

## **Civil Society Coalition to Launch Judicial Review Process and Due Diligence on Sabah's Controversial Nature Conservation Agreement**

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A Coalition of Sabahan and Malaysian Civil Society agencies are responding with alarm to the announcement that the Sabah Government is still exploring implementation of the Nature Conservation Agreement (NCA).

The controversial NCA, long believed defunct, would give away monopoly rights to Sabah's natural heritage of over 2 million hectares for 100 years (renewable), including for carbon trading. Although the actual basis of the deal has been kept secret, copies of the alleged contract have been widely circulated on social media and criticised by experts as technically flawed and biased in favour of the company over Sabah's interests.

These civil society agencies are therefore concerned by the recent statements of Deputy Chief Minister Datuk Seri Dr Jeffrey Kitingan that the well-publicised and technically sound objections raised by the State Attorney General in 2021 have not been presented to Cabinet or provided to the NCA Steering and Management Committee which he chairs.

“The decision to side-line the State Attorney General and press forward regardless only deepens our concern that the common heritage of Sabahans is being handed over to private interests without due regard to proper procedures and accountability”, said Cynthia Ong of LEAP (Land Empowerment Animals People).

Ong added: “This concern for proper governance is why Sabah's civil society organisations are now initiating a Judicial Review to determine if the Sabah Government complied with the relevant laws and procedures in the approval of the NCA.”

The Civil Society Coalition remains disturbed that a contract of this scale would be awarded in secret to a new entity in a foreign country without commercial record or evidence of expertise in carbon trading or managing natural capital.

“One focus of this Judicial Review will therefore be on discovering whether the Sabah Government ever undertook and applied the required due diligence, prior to or since signing the contract” said Alexander Yee of Sabah Environmental Protection Association.

Hoch Standard Pte Ltd, the Singapore Company that signed the NCA is listed by the official Accounting and Corporate Regulatory Authority of the Singapore Government as entirely owned by a new entity called Lionsgate Ltd in the British Virgin Islands. Meanwhile the actual owners of Lionsgate are hidden.

In response to global outrage over fraud and tax evasion, laws are now changing in the British Virgin Islands. In the absence of transparency by either the Sabah Government or Hoch Standard, civil society has launched its own due diligence to identify in the British Virgin Islands the beneficial owner/s of the NCA.

“Sabahans deserve to know who has acquired these extraordinary financial rights over our natural heritage and to know if there are any conflicts of interests between them and the NCA's State government proponents” said Yee.

*End.*