

Reef Guardian Sdn Bhd [567739-D] Company Profile

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Background

On December, 3 2001, about 46,713 hectares (including Islands of Lankayan, Billean and Tagaipil as well as the surrounding and adjacent coral reefs and sea grass beds) was officially declared as a conservation area category II (IUCN) under Section (21) of the Wildlife Conservation Enactment 1997. In addition to this enactment, the region was hereby named the Sugud Islands Marine Conservation Area (SIMCA). In the direct cooperation with Sabah Wildlife Department, Reef Guardian Sdn. Bhd. was designated the lead, on site administration body and authority for entire SIMCA. Reef Guardian Sdn. Bhd. effectively exists as a platform for facilitating and implementing business working alongside science and vice versa. Being able to associate the various aspects of SIMCA ecosystem management on the basis of eco-tourism value and worth will, in turn, provide funding for SIMCA administration and on site programmes.

Goal and Objectives

Reef Guardian's Goal is to:

Conservation and protection of marine biodiversity by promotion of low impact eco-tourism.

Several specific objectives are defined:

- > To protect and/or restore coral reef and sea grass bed habitats by reducing direct human impact
- > To protect nesting, foraging and feeding grounds of sea turtle
- > To monitor environmental change through long term monitoring
- > To promote marine conservation through education and eco-tourism activities
- > To enforce a strict no-take zone by eliminating illegal fishing within SIMCA
- > To establish firm working relationships with Sabah Wildlife Department and other national & international institutions or agencies for the protection of marine biodiversity.
- > To use ecotourism as a means of achieving sustainable funding for SIMCA's management

Statement of legal actions

Sugud Islands Marine Conservation Area (SIMCA) covers a total area of 46,713 hectares including the three islands of Lankayan, Billean and Tegapil, which are property of the Sabah State Government. On 15 October 2003 an agreement was made between the State Government of Sabah, through the Sabah Wildlife Department, and Reef Guardian Sdn Bhd (Company Number 567739-D) to lease use, occupy and utilize SIMCA for a period of 30 years from the commencement date. Subject to the terms and condition of the agreement, the Government granted to Reef Guardian the permit under Section 21(2) of Wildlife Conservation Enactment 1997 for occupation and operation of SIMCA. The Government grants Reef Guardian exclusive right to undertake tourist activities within entire SIMCA subject to the Wildlife Conservation Enactment 1997 and the relevant written laws such activities shall include: wildlife observation; fishing in designated areas using single rod, hook and line only; nature education; video and still photography; and other activities consistent with the environmental conservation and education purposes of the SIMCA.

Reef Guardian shall assist Sabah State Government in providing opportunities for appropriate forms of recreation in tourism in SIMCA to enhance public awareness of the importance of nature and marine conservation. Reef Guardian shall play an active role in the Sabah State Government s strategy of maintaining the diversity of marine flora and fauna in SIMCA for conservation purposes, and to actively monitor and report on illegal fishing activities and any other activities which may be harmful to the ecology and marine flora and fauna of SIMCA.

Organization's Board of Directors and/or Trustees.

Pursuant to the authority conferred by the Articles of Association of the Company, the following are the directors for the time being of Reef Guardian Sdn Bhd (567739-D) hereby resolved:

