



MARITIME INSTITUTE OF MALAYSIA
INSTITUT MARITIM MALAYSIA

2020

ANNUAL REPORT

A Year of Accomplishments

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 27th Annual General Meeting of the Institute will be held fully virtual at Broadcast Venue, Unit B-06-11 Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur on 4th December 2020 (Friday) at 10.00 a.m. to transact the following businesses:

NOTICE OF 27th ANNUAL GENERAL MEETING

As Ordinary Business

1. To lay and receive the Audited Financial Statements for the year ended 31st December 2019 together with the Reports of the Directors and the Auditors thereon. **Refer to Note 6**
2. Mr. Chua Tong Ka retires as a Director by rotation in accordance with Article 34 of the Articles of Association of the Institute at the conclusion of this 27th Annual General Meeting and will not be seeking re-election. **Refer to Note. 7**
3. To approve the payment of Meeting Allowances of RM5,500.00 for the financial year ended 31 December 2019 **Resolution No. 1**
4. To re-appoint Messrs. Ong & Wong Chartered Accountants as Auditors of the Company and to authorize the Directors to fix their remuneration **Resolution No. 2**

BY ORDER OF THE BOARD
MARITIME INSTITUTE OF MALAYSIA

NOR AZRINA BINTI ZAKARIA (LS 0009161)
SHAHIRAH BINTI MOHD ANWAR (LS 0009909)
Company Secretary

Date: 10 November 2020
Kuala Lumpur

Notes:

1. In view of the unprecedented circumstances and to ensure the safety of Members of MIMA from COVID-19 outbreak, the 27th AGM of the Institute will be conducted through FULLY VIRTUAL MEETING by the way of Zoom Platform. Please refer to the Administrative Notes at Page 3 of the Notice of 27th AGM.
2. A fully virtual general meeting is to be conducted online, without a physical meeting venue, and members will participate by audio and/or video capabilities. The only venue involved is the Broadcast Venue where only the essential individuals are physically present to organise the fully virtual general meeting. The Broadcast Venue is strictly for the purpose of complying with Section 327 (2) of the Companies Act, 2016 ("CA 2016") which stipulates that the Chairman shall be at the main venue of the AGM. Hence, NO MEMBERS will be physically present at the Venue on the day of the AGM.
3. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one (1) proxy to attend and vote in his stead and such a proxy need not be a member of the Company.
4. The Proxy Form shall be under the hand of the appointer or of his attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or its duly authorised attorney.
5. The instrument appointing a proxy must be deposited with the Company Secretary at Suite C-5-4, Wisma Goshen, Plaza Pantai, Jalan Pantai Baharu, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
6. Pursuant to Section 340(1)(a) of the Companies Act, 2016, the Company must lay its Audited Financial Statements of the Company to its members. This Agenda is not for approval by the members.
7. Mr. Chua Tong Ka who was appointed as the Director of the Company on 7th March 2008 will retire in accordance with Article 34 of the Company's Articles of Association. Mr. Chua Tong Ka has informed the Board of his intention to retire as a Director and therefore would not be seeking for re-election at this Annual General Meeting. Hence, he will retain office until the conclusion of this Meeting in accordance with Article 34 of the Company's Articles of Association.



FORM OF PROXY

MARITIME INSTITUTE OF MALAYSIA

(199301015663 (270403-K))

(Incorporated in Malaysia)

I/We.....
of.....
being the ORDINARY / LIFE member of MARITIME INSTITUTE OF MALAYSIA,
hereby appoint(s)
of.....
..... or failing him, the Chairman of the
Meeting as our proxy to attend and vote for us on our behalf at the Twenty-Eighth
Annual General Meeting of the Company to be held virtually at Broadcast Venue,
Unit B-06-11 Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur on
30th August 2021 (Monday) at 10:00 a.m. and at any adjournment thereof.

Our proxy is to vote as indicated below:

ORDINARY BUSINESS	For	Against
RESOLUTION 1		
RESOLUTION 2		

(Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolution, in the absence of a specific directors, your proxy will vote or abstain as he thinks fit).

DATED THIS:

Please affix Common Seal here
(for body corporate only)

.....
Director Director/Secretary

Note:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. All proxies must be members of the Company.
2. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer of the corporation duly authorized on that behalf.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Suite C-5-4, Wisma Goshen, Plaza Pantai, Jalan Pantai Baharu, 59200 Kuala Lumpur (Tel: 03-22834007 / Fax: 03-22877006) not less than 48 hours before the meeting set for holding the meeting or any adjournment thereof.



BOARD OF DIRECTORS

CHAIRMAN

- Vice Admiral Laksamana Madya Tan Sri Dato' Seri Ahmad Ramli Bin Mohd. Nor (Resigned w.e.f. 8 January 2020)
- Datuk Seri Haji Saripuddin Bin Kasim (5 February 2020 - 2 June 2020)
- Dato' Mohamed Suffian Bin Awang (Appointed w.e.f. 6 July 2020)

DIRECTOR-GENERAL

Datuk Dr. Sabirin bin Ja'afar (Appointed w.e.f. 16 July 2020)

DIRECTORS

- Laksamana Dato' Seri Panglima Ahmad Kamarulzaman Bin Haji Ahmad Badaruddin ((Resigned w.e.f. 5 February 2020)
- Datuk Mohd. Sidik Bin Shaik Osman
- Michael Chai Woon Chew
- Chua Tong Ka (Resigned w.e.f. 4 December 2020)
- Dato' Haji Munir Bin Haji Mohd Nawi (Resigned w.e.f. 3 August 2020)
- Kapten Mohamad Halim Bin Ahmed
- Dato' Sri Muhammad Shahrul Ikram Bin Yaakob
- Laksamana Tan Sri Mohd Reza Bin Mohd Sany (Appointed w.e.f. 15 July 2020)
- Nik Azman Bin Nik Ab Kadir (Appointed w.e.f. 21 October 2020)
- Datuk Haji Mohd Rabin Bin Basir (Appointed w.e.f. 21 October 2020)
- Alfian Bin Yang Amri (21 October 2020 - 1 April 2021)
- Raja Malik Saripulazan (Appointed w.e.f. 13 January 2021)
- Datuk Azhar Bin Mohamed (Appointed w.e.f. 29 March 2021)

