTOR OF SARAWAK FOUNDATION

YBRS. TUAN HAJI AZMI BIN HAJI BUJANG

BOARD COMMITTEES



MANAGEMENT TEAM

The management team is the group of individuals that operate at the higher levels of an organisation and have day-to-day responsibility for managing other individuals and maintaining responsibility for key business functions. The management team represented by outstanding individuals are as follow:



HAJI MERSAL BIN ABANG ROSLI
DEPUTY DIRECTOR I
CORPORATE SERVICES & FINANCE



HAJI AZMI BIN HAJI BUJANG
DIRECTOR OF SARAWAK FOUNDATION



ELLEN @ MANIUM ANAK ENGANG
DEPUTY DIRECTOR II
EDUCATION ASSISTANCE SERVICES



MOHAMAD ADZLIE BIN IBRAHIM
PRINCIPAL ASSISTANT DIRECTOR
ORGANIZATION DEVELOPMENT, STRATEGY, PROPERTY
& INVESTMENT DIVISION



SURYANI BINTI ABDUL HAMID
PRINCIPAL ASSISTANT DIRECTOR
CORPORATE SERVICES, OPERATION &
ADMINISTRATION DIVISION



ZAMAHARI BIN HAJI SAIDI
PRINCIPAL ASSISTANT DIRECTOR
SCHOLARSHIP DIVISION

ASSISTANT DIRECTORS AND HEAD OF SECTIONS



WATSON CHUNGGAT
ANAK LEORNARD DOO

Quality Service
Management Section



JOLLY
BIN MARIKAN

Legal & Compliance
Section



EASMAWI RAZAK BIN
MOHAMAD EASTERN

Account Section



ELIZA FAZLIYATON
BINTI ALIAS

Programs & Assistance
Section



HAJJAH
BINTI MORSIDI

Knowledge, Performance
& Customer Relation
Management Section



ABDULLAH BIN
ABDUL GAFOR

Corporate
Communication Section



MOHD FIKRI
BIN MOHAMAD

Fleet & Facility Section



MOHAMMAD FAISAL
BIN JAFFAR

Information Technology
& System Management
Section



MUHAMAD RAHMAN
BIN SALLEHIN

Kuala Lumpur Office



SHAFIDA SAFIA
BINTI MOBIL

Internal Audit & Risk
Management Section



ISMALLIA
BIN BOHARI

General Investment &
Companies Section



ABANG AZRIANTO
BIN BOHARI

Human Resources
Management Section



ZULFIQQAR FADHZELY
BIN RANDY

Project Management
Section



YANTISKA
BIN MAHMUD

Education Loan Section



HAZNETTA SARENAU
HOWELL

Repayment Section



TEMAH
BINTI IBRAHIM

Asset & Procurement
Section



RATNASARI
BINTI MANSOR

Scholarship Section



HAJI KASUBI
BIN HAJI BAKIR

Sarawak Foundation House
London



SITI NOORLIS
BINTI HASSAN

Taska Tadika Yayasanku
Sayang

CORPORATE HIGHLIGHTS

ACTIVITIES OF 2018

JANUARY 2018

Laptop handover to students of PERMATApintar Negara.



FEBRUARY 2018

HiPERS (High Performing Rural School) Programme



MARCH 2018

Sarawak Foundation Student Exchange Programme Holiday Camp.



APRIL 2018

Sarawak Foundation School Uniform Assistance Programme.



MAY 2018

Sejiwa Senada Exhibition.



JUNE 2018

Schools & University Student courtesy visit to Wisma Adenan.



CORPORATE INFORMATION

CORPORATE HIGHLIGHTS.

JULY 2018

Sarawak Foundation Grant handover to PIBG (Parent-Teacher Association).



AUGUST 2018

Sarawak Foundation Students Excellence Award for SPM/STPM.



SEPTEMBER 2018

Yayasan Sarawak Scholarship interview.



OCTOBER 2018

Lan Berambéh Anak Sarawak Programme.



NOVEMBER 2018

The 24th Sarawak Chief Minister's Special Award (AKKMS).



DECEMBER 2018

Medical Programme Scholarship Presentation Session 2018-2019.



GROUP OF COMPANIES

SUBSIDIARIES

Sanjung Erika Sdn. Bhd.

Block F, Sub-lots 3 & 4, Demak Laut
Commercial Centre, Jalan Bako,
93050 Kuching, Sarawak.
Tel : 082-432157
Fax : 082-432171

Centre Of Technical Excellence (SWK) Sdn. Bhd. (CENTEXS)

Lot 3759 & 3760, Blok 9,
Salak Land District,
Jalan Sultan Tengah,
Rampangi Santubong,
93050 Kuching, Sarawak.
Tel: 082-846408

Leadership Institute of Sarawak Civil Service Sdn Bhd

KM 20, Jalan Kuching-Serian,
Semenggok, 93250 Kuching.
Tel: 082-625166
Fax: 082-625966

Petronesa Sdn. Bhd.

2nd Floor, No. 192 & 192A
Al-Idrus Commercial Centre
Jalan Satok, P.O. Box 1576
93732 Kuching, Sarawak.
Tel: 082-241566
Fax: 082-427106

Petronesa Services Sdn. Bhd.

2nd Floor, No. 192 & 192A
Al-Idrus Commercial Centre
Jalan Satok, 93400 Kuching.
Tel: 082-241566
Fax: 082-427106

Pomelia Sdn. Bhd.

Lot 10751, Gr Floor, CMM Building
Jalan Simpang Tiga, 93350 Kuching.
Tel: 082-243177
Fax: 082-233175

Sarawak Centre of Performance Excellence (SCOPE)

1st Floor of Bangunan Yayasan Sarawak,
Masjid Road, 93000 Kuching,
Sarawak, Malaysia
Phone: 082-231230
Fax: 082-231206

ASSOCIATE COMPANIES

Hornbill Skyways Sdn. Bhd.

2nd Floor, Bangunan Yayasan Sarawak,
Jalan Masjid, 93400 Kuching.
Tel: 082-412737
Tel: 082-455737
Fax: 082-578737

Hexzachem Sarawak Sdn. Bhd.

Lot 799, Block 7, Muara Tebas Land District,
Jalan Bako, Demak Laut Industrial Park,
93050 Kuching.
Tel: 082-439201
Fax: 082-439020

Shin Fung (Malaysia) Sdn. Bhd.

Lot 1338, 1st Floor, Jalan Sri Dagang
Waterfront Commercial Centre
P.O Box 894, 98008 Miri.
Tel: 085-419139
Fax: 085-418639

THR Hotel (Sarawak) Sdn. Bhd.

Level 17 & 18, Menara Shell
No. 211, Jalan Tun Sambanthan
Kuala Lumpur Sentral,
50470 Kuala Lumpur.
Tel: 03-27277159
Tel: 03-27277000
Fax: 03-27277105
Fax: 03-27277007

Permodalan Assar Sdn. Bhd.

Lot 357, Section 5, KTLD,
Jalan Satok, 93400 Kuching.
Tel: 082-231085
Fax: 082-232514

SOP Plantations (Niah) Sdn. Bhd.

No. 124-126, Jalan Bendahara
P.O Box 547, 98007 Miri.
Tel: 085-436969
Fax: 085-432929
Fax: 085-481260

Sime Darby Austral Sdn. Bhd.

Level 3, Main Block, Plantation Tower No.
2, Jalan PJU 1A/7, Ara Damansara, 47301
Petaling Jaya, Selangor Darul Ehsan.
Tel: 08-6255200

Supreme Timber Products Sdn. Bhd.

No. 66-78, Pusat Suria Permata,
Jalan Upper Lanang, P.O. Box 454
96007 Sibul.
Tel: 084-216155

Amgreen Gain Sdn. Bhd.

Suite 4-1, Level 4,
Block C, Plaza Damansara,
No. 45, Jalan Medan Setia 1,
Bukit Damansara, 50490 Kuala Lumpur
Tel: 03-20921211
Tel: 03-20959302
Fax: 082-237706

First Binary Plantation (Kuching) Sdn. Bhd.

Crown Towers,
88 Jln. Pending,
P.O. Box 389, 93706 Kuching.
Tel: 082-345033
Fax: 082-345678

Positive Deal Sdn. Bhd.,

Bangunan Hung Ann,
No. 1, Jalan Bujang Suntong,
P. O. Box 256, 96007 Sibul.
Tel: 084-326155

Sarawak Green Plantation Sdn. Bhd.

Crown towers, 88 Jalan Pending
P.O. Box 389, 93706 Kuching.
Tel: 082-345033

Petronesa Trading Sdn. Bhd.

2nd Floor, No. 192 & 192A
Al-Idrus Commercial Centre
Jalan Satok, P.O. Box 1576
93732 Kuching.
Tel: 082-241566
Fax: 082-427106

Merirai Timber Sdn. Bhd.,

c/o Recent Timber Company Sdn. Bhd.,
Hua Seng Building,
No. 112, Lanang Road,
P. O. Box 266, 96000 Sibul.
Tel: 084-311641

Pelita YS Property Sdn. Bhd.,

Level 12
Wisma Satok
Jalan Satok/Kulas
93400 Kuching, Sarawak
Tel: 082-250998

PROJECT HIGHLIGHTS

11TH MALAYSIA PLAN RMK11 PROJECTS (2016 - 2020)

THE PROPOSED DEVELOPMENT OF CENTEXS LUNDU



THE PROPOSED DEVELOPMENT OF CENTEXS LAWAS



UPGRADING OF EXISTING CENTEXS KUCHING, SANTUBONG



THE PROPOSED DEVELOPMENT OF LEADERSHIP INSTITUTE OF SARAWAK CIVIL SERVICE



THE PROPOSED DEVELOPMENT OF KOLEJ LAILA TAIB, MUKAH



CENTEXS DALAT



ORGANIZATION ACHIEVEMENTS

RECEIVED 5 STAR RATING FOR AGENCY WEBSITE

The Sarawak Foundation's website has been rated 5 Stars for the Malaysia Government Portals and Websites Assessment 2018.