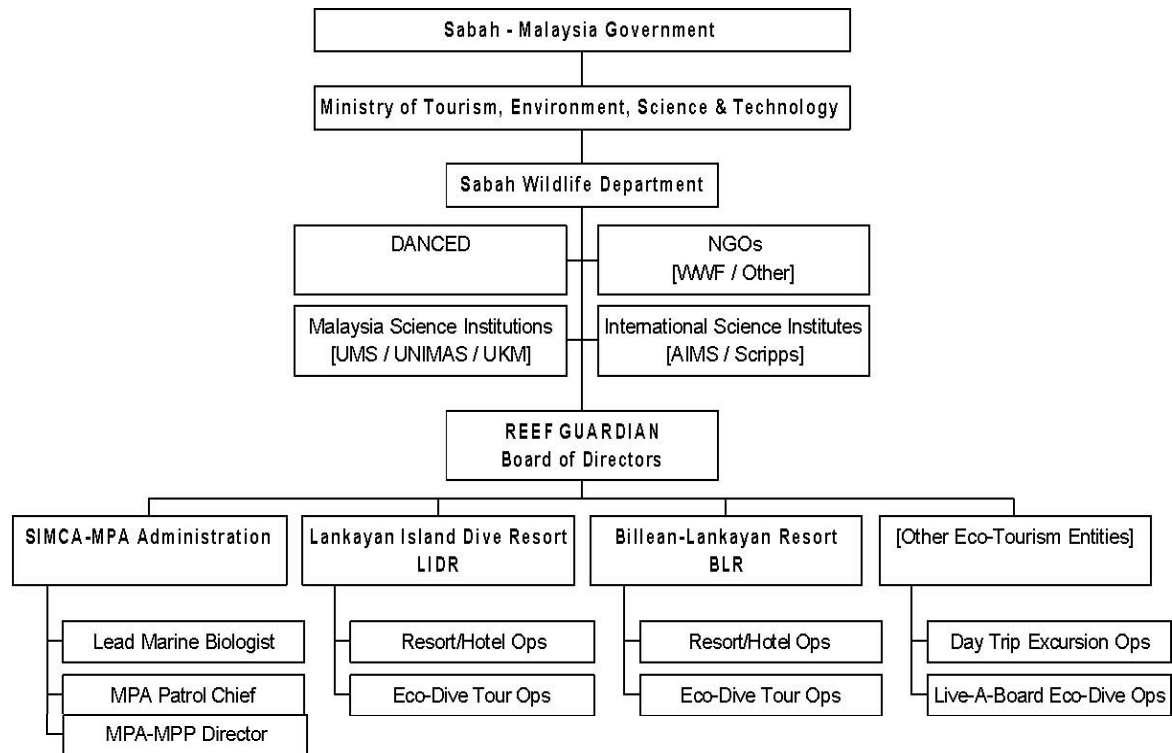
- 1) Mr. Kenneth Chung Kuo Ting
- 2) Mrs. Veronica Lee

Mr. Kenneth Chung is also the Managing Director of the Borneo Eco-Paradise Resort group of companies and operates three eco-friendly resorts in Sabah which consist of Sipadan-Kapalai Dive Resort, Lankayan Island Dive Resort and Sepilok Nature Resort. He has worked closely together with the Sabah Wildlife Department to create the surrounding SIMCA (Sugud Islands Marine Conservation Area) dedicated to the conservation of this and other islands. Mr. Kenneth Chung s aim is to conserve some of Sabah s islands through creating eco-friendly resorts that are focused on minimizing tourism impact. Tourism impacts are minimized through the creation of a Hydroponics Treatment System to reduce direct pollution to the sea, implementation of eco-dive programmes, and installation of mooring buoys to reduce anchor impacts.

Mrs. Veronica Lee is Executive Director for Pulau Sipadan Resort manage the finance and management of Sipadan-Kapalai Dive Resort and Lankayan Island Dive Resort.

Government and SIMCA relation

Figure 1 show government and Reef Guardian relation in managing SIMCA.



Reef Guardian Resource Capacities

Human resources

Reef Guardian (RG) oversees all aspects of marine conservation, including operations, research, funding, administration, education and outreach programme. Today, day to day activities within SIMCA are carried out by 16-18 field based personnel, each of whom are responsible for multiple duties. RG has a relatively streamlined organization structure (Fig 2), which enables it to respond quickly to situations as they arise. The 5 conservation programmes are leads by a Lead Marine Biologist, and each programme will be oversee by one or two senior staff.