ALTERNATE DIRECTORS

- Dr. Adina binti Kamarudin (alternate to Dato' Sri Muhammad Shahrul Ikram bin Yaakob) (Appointed w.e.f. 21 October 2020)
- Laksamana Muda Datuk Khairul Anuar bin Yahya (alternate to Laksamana Dato' Seri Panglima Ahmad Kamarulzaman Bin Haji Ahmad Badaruddin) (Resigned w.e.f. 5 February 2020)
- Roselin Bin Rajab (alternate to Datuk Haji Mohd Rabin Bin Basir) (Appointed w.e.f. 9 December 2020)

COMPANY SECRETARY

- Shahirah binti Mohd Anwar (LS 0009161)
- Nor Azrina Binti Zakaria (LS 0009909)

AUDITORS

Messrs. Ong and Wong Chartered Accountants





**CHAIRMAN'S
STATEMENT
&
DIRECTOR-
GENERAL'S
REPORT**

2020

CHAIRMAN'S STATEMENT

THE COVID-19 pandemic has impacted all countries' economic and social sectors, as well as inter-community ties. From the 18 March 2020 Movement Control Order (MCO) in Malaysia to the present, all sectors have yet to recover entirely, not just in Malaysia but also globally.

Amid the COVID-19 upheaval, running a renowned maritime research institute in Malaysia put my credibility and ability to the test. However, it does not impede me, the MIMA board of directors, and the MIMA staff to work with the Malaysian government and industry to protect and strengthen our country's maritime sector.

Even though the current situation physically limits all movements and activities, it provides MIMA with 1,001 ways to keep moving forward, armed with creativity and invention that adapt to change.

This is a period of continued strengthening of MIMA's ties with stakeholders and the maritime industry. Through courtesy visits to embassies of the United States, China, Japan, Australia, France, and Belgium, MIMA maintained excellent relations with significant maritime powers.

At the same time, the institute understands the need to increase collaboration with maritime-related government agencies. Several discussions with the Royal Malaysian Navy, Malaysian Maritime Enforcement Agency, Malaysian Marine Department, Malaysia Institute of Defence and Security, Malaysian Fisheries Department, and other organisations were beneficial in this endeavour.

These connections are being strengthened by inviting ambassadors and agency directors-general to participate in online research collaborations, conferences, training, and scholarly publications.

This action is in keeping with the Ministry of Transport Malaysia's hopes for MIMA, which believes it can continue to be the region's top maritime research centre. Although COVID-19 has many limitations, it doesn't entirely rule out MIMA's dominance in the research field.

The MIMA team takes the events of 2020 in stride and sees it as a springboard for new opportunities in 2021!



Dato' Mohamed Suffian Awang
Chairman



DIRECTOR-GENERAL'S REPORT

THERE has never been a drop in research activities, conferences, courses, projects, or activities as significant as the one that occurred in 2020 since MIMA's inception in 1993.

These statistics may have a negative impact when seen on a single piece of paper. However, what happened in 2020 as a result of the COVID-19 pandemic, which is still ongoing today, appears to be a signal of how urgent it is for us all to "reset".

This resetting must occur not only within the organisation but also within ourselves. This reset puts MIMA's capabilities to the test, but it also reveals the organisation's strengths, which were sown from the beginning.

Despite the prohibition on movement between states, we successfully evaluated the effectiveness of cabotage policy liberalisation in Sabah and Sarawak, a study commissioned by the Ministry of Transport (MOT).

The MOT also commissioned MIMA to conduct a preliminary analysis of the issues and prospects in Malaysia's bunkering industry. The study findings from these two projects have been published as report publications and recognised for use in Malaysia's maritime sector development by the MOT.

MOT also focuses particularly on Malaysia's maritime economic sector, which contributes for 40% of the country's



Datuk Dr. Sabirin Ja'afar
Director-General



DIRECTOR-GENERAL'S REPORT

GDP, with oil and gas accounting for 15% and fisheries for 9.4%. Maritime-related industries, such as tourism, accounted for the remaining percentage.

The impacts of the global economy and the MCOs imposed by the government to control the spread of COVID-19 have had a significant effect on these sectors.

Eminent persons such as Minister of Transport YB Datuk Seri Ir. Dr. Wee Ka Siong, Director of the Maritime Safety Division, International Maritime Organization (IMO) Ms. Heike Deggim, and United States Ambassador to Malaysia H.E. Ambassador Kamala Lakshmi, had emphasised the importance of this issue.

Their statements were part of our *Webinar on Port Governance and Management: Post-Pandemic Recovery* on 30 November 2020.

Despite facing many challenges in 2020, ports appear to thrive. Westports handled 10.5 million twenty-foot equivalent units (TEUs), which was the second-highest in the company's history and just 3% less than the previous year.

Port of Tanjung Pelepas (PTP) is also accomplishing a record-breaking 9.8 million TEUs total throughput in 2020. In the year 2019, PTP reported 9.1 million TEUs.

Port Klang is ranked 12th in the world in the 2020 World Top 50 Container Ports, while PTP is ranked 15th, up from 18th in 2019.

In terms of security, MIMA is working with CyberSecurity Malaysia to design a strategy to boost Malaysia's maritime cybersecurity.

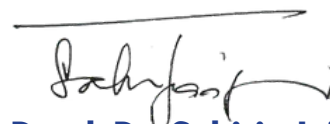
Meanwhile, in global events, the cyberattack on Antwerp's port in Belgium on 2011 brought the importance of cybersecurity to the forefront of the nautical world's minds.

At the same time, Malaysia continues to manage one of the world's busiest waterways, the Straits of Malacca, which sees over 80,000 ships pass through each year.

MIMA successfully collaborated with the Razak Faculty of Technology and Informatics, Universiti Teknologi Malaysia, to develop the Maritime Malaysia Analytical Dashboard in a world where big data is crucial to support Malaysia's recognition as a Maritime Nation at the end of 2020.

Data on Malaysian maritime is vital for examining the country's shortcomings, possibilities, and growth plans for anything associated with the sea.

MIMA has begun to accelerate the dissemination of research materials by publishing high-quality books, bulletins, issue papers, and newsletters. I believe that research materials should be documented and widely disseminated so that the public may apply all available knowledge to maritime development.



Datuk Dr. Sabirin Ja'afar

Director-General

In light of this encouraging trend, MIMA is taking steps to develop a robust infrastructure to ensure the country's maritime sector's long-term sustainability.