The presentation ceremony was officiated by Yang Berusaha Dr. Anthony Valentine Laiseh, Director of Unit Pemodenan Perkhidmatan Negeri (UPPN) representing the State Secretary of Sarawak at a prominent hotel in the city of Kuching.



Certificates and a plaque of the Sarawak Foundation's 5 Star Website Award and Website Administrator for 2018.

RAJA SUNGAI SARAWAK 2018

Pasukan Yayasan Sarawak Puteri Dang Balai (YS-PDB)



JUARA KEJOHANAN BOLA SEPAK FA YB JOHN ILUS 2018



RAJA SUNGAI BATANG KAYAN 2018

Pasukan Yayasan Sarawak Puteri Dang Balai (YS-PDB)



CORPORATE GOVERNANCE

BOARD LEVEL

INVESTMENT COMMITTEE

CHAIRMAN YAB CHIEF MINISTER OF SARAWAK (CHAIRMAN OF YAYASAN SARAWAK)

MEMBERS SARAWAK STATE SECRETARY
DEPUTY CHAIRMAN OF YAYASAN SARAWAK
YBHG DATU HAJI ISMAWI BIN HAJI ISMUNI
YBHG DATUK GRAMONG JUNA
REPRESENTATIVE OF THE GOVERNOR OF CENTRAL BANK MALAYSIA

DUTIES & RESPONSIBILITIES FORMULATING POLICIES AND YAYASAN SARAWAK INVESTMENT DIRECTION TO ENSURE FINANCIAL RESOURCES
YAYASAN SARAWAK HAS ALWAYS BEEN STRONG SO THAT RESPONSIBILITIES CAN BE IMPLEMENTED TO ACHIEVE ITS OBJECTIVES

EDUCATION COMMITTEE

CHAIRMAN YBHG DATU DR. SABARIAH BINTI PUTIT

MEMBERS STATE EDUCATION DIRECTOR
YBHG DATU PETER MINOS
VICE CHANCELLOR OF UNIVERSITY MALAYSIA SARAWAK (UNIMAS)
RECTOR OF UNIVERSITY TECHNOLOGY MARA SARAWAK (UITM)

DUTIES & RESPONSIBILITIES ASSISTING BOARD FORMULATE, DETERMINE THE EDUCATION POLICY DIRECTION AND CONSIDER THE PROPOSED
EDUCATION PROJECT / SCHEME OF YAYASAN SARAWAK
CONSIDERING NEW PROGRAMME BEFORE APPROVAL BY BOARD OF TRUSTEES

TENDER AND ESTABLISHMENT COMMITTEE

CHAIRMAN DEPUTY CHAIRMAN OF YAYASAN SARAWAK

MEMBERS STATE FINANCIAL SECRETARY
STATE ATTORNEY GENERAL
DIRECTOR OF STATE HUMAN RESOURCE UNIT
YBHG DATU WILLIAM LEE BOON TONG

DUTIES & RESPONSIBILITIES GIVEN FULL AUTHORITY IN MATTERS OF YAYASAN SARAWAK'S SERVICE WHERE ANY DECISION MADE BY THE
COMMITTEE AND SUBMITTED TO THE BOARD OF TRUSTEES OF YAYASAN SARAWAK TO GAIN RECOGNITION AND
VALIDATION ONLY

RESPONSIBLE FOR THE SELECTION, RECRUITMENT OR PROMOTION AND DISCIPLINE OF THE STAFF OF YAYASAN
SARAWAK

EVALUATE AND APPROVE THE APPLICATION FROM THE STAFF OF YAYASAN SARAWAK TO ATTEND COURSE OR
TRAINING ABROAD

EVALUATE AND CONSIDER TENDERS OF THE YAYASAN SARAWAK'S PROJECT

AUDIT COMMITTEE

CHAIRMAN STATE FINANCIAL SECRETARY

MEMBERS YBHG DATU WILLIAM LEE BOON TONG
DIRECTOR OF YAYASAN SARAWAK
HEAD OF AUDIT & RISK MANAGEMENT OF YAYASAN SARAWAK

DUTIES & RESPONSIBILITIES TO APPROVE THE ANNUAL AUDIT PROGRAMME AND TO ENSURE THAT NO UNJUSTIFIED RESTRICTIONS HAVE BEEN
IMPOSED BY MANAGEMENT

TO REVIEW INTERNAL AUDIT REPORTS AND CONSIDER FINDINGS AND MAJOR MANAGEMENT RESPONSES THERETO,
AND OTHER PROBLEMS, RESERVATIONS AND MAJOR ISSUES OF CONCERN

TO ENSURE AFFIRMATIVE ACTION IS TAKEN BY THE AUDITTEE IN RESPECT OF INTERNAL AUDIT RECOMMENDATIONS AND
AUDIT COMMITTEE DECISIONS

TO APPROVE THE AUDIT PLAN AND ANNUAL BUDGET BY THE SECRETARY

TO REVIEW THE MAINTENANCE OF AN EFFECTIVE INTERNAL CONTROL SYSTEM INCLUDING FINANCIAL AND
ACCOUNTING SYSTEM

TO INITIATE SPECIAL AUDITS AND INVESTIGATION AND CONSIDER FINDINGS ARISING FROM SUCH AUDIT AND
INVESTIGATIONS

TO PERFORM OTHER RELATED DUTIES AS DIRECTED BY THE BOARD

YAYASAN SARAWAK TUN TAIB SCHOLARSHIP

Scholarship awarded to qualified students to further their studies in STEM (Science, Technology Engineering & Mathematics).



MEDICAL PROGRAMME SCHOLARSHIP PRESENTATION

Chief Minister giving scholarship to qualified students in medical field.



LAN BERAMBEH ANAK SARAWAK AT KUALA LUMPUR

An opportunity for Sarawakian students to meet up and spend the evening with Abang Jo.



LAN BERAMBEH LONDON

The Honourable Chief Minister visited Sarawakian students in London at the Sarawak Foundation House, Brondesbury Park, London.





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JALAN SULTAN TENGAH, RAMPANGI SANTUBONG, SARAWAK, 93050 KUCHING. +6082-846408 (T) | +6082-846409 (F)



INSTITUTE CITY CAMPUS (ICC), BANGUNAN YAYASAN SARAWAK, MASJID ROAD, 93000 KUCHING. +6082-231230 (T) | +6082 231506 (F)

**LEMBAGA AMANAH
YAYASAN SARAWAK**

**PENYATA KEWANGAN
BAGI TAHUN BERAKHIR
31 DISEMBER 2018**

Yayasan Sarawak
The Board of Trustees of Yayasan Sarawak
(Established under the Sarawak Foundation Ordinance, 1971)

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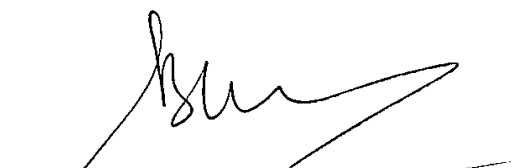
Members of the Board of Trustees of Yayasan Sarawak

Chairman	:	YAB Datuk Patinggi (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg
Deputy Chairman	:	Datu Haji Mohammad Abu Bakar Bin Marzuki
Members	:	Setiausaha Kewangan Negeri Dato Sri Ahmad Tarmizi Bin Haji Sulaiman
	:	Timbalan Setiausaha Kerajaan Negeri Datu Dr. Sabariah Putit
	:	Pengarah Pendidikan Negeri Ybrs. Dr. Haji Azhar Bin Haji Ahmad
	:	Datuk Gramong Juna
	:	Datu William Lee Boon Tong
	:	Dato Peter Minos
Registered Office	:	Yayasan Sarawak Wisma Adenan Jalan Sultan Tengah Petra Jaya, 93050 Kuching Sarawak.
Auditor	:	Auditor General Malaysia
Bankers	:	CIMB Berhad RHB Bank Berhad Bank Simpanan Nasional Maybank Berhad

**PENYATA Pengerusi dan Seorang Ahli Lembaga
Lembaga Amanah Yayasan Sarawak**

Kami, **YAB Datuk Patinggi (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg dan Datu Haji Mohamad Abu Bakar Bin Marzuki** yang merupakan Pengerusi dan salah seorang Ahli Lembaga, Lembaga Amanah Yayasan Sarawak dengan ini menyatakan bahawa, pada pendapat Lembaga Amanah, Penyata Kewangan yang mengandungi Penyata Kedudukan Kewangan, Penyata Pendapatan Komprehensif, Penyata Perubahan Ekuiti dan Penyata Aliran Tunai yang berikut ini berserta dengan nota-nota kepada Penyata Kewangan di dalamnya, adalah disediakan untuk menunjukkan pandangan yang benar dan saksama berkenaan kedudukan Lembaga Amanah Yayasan Sarawak pada 31 Disember 2018 dan hasil kendaliannya serta perubahan kedudukan kewangannya bagi tahun berakhir pada tarikh tersebut.

Bagi pihak Lembaga,



**YAB Datuk Patinggi (Dr) Abang
Haji Abdul Rahman Zohari Bin
Tun Datuk Abang Haji Openg**
TARIKH: 15 APR 2019
TEMPAT: Kuching

Bagi pihak Lembaga



**Datu Haji Mohamad Abu
Bakar Bin Marzuki**
TARIKH: 15 APR 2019
TEMPAT: Kuching

PENGAKUAN OLEH PEGAWAI UTAMA YANG BERTANGGUNGJAWAB KE ATAS PENGURUSAN KEWANGAN LEMBAGA AMANAH YAYASAN SARAWAK

Saya, Haji Azmi Bin Haji Bujang, pegawai utama yang bertanggungjawab ke atas pengurusan kewangan dan rekod-rekod perakaunan Lembaga Amanah Yayasan Sarawak, dengan ikhlasnya mengakui bahawa Lembaran Imbangan, Penyata Pendapatan, Penyata Perubahan Ekuiti dan Penyata Aliran Tunai dalam kedudukan kewangan yang berikut ini berserta dengan nota-nota kepada Penyata Kewangan di dalamnya mengikut sebaik-baik pengetahuan dan kepercayaan saya, adalah betul dan saya membuat ikrar ini dengan sebenarnya mempercayai bahawa ia adalah benar dan atas kehendak-kehendak Akta Akuan Berkanun, 1960.