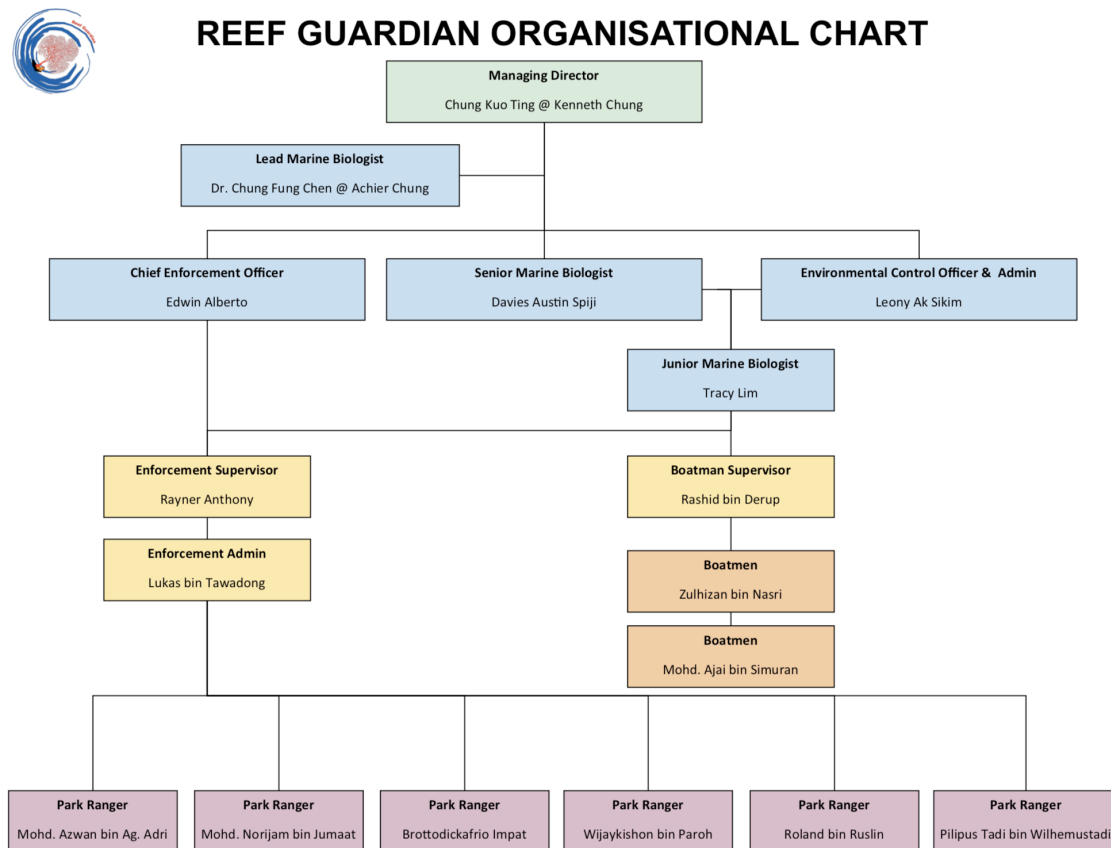


Figure 2: Reef Guardian Organization Chart (updated September 2020)

Three training programmes are conducted from time to time to RG staff to enhance their technical skills for carrying out their daily conservation duties:

1. Honorary Wildlife Warden (HWW) Training that conducted by Sabah Wildlife Department. Today (year 2020), RG having 8 certified HWW in the field. RG's Chief Enforcement Officer, Mr. Edwin Alberto awarded as the best HWW in assist Sabah Wildlife Department to enforce Sabah Wildlife Enactment 1997 in year 2018.
2. PADI Open water and Advanced Scuba Diving. Currently RG having one certified Dive Master, four Advance Scuba Divers and one Open water scuba diver.
3. Reef Check. RG consist of one Reef Check trainer (since 2009), and 4 Reef Check Eco-diver.

Reef Guardian Financing

RG is a non for profit organization whose operations are financed through a combination of conservation fees, resorts lease fee, grants from government and non-governmental organizations, boat rental fees, donations from the public, and from private sources.

Conservation fees

Since 2005, a conservation fee of RM20 per person per night has been collected from visitors to Lankayan Island. The conservation fee was revised to RM25 per person per night in 2011 and to RM30 in 2019. All conservation fees collected are uses for cover 50-70% of RG's annual operating and management costs.