RESEARCH ACTIVITIES

- CENTRE FOR MARITIME ECONOMICS AND INDUSTRIES (MEI)
- CENTRE FOR STRAITS OF MALACCA (SOM)
- CENTRE FOR COASTAL AND MARINE ENVIRONMENT (CMER)
- CENTRE FOR MARITIME SECURITY AND DIPLOMACY (MSD)
- CENTRE FOR OCEAN LAW AND POLICY (OLAP)

2020

SUMMARY OF 2020 RESEARCH ACTIVITIES

Maritime Institute of Malaysia (MIMA) was commissioned by the Ministry of Transport (MOT) to conduct non-physical studies on the effectiveness of cabotage policy's liberalisation and the issues and prospects of bunkering industry in Malaysia.

In addition, MIMA's Senior Researcher was appointed as a Maritime Economist for the Tok Bali Industrial Park project. All the three (3) projects were completed successfully in December 2020.

MEI coordinated the selected 10 Mini Research Projects 2020 in collaboration with the Malaysia-Japan International Institute of Technology (MJIT), Universiti Teknologi Malaysia (UTM) and Universiti Putra Malaysia (UPM). The key objectives of the project are to understand the growing complexity particularly on the recent and emerging key technologies in the maritime industry operation and management. The project has provided a good platform for the researchers from different institutions to create a strong and professional network.

Highlights of MEI's Activities in 2020

1. Virtual Professional Dialogue on Cabotage Policy and Bunkering Industry. MIMA, Kuala Lumpur, 27 August 2020.
2. Mock Cheque Presentation for the selected 10 Mini Research Projects. MIMA, Kuala Lumpur, 13 October 2020.
3. Virtual Presentation by Cdr Ang Chin Hup (R) on the IORA Blue Economy Model. Diplomacy Academy of Vietnam, 16 December 2020.
4. Sharing Session on "Northport: A Corporate Overview". MIMA, Kuala Lumpur, 23 December 2020.

Research Activities and Summary of Findings

1. ***Assessment: Effectiveness of the Cabotage Policy Liberalisation in Sabah and Sarawak***

MIMA was commissioned by the Ministry of Transport (MOT) to study on the effectiveness of the cabotage policy's liberalisation in Sabah and Sarawak. The project was led by Cdr Ang Chin Hup (R), Senior Researcher of MEI and assisted by Dr. Siti Ayu Jalil of Malaysia Institute of Transport (MITRANS), Dr. Rawindaran Nair of Cardiff University, Mr. Mohamed Azman Mohd Aris, and MEI Researchers.

The study concluded that the MOT should strengthen the cabotage policy to support the shipping industry in Malaysia. The report was presented to the Senior Officials of MOT and published for distribution and sale.



2. ***Issues and Prospects of Bunkering Industry in Malaysia: A Preliminary Study***

MIMA was commissioned by the Ministry of Transport (MOT) to conduct a preliminary study of the issues and prospects of bunkering industry in Malaysia. The project was led by MEI's team and carried out together with the cabotage policy study. The team looked into the five (5) emergent issues, price, bureaucracy, quality, quantity and human resource. The project recommended to the MOT to further strengthen the bunkering industry in Malaysia. The report was presented to the Senior Officials of MOT and published for distribution and sale.

3. ***The Political and Economic Impacts as Risk Factors to Malaysia-Thailand Joint Development Area (MTJDA) Sustainability***

The project is one of the selected 10 Mini 2020 Research Projects. The project was led by Datuk Dr. Sabirin Ja'afar, Project Advisor, Fatemeh Baradari, Principal Researcher, and Mazlinawati Abdul Majid, Project Member. The project taken the two (2) issues, political and economic risk factors, for the sustainability of the Malaysia-Thailand Joint Development Area. For approval, the final report has been submitted to the committee.

PUBLICATIONS

Presentation

1. Ang Chin Hup. (2020, December). *Proposed Draft Criteria for Establishment of a Centre of Excellence (CoE) for The Indian Ocean Rim Association (IORA)*. Maritime Institute of Malaysia.
2. Ang Chin Hup. (2020, November 10). *Final Report on Assessment: Effectiveness of the Cabotage Policy Liberalisation in Sabah and Sarawak*, Mesyuarat Jawatankuasa Pemandu (Steering Committee) Bagi Pembentangan Laporan Akhir Dua Kajian Bukan Fizikal, Ministry of Transport.
3. Ang Chin Hup. (2020, November 10). *Final Report on Issues and Prospect of Bunkering Industry in Malaysia: A Preliminary Study*, Mesyuarat Jawatankuasa Pemandu (Steering Committee) Bagi Pembentangan Laporan Akhir Dua Kajian Bukan Fizikal, Ministry of Transport.
4. Ang Chin Hup. (2020, October 9). *Interim Report on Assessment: Effectiveness of the Cabotage Policy Liberalisation in Sabah and Sarawak*, Mesyuarat Jawatankuasa Pemandu (Steering Committee) Bagi Pembentangan Laporan Akhir Dua Kajian Bukan Fizikal, Ministry of Transport.
5. Ang Chin Hup. (2020, October 9). *Interim Report on Issues and Prospect of Bunkering Industry in Malaysia: A Preliminary Study*, Mesyuarat Jawatankuasa Pemandu (Steering Committee) Bagi Pembentangan Laporan Akhir Dua Kajian Bukan Fizikal, Ministry of Transport.



6. Ang Chin Hup. (2020b, December 16–17). *The IORA'S Blue Economy Model for South China Sea*. The 12th South China Sea International Conference, Ha Noi, Vietnam.
7. Ang Chin Hup. (2020b, January 13). *Economics of The South China Sea Conflict*. Seminar on South China Sea: Code of Conduct A Tool for Conflict Resolution, Petaling Jaya, Selangor.
8. Ang Chin Hup. (2020b, November 27). *Malaysia's National Port Strategy for Smart Port Development* [Session 3]. Online Expert Group Meeting on Smart Port Development for Sustainable Maritime Connectivity in Asia and The Pacific, Bangkok, Thailand.
9. Chin Yim Leng. (2020, July 9). *Digitalisation of Port Terminals*, Ministry of Transport Malaysia.
10. Nurul Ashikin Zakaria, Norsyihan Jamal, Muhamad Shafiq Ismail & Nurfatin Wahida Puspa. (2020). *Scoping Assessment: Linggi River, Malacca*. MIMA Tea Talk, 28 September 2020.