Sebenarnya dan sesungguhnya)
diakui oleh penama di atas)
di Kuching, Sarawak)
pada)

15 APR 2019



Di hadapan saya,




PESURUHJAYA SUMPAH

PHANG DAH NAN
Commissioner For Oaths
No. 55, 1st Floor,
Jalan Chan Bee Kiew
Off Jalan Padungan,
93100 Kuching, Sarawak.



**LAPORAN KETUA AUDIT NEGARA
MENGENAI PENYATA KEWANGAN
LEMBAGA AMANAH YAYASAN SARAWAK
BAGI TAHUN BERAKHIR 31 DISEMBER 2018**

Laporan Mengenai Penyata Kewangan

Pendapat

Penyata Kewangan Lembaga Amanah Yayasan Sarawak telah diaudit oleh wakil saya yang merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2018 dan Penyata Pendapatan Komprehensif, Penyata Perubahan Ekuiti serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut, ringkasan polisi perakaunan yang signifikan dan nota kepada penyata kewangan seperti dinyatakan pada muka surat 8 hingga 48.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan pada 31 Disember 2018 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan *The Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995* serta *The Sarawak Foundation Ordinance, 1971*.

Asas Kepada Pendapat

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

Kebebasan dan Tanggungjawab Etika Lain

Saya adalah bebas daripada Lembaga Amanah Yayasan Sarawak dan Kumpulan serta telah memenuhi tanggungjawab etika lain berdasarkan *The International Standards of Supreme Audit Institutions*.

Maklumat Lain Selain Daripada Penyata Kewangan dan Laporan Juruaudit Mengenainya

Lembaga Amanah Yayasan Sarawak bertanggungjawab terhadap maklumat lain dalam Laporan Tahunan. Pendapat saya terhadap penyata kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan tidak meliputi maklumat lain selain daripada Penyata Kewangan dan Laporan Juruaudit mengenainya dan saya tidak menyatakan sebarang bentuk kesimpulan jaminan mengenainya.

Tanggungjawab Lembaga Pengarah Terhadap Penyata Kewangan

Lembaga Amanah bertanggungjawab terhadap penyediaan penyata kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan yang memberi gambaran benar dan saksama selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan *The Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995* serta *The Sarawak Foundation Ordinance, 1971*. Lembaga Amanah juga bertanggungjawab terhadap penetapan kawalan dalaman yang perlu bagi membolehkan penyediaan penyata kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan yang bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan.

Semasa penyediaan penyata kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan, Lembaga Amanah bertanggungjawab untuk menilai keupayaan Lembaga Amanah Yayasan Sarawak dan Kumpulan untuk beroperasi sebagai satu usaha berterusan, mendedahkannya jika berkaitan serta menggunakannya sebagai asas perakaunan.

Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan

Objektif saya adalah untuk memperoleh keyakinan yang munasabah sama ada penyata kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan secara keseluruhannya adalah bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan, dan mengeluarkan Laporan Juruaudit yang merangkumi pendapat saya. Jaminan yang munasabah adalah satu tahap jaminan yang tinggi, tetapi bukan satu jaminan bahawa audit yang dijalankan mengikut *The International Standards of Supreme Audit Institutions* akan sentiasa mengesan salah nyata yang ketara apabila ia wujud. Salah nyata boleh wujud daripada fraud atau kesilapan dan dianggap ketara sama ada secara individu atau agregat sekiranya boleh dijangkakan dengan munasabah untuk mempengaruhi keputusan ekonomi yang dibuat oleh pengguna berdasarkan penyata kewangan ini.

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

- a. Mengenal pasti dan menilai risiko salah nyata ketara dalam penyata kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan, sama ada disebabkan fraud atau kesilapan, merangka dan melaksanakan prosedur audit terhadap risiko berkenaan serta mendapatkan bukti audit yang mencukupi dan bersesuaian untuk memberikan asas kepada pendapat saya. Risiko untuk tidak mengesan salah nyata ketara akibat daripada fraud adalah lebih tinggi daripada kesilapan kerana fraud mungkin melibatkan pakatan, pemalsuan, ketinggalan yang disengajakan, gambaran yang salah, atau mengatasi kawalan dalaman.
- b. Memahami kawalan dalaman yang relevan untuk merangka prosedur audit yang bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman Lembaga Amanah Yayasan Sarawak dan Kumpulan.
- c. Menilai kesesuaian dasar perakaunan yang diguna pakai dan kemunasabahan anggaran perakaunan dan pendedahan yang berkaitan oleh Lembaga Amanah.
- d. Membuat kesimpulan terhadap kesesuaian penggunaan asas perakaunan untuk usaha berterusan oleh Lembaga Amanah dan berdasarkan bukti audit yang diperoleh, sama ada wujudnya ketidakpastian ketara yang berkaitan dengan peristiwa atau keadaan yang mungkin menimbulkan keraguan yang signifikan terhadap keupayaan Lembaga Amanah Yayasan Sarawak atau Kumpulan sebagai satu usaha berterusan. Jika saya membuat kesimpulan bahawa ketidakpastian ketara wujud, saya perlu melaporkan dalam Laporan Juruaudit terhadap pendedahan yang berkaitan dalam penyata kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan atau, jika pendedahan tersebut tidak mencukupi, pendapat saya akan diubah. Kesimpulan saya dibuat berdasarkan bukti audit yang diperoleh sehingga tarikh Laporan Juruaudit.
- e. Menilai sama ada keseluruhan persembahan termasuk pendedahan penyata kewangan Lembaga Amanah Yayasan Sarawak dan Kumpulan memberi gambaran yang saksama.
- f. Mendapatkan bukti audit yang mencukupi dan bersesuaian berkaitan maklumat kewangan entiti dan aktiviti perniagaan dalam Kumpulan untuk memberikan pendapat terhadap Penyata Kewangan Kumpulan. Saya bertanggungjawab untuk hala tuju, pengawasan dan pelaksanaan pengauditan kumpulan. Saya hanya bertanggungjawab terhadap pendapat saya.

Saya telah berkomunikasi dengan Lembaga Amanah, antaranya mengenai skop dan tempoh pengauditan yang dirancang serta penemuan audit yang signifikan termasuk kelemahan kawalan dalaman yang dikenal pasti semasa pengauditan.

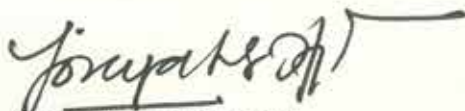
Laporan Mengenai Keperluan Perundangan dan Peraturan Lain

Berdasarkan keperluan *The Statutory Bodies (Financial and Accounting Procedure) Ordinance*, 1995 serta *The Sarawak Foundation Ordinance*, 1971, saya juga melaporkan perkara berikut:

- a. Pada pendapat saya, rekod perakaunan dan rekod lain yang dikehendaki Ordinan untuk disimpan oleh Lembaga Amanah Yayasan Sarawak dan subsidiarinya yang mana kami telah bertindak sebagai juruaudit telah disimpan dengan sempurna menurut peruntukan Ordinan.
- b. Saya telah mempertimbangkan akaun dan Laporan Juruaudit bagi semua subsidiari yang tidak diaudit oleh saya seperti yang dinyatakan dalam Nota 7 kepada penyata kewangan yang telah dimasukkan dalam akaun disatukan.
- c. Saya berpuas hati bahawa akaun subsidiari yang disatukan dengan Penyata Kewangan Lembaga Amanah Yayasan Sarawak dalam bentuk dan kandungan yang sesuai dan teratur bagi tujuan penyediaan penyata kewangan Kumpulan dan saya juga telah menerima maklumat dan penjelasan yang memuaskan sebagaimana yang dikehendaki bagi tujuan tersebut.
- d. Laporan Juruaudit ke atas akaun subsidiari tidak mengandungi sebarang teguran atau pemerhatian yang boleh menjejaskan penyata kewangan.

Hal-hal Lain

Laporan ini dibuat untuk Lembaga Amanah dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan laporan ini.



(TOIEYAH BINTI TIOH)

b.p. KETUA AUDIT NEGARA
MALAYSIA

KUCHING

TARIKH: 31 JUL 2019



Yayasan Sarawak
The Board of Trustees of Yayasan Sarawak
(Established under the Sarawak Foundation Ordinance, 1971)

Consolidated Statement of Financial Position
As at 31 December 2018

		Group		Board	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
NON CURRENT ASSETS					
Intangible assets	4	5,299	-	-	-
Investment properties	5	170,364,437	171,466,746	51,139,701	52,690,694
Property, plant and equipment	6	105,767,992	117,713,392	55,209,932	49,421,534
Investment in subsidiaries	7	-	-	47,247,100	39,594,928
Investment in associates	8	138,108,035	133,623,514	47,390,091	48,958,753
Other investments	9	248,962,513	278,433,791	239,907,914	269,383,672
Loans to students	10	124,130,657	120,575,406	124,130,657	120,575,406
Trade receivables	12	208,206,430	216,463,279	-	-
Other receivables	13	77,497,943	40,200,909	107,338,674	72,692,806
Total non current assets		1,073,043,306	1,078,477,037	672,364,069	653,317,793
CURRENT ASSETS					
Other investments	9	67,406,775	48,901,914	-	-
Loans to students	10	9,202,011	8,355,661	9,202,011	8,355,661
Inventories	11	17,504	17,612	-	-
Trade receivables	12	14,487,438	18,490,084	-	-
Other receivables	13	36,070,782	44,814,679	30,752,173	37,792,038
Cash and bank balances		22,510,022	36,010,475	5,620,315	12,787,870
Fixed deposits	14	436,679,314	236,371,241	379,418,931	215,817,381
Tax refundable		463,191	174,831	-	-
Total current assets		586,837,037	393,136,497	424,993,430	274,752,950
TOTAL ASSETS		1,659,880,343	1,471,613,534	1,097,357,499	928,070,743
EQUITY					
Reserves		1,245,285,748	1,067,272,945	1,073,118,786	911,212,076
Non-controlling interests		81,935,780	67,578,834	-	-
Total Equity		1,327,221,528	1,134,851,779	1,073,118,786	911,212,076
NON CURRENT LIABILITIES					
Borrowings	15	191,253,678	152,012,101	-	-
Deferred tax liabilities	18	23,047,804	24,484,946	-	-
Deferred income	19	28,148,490	37,316,337	5,308,407	11,108,407
Provision for retirement benefits	20	1,309,864	1,058,056	-	-
Total non current liabilities		243,759,836	214,871,440	5,308,407	11,108,407
CURRENT LIABILITIES					
Short term borrowings	15	12,353,422	32,055,373	-	-
Trade payables	16	19,965,060	19,169,047	2,553,740	174,997
Other payables	17	56,021,732	69,639,570	16,376,566	5,575,263
Tax payables		558,765	1,026,325	-	-
Total current liabilities		88,898,979	121,890,315	18,930,306	5,750,260
TOTAL LIABILITIES		332,658,815	336,761,755	24,238,713	16,858,667
TOTAL EQUITY AND LIABILITIES		1,659,880,343	1,471,613,534	1,097,357,499	928,070,743

The accompanying notes form an integral part of the financial statements.