Past and Present Conservation Grants / Project

- In 2006, Reef Guardian received a 18 months conservation grant worth USD20,000 from Conservation International Philippines to support RG's sea turtle monitoring programme and enforcement activity within SIMCA.
- In 2007/08, Reef Guardian was awarded a competitive conservation grant worth USD41,000 by the U.S. National Fish and Wildlife Foundation. The grant was intended to support Reef Guardian in strengthening its

enforcement programme, and to establish an education outreach programme for SIMCA visitors and local schools.

- In 2009, Reef Guardian received USD60,500 from Conservation International Philippines for a project to extend and strengthen the sea turtle monitoring programme and enforcement activity within SIMCA.
- In 2010 to 2012, Reef Guardian received RM100,000 from WWF-Malaysia for project to determine socio-economic and fishery benefit of the Sugud Islands Marine Conservation Area.
- In 2014 to 2015, Reef Guardian received RM60,000 from Ministry of Science, Technology and Innovation (MOSTI) for research project on spawning aggregation of Leopard Coral Grouper in Lankayan Island.
- In 2018, Reef Guardian received RM54,750.00 from Guangzhou Asian World International Travel Cooperation for adopting 365 sea turtle nests (one day one nest).
- In 2019, Reef Guardian received USD7,540.00 from SEE Turtle for expansion of sea turtle monitoring work to Tegapil Island.
- In 2020, Reef Guardian received USD3500.00 from SEE Turtle for sea turtle monitoring work in Tegaipil Island.

Infrastructure

Equipment

- Three (3) dual engine fibre glass boats (150 and 200 HP) SIMCA 1, 2 & 3.

SIMCA 1 has been in use since 2004, SIMCA 2 since 2006, and SIMCA 3 was funded from Conservation International Philippines in 2009. RG's boats are mainly used for research work, and sea patrol.

- One radar tracking systems

RG own a radar tracking system that station on Lankayan Island.

Facilities & Buildings

- Information center/ RG Lankayan's site office

Reef Guardian's site office houses an information display corners, a radar operational room, and an audio and seminar room that can accommodate up to 20 visitors.

- Sugud Islands Marine Research Centre (SIMRC)

SIMRC is situated in Billean Island, consisted of a laboratory, a lecturer hall, an office, and a quarter that can accommodate 30 visitors/students/researchers. SIMRC have been used for conducted meetings, marine conservation, and education programme since 2013.

- Staff quarters

RG owns two staff quarter buildings on Lankayan Island, consisting of 6 junior staff rooms, 2 senior staff rooms, and 4 upgraded visitors' room for Sabah Wildlife Department personnel, police, students and volunteers. On Billean Island, RG's quarters consist of 3 senior staff rooms and 6 junior staff rooms. On Tegaipil Island, RG quarters consist of 4 staff rooms. Both Billean and Tegaipil Islands quarter equips with marine radio facilities for communication to Lankayan Island.

Enforcement Capacity

Today (2020), RG consists of 8 trained and certified Honorary Wildlife Wardens (HWW). All HWW are trained in conducting boat search, recording data, identifying endangered species, and writing and filing case or police reports. Sea patrols are carried out with the cooperation of state enforcement agencies such as the PGA (police field force), marine police, and maritime/coast guard. Regular sea patrols are carried out both during day and night to detect fishing boats that are fishing illegally within SIMCA and/or using illegal methods such as dynamite or cyanide.

Research and Monitoring

Sea turtle monitoring programme

Two species of sea turtle, which are Green Turtle (*Chelonia mydas*) and Hawksbill Turtle (*Eretromochely imbricata*) nest on Lankayan, Billean and Tegaipil sandy beaches. Average annual nesting on Lankayan Island is 500 nests, 60 nests on Tegaipil Island and only 45 nests on Billean Island.

Underwater surveys

RG marine research team conduct Reef Check cover 30 dive sites since 2009 to monitor reef health and reef fishes abundance annually. Other research project carry by the team are: Humphead wrasse abundance; Leopard coral grouper spawning aggregation, and community structure of snapper in the reef. Monitoring of the Outbreak of Crown-of-Thorn starfish have been done year. In the past 10 years, Reef Guardian team removed about 35,000 Crown-of-Thorn starfish from reefs around Lankayan and Billean Islands.

