

BUSINESS REVIEW

MARITIME EDUCATION & TRAINING

Akademi Laut Malaysia (ALAM) is one of the leading maritime education and training (MET) institutions in the region, offering a diverse range of maritime courses including its flagship nautical and marine engineering diploma programmes, maritime and offshore safety courses, simulator-based courses, and maritime professional programmes, amongst others. In addition, ALAM also has the in-house expertise to provide research and consultancy services to cater to the demand for customised maritime-related solutions from the maritime industry players. ALAM is operated by Malaysian Maritime Academy Sdn. Bhd. (MMASB), wholly-owned subsidiary of MISC.

ALAM continues to play an important role in producing qualified and competent seafarers for the local and international maritime industry. To date, more than 13,700 ALAM graduates have pursued their careers as maritime professionals across the globe and are contributing to the growth of the merchant marine sector in Malaysia, both at sea and shore. ALAM's academic achievements support UNSDG 4 to ensure equitable quality education and are aligned with the Malaysian Shipping Master Plan 2017-2020.

Further details on Maritime Education & Training
<https://www.misc.com.my/solutions/maritime-education-training>



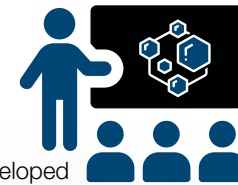
KEY HIGHLIGHTS



Offers over **160 courses** including customised courses



Enrolment of **216 cadets** in the 2020 **cadetship programme**



Developed **5 new modular courses** in 2020



Rolled out **2 advanced diploma programmes** in 2020





Rafiq Khan Akbar Khan
Managing Director/CEO,
Malaysian Maritime Academy
Sdn. Bhd. (MMASB)

MARITIME EDUCATION & TRAINING

MANAGING DIRECTOR/ CEO'S REMARKS

The maritime education segment has always been one of the key focus areas for MISC, as a platform for the Group to create value for the community and give back to society. We have put in considerable efforts towards continuing our value creation journey in 2020.

2020 has been an extremely challenging year for the education sector as the COVID-19 pandemic impacted educational institutions at all levels. The maritime education segment in Malaysia was not spared as the Ministry of Higher Education (MOHE) ordered the closure of higher learning institutions during the lockdown period to ensure students' safety.

Despite all the challenges, ALAM remains as one of the leading maritime education and training (MET) institutions in the country and is in fact the only institute that produces graduates with a Certificate of Competency 1 (COC1). While it was a difficult year, the resilience of both our lecturers and students had enabled us to swiftly pivot

into providing online learning options thereby continuing a less interrupted process of education and learning for our students. While providing remote learning options, we continued with limited onsite education, especially for courses that require practical or face-to-face training which were allowed and delivered in full compliance and adherence to guidelines issued by the MOHE and the Malaysia Marine Department (Jabatan Laut Malaysia or JLM).

Through concerted and collaborative engagements with both MOHE and JLM, we were able to obtain the necessary approvals to provide e-learning modules for our students. We utilised our existing online Learning Management System (LMS) to provide our students access to a database of online textbooks. The LMS is also one of the tools employed to facilitate the teaching and learning process virtually. The move into the virtual space was necessary for ALAM to adapt to the new normal and it has augmented our institutional capabilities to deliver quality education via the online platform. Within the maritime education sector many of our peers have also been operating in difficult environment. However, our institutional and people resilience has enabled us to successfully navigate challenges.

During the year, we continued to educate our youths with a passion for the maritime world through our two flagship programmes, namely the Diploma

Programme and the Ratings Programme. The Ratings programme which is a Technical and Vocational Education and Training (TVET) programme, sets ALAM apart as one of the premier private institutions of higher learning in Malaysia. In fact, ALAM is the only maritime academy in the country to combine the Standards of Training, Certification and Watchkeeping for Seafarers (STCW) courses with certifications from the Department of Skills Development (Jabatan Pembangunan Kemahiran or JPK) and the Malaysian Skills Certificate (Sijil Kemahiran Malaysia or SKM). Our first and second cohort of students from this programme will be graduating soon.