Yayasan Sarawak
The Board of Trustees of Yayasan Sarawak
(Established under the Sarawak Foundation Ordinance, 1971)

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2018

	Note	Group 2018 RM	2017 RM	Board 2018 RM	2017 RM
Revenue	21	210,156,667	218,914,745	32,879,537	35,283,152
Cost of sales	22	(92,083,835)	(102,194,844)	(720,595)	(511,734)
Gross Profit		118,072,832	116,719,901	32,158,942	34,771,418
Other operating income	23	153,407,613	82,490,596	110,542,543	49,172,367
Administrative expenses		(169,841,636)	(118,163,228)	(72,548,943)	(26,687,426)
Grants, donations and zakat	24	(27,704,888)	(21,837,579)	(27,704,888)	(21,837,579)
Scholarships		(25,817,736)	(12,697,600)	(25,817,736)	(12,697,600)
Scholarship loans		(4,626,661)	(5,079,926)	(4,626,661)	(5,079,926)
Profit from Operations	25	43,489,524	41,432,164	12,003,257	17,641,254
Finance cost	27	(10,555,624)	(9,806,120)	-	-
Share of results of associates		6,742,347	13,377,225	-	-
Profit Before Tax		39,676,247	45,003,269	12,003,257	17,641,254
Income tax expense	28	(5,846,191)	(8,597,202)	(96,547)	(52,083)
Total Comprehensive profit for the Year		<u>33,830,056</u>	<u>36,406,067</u>	<u>11,906,710</u>	<u>17,589,171</u>
Total comprehensive profit for year attributable to:					
- Non controlling interest		5,817,253	5,217,512	-	-
- Owners of the company		<u>28,012,803</u>	<u>31,188,555</u>	<u>11,906,710</u>	<u>17,589,171</u>
		<u>33,830,056</u>	<u>36,406,067</u>	<u>11,906,710</u>	<u>17,589,171</u>

The accompanying notes form an integral part of the financial statements.

Yayasan Sarawak
The Board of Trustees of Yayasan Sarawak
(Established under the Sarawak Foundation Ordinance, 1971)
Consolidated Statements of Changes in Equity
For the Year Ended 31 December 2018

	Retained profit General RM	Designated RM	Non-controlling Interests RM	Total Equity RM
Group				
As at 1 January 2017				
- As previously reported	1,011,355,840	-	63,597,322	1,074,953,162
- Reclassification	(189,542,607)	189,542,607	-	-
As restated	821,813,233	189,542,607	63,597,322	1,074,953,162
Dividend paid	-	-	(1,236,000)	(1,236,000)
Received during the year	-	24,728,550	-	24,728,550
Total comprehensive profit for the year	31,188,555	-	5,217,512	36,406,067
As at 31 December 2017	853,001,788	214,271,157	67,578,834	1,134,851,779
As at 1 January 2018	853,001,788	214,271,157	67,578,834	1,134,851,779
Dividend paid	-	-	(1,272,000)	(1,272,000)
Received during the year	-	150,000,000	-	150,000,000
Effect of increase in stake in a subsidiary	-	-	9,811,693	9,811,693
Total comprehensive profit for the year	28,012,803	-	5,817,253	33,830,056
As at 31 December 2018	881,014,591	364,271,157	81,935,780	1,327,221,528

Designated reserve

The designated reserve represents grant received from distribution of cess for the purpose of disbursement of loan and scholarship to students from Sarawak.

Yayasan Sarawak
The Board of Trustees of Yayasan Sarawak
(Established under the Sarawak Foundation Ordinance, 1971)

Consolidated Statements of Changes in Equity
For the Year Ended 31 December 2018

	Retained profit		Total
	General	Designated	Equity
	RM	RM	RM
Board			
As at 1 January 2017			
- As previously reported	868,894,355	-	868,894,355
- Reclassification	(189,542,607)	189,542,607	-
As restated	679,351,748	189,542,607	868,894,355
Received during the year	-	24,728,550	24,728,550
Total comprehensive profit for the year	17,589,171	-	17,589,171
As at 31 December 2017	<u>696,940,919</u>	<u>214,271,157</u>	<u>911,212,076</u>
As at 1 January 2018	696,940,919	214,271,157	911,212,076
Received during the year	-	150,000,000	150,000,000
Total comprehensive profit for the year	11,906,710	-	11,906,710
As at 31 December 2018	<u>708,847,629</u>	<u>364,271,157</u>	<u>1,073,118,786</u>

Designated reserve

The designated reserve represents grant received from distribution of cess for the purpose of disbursement of loan and scholarship to students from Sarawak.

The accompanying notes form an integral part of the financial statements.

Yayasan Sarawak

The Board of Trustees of Yayasan Sarawak

(Established under the Sarawak Foundation Ordinance, 1971)

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2018

Group	Note	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		39,676,247	45,003,269
<i>Adjustments for:-</i>			
Fair value loss of investments		22,715,916	1,354,194
Impairment loss on associates		2,498,796	1,273,309
Impairment loss on investments		9,486,657	-
Fair value gain of investment properties		(475,000)	-
Fair value gain of investments		(961,261)	(8,843,760)
Amortisation of intangible assets		589	-
Depreciation of property, plant and equipment		12,069,210	12,829,762
Depreciation of investment properties		1,577,309	1,629,941
Gain on disposal of property, plant and equipment		(1,846,903)	(81,566)
Gain on disposal of investment		(961,025)	(2,270,435)
Gain on foreign exchange		-	(8,517)
Loss on foreign exchange		272,676	-
Dividend income		(8,244,349)	(12,072,140)
Interest income		(18,069,771)	(11,367,193)
Loan interest income		(145,586)	(821,949)
Unwinding of discount from borrowing		-	916,280
Interest expense		10,533,419	9,792,868
Scholarship loans converted to scholarship		4,591,035	5,029,664
Property, plant and equipment written off		57,542	21,962
Impairment loss on loan to students		4,013,966	-
Impairment loss on trade receivables		1,890,403	733,573
Impairment loss on other receivables		15,066,415	-
Bad debts written off		-	535,124
Share of results of associated companies		(6,742,347)	(13,377,225)
Amortisation of special grant		(47,584,177)	(39,399,250)
Reversal of impairment loss in associate		(774,134)	(285,492)
Retirement benefits – defined benefit plan		251,808	153,916
Operating profit/(loss) before working capital changes		38,897,435	(9,253,665)
Decrease/(increase) in inventories		108	(2,735)
(Increase)/decrease in receivables		(32,551,341)	18,150,504
(Decrease)/increase in payables		(13,204,563)	2,841,813
Cash (used in)/from operations		(6,858,361)	11,735,917
Repayment of student loans		4,503,524	6,356,965
Disbursement of student loans		(16,938,985)	(17,224,152)
Interest paid		(2,793,605)	(1,969,755)
Tax paid		(7,557,458)	(6,263,450)
Interest received		319,534	158,195
Tax refunded		207,369	154,431
Net cash used in operating activities		(29,117,982)	(7,051,849)

The accompanying notes form an integral part of the financial statements.

Yayasan Sarawak
The Board of Trustees of Yayasan Sarawak
(Established under the Sarawak Foundation Ordinance, 1971)

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2018 (contd.)

Group	Note	2018 RM	2017 RM
CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		19,502,124	90,226
Proceeds from disposal of investment		23,890,513	17,756,035
Purchase of property, plant and equipment	31	(17,847,030)	(15,234,215)
Purchase of intangible assets		(5,888)	-
Dividends received		8,244,349	12,072,140
Interest received		17,895,823	12,030,947
Purchase of other investments		(43,204,353)	(21,815,966)
Placement of fixed deposits with tenure more than 3 months		(206,139,973)	(35,632,856)
Research grant received/(utilised)		72,320	(74,242)
Net cash used in investing activities		(197,592,115)	(30,807,931)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of special grant and grant for building		188,416,330	71,168,539
Proceed from issuance of share		9,811,693	-
Drawdown of term loan		50,000,000	20,000,000
Repayment of term loan		(28,054,985)	(29,616,922)
Dividend paid to minority shareholders		(1,272,000)	(1,236,000)
Repayment of hire purchase liabilities		(19,048)	(1,534)
Term loan interest paid		(7,628,930)	(7,822,427)
Hire purchase interest paid		(7,592)	(686)
Net cash from financing activities		211,245,468	52,490,970
Net (decrease)/increase in cash and cash equivalents		(15,464,629)	14,631,190
Cash and cash equivalents at beginning of year		76,162,292	61,531,102
Cash and cash equivalents at end of year (Note 29)		60,697,663	76,162,292

The accompanying notes form an integral part of the financial statements.