Website

1. Ang Chin Hup. (2020b, November 17). Sáng kiến Kinh tế Xanh IORA thúc đẩy tăng trưởng bền vững. *Tin Tuc Thongtanxa Vietnam*. <https://baotintuc.vn/the-gioi/sang-kien-kinh-te-xanh-iora-thuc-day-tang-truong-ben-vung-20201117212955045.htm>
2. Ang Chin Hup. (n.d.). *Impact of US-China Trade Tensions, the Coronavirus, and the Plunge of Oil Prices on the Malaysian Maritime Transportation Industry*. Maritime Institute of Malaysia. Retrieved June 2, 2020, from <https://www.mima.gov.my/sea-views/impact-of-us-china-trade-tensions-the-coronavirus-and-the-plunge-of-oil-prices-on-the-malaysian-maritime-transportation-industry>
3. Ang Chin Hup. (n.d.). *Malaysia's National Port Strategy for Smart Port Development*. United Nations Economic & Social Commission for Asia & the Pacific. Retrieved November 27, 2020, from https://www.unescap.org/sites/default/files/4_Malaysia.pdf
4. Chin Yim Leng. (2020). *Transforming to Sustainable Ocean Economy Green Ports and Shipping in the Asia-Pacific*. Asian and Pacific Centre for Transfer of Technology. http://techmonitor.net/tm/images/b/b3/20Jan-Mar_sf4.pdf
5. Chin Yim Leng. (n.d.). *COVID-19: In Search of Solutions for Maritime Supply Chains*. Maritime Institute of Malaysia. Retrieved June 16, 2020, from <https://www.mima.gov.my/sea-views/mei/covid-19-in-search-of-solutions-for-maritime-supply-chains>
6. Chin Yim Leng. (2020, August 7). *COVID-19: In Search of Solutions for Maritime Supply Chains*. Adopted by Port Klang Authority.

Newspaper, Journal, and Magazine

1. Ang Chin Hup & Mazlinawati Abdul Majid. (2020). Consultancy on the Malaysian



- Cabotage Policy and Bunkering Industry. *MIMA Bulletin, Volume 27 (1) 2020*, p. 56–58.
2. Mohamed Azman Mohd Aris & Ang Chin Hup. (2020). Malaysia Port Operations in post-COVID-19 Era. *MIMA Bulletin, Volume 27 (1) 2020*, p. 16–20.
 3. Nurfatin Wahida Puspa. (2020). How COVID-19 is Changing the World: Impacts on the Maritime Industry. *MIMA Bulletin, Volume 27 (1) 2020*, p. 10–15.
 4. Nurfatin Wahida Puspa. (2020, December 30). Sektor maritim, Pelabuhan perlu tambat teknologi baharu. *Berita Harian*, p. 12.
 5. Nurul Ashikin Zakaria, Norsyihan Jamal, Muhamad Shafiq Ismail, Nurfatin Wahida Puspa & Cheryl Rita Kaur. (2020). Penilaian Alam Sekitar, Ekologi, Sosial dan Ekonomi di Sungai Linggi, Melaka. *Risalah MIMA, Bil. 1 (2020)*.
 6. Nurul Ashikin Zakaria, Norsyihan Jamal, Muhamad Shafiq Ismail, Nurfatin Wahida Puspa & Cheryl Rita Kaur. (2020). The Sungai Linggi Scoping Assessment: A Cross-Centre Highlight. *MIMA Bulletin, Volume 27 (1) 2020*, p. 46-55.
 7. Sabirin Ja'afar. (2020). Sovereignty in the Straits Used for International Navigation. *MIMA Bulletin, Volume 27 (1) 2020*, p. 28–30.

INPUTS PAPERS

1. Inputs on Maritime Industry for the Treasury Budget Preparation. Input paper for Ministry of Finance Malaysia, January 2020.
2. Inputs on Measures for Crew Change for Shipping (Screening for COVID-19). Input paper for Ministry of Transport Malaysia, March 2020.
3. Input on Recommended Mitigation Measures on the COVID-19 Pandemic for Ports Congestion amid the Malaysian Movement Control Order (MCO) 2020. Input paper for Ministry of Transport Malaysia, March 2020.
4. Input on The Criteria of the IORA's Centre of Excellence (CoE). Input for The Indian Ocean Rim Association (IORA) Secretariat, Ministry of Foreign Affairs Malaysia, November 2020.
5. Input on The Development and implementing the Blue Economy in the Indian Ocean Rim Association (IORA) Secretariat, Ministry of Foreign Affairs Malaysia, November 2020.
6. Input on Reviewing Malaysia's Port Operations in the Covid-19 Era. Input paper for Ministry of Transport Malaysia, December 2020.

EVENTS ORGANISED

1. Virtual Professional Dialogue on Cabotage Policy and Bunkering Industry. MIMA,



Kuala Lumpur, 27 August 2020.

2. Mock Cheque Presentation for the selected 10 Mini Research Projects. MIMA, Kuala Lumpur, 13 October 2020.
3. Sharing Session on “Northport: A Corporate Overview”. MIMA, Kuala Lumpur, 23 December 2020.

CONSULTANCY PROJECTS

1. ***Tok Bali Supply Base Consultancy Project. A project funded by the Crowe Horwath***

MIMA’s Senior Researcher, Cdr Ang Chin Hup (R) from Centre for MEI was appointed as a Maritime Economist in the ECER’s Tok Bali Industrial Park project. The project involved the planning as an industrial park for Tok Bali in Kelantan. Cdr Ang Chin Hup (R) recommended the Tok Bali Supply Base is to be developed as a commercial port in the future.



Virtual Professional Dialogue on Cabotage Policy and Bunkering Industry on 27 August 2020.



Mock Cheque Presentation for the selected 10 Mini Research Projects on 13 October 2020.



SUMMARY OF 2020 RESEARCH ACTIVITIES

2020 has been a challenging year due to the COVID-19 pandemic. The way we work has shifted, due to lockdown we were unable to conduct routine research activities such as face to face interview and physical roundtable.

However, the phase of research and engagement across the world moved faster than anyone could have predicted. In this crucial time, the SOM centre took adaptive measure to continue research activities and projects. The technology enables MIMA researcher to a flexible and creative methods to determine a better way to work through the crisis. Researcher utilised on Virtual meeting through Zoom, Google Meeting, Cisco Webex and Microsoft Teams to engage research think tank across the world such as Rajaratnam School of International Studies (RSIS) Singapore, Centre for Strategic and International Studies (CSIS) United States, China based Think Tanks and many higher education institutions.

MIMA continues to address important issues on regional and international maritime affairs, including the Indo-Pacific, South China Sea, Ports and Governance. MIMA was able to put several conference together with support from the Embassy of Japan and the Australian High Commission and the U.S. Embassy in Kuala Lumpur. We also participated in international conferences, seminar and training program through online platforms. The Centre for Straits of Malacca were able to host two international Webinar featuring Minister of Transport Malaysia and Director, Safety Division, International Maritime Organisation.