Recognising the challenges that arose, we proactively came up with solutions that would help overcome any personal difficulties and keep everyone safe. We concentrated our efforts on student engagements in keeping them motivated, so they could focus their best efforts towards continuing with their education.

As at end December 2020, we had received RM15.5 million in sponsorship from Eaglestar for Diploma, Post-sea and Modular Programmes making them the single largest student sponsorships partner to sponsor our students to study in the academy.

We continued to maintain a high graduate employability rate in 2020, with candidates securing employment at various shipping companies locally and regionally. Our graduates are well regarded by prospective employers, as our course content is among the most competitive in the maritime industry and delivered by our cohort of highly qualified and experienced teaching staff.

We expect that 2021 will continue to be a challenging year, as the national level examinations of SPM and STPM have been postponed due to the pandemic. This will have a knock-on effect on our student intakes for the academic year. However, we believe the situation should even out by 2022, and some normalcy should return by then.

Based on this muted outlook, our immediate priority is to put in place the building blocks that we need in order to transform the education arm of MISC. We are looking inwardly in improving our internal processes, policies and procedures to ensure efficient delivery of our product offerings. In addition, we are also looking at strengthening our

leadership bench while improving the capability of our human capital. This is in line with our vision of rebuilding the institution towards becoming the preferred learning institution locally and internationally.

Leveraging on our strengths, our long-term focus is on elevating ALAM from the maritime academy it is today, to a university college. This is in line with ALAM being awarded a 30-year concession by the Ministry of Transport (MOT) at the beginning of 2020, which requires the academy to transform into a university college. The transformation will require a firmly focused strategic push on our part to leapfrog ourselves in the education sector in Malaysia by increasing our student capacity from about 1,000 students to double that number in the future. At the same time, we will also need to expand the diversity of our lecturer pool, and ensure a greater proportion of lecturers with PhD, Masters and COC1 qualifications under their belt.

A key push for the coming year is to further accelerate our digitalisation initiatives to expand and strengthen our provision of online maritime education, as we see online education continues to be an important area for the future. The move to an online education platform means we can now expand our educational reach to students across borders, without the need for them to be physically present at the ALAM campus.

We also plan to expand our portfolio of courses, with four more courses to be launched in 2021 in addition to the two new advanced diploma courses that we started offering in 2020. While enrolment figures dropped in 2020, we are optimistic that once the global community has recovered from the effects of the pandemic, ALAM will be well placed to drive our future growth in this new niche. As we step into the year ahead, we reaffirm our commitment to continue delivering the best quality maritime education locally and internationally.

Rafiq Khan Akbar Khan
Managing Director/CEO, MMASB

MARKET REVIEW

The COVID-19 pandemic is unprecedented and had severely impacted the education sector, causing many private academic institutions struggling to cope with the effects of the pandemic. Institutions' resilience were heavily tested and those that were able to pivot swiftly to digital platforms in providing education throughout the crisis, have sustained their business. The most notable trend in 2020 was the acceleration of digital learning platforms across all education sectors, including MET.

The transition from physical or face-to-face classes to online digital classes requires significant investments to integrate IT and digital systems that brings together both academic and non-academic activities seamlessly. This has stretched the financial limits of many learning institutions and those with sufficient financial resources are taking the advantage of moving ahead from its competitors. As online platforms, working from home and e-learning is fast becoming the new norm, complying with requirements from regulators and authorities remains a challenge for the education industry. A key factor that will determine the sustainability of the education sector as the pandemic persists is the readiness of regulators and authorities to facilitate the transition to digital ways of learning and training.

KEY DEVELOPMENTS

ALAM continued with its steadfast efforts to build the foundations for our long-term and sustainable growth by developing new courses and rolling out new programmes amidst the backdrop of a challenging operating environment. In 2020, we developed five new modular courses to complement our 160 existing programmes. We also rolled out two advanced diploma programmes, which has expanded our education offerings portfolio.