Yayasan Sarawak
The Board of Trustees of Yayasan Sarawak
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Statement of Cash Flows
For the Year Ended 31 December 2018

Board	Note	2018 RM	2017 RM
CASH FLOWS USED IN OPERATING ACTIVITIES			
Profit before tax		12,003,257	17,641,254
<i>Adjustments for:-</i>			
Bad debt written off		-	330,785
Depreciation of property, plant and equipment		1,924,602	2,195,718
Depreciation of investment properties		1,550,993	1,550,993
Gain on fair value of investment		(694,370)	(8,719,512)
Impairment loss on associates		2,342,796	1,273,309
Impairment loss on investment		9,486,657	-
Gain on disposal of property, plant and equipment		(35,382)	(17,096)
Gain on disposal of other investment		(961,025)	(2,270,435)
Loss/(Gain) on foreign exchange		271,003	(8,517)
Dividend income		(9,634,191)	(13,819,947)
Interest income		(18,678,492)	(11,990,573)
Impairment loss on other receivables		15,066,415	-
Impairment loss on loan to students		4,013,966	-
Reversal of impairment loss in associate		(774,134)	(285,492)
Reversal of impairment loss in subsidiary		(2,552,172)	(6,753,330)
Fair value loss of investments		22,715,916	1,224,781
Scholarship loans converted to scholarship		4,591,035	5,029,664
Operating profit/(loss) before working capital changes		40,636,874	(14,618,398)
(Increase)/decrease in receivables		(43,514,562)	24,807,198
Increase/(decrease) in payables		13,180,046	(242,785)
Cash from operations		10,302,358	9,946,015
Tax paid		(96,547)	(52,083)
Repayment of student loans		4,503,524	6,356,965
Disbursement of student loans		(16,938,985)	(17,224,152)
Net cash used in operating activities		(2,229,650)	(973,255)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment	31	(7,713,618)	(1,180,713)
Proceeds from disposal of property, plant and equipment		36,000	17,097
Proceeds from disposal of other investment		1,370,522	3,090,945
Dividends received		9,634,191	13,819,947
Interest received		18,678,492	11,990,573
Investment in subsidiary company		(5,100,000)	-
Placement of fixed deposits with tenure more than 3 months		(189,873,600)	(175,279,281)
Purchase of investments		(2,441,942)	(2,032,911)
Net cash used in investing activities		(175,409,955)	(149,574,343)

The accompanying notes form an integral part of the financial statements.

Yayasan Sarawak
The Board of Trustees of Yayasan Sarawak
(Established under the Sarawak Foundation Ordinance, 1971)

Statement of Cash Flows
For the Year Ended 31 December 2018 (contd.)

Board	2018 RM	2017 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of special grant and grant for building	150,000,000	24,728,551
Development grant utilised	(5,800,000)	-
Net cash from financing activities	144,200,000	24,728,551
Net decrease in cash and cash equivalents	(33,439,605)	(125,819,047)
Cash and cash equivalents at beginning of year	53,325,970	179,145,017
Cash and cash equivalents at end of year (Note 29)	19,886,365	53,325,970

The accompanying notes form an integral part of the financial statements.

Yayasan Sarawak**The Board of Trustees of Yayasan Sarawak****(Established under the Sarawak Foundation Ordinance, 1971)****Notes to the Financial Statements - 31 December 2018**

1. Corporate Information

Yayasan Sarawak is a charitable trust established under the laws of Sarawak pursuant to the Sarawak Foundation Ordinance, 1971. Section 4 of the Ordinance provides for the establishment of the Sarawak Foundation Fund ("the Fund") for the purposes of carrying out the charitable objectives of Yayasan Sarawak and Section 5 of the Ordinance provides for the establishment of the Board of Trustees of Yayasan Sarawak ("the Board") for the purpose of managing the trust and administering and controlling the Fund. The Board is by Section 6 of the Ordinance a body corporate with perpetual succession and common seal.

Yayasan Sarawak provides services in education and training by contributing towards the development of human resources through the provision of quality educational and training funded by the revenue generated from its investment activities.

2. Significant Accounting Policies**(a) Basis of Preparation/Accounting**

The financial statements of the Group and the Board are prepared using cost bases and fair value bases, and in accordance with Malaysian Private Entities Reporting Standard ("MPERS") in Malaysia.

(b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sale of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(b) Revenue Recognition - continued

(iv) Timber premium

Timber premium is recognised on an accrual basis in accordance with the terms of agreements.

(v) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

(vi) Profit margin from sales of goods

Profit margin from sales of goods is recognized upon receipt of payments from customers.

(vii) Contract fee

Revenue from contract services is recognized when services are rendered.

Revenue from construction contracts is accounted for Where the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the statement of financial position date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expenses immediately.

When costs incurred on contracts plus recognised profits (less recognised losses) exceeds progress billings the balance is shown as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to customers on contracts.

(viii) Rental income

Rental income is recognized on a straight-line basis over the term of the lease.

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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(b) Revenue Recognition - continued

(ix) Tuition fees

Tuition fees are recognized on an accrual basis whereas non-refundable registration and enrolment fees are recognized on a receipt basis.

(c) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Board and all its subsidiaries. Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of the subsidiaries acquired or disposed off during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of subsidiaries are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiaries at the date of acquisition is included in the consolidated statement of financial position as goodwill or negative goodwill arising on consolidation.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of subsidiaries is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated statement of comprehensive income.

Minority interests in the consolidated statement of financial position consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree.

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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(c) Basis of Consolidation - continued

(ii) Associates – continued

Associates are those companies in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the financial year is included in the consolidated statement of comprehensive income. The Group's interest in associates is carried in the consolidated statement of financial position at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

(d) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition.

Goodwill arising on consolidation in respect of subsidiaries is not amortised, is stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m). Goodwill arising on the acquisition of subsidiaries is presented separately in the statement of financial position while goodwill arising on the acquisition of associates is included within the carrying amount of investment in associates.

(e) Investments in Subsidiaries and Associates

The Board's investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the statement of comprehensive income.

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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(f) Foreign currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each statement of financial position date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the value were determined. All exchange differences are taken to the statement of comprehensive income.

The principal exchange rates used for each respective unit of foreign currency ruling at the statement of financial position date are as follows:-

	2018	2017
	RM	RM
Australian Dollar	2.92	3.16
Sterling Pound	5.27	5.47
United States Dollar	<u>4.14</u>	<u>4.05</u>

(g) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on the weighted average of first-in-first out basis, as appropriate.

(h) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for buildings.

Leasehold land is depreciated over the period of 50 years.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Land	2%
Buildings	2%
Motor vehicles and machinery	5% - 20%
Furniture and fittings	10% - 20%
Office equipment and computers	10% - 40%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the statement of comprehensive income.

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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(i) Income Tax

Income tax on the profit or loss and comprehensive income for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit and comprehensive income for the year and is measured using the tax rates that have been enacted at the statement of financial position date.

Deferred tax is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(j) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

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The Board of Trustees of Yayasan Sarawak
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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(j) Leases (contd.)

(i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment loss. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Board's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(h).

(ii) Operating leases

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the term of the relevant lease.

(k) Borrowing costs

Borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred by using the effective interest method.

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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(k) Borrowing costs - continued

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the company incurred in connection with the borrowing of funds.

(l) Cash and Cash Equivalents

For the purposes of the statements of cash flow, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, with original maturity periods of three months or less net of outstanding bank overdrafts.

(m) Impairment of Assets

At each statement of financial position date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the statement of comprehensive income immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the assets no longer exist or have decreased.

(n) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, the Group and the Board make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statement of comprehensive income as incurred.

Contributions to the statutory pension scheme are recognised as an expenses statement of comprehensive income in the financial year to which they related.

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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(n) Employee Benefits - continued

(iii) Defined benefits plans

The Group operates a funded retirement Benefit Plan (the plan) for its eligible employees, contributions to the plan are made yearly and are charged to statement of comprehensive income so as to spread the cost of plan the employees' working lives in the company.

The Plan recognised in the statement of financial position will be place as fixed deposit until it is due and payable to the employee during the cessation of employment with the group.

The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal.

(o) Government Grants

Government grants are recognised initially at their fair value in the statement of financial position as deferred income where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants that compensate the Group for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.

Yayasan Sarawak was given the Special Grant from the Sarawak Government. The Special Grant is used as a revolving fund for the purpose of disbursing Educational Loans and loans to students. The Special Grant are recognised on the receipt basis.

(p) Financial Instruments

(i) Other non-current investments

Financial assets and financial liabilities are recognised in the statement of financial position when the Board has become a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price, including transaction costs. For a financial asset or a financial liability that is subsequently measured at fair value through profit or loss, transaction costs are recognised in profit or loss when incurred.

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Notes to the Financial Statements - 31 December 2018

2. Significant Accounting Policies (contd.)

(p) Financial Instruments - continued

(ii) Subsequent Measurement

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of cash or other consideration expected to be paid or received. Other debt instruments are measured at amortised cost using the effective interest method.

Investments in non-puttable ordinary shares are measured at cost less impairment unless the shares are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort, in which case the investments are measured at fair value with changes in fair value recognised in profit or loss. Other than the above, all financial assets and financial liabilities are measured at fair value with changes in fair value recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received (including any newly created rights and obligations) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(q) Investment Properties

(i) Fair value model

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

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2. Significant Accounting Policies (contd.)

(q) Investment Properties - continued

(i) Fair value model - continued

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at fair value if the fair value can be measured reliably without undue cost or effort. Any changes in the fair value of investment properties are recognised in profit or loss in the year in which they arise.

If a reliable measure of fair value is not available without undue cost or effort for an item of investment property subsequently, the investment property is measured at cost less any accumulated depreciation and impairment losses until a reliable measure of fair value becomes available. The carrying amount (fair value) of the investment property on that date becomes its cost.

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

(ii) Cost model

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

The Board's investment properties are stated at cost less accumulated depreciation and any impairment losses.

Depreciation on investment properties is charged to profit or loss on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives ranging of 50 years.