Highlight of SOM's Activities in 2020

1. ***Virtual Conference on Balancing Priorities of the Indo-Pacific: Connectivity & Prosperity, 21 October 2020***

Hybrid Networking Forum & Webinar *Balancing Priorities of Indo-Pacific's Connectivity & Prosperity* was hosted on 21st October 2020. Datuk Dr. Sabirin Ja'afar, H.E Ambassador Oka Hiroshi, Japan, and H.E. Andrew H.E. Andrew Goledzinowski, Australia is among those delivered speeches and policy guidelines at the Webinar. The report has been published in 2020.

2. ***Webinar on Port Governance and Management: Post-Pandemic Recovery, 30 November 2020***

Webinar was held on 30th November 2020 and the Webinar Report on Port Governance and Management: Post Pandemic Recovery published in the same year. The Webinar was attended by members from Ports Authorities Government agencies, shipping and stakeholders.

YB Datuk Seri Ir. Dr. Wee Ka Siong, Minister of Transport, Ms. Heike Deggim Director, Maritime Safety Division, International Maritime Organization (IMO), and H.E. Ambassador Kamala Lakhdhir, United States Ambassador to Malaysia were among the dignitaries delivered speeches at the Webinar. The Report outlining policy inputs from the speakers and questions raised on way forward published.



Research Activities and Summary of Findings

1. *Indo-Pacific: Multilateral Security & Connectivity*

Much has been said on maritime geopolitical and strategies, compared to economic and investment opportunities presented in the Indo-Pacific region. The Indo-Pacific strategy and construct has been given detail exchanges on US- China binary. Japan and Australia playing leadership roles that bridge the gaps between the US and China, and not just on the side of the US.

However, small states have agency, interests and preferences – that there is a need for small states to play a role in avoiding the trap of great power rivalry to pull both extremes back into the middle. ASEAN and Japan and Australia fully share fundamental principles such as the rule of law, openness, freedom, transparency and inclusiveness. ASEAN's roles for regional peace and prosperity have to be enhanced and "centralized" within the interlinked institutional networks with other institutions. ASEAN could enhance its institutional effectiveness by cooperating with other institutions.

2. *Malaysia: A Maritime Nation (Publication Project) MIMA Broad Project (All Centre) A Maritime Nation: Malaysia's Aspiration and Vision*

In line with MIMA's vision to raise public awareness on all matters on maritime, the initiative is to publish a book for public consumption, describing Malaysia as a maritime nation. The book is sectioned into 18 chapters encompassing the country's background and historical perspective, maritime geo-strategic and geo-political, legal framework, socio-cultural aspects of Malaysia's maritime, defence and security governance, energy, trade and transportation, fisheries, shipping and industries.

The book will be among some of the inaugural public domain publications discussing an overview of factors making Malaysia a maritime nation. The editors are Datuk Dr. Sabirin Ja'afar and Prof. Dr. Ruhanas Harun. The book to be published in 2021.

3. *Coastal Land Reclamation and its Impacts on the Straits of Malacca*

Assessing the impacts of biological, physical and socio-economic impacts of land reclamation. Analyse the affect the quality of life of coastal community and the loss of heritage in Straits of Malacca. Due to the limitation from Covid-19, the researcher was not able to conduct interviews and site visit, hence the project was mainly done through analysis of secondary information. Preliminary Report is completed.

4. *Ports Governance and Management: Post Pandemic Recovery*

Ports provide important access to and from the sea, for the movement of goods and people. As a conduit for trade and shipping, it is a critical lifeline for the economy. Ports in Malaysia come in various sizes and functions; however, they collectively play an integral role in Malaysia's ocean-based economy. Its



role is also intertwined in the global supply chain, more so with the COVID-19 pandemic.

PUBLICATIONS

1. Sumathy Permal (2020) Contentions, Competition and Cooperation in the South China Sea, *Security Interests and Strategies in the South China Sea: Transnational Perspectives*, University of Alberta, Edited Book Chapter (In Print).
2. Sumathy Permal (2020) Geo-Strategic Characteristics of Malaysia's Maritime Location, *Malaysia: A Maritime Nation* (In Print).
3. Sumathy Permal (2020) Managing Potential Conflict: Demilitarizing South China Sea, 28 July 2020, *New Straits Times*, Malaysia.
4. Sumathy Permal (2020) Maritime Flash Points and the Covid-19 Pandemic, 20 April, 2020 *The Diplomat*.
5. Sumathy Permal & Norsyihan Jamal (2020). Geo-Economic Impacts of Pandemic Covid-19, *MIMA Sea Views*.
6. Sumathy Permal (2020). Is Kra Isthmus a Viable Alternative Route? *MIMA Bulletin*.
7. Sumathy Permal (2020). Restoring U.S. Leadership in Southeast Asia, *The Maritime Front IOR Bulletin* (In print).

INPUTS/OPINIONS

1. Sumathy Permal. Input to MINDEF KSU, Policy Division and MIDAS on Malaysia a Maritime Nation Maritime Interests.
2. Sumathy Permal. Input MIMA as Centre of Excellence, KSU Ministry of Transport, Malaysia.
3. Sumathy Permal. Input to US-China Economic and Security Review Commission, ASEAN Perspective on South China Sea, August 2020.
4. Sumathy Permal. Keynote Speech Ports and Governance, YB Datuk Seri Ir. Dr. Wee Ka Siong, Minister of Transport, 30 November 2020.
5. Sumathy Permal. Input to Ministry of Foreign Affairs, on Malaysia-Australia Joint Declaration on Shared Vision of Maritime Cooperation and Engagement: Possible Elements.
6. Sumathy Permal. Memorandum Majlis Dialog Kementerian Perdagangan and Industri (MITI), 26 October 2020.
7. Sumathy Permal. Input on EU Naval Diplomacy: South China Sea Focus (European Union), 22 December 2020.