We carried out a quick transition to roll out an e-learning ecosystem using cloud technology for our students to continue with their studies in the safety of their own homes by obtaining the requisite approval from the authorities. Furthermore, the usage of our LMS has increased significantly from 40% prior to the Movement Control Order (MCO) period, to 100% during and after the MCO.

Nevertheless, the pandemic had an adverse impact on our enrolment numbers across all categories of students. For example, due to the border closure imposed during the MCO, 110 potential foreign students who had obtained their Letter of Eligibility (LOE) were not able to join for the post-sea programmes. Therefore, we only had a total of 164 students taking post-sea courses, of which 135 were Malaysian and 29 were foreigners. We also had a total of 216 cadets enrolled at the academy, along with 100 students for the Malaysian Indian Transformation Unit (MITRA) ratings programme, all of whom are Malaysian, a much reduced enrolment number compared to previous years.

Despite the overall economic downturn and soft job market, our cadet's employability remained at a very high rate in 2020. A total of 61 eligible candidates who had graduated from ALAM secured employment with 12 shipping companies locally and regionally.

Eaglestar contributed a total of RM11.6 million towards the diploma programmes and RM3.9 million in post-sea and modular programmes making them the single largest sponsorship partner in student sponsorship across the board. We also secured 19 new customers for all programmes while maintaining 72 existing customers in 2020.




We also obtained BeSS ('Bersih, Selamat dan Sihat' or 'Clean, Safe and Healthy') Certification for the ALAM Café from the Melaka State Health Department (Jabatan Kesihatan Negeri Melaka), with a validity period of three years commencing from 28 September 2020. Additionally, we maintained our own BeSS certificate, which we had obtained in 2018.

As a result of our high commitment levels on HSSE at our campus, we won the Malaysian Society for Occupational Safety and Health (MSOSH) Gold 2 Award in November 2020 in the educational sector category denoting our good safety and health performance in 2019.

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SUSTAINABILITY

Our sustainability initiatives at ALAM were as follows:

Sustainability Pillar	Initiatives and outcomes
Customers 	<p>The interactions ALAM has with our customers are with our students and their parents. When the MCO was announced and students had to return home as lockdowns were enforced, ALAM facilitated this by arranging for buses to transport them home. We allowed some students to remain on campus, due to poor internet connectivity at home as we pivoted lessons online.</p> <p>As part of our efforts to curb the spread of the pandemic, ALAM enforced compulsory pre-entrance tests. Several cases were detected during the COVID-19 testing process, and the affected individuals were transferred to MOH in line with guidelines. We also quarantined cadets for a period of 10 days when they returned to campus from their respective hometowns according to MOH quarantine requirements.</p> <p>Adapting to the new norms, we conducted an online induction programme for our new batch of students via Microsoft Teams. All announcements were made directly to the students, including those who continued classes via online platforms.</p>
Governance and Business Ethics 	<p>During the year, ALAM's employees were active participants of the 'See. Speak. Support' programme and the Annual Compliance Culture Survey.</p>
Employees 	<p>In light of the COVID-19 pandemic, ALAM established the COVID-19 Standard Operating Procedure (SOP) as soon as the MCO was announced to take steps to control the spread of the virus amongst employees and students. This ensured ALAM was able to continue providing maritime academic and training courses, as it continued operating safely.</p> <p>ALAM introduced and implemented the Pandemic Response Team (PRT), and took proactive steps and precautionary measures to prevent the transmission of the virus for all stakeholders. The PRT team was headed by the Ketua Eksekutif with members comprising representatives from various departments. Among the activities held were:</p> <ul style="list-style-type: none"> • HSE Briefing on Safety and COVID-19 SOP for the main contractors such as housekeeping, cleaning and landscaping • COVID-19 SOP briefing for students • Established COVID-19 hotlines • Established ALAM's COVID-19 SOP post-MCO, which was endorsed by the Marine Department of Malaysia <p>The MMASB townhall was held on 25 August 2020 as a key employee engagement during the year.</p> <p>We continued to develop our talents, through the following training programmes:</p> <ul style="list-style-type: none"> • International Multidisciplinary Conference on Education, Social Science & Technology (IMCEST 2020) • Integrated Reporting (Practitioner level) • Preventive Conservation Training • Financial Modelling in Excel Training • Seminar On Anti-Bribery Management System • Oil Spill Training IMO Level 2 • COVID-19 Preparedness - Training for Frontliners • ISO 37001:2016 Introduction@Melaka • Workshop Development on Bribery Risk Assessment • Certificate in Anti-Corruption Compliance • Online Training on Security Management Systems; Basic Law; and Awareness on Fitness • AED and alcohol test training • Training of Trainers IMO 6.09 • General Operator Certificate Revalidation