The depreciation method, useful lives and residual values will be reviewed if there is a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits. Any changes are accounted for as a change in accounting estimate.

Any gain or loss arising from the disposal of investment properties is recognised in profit or loss.

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2. Significant Accounting Policies (contd.)

(r) Other intangible assets

Other intangible assets with finite useful lives are stated at cost less accumulated impairment losses, if any. Other intangible assets are amortised on a straight-line method over their estimated useful lives, as follow:-

Software	10%
----------	-----

(s) Designated reserve

The designated reserve represents grant received from distribution of cess for the purpose of disbursement of loan and scholarship to students from Sarawak.

3. Critical Accounting Estimates And Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Board anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of Property, Plant and Equipment

The Board determines whether its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

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3. Critical Accounting Estimates And Judgements (contd.)

Key Sources of Estimation Uncertainty (contd.)

(c) Impairment of Investment in Associates

The Board determines whether its investment in associates is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of investments in associates as at the reporting date is disclosed in Note 8 to the financial statements.

(d) Impairment of receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its trade receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Board recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Board's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

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4. Intangible Assets

Group	Software RM
Cost	
As at 1 January 2018	-
Additions	5,888
As at 31 December 2018	5,888
Accumulated depreciation	
As at 1 January 2018	-
Charge for the year	589
As at 31 December 2018	589
Net carrying amounts	
As at 31 December 2018	5,299
As at 31 December 2017	-

5. Investment Properties

Group	Buildings RM
5.1 At Fair value	
As at 1 January 2018	118,855,000
Net gain for fair value changes	475,000
As at 31 December 2018	119,330,000
Carrying amounts	
As at 31 December 2018	119,330,000
As at 31 December 2017	118,855,000
5.2 At Cost	RM
As at 1 January 2018	77,549,663
As at 31 December 2018	77,549,663
Accumulated Depreciation	
As at 1 January 2018	24,937,917
Charge for the year	1,577,309
As at 31 December 2018	26,515,226
Carrying amounts	
As at 31 December 2018	51,034,437
As at 31 December 2017	52,611,746
5.3 Net Carrying amounts	RM
As at 31 December 2018	170,364,437
As at 31 December 2017	171,466,746
Depreciation charge for 2017	1,629,941

There are certain investment properties which are not measured at fair value due to financial reason. The cost of valuation report does not justify the means of recognising the investment properties at fair value.

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5. Investment Properties - continued

Board	Buildings
At Cost	RM
As at 1 January 2018	77,549,663
As at 31 December 2018	77,549,663
Accumulated Depreciation	
As at 1 January 2018	24,858,969
Charge for the year	1,550,993
As at 31 December 2018	26,409,962
Carrying amounts	
As at 31 December 2018	51,139,701
As at 31 December 2017	52,690,694
Depreciation charge for 2017	1,550,993

Fair value model are not used for the investment properties due to financial reason. The cost of valuation report does not justify the means of recognising the investment properties at fair value.

6. Property, Plant and Equipment

Group	Leasehold land & buildings RM	Motor vehicles & machinery RM	Office furniture, equipment & renovations RM	Work-in- progress RM	Total RM
Cost					
As at 1 January 2018	94,299,333	6,824,694	116,029,987	3,673,672	220,827,686
Additions	6,079,348	516,667	10,128,832	1,122,183	17,847,030
Transfer/Reclassification	-	-	675,374	(1,338,575)	(663,201)
Disposals/Written off	(19,382,090)	(768,543)	(3,340,663)	-	(23,491,296)
As at 31 December 2018	80,996,591	6,572,818	123,493,530	3,457,280	214,520,219
Accumulated Depreciation					
As at 1 January 2018	10,368,176	5,071,173	87,674,945	-	103,114,294
Transfer/Reclassification	-	-	(650,687)	-	(650,687)
Disposals/Written off	(1,728,176)	(768,542)	(3,283,872)	-	(5,780,590)
Charge for the year	1,384,222	1,122,559	9,562,429	-	12,069,210
As at 31 December 2018	10,024,222	5,425,190	93,302,815	-	108,752,227
Carrying amounts					
As at 31 December 2018	70,972,369	1,147,628	30,190,715	3,457,280	105,767,992
As at 31 December 2017	83,931,157	1,753,521	28,355,042	3,673,672	117,713,392
Depreciation charge for 2017	1,664,569	748,600	10,516,537	-	12,929,706

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6. Property, Plant and Equipment (contd.)

Board	Leasehold land RM	Buildings RM	Motor vehicles & machinery RM	Office furniture, equipment & renovations RM	Total RM
Cost					
As at 1 January 2018	2,000,000	53,582,034	2,448,863	11,477,858	69,508,755
Additions	-	4,500,000	311,664	2,901,954	7,713,618
Disposals	-	-	(332,856)	(425,263)	(758,119)
As at 31 December 2018	<u>2,000,000</u>	<u>58,082,034</u>	<u>2,427,671</u>	<u>13,954,549</u>	<u>76,464,254</u>
Accumulated Depreciation					
As at 1 January 2018	240,000	7,689,404	2,128,814	10,029,003	20,087,221
Charge for the year	40,000	1,161,640	167,520	555,442	1,924,602
Disposals	-	-	(332,855)	(424,646)	(757,501)
As at 31 December 2018	<u>280,000</u>	<u>8,851,044</u>	<u>1,963,479</u>	<u>10,159,799</u>	<u>21,254,322</u>
Carrying amounts					
As at 31 December 2018	<u>1,720,000</u>	<u>49,230,990</u>	<u>464,192</u>	<u>3,794,750</u>	<u>55,209,932</u>
As at 31 December 2017	<u>1,760,000</u>	<u>45,892,630</u>	<u>320,049</u>	<u>1,448,855</u>	<u>49,421,534</u>
Depreciation charge for 2017	<u>40,000</u>	<u>1,071,641</u>	<u>212,483</u>	<u>871,594</u>	<u>2,195,718</u>

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7. Investment in Subsidiaries

	Board	
	2018	2017
	RM	RM
Unquoted shares at cost	47,247,100	42,147,100
Less: Accumulated impairment losses	-	(2,552,172)
	<u>47,247,100</u>	<u>39,594,928</u>
Accumulated impairment losses :-		
At 1 January	2,552,172	9,305,502
Reversal during the financial year	(2,552,172)	(6,753,330)
At 31 December	<u>-</u>	<u>2,552,172</u>

The subsidiaries which are incorporated in Malaysia are:

Subsidiaries	Equity Interests Held (%)		Principal Activities
	2018	2017	
Leadership Institute of Sarawak Civil Service Sdn. Bhd. (Formally known as C.M. Management (Sarawak) Sdn. Bhd.)	100	100	Conducting training courses and seminars for the state civil service, statutory bodies, local councils and other corporate bodies
Petronesa Sdn. Bhd.	60	60	Dealing in financing of consumer home products, goods and commodities
Sanjung Etika Sdn. Bhd.	100	100	Investment holding
Pometia Sdn. Bhd.	51	51	Investment holding
Petronesa Services Sdn. Bhd.	60	60	Trading in petroleum, contract works, human resource and administrative services
Centre of Technical Excellence (Swk) Sdn. Bhd. (CENTEXS)	100	100	Providing technical training and education, investment
Sarawak Centre of Performance Excellence Sdn. Bhd. (SCOPE)	100	100	Providing corporate training and courses

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7. Investment in Subsidiaries (contd.)

Subsidiaries	Equity Interests Held (%)		Principal Activities
	2018	2017	
Interest held through Sanjung Etika Sdn Bhd			
Sanjung Teraju Sdn Bhd	100	100	General suppliers or traders
Sanjung Services Sdn Bhd	100	100	General contractors and property developer
Sanjung Development Sdn. Bhd.	100	100	Property development
Interest held through Pometia Sdn Bhd			
Swinburne Sarawak Holdings Sdn Bhd	75	75	Investment holding
Interest held through Swinburne Sarawak Holdings Sdn Bhd			
Swinburne Sarawak Sdn Bhd	75	75	Managing a higher education institution
Swinburne Malaysia Sdn Bhd	75	75	Dormant

The financial statements of all the subsidiaries are not audited by the Auditor-General of Malaysia.

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8. Investment in Associates

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Unquoted shares, at cost	91,604,748	91,604,748	91,448,748	91,448,748
Less: Accumulated impairment losses	(44,214,657)	(42,489,995)	(44,058,657)	(42,489,995)
	<u>47,390,091</u>	<u>49,114,753</u>	<u>47,390,091</u>	<u>48,958,753</u>
Share of post-acquisition:				
- profit	90,717,944	84,508,761	-	-
	<u>138,108,035</u>	<u>133,623,514</u>	<u>47,390,091</u>	<u>48,958,753</u>
Accumulated impairment losses :-				
At 1 January	42,489,995	41,502,178	42,489,995	41,502,178
Reversal during the financial year	(774,134)	(285,492)	(774,134)	(285,492)
Addition during the financial year	2,498,796	1,273,309	2,342,796	1,273,309
At 31 December	<u>44,214,657</u>	<u>42,489,995</u>	<u>44,058,657</u>	<u>42,489,995</u>

The associates, which are incorporated in Malaysia, are:

Associates	Equity Interests Held (%)		Principal Activities
	2018	2017	
Petronesa Trading Sdn. Bhd.	46	46	Trading in petroleum products
Hornbill Skyways Sdn. Bhd.	33	33	Provision of aviation services
Shin Fung (Malaysia) Sdn. Bhd.	35	35	Manufacture and marketing of timber based products
Kenyalang Helitrans (M) Sdn. Bhd.	35	35	Heli logging business
Pelita YS Property Sdn. Bhd.	32	32	Property investment
THR Hotel (S) Sdn. Bhd.	30	30	Owns and operates Kuching Hilton Hotel
Supreme Timber Products Sdn. Bhd.	30	30	Extraction of timber logs
Merirai Timber Sdn. Bhd.	20	20	Extraction of timber logs
Hexzachem Sarawak Sdn. Bhd.	20	20	Manufacture and sale of synthetic resins and glues

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8. Investment in Associates (contd.)