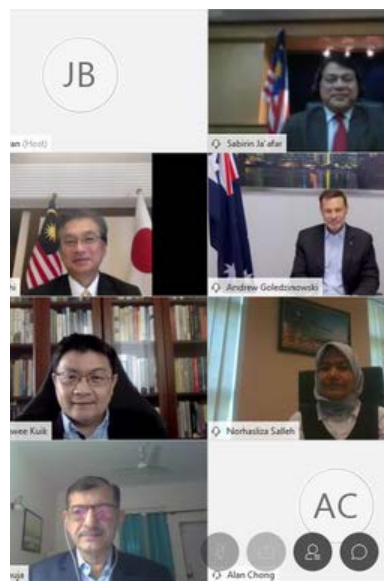


PRESENTATIONS AND CONFERENCE PAPERS

1. Sumathy Permal (2020) IKMAS Roundtable on China's Rise and Asia's Evolving Maritime Order: Japanese and Southeast Asian Responses, IKMAS, 13 January 2020.
2. Sumathy Permal (2020) CSARC Online Roundtable on Crisis Aversion: Risk Management in the South China Sea, 12 June 2020.
3. Sumathy Permal (2020) CSIS – Ministry of Foreign Affairs Indonesia Roundtable Discussion on South China Sea, Jakarta, 26 August 2020.
4. Sumathy Permal (2020) RSIS-CSIS Virtual Workshop on ASEAN Mechanisms for Maritime Security Cooperation (III) – Harmonizing Agenda, 11 September 2020.
5. Sumathy Permal (2020) South China Sea and the Rule of Law, Asia Pacific Pathways to Progress Foundation, Inc., the Philippines, 25 September 2020.
6. Sumathy Permal (2020) Crafting Practical Maritime Cooperation – Korea-Malaysia, 60 Years and Beyond: Preparing Malaysia-Republic of Korea Relations for a New Era, 10 December 2020.

EVENTS ORGANISED

1. Virtual Conference on Balancing Priorities of the Indo-Pacific: Connectivity & Prosperity, 21 October 2020.
2. Webinar on Port Governance and Management: Post-Pandemic Recovery, 30 November 2020.



- ▲ Virtual Conference on Balancing Priorities of the Indo-Pacific: Connectivity & Prosperity on 21 October 2020.



SUMMARY OF 2020 RESEARCH ACTIVITIES

The impact of the COVID-19 pandemic in the first quarter of the year, affected to some extent, several of the year's key activities. Despite the challenges faced in undertaking physical research and non-research activities, CMER continued to show productivity in research work and derived outputs, all undertaken in the best means and ways possible throughout its stakeholder engagements and consultations.

Among others, the major works by the Centre focused on the following:

1. National Project on Reducing Marine Litter by Addressing the Management of the Plastic Value Chain in Southeast Asia (SEA Circular Project), in cooperation with the Ministry of Environment and Water (KASA), Malaysian Green Technology and Climate Change Centre (MGTC) and the Coordinating Body on the Seas of East Asia (COBSEA), *beginning September 2020 – 2021*.
2. The Scoping Assessment and Research on Coastal Zone Management Issues and Way Forward for Sungai Linggi, Melaka (MIMA-wide study).
3. The formation of cooperation with Universiti Teknologi Malaysia (UTM) on the Development of Maritime Malaysia Analytical Dashboard: Malaysia as a Maritime Nation, *November 2020 – May 2021*.
4. Expert work under the UN Environment Scientific Advisory Committee (SAC) on Marine Plastic and Microplastics (Representing Malaysia) 2019 – 2020: Preparation of an international draft on assessing sources, pathways, and hazards of plastic and microplastics pollution.
5. Book chapter writing entitled “Conservation and Sustainable Management of Marine Living Resources and the Environment: A National Perspective” for the MIMA Book Project on *Malaysia: A Maritime Nation*, 2020 – 2021.
6. Book chapter writing entitled “Conceptualising Marine Spatial Planning for Coastal Development in Terengganu” in collaboration with the Institute of Oceanography and Environment (INOS) of the Universiti Malaysia Terengganu (UMT) for the UMT Book Project 2020 on South China Sea Scientific Studies in Malaysian Waters: Estuarine, Coastal and Offshore.
7. International book chapter writing entitled “Towards Sustainable Blue Economy Development: The Malaysian Case”, in the Book *A Better World: Actions and Commitments to the Sustainable Development Goal 14*, published by the Human Development Forum. (A collaboration between the UN agencies, UN member states and civil sector organisations).

In addition to the above, the Centre strived to contribute papers to various other publications, present at international and national forums/conferences/seminars and workshops, prepare inputs for relevant agencies, conduct stakeholder consultations,



and organised events on related topics. CMER continued to be actively involved and engaged in national and regional level programmes, albeit mostly conducted through virtual platforms, focused on environmental and resource management, and capacity building measures in policy-related areas.

Additionally, CMER also coordinated official Courtesy Call visits to enhance further cooperation and explore new collaborative avenues between MIMA and related government entities. These included the Courtesy Call to YBhg. Dato' Seri Ir. Dr Zaini Ujang, the Secretary-General of the Ministry of Environment and Water (KASA) as well as Mr Ahmad Tarmidzi Ramly, Director-General of the Department of Fisheries Malaysia (DoFM) by the MIMA Chairman and Director-General.

Research Activities and Summary of Findings

1. *National Project on Reducing Marine Litter by Addressing the Management of the Plastic Value Chain (SEA Circular Project), September 2020 – 2021*

The SEA circular is an initiative of the UN Environment and the Coordinating Body of the Seas of East Asia (COBSEA), supported by the Swedish Government. The Ministry of Environment and Water (KASA) is the country focal point for this project, aiming to reduce the adverse impacts of plastic pollution on the marine environment by transforming plastic management and preventing waste leakage with a focus on the value chain.

This project addresses immediate priorities for environmental management under KASA, with policy outcomes. Activities from the fourth quarter of 2020 to 2021 will largely focus on engaging with regional, national, and local partners/stakeholders. The primary focus areas include (i) Developing a national marine litter and microplastics monitoring programme, (ii) Conducting marine litter accumulation hotspot assessment, as well as (iii) Developing and accelerate the implementation of a national policy planning framework and action plan for addressing marine litter.

The focus areas for 2020 were mainly on establishing the proposed national marine litter monitoring framework based on the established MIMA's Clean Coast Index (CCI), and consultations on formulating the national marine litter policy and priorities for the nation.

2. *The UN Environment Scientific Advisory Committee (SAC) on Marine Plastic and Microplastics (involvement as Malaysia representative) 2019 – 2020: International Draft Preparation on Assessing Sources, Pathways, and Hazards of Plastic and Microplastics Pollution*

CMER was engaged officially by the national environment ministry to represent Malaysia as Country Representative (2019/2020) in the Scientific Advisory Committee (SAC) on Marine Plastic Litter and Microplastics, coordinated by the UN Environment Programme (UNEP).