Environmental monitoring

RG started its environmental monitoring programme in 2005 to monitor water quality parameters such as salinity, surface temperature, conductivity, water vertical visibility, and sedimentation rates in the reefs.

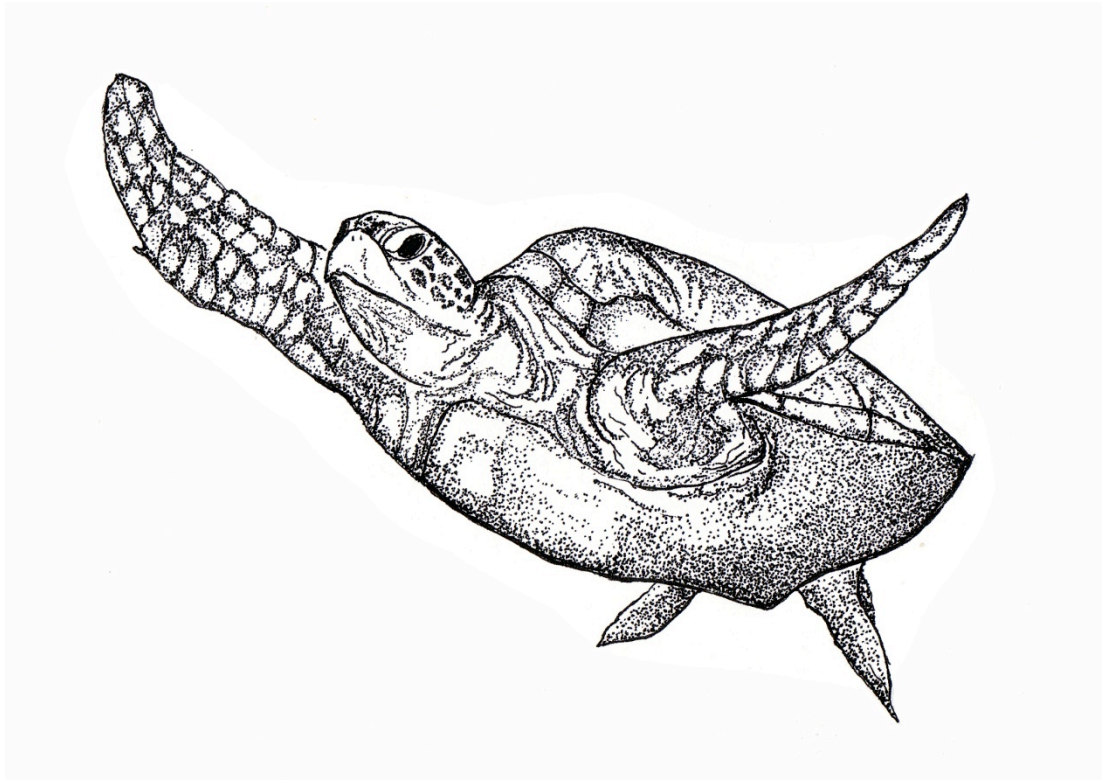
RG also monitors the level of effluent discharged from the resort's (LIDR) hydroponics treatment system to ensure nutrient levels fall within national standards and do not pollute the marine environment. The monitoring results are reported in RG's semi-annual reports.

Education and outreach programme

Awareness about SIMCA among the public and scientific community has been raised since 2004. RG has achieved this through the establishment of a marine awareness education programme for local school groups, a website, on line newsletter, and disseminating SIMCA information to LIDR guests at the SIMCA interpretation centre. Awareness of SIMCA is also raised through poster and oral

presentations about its conservation activities in local and international marine conservation/ coral reef workshops and conferences. A paper on SIMCA's management model and conservation work was published in an international scientific journal in 2008, thereby disseminating information to the scientific and academic community.

RG conducted education programme for students and teachers from Falu Frigymnasium in year 2018 and 2019 on Lankayan and Billean Island. RG also conducted talks, and seminar to school around Sandakan yearly.



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