Associates	Equity Interests Held (%)		Principal Activities
	2018	2017	
Permodalan ASSAR Sdn. Bhd.	20	20	Investment holding
SOP Plantation (Niah) Sdn. Bhd.	20	20	Cultivation of oil palm
Sime Darby Austral Sdn. Bhd.	20	20	Processing of palm oil products
Sarawak Green Plantation Sdn. Bhd.	30	30	Oil palm plantation
Positive Deal Sdn. Bhd.	35	35	Oil palm plantation
First Binary Plantation Sdn. Bhd.	30	30	Oil palm plantation
Amgreen Gain Sdn. Bhd.	20	20	Oil palm plantation

The financial statements of all the associates are not audited by the Auditor-General of Malaysia.

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9. Other Investments

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Quoted securities, at fair value				
Current	67,406,775	48,901,914	-	-
Non current	202,254,476	222,239,097	199,781,800	219,770,901
	<u>269,661,251</u>	<u>271,141,011</u>	<u>199,781,800</u>	<u>219,770,901</u>
Unquoted securities,				
at cost	57,975,596	57,975,596	49,612,771	49,612,771
Less: Accumulated				
impairment losses	(11,267,559)	(1,780,902)	(9,486,657)	-
	<u>46,708,037</u>	<u>56,194,694</u>	<u>40,126,114</u>	<u>49,612,771</u>
	<u>316,369,288</u>	<u>327,335,705</u>	<u>239,907,914</u>	<u>269,383,672</u>
Analysed as:-				
Current	67,406,775	48,901,914	-	-
Non Current	248,962,513	278,433,791	239,907,914	269,383,672
Market value of				
quoted securities	<u>269,661,251</u>	<u>271,141,011</u>	<u>199,781,800</u>	<u>219,770,901</u>
Accumulated impairment losses :-				
At 1 January	1,780,902	6,773,426	-	4,992,524
Written off during the financial year	-	(4,992,524)	-	(4,992,524)
Addition during the financial year	9,486,657	-	9,486,657	-
At 31 December	<u>11,267,559</u>	<u>1,780,902</u>	<u>9,486,657</u>	<u>-</u>

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10. Loans to Students

	Group and Board	
	2018	2017
	RM	RM
As at 1 January	128,931,067	123,036,540
Study loans disbursed during the year	16,938,985	17,224,152
	145,870,052	140,260,692
Portion of scholarship loans not repayable by students now recognised in the income statement	(4,626,661)	(5,079,926)
	141,243,391	135,180,766
Reversal of the scholarship loans recognised in the income statement	35,626	50,262
	141,279,017	135,231,028
Recognised in income statement	571,141	57,004
	141,850,158	135,288,032
Loans repaid by students	(4,503,524)	(6,356,965)
	137,346,634	128,931,067
Less: Accumulated impairment losses	(4,013,966)	-
As at 31 December	133,332,668	128,931,067
Analysed as:-		
Repayable within 12 months	9,202,011	8,355,661
Repayable after 12 months	124,130,657	120,575,406

11. Inventories

	Group	
	2018	2017
	RM	RM
At cost:		
Consumables	17,504	17,612

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12. Trade Receivables

	Group	
	2018 RM	2017 RM
Trade receivables	418,296,547	445,569,964
Less: Provision for unearned revenues	(177,459,541)	(195,427,825)
	240,837,006	250,142,139
Less: Accumulated impairment losses	(18,143,138)	(15,188,776)
	<u>222,693,868</u>	<u>234,953,363</u>
Analysed as:-		
Repayable within 12 months	<u>14,487,438</u>	<u>18,490,084</u>
Repayable after 12 months	<u>208,206,430</u>	<u>216,463,279</u>

The Group's normal trade credit term ranges from 1 to 60 months. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Include in trade receivable are loan receivable which was charged interest at 10% per annum.

13. Other Receivables

	Group		Board	
	2018 RM	2017 RM	2018 RM	2017 RM
Loan to a subsidiary	-	-	31,168,237	32,491,897
Due from subsidiaries	-	-	-	-
Due from an associate	15,000,000	15,000,000	15,000,000	15,000,000
Due from related company	109,153	42,274	-	-
Other receivables	26,175,912	20,665,137	22,968,064	17,836,441
Grant receivables	11,604,938	17,000,000	11,604,938	17,000,000
Deposits	672,973	942,068	137,968	138,321
Prepayments	78,601,181	34,895,126	75,807,072	31,547,202
	132,164,157	88,544,605	156,686,279	114,013,861
Less: Accumulated impairment losses	(18,595,432)	(3,529,017)	(18,595,432)	(3,529,017)
	<u>113,568,725</u>	<u>85,015,588</u>	<u>138,090,847</u>	<u>110,484,844</u>
Analysed as:-				
Receivable within 12 months	<u>36,070,782</u>	<u>44,814,679</u>	<u>30,752,173</u>	<u>37,792,038</u>
Receivable after 12 months	<u>77,497,943</u>	<u>40,200,909</u>	<u>107,338,674</u>	<u>72,692,806</u>

(a) The loan to Pometia Sdn. Bhd. was charged interest at 5% monthly reducing balance. The loan is repayable in equal monthly installment within 20 years from April 2009.

(b) The amount due from subsidiaries and associate are unsecured and interest-free.

(c) Included in other receivables was a loan to a company where interest charged at 4% per annum and repayable in 120 equal monthly installments.

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14. Fixed Deposits	Group		Board	
	2018 RM	2017 RM	2018 RM	2017 RM
Deposits with:				
licensed banks	430,044,765	229,992,735	379,418,931	215,817,381
licensed finance companies	6,634,549	6,378,506	-	-
	<u>436,679,314</u>	<u>236,371,241</u>	<u>379,418,931</u>	<u>215,817,381</u>

The weighted average interest rates and the maturity of deposits of the Group during the year are as follows:

	Weighted average Interest rates %	Average maturity days
Licensed banks	2.77	42
Licensed finance companies	3.46	69

15. Borrowings	Group	
	2018 RM	2017 RM
Short Term Borrowings:		
Secured:		
Hire purchase payable	<u>20,223</u>	<u>19,048</u>
Unsecured:		
Bank overdrafts	-	3,867,724
Term loans	<u>12,333,199</u>	<u>28,168,601</u>
	<u>12,353,422</u>	<u>32,055,373</u>
Long term borrowings:		
Secured:		
Hire purchase payable	<u>116,495</u>	<u>136,718</u>
Unsecured:		
Term loans	<u>191,137,183</u>	<u>151,875,383</u>
	<u>191,253,678</u>	<u>152,012,101</u>
Total borrowings:		
Bank overdrafts (Note 29)	-	3,867,724
Hire purchase payable	136,718	155,766
Term loans	<u>203,470,382</u>	<u>180,043,984</u>
	<u>203,607,100</u>	<u>184,067,474</u>

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15. Borrowings (contd.)

The term loans are used for working capital purpose and are unsecured with interest rate charged at between 3.20% to 6.20%. (2017: 3.60% to 6.20%) The repayment terms are as follows:

	Group	
	2018	2017
	RM	RM
- within 12 months	12,333,199	28,168,601
- between 1 to 2 years	67,118,207	55,063,556
- between 3 to 5 years	66,606,603	55,980,416
- after 5 years	57,412,373	40,831,411
	<u>203,470,382</u>	<u>180,043,984</u>

The hire purchase liabilities bore interest at the statement of financial position date at the rate of 1.80% below BFR rate per annum.

- within 12 months	20,223	19,048
- between 1 to 2 years	46,325	87,947
- between 3 to 5 years	70,170	48,771
	<u>136,718</u>	<u>155,766</u>

The bank overdraft is secured against certain deposits with licensed banks of the Group as referred to in Note 14. The bank overdrafts bear interest of 8% (2017: 8%) per annum.

16. Trade Payables

The normal trade credit terms granted to the Group ranges from 30 to 90 days.

17. Other Payables

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Deposits	5,303,748	3,525,312	1,565,061	2,099,804
Accrued expenses	10,180,355	14,568,720	-	-
Prepaid revenue/timber	14,744,711	3,198,092	14,744,711	3,198,092
Due to related company	1,004,510	-	-	-
Other payables	24,788,408	48,347,446	66,794	277,367
	<u>56,021,732</u>	<u>69,639,570</u>	<u>16,376,566</u>	<u>5,575,263</u>

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Notes to the Financial Statements - 31 December 2018

18. Deferred Tax Liabilities

	Group	
	2018	2017
	RM	RM
As at 1 January		
Property, plant and equipment	17,873,561	18,619,948
Investment properties	6,611,385	6,611,385
Transfer from income statement (Note 28)		
Property, plant and equipment	(1,437,142)	(746,387)
As at 31 December		
Property, plant and equipment	16,436,419	17,873,561
Investment properties	6,611,385	6,611,385
	<u>23,047,804</u>	<u>24,484,946</u>

Deferred tax liabilities are in respect of excess of capital allowances over book depreciation and tax impact in fair value gain on investment properties.

19. Deferred Income

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
As at 1 January	37,316,337	30,275,599	11,108,407	11,108,407
Received during the year	38,416,330	46,439,988	-	-
Utilised during the year	(47,584,177)	(39,399,250)	(5,800,000)	-
As at 31 December	<u>28,148,490</u>	<u>37,316,337</u>	<u>5,308,407</u>	<u>11,108,407</u>

The deferred income represents the grant received from state government and sub professional.