MOVING FORWARD

We expect the year ahead to remain challenging and for competition to intensify amongst the education providers. The recovery process from the pandemic is expected to be a long-drawn affair, as it is highly dependent on the effectiveness and the efficiency for vaccines to be produced and disseminated to the masses. With the prolonged economic crisis brought on by the pandemic that subsequently resulted in tighter employment market, ALAM foresees a shortfall in demand due to many uncertainties. The expected drop in demand for seafarers' professional development from industry players will impact the students' enrolment numbers. To mitigate this, ALAM will leverage on other market segments such as the compulsory STCW courses including revalidation courses and continue with our ports and terminal simulation study and research projects.

As part of our long-term goal to sustain ALAM's status as a premier MET institution, we will look inwardly in building our capacities for future growth, by evolving our marketing strategies in line with the new normal. We will explore opportunities to expand our market presence, provided that the market environment is stable. We have identified a twin strategy of offering courses both at our campus and online and are ready to offer up to 70 STCW courses in line with this strategy. We also plan to offer more home-grown programmes which will set us apart from competitors.

To open up education opportunities for students and develop a pool of talent for the industry, we will explore external funding and sponsorship sources for our various programmes and courses. These include the Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN or the National Higher Education Corporation Fund) for the cadet programme, Perbadanan Tabung Pembangunan Kemahiran (PTPK or Skills Development Corporation Fund) for SKM rating programmes, as well as state and federal levels education funds for cadetship and rating programmes.

In addition, we will also consider approaching financial institutions and banks as a potential funding alternatives. A new area we will explore is playing a bridging role for students who would like to pursue employment opportunities within the cruise ship sector. We remain fully committed to providing the highest quality of education to our student community, and to provide them with the support they require to remain on course with their studies.

Sustainability Pillar	Initiatives and Outcomes
Environment 	<p>In early 2020 before the onset of the pandemic, ALAM conducted a mini-campaign roadshow for the Biodiversity Conservation Programme at our campus in collaboration with Reef Check Malaysia. The awareness and sharing sessions created greater understanding of the importance of conservation amongst our student community. A total of 34 students participated in the event.</p> <p>In July 2020, we embarked on initiatives aimed at obtaining Green Seal Certification. This encompassed activities such as purchasing of recycling bins, use of environmentally friendly paper, and implementation of energy and water conservation measures. ALAM was certified as Green Seal Office Partner on 22 December 2020, valid for a period of two years.</p> <p>As part of our energy and water conservation efforts, ALAM participated in the Water and Energy Savings Campaign in late 2020. Approximately 170 posters and signages were distributed around the campus and several e-mails were sent to all our employees to create awareness on the objective of the campaign and to encourage them to contribute. We also maintained our efforts to replace all our lightings with energy saving LED lights.</p> <p>In November 2020, to enhance awareness on waste management amongst our contractors, we conducted an awareness briefing on solid waste management compliance. Attended by our contractors' representatives, the session shared information and raised awareness on matters relating to legal compliance of solid waste management.</p>