This initiative is in line with the resolution adopted by the UN Environment Assembly (UNEA) at its fourth session in March 2019 (UN/EA.4/6 on Marine Plastic Litter and Microplastics), aimed to strengthen scientific and technological knowledge with regards to the subject. Some of the significant actions included numerous online international and regional consultative engagements and discussions and an in-person meeting in Nairobi in February 2020 for focus group discussions. After that, draft reviews were conducted online throughout the year. Some details from the assessment will also be presented to the UNEA-5 (Fifth Session of the United Nations Environment Assembly) in 2021.

3. ***The Scoping Assessment and Research on Coastal Zone Management Issues and Way Forward for Sungai Linggi, Melaka, as a MIMA-wide Project 2020 – 2021 Involving CMER, MEI, and SOM***

The purpose of this research was to identify and examine socioeconomic and environmental issues affecting Melaka's coastal zone and evaluate the coastal zone's management plan and ensuing legislation. This study employed a field survey and virtual interviews with key stakeholders to conduct its research.

Data were analysed using a rubric and word map to identify keywords for recommendation. Findings from the study identified three main sectors that required attention, (i) fisheries, where the present fry release programme and Agriculture Industrial Zone are seen to require proper monitoring and assessment due to the insignificant landings recorded (monitoring impact factor); (ii) heritage site conservation where Heritage Impact Assessment (HIA) guidelines by the Heritage Department Malaysia should be complied in proposing any project in historical sites; as well as (iii) environmental protection by incorporating the HIA into Environmental Impact Assessment (EIA) for sustainable development in the area.

In conclusion, despite Sungai Linggi being recognised as an Environmental Sensitive Area Level 1, the area has huge potential to be developed for eco-tourism activities. This, however, should be carefully and consistently implemented and monitored, as well as executed through creative development planning for social well-being in the area.

4. ***The Development of Maritime Malaysia Analytical Dashboard: Malaysia as a Maritime Nation', November 2020 – May 2021***

MIMA collaborated with the Razak Faculty of Technology and Informatics at Universiti Teknologi Malaysia (UTM) to develop the Maritime Malaysia Analytical Dashboard in support of Malaysia's recognition as a Maritime Nation. Consultation on the project began in November 2020 and is scheduled to conclude by May 2021.

The project was coordinated by CMER, with help from MIMA research assistants and UTM's Research Team. The project's objective is to jumpstart an initiative using Big Data to provide thorough information on linked sectors and industries that contribute to national maritime areas both directly and indirectly.



The dashboard's key clusters comprised of (i) Coastal and Offshore, (ii) Fisheries and Seafood, (iii) Tourism and Recreation, (iv) Security and Enforcement, and (v) Ports and Shipping - each of which contained human resource elements.

The conclusion of this project, which leverages on the expertise from both MIMA and UTM, will be critical in advancing the national maritime agenda and establishing MIMA as a one-stop source for maritime information.

PUBLICATIONS

Journal, Magazine, and Internet

1. A. Aldrie Amir, Swee Yeok Foong, Cheryl Rita Kaur, Behara Satyanarayana, Sahadev Sharma, Ahmad Ismail, Nor Aslinda Awang, Kasturi Devi Kanniah, Amy Yee Hui Then, Harinder Rai Singh, Mohammad Shahfiz Azman, Alison Kim Shan Wee, Farid Dahdouh-Guebas & A. Latiff. (2020). The strategic establishment of the Malaysian Mangrove Research Alliance and Network (*MyMangrove*). *Malayan Nature Journal* 72(4), 577-595.
2. Wan Izatul Asma Wan Talaat, Farahdilah Ghazali, Cheryl Rita Kaur, Muhammad Ashraf Abdul Rahman, Nazli Aziz & Zikri Muhammad. (2020). Conceptualising Marine Spatial Planning for Coastal Development in Terengganu, Chapter 4 in INOS (UMT) *Book on South China Sea (SCS) Scientific Studies in Malaysian Waters: Estuarine, Coastal, Offshore*. pp. 197-198.
3. Cheryl Rita Kaur. (2020). Towards Sustainable Blue Economy Development: The Malaysian Case. Chapter in: *A Better World (Volume 6) - Actions and Commitments to the Sustainable Development Goal 14*. Human Development Forum. pp. 48-51. Available at <http://digital.tudor-rose.co.uk/a-better-world-vol-6/48/>
4. Wan Izatul Asma Wan Talaat & Cheryl Rita Kaur. (2020). A brief on the legal and management role of Marine Spatial Planning (MSP) in Ocean Governance. *MIMA Bulletin Vol. 26(2)*: 13-16, ISSN: 0127-9785.
5. Cheryl Rita Kaur. (2020). A preliminary assessment of the impacts, implications, and opportunities of COVID-19 on the coastal and marine environment and resources. *MIMA Sea Views Commentary No. 2/2020*, 28 May.
6. Nurfatin Wahida Puspa, Norsyihan Jamal, Muhamad Shafiq Ismail, Nurul Ashikin Zakaria & Cheryl Rita Kaur. (2020). The Sungai Linggi Scooping Assessment: A Cross-Centre Highlight. *MIMA Bulletin Vol. 27(1)*: 46-55, ISSN: 0127-9785.
7. Nurfatin Wahida Puspa, Norsyihan Jamal, Muhamad Shafiq Ismail, Nurul Ashikin Zakaria & Cheryl Rita Kaur. (2020). Penilaian Alam Sekitar, Ekologi, Sosial, dan Ekonomi di Sungai Linggi, Melaka. *Risalah MIMA Bil. 1/2020*.
8. Cheryl Rita Kaur. (2020). Celebrate the positive highlights on environment, but



be wary. *Malay Mail* (20 May) at <https://www.malaymail.com/news/what-you-think/2020/05/20/celebrate-the-positive-highlights-on-environment-but-be-wary-cheryl-rita-ka/1867823>

9. Cheryl Rita Kaur. (2020). Keeping at par with international best practices on mangroves conservation, *Malay Mail* (26 Jul) at <https://www.malaymail.com/news/what-you-think/2020/07/26/keeping-at-par-with-international-best-practices-on-mangroves-conservation/1888281>
10. Nurul Ashikin Zakaria. (2020). Serangan obor-obor di perairan Malaysia. *Risalah MIMA, Bil. 4/2020*.