20. Provision for Retirement Benefits

	Group	
	2018	2017
	RM	RM
As at 1 January	1,058,056	904,140
Add: Accrued during the year	251,808	153,916
As at 31 December	<u>1,309,864</u>	<u>1,058,056</u>

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Notes to the Financial Statements - 31 December 2018

21. Revenue

Revenue of the Group and the Board consists of the following:

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Timber premium	33,192,372	39,657,471	3,978,154	3,530,010
Sales from trading of petroleum products and chemicals	20,748,801	28,490,612	-	-
Contract fee	2,598,086	4,093,763	-	-
Income from services	38,869,439	30,064,655	-	-
Seminar and course fees	89,785,175	88,266,194	-	-
Property management fee	998,821	1,755,037	-	-
Interest income	11,979,346	10,271,440	13,558,756	11,933,569
Rental income	5,708,436	5,999,626	5,708,436	5,999,626
Dividend income	6,276,191	10,315,947	9,634,191	13,819,947
	<u>210,156,667</u>	<u>218,914,745</u>	<u>32,879,537</u>	<u>35,283,152</u>

The State Government awarded timber concessions to the Board. These timber concessions are operated by contractors who pay timber premium to the Board.

22. Cost of Sales

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cost of services	33,502,648	28,294,931	-	-
Cost of goods sold	57,860,592	73,388,179	-	-
Investment portfolio fees	720,595	511,734	720,595	511,734
	<u>92,083,835</u>	<u>102,194,844</u>	<u>720,595</u>	<u>511,734</u>

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Notes to the Financial Statements - 31 December 2018

23. Other Operating Income

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Contract fee	624,000	621,000	-	-
Donation received	-	224,400	-	224,400
Dividend income	1,968,158	1,756,193		
Gain on disposal of property, plant and equipment	1,846,903	81,566	35,382	17,096
Gain on foreign exchange	-	8,517	-	8,517
Gain on disposal of other investment	961,025	2,270,435	961,025	2,270,435
Grant amortisation	5,800,000	712,430	5,800,000	-
Fair value gain on other investment	961,261	8,843,760	694,370	8,719,512
Fair value gain on investment property	475,000	-	-	-
Service charges	31,055,691	29,411,741	-	-
Miscellaneous income	6,867,879	10,724,687	3,188,468	5,504,963
Tuition fees	69,630	46,575	69,630	46,575
Operating grant	92,234,960	25,200,422	91,312,000	25,200,422
Reversal of impairment loss in associate	774,134	285,492	774,134	285,492
Reversal of impairment loss in subsidiary	-	-	2,552,172	6,753,330
Rental income	3,497,335	335,414	-	34,359
Loan interest income	145,586	821,949	-	-
Interest income	6,090,425	1,095,753	5,119,736	57,004
Student charges	35,626	50,262	35,626	50,262
	<u>153,407,613</u>	<u>82,490,596</u>	<u>110,542,543</u>	<u>49,172,367</u>

24. Grants, Donations and Zakat

	Group and Board	
	2018	2017
	RM	RM
Grants	24,608,006	19,425,582
Donations	3,096,882	2,411,997
	<u>27,704,888</u>	<u>21,837,579</u>

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Notes to the Financial Statements - 31 December 2018

25. Profit from Operations

Profit from operations is stated after charging:

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Loss on fair value of investment	22,715,916	1,354,194	22,715,916	1,224,781
Auditors' remuneration	134,000	188,034	36,600	96,334
Bad debts written off	-	535,124	-	330,785
Amortisation of intangible assets	589	-	-	-
Depreciation of property, plant and equipment	12,069,210	12,829,762	1,924,602	2,195,718
Depreciation of investment properties	1,577,309	1,629,941	1,550,993	1,550,993
Directors' remuneration				
- fees	677,741	582,361	-	-
- salaries and allowances	244,109	442,515	-	-
- provident fund contribution	122,347	105,905	-	-
- bonus and incentives	673,129	513,142	-	-
Loss on foreign exchange	272,676	-	271,003	-
Property, plant and equipment written off	57,542	21,962	-	-
Rental expense - premise	504,547	434,769	-	-
- equipment	110,579	100,274	30,540	20,512
Staff costs (Note 26)	54,129,862	48,992,375	6,529,809	6,208,438
Impairment loss on trade receivables	1,890,403	733,573	-	-
Impairment loss on other receivables	15,066,415	-	15,066,415	-
Impairment loss on loan to students	4,013,966	-	4,013,966	-
Impairment loss on associates	2,498,796	1,273,309	2,342,796	1,273,309
Impairment loss on investment	9,486,657	-	9,486,657	-
Royalty fees	9,406,996	9,936,191	-	-
Contract fee	1,012,617	984,461	-	-

26. Staff Costs

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Salaries, bonuses and allowances	44,616,400	40,482,198	5,614,618	5,287,625
Provident fund contributions	5,424,513	4,878,293	668,230	653,113
Social security organisation contributions	386,749	336,280	-	-
Defined benefit plan	251,808	153,916	-	-
Others	3,450,392	3,141,688	246,961	267,700
	<u>54,129,862</u>	<u>48,992,375</u>	<u>6,529,809</u>	<u>6,208,438</u>

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Notes to the Financial Statements - 31 December 2018

27. Finance Costs

	Group and Board	
	2018	2017
	RM	RM
Hire purchase interest	7,592	686
Overdraft interest	370,643	258,601
Term loan interest	10,155,184	9,533,581
Bank charges	22,205	13,252
	<u>10,555,624</u>	<u>9,806,120</u>

28. Income Tax Expense

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Income tax:				
- current year provision	6,917,132	6,828,061	21,706	52,083
- (Over)/under provision in prior years	<u>(322,963)</u>	<u>(207,161)</u>	<u>74,841</u>	<u>-</u>
	6,594,169	6,620,900	96,547	52,083
Deferred tax (Note 18):				
- relating to origination and reversal of temporary differences	<u>(1,437,142)</u>	<u>(746,387)</u>	<u>-</u>	<u>-</u>
Share of taxation of associates	689,164	2,722,689	-	-
	<u>5,846,191</u>	<u>8,597,202</u>	<u>96,547</u>	<u>52,083</u>

Yayasan Sarawak is given tax exemption based on Section 44(6), Paragraph 13, Schedule 6 on its income with effect from year 2001. This exemption does not encompass dividend income.

Income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the year.

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Notes to the Financial Statements - 31 December 2018

28. Income Tax Expense (contd.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Board is as follows:

	Group		Board	
	2018	2017	2018	2017
	RM	RM	RM	RM
Profit before tax	<u>39,676,247</u>	<u>45,003,269</u>	<u>12,003,257</u>	<u>17,641,254</u>
Taxation at statutory tax rate of 24%	9,522,299	10,800,785	2,880,782	4,233,901
Income subject to lower tax rate of 18%	(2,380,575)	(2,250,163)	-	-
Income not subject to tax	(3,850,963)	(4,543,160)	(2,859,076)	(4,181,818)
Effect of expenses not deductible for tax purposes	4,553,151	3,276,505	-	-
Effect of capital allowance utilised during the year	(1,278,579)	(931,716)	-	-
Effect in deferred tax timing differences	(1,085,343)	(270,576)	-	-
(Over)/under provision of tax expenses in prior year:				
- Board and subsidiaries	(322,963)	(207,162)	74,841	-
Shares of taxation of associates	<u>689,164</u>	<u>2,722,689</u>	<u>-</u>	<u>-</u>
Income tax expense	<u>5,846,191</u>	<u>8,597,202</u>	<u>96,547</u>	<u>52,083</u>

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Notes to the Financial Statements - 31 December 2018

29. Cash and Cash Equivalents	Group		Board	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash in hand and at banks	22,510,022	36,010,475	5,620,315	12,787,870
Deposits with:				
licensed banks	430,044,765	229,992,735	379,418,931	215,817,381
licensed finance companies	6,634,549	6,378,506	-	-
Bank overdrafts	-	(3,867,724)	-	-
	<u>459,189,336</u>	<u>268,513,992</u>	<u>385,039,246</u>	<u>228,605,251</u>
Less: Fixed deposits with tenure more than 3 months	<u>(398,491,673)</u>	<u>(192,351,700)</u>	<u>(365,152,881)</u>	<u>(175,279,281)</u>
	<u>60,697,663</u>	<u>76,162,292</u>	<u>19,886,365</u>	<u>53,325,970</u>

30. Significant Related Party Transactions

	Board	
	2018 RM	2017 RM
Subsidiaries:		
Interest received	<u>1,579,410</u>	<u>1,671,680</u>

The trustees are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

31. Statement of Cash Flow

Property, plant and equipment were acquired by the following means:

	Group		Board	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash payment	17,847,030	15,234,215	7,713,618	1,180,713
Under Hire- purchase	-	157,300	-	-
	<u>17,847,030</u>	<u>15,391,515</u>	<u>7,713,618</u>	<u>1,180,713</u>

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Notes to the Financial Statements - 31 December 2018
32. Financial Instruments

Categories of Financial Instruments

	Group		Board	
	2018	2017	2018	2017
Financial Assets	RM	RM	RM	RM
<u>Fair Value through Profit or Loss</u>				
Other investment (Note 9)	267,071,041	268,427,834	199,781,800	219,770,901
<u>Amortised Cost</u>				
Trade receivables (Note 12)	222,693,868	234,953,363	-	-
Other receivables (Note 13)	32,985,927	48,094,819	60,383,051	77,715,746
Loans to students (Note 10)	133,332,668	128,931,067	133,332,668	128,931,067
Fixed deposits with :				
licensed finance companies	430,044,765	230,092,735	379,418,931	215,817,381
licensed banks	6,634,549	6,378,506	-	-
Cash and bank balances (Note 14)	22,510,022	36,010,475	5,620,315	12,787,870
	848,201,799	684,460,965	578,754,965	435,252,064
<u>Cost less Impairment</u>				
Other investment (Note 9)	49,298,247	58,907,871	40,126,114	49,612,771
Financial Liabilities				
<u>Amortised Cost</u>				
Hire purchase payables (Note 15)	136,718	155,766	-	-
Term loan (Note 15)	203,470,382	180,043,984	-	-
Trade payables (Note 16)	19,965,060	19,169,047	2,553,740	174,997
Other payables and accrual (Note 17)	50,717,984	66,114,258	14,811,505	3,475,459
Bank overdrafts (Note 15)	-	3,867,724	-	-
	274,290,144	269,350,779	17,365,245	3,650,456

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