PRESENTATION

1. Cheryl Rita Kaur. (2020). Appointed Co-Chair at the UNEP In-Person Meeting of the Scientific Advisory Committee on the assessment on sources, pathways and hazards of litter including plastic litter and microplastics pollution. [Nairobi, Kenya: 25-27 February].
2. Cheryl Rita Kaur. (2020). Presentation on *Perundangan Malaysia dan Antarabangsa berkaitan Kawalan Pencemaran Minyak Marin*, at *Bengkel Penggubalan Draf Peraturan Kawalan Pencemaran Minyak dari Kapal dan Instalasi Marin*, organised by DoE. [Malacca: 24-26 August].
3. Cheryl Rita Kaur. (2020). Presentation on National Marine Litter Policy Framework at *Sesi Taklimat Projek Reducing Marine Litter by Addressing the Management of the Plastic Value Chain in South East Asia (SEA Circular)/ SEA Circular Project Working Groups Workshop Marine Litter – Solving Plastic Pollution at Source*. [MGTC, Bangi: 9 September].
4. Cheryl Rita Kaur. (2020). Presentation (*Invited Speaker*) on Sustainable Fisheries Governance in Malaysia at the 2nd Tropical Ocean and Marine Sciences International Symposium: Enhancing Tropical Marine and Ocean Knowledge for Future Sustainability. Organised by Universiti Malaysia Terengganu (UMT). [Online, 23 November].
5. Cheryl Rita Kaur. (2020). Presentation (*Invited Speaker*) on “Adopting a Guiding Framework on Marine Spatial Planning (MSP): Overview, Challenges and The Way Forward” at the 2020 APEC Marine Spatial Planning Training Workshop. Organised by APEC Marine Sustainable Development Center, Third Institute of Oceanography, Ministry of Natural Resources China. [Online, 24 November].
6. Cheryl Rita Kaur. (2020). Presentation (*Invited Speaker*) on “Blue Economy in Malaysia – Policies and Experiences” at the International Webinar on Post-Pandemic Indian Ocean Regional Economic Cooperation: Way Forward. Organised by RIS, MEA and IORA. [Online, 25 November].
7. Cheryl Rita Kaur. (2020). Presentation (*Invited Speaker*) on “Marine plastics, its impacts and solutions in Malaysia” at the Online Side Event for SEA of Solutions 2020 on Eliminating Marine Plastic – Policy, Science, Business and Stakeholder



Actions. Organised by the Partnerships in Environmental Management for the Seas of East Asia (PEMSEA) and the Ocean Policy Research Institute of the Sasakawa Peace Foundation (OPRI-SPF). [Online, 26 November].

8. Cheryl Rita Kaur. (2020). Keynote Presentation (Invited Speaker) on “Marine Environmental Policies in Malaysia” at the International Webinar on Marine Environment: Facilitating Marine Environmental Awareness through Research and Education. Organised by UTM (MARE Project). [Online, 9 December].
9. Cheryl Rita Kaur. (2020). Presentation (*Invited Speaker*) on Blue Carbon rising: revitalising conservation and management of coastal wetlands and seascapes for climate and nature resilience i.e., managing coastal wetlands - what are the new narratives for climate action? Digital Launch of British High Commissioner’s Malaysian Nature Tours, In conjunction with 2021 Super Year for Biodiversity and Climate Change (CoP15 & CoP26); in advance of the Climate Ambitions Summit. [Online, 10 December].
10. Cheryl Rita Kaur. (2020). Lecture (*Invited Speaker*) on “A Brief on the Legal and Management Role of Marine Spatial Planning in Ocean Governance” to the LLM Maritime Law students and professionals, organised by the School of Maritime Law, Policy and Administration, Gujarat Maritime University, India. [Online, 30 December].
11. Cheryl Rita Kaur. (2020). *Pensyarah Undangan untuk Slot “Industri Dalam Kuliah”* UMT by INOS to Lecture on Achieving Sustainable Fisheries Governance in the South China Sea (as part of UMT’s SP6102 – Regional Fishery Governance, Law and Policy). [Online, 31 December].
12. Nurul Ashikin Zakaria, Nurfatin Wahida Puspa, Norsyihan Jamal & Muhamad Shafiq Ismail. (2020). MIMA Sharing Session on the Scooping Assessment in Linggi River, Malacca. 28 September.

INPUTS

1. Inputs to the Biodiversity Forum for Business and Private Sector in Malaysia in line with developments under the CBD, by DHI Water & Environment (M) Sdn. Bhd., 7 Jan: KL.
2. Inputs at the Coordination Meeting for the preparation of a Review Manuscript on Malaysian Mangrove Research, 17 Jan: LESTARI UKM, Bangi.
3. Inputs into the planning of the Workshops on Places of Refuge in the SOMS (Regional & National platforms), 12 Feb: MIMA.
4. Inputs into the planning of the Regional Workshop on Smart Maritime Management and Services in the SOMS, 13 Feb: MIMA.
5. Inputs into the ASM’s Open Science Forum for Asia and The Pacific Region & Dialogue On Ocean Science, 13-14 Feb: KL.



6. Inputs on the MSP Framework and Implementation to Spartan Maritime (M) Sdn. Bhd., 17 Feb: MIMA.
7. Inputs on addressing marine debris at the Workshop on Technology Transfer Collaboration in Integrated Solid Waste Management and Resource Efficiency, 18 Feb: UM, KL.
8. Inputs into the First Meeting of the Interim Working Group (WG) for the establishment of the Malaysian Platform for Business and Biodiversity (MPBB), cum Workshop by DHI Malaysia, 19 Feb: Petronas.
9. Inputs into the Restore Mangrove Ecosystem Workshop, by Heriot-Watt University Malaysia under the initiative of the project i.e., “Risks and Solutions to Restore Coastal Mangrove forests for improved Ecosystem Services and local livelihoods: A comparative study, 20 Feb: Taiping, Perak.
10. Inputs at the In-Person Meeting of the Scientific Advisory Committee (SAC), including Co-chairing the Scientific Advisory Committee on the assessment on sources, pathways and hazards of litter including plastic litter and microplastics pollution, 25-27 Feb: Nairobi, Kenya.
11. Inputs into the national planning framework under the SIDA Marine Litter Project by KASA, 5 Mar: Putrajaya.
12. Inputs at *Diskusi Awal* (Preliminary Discussion) *Kajian Impak Kualiti Air dan Invasive Species Ballast Water*, 25 Mar: NAHRIM.
13. Inputs into the Virtual High-Level Discussion on the International Day for Biological Diversity 2020: Our solutions are in nature – ambitions for our planet, organised by the CBD Secretariat, 22 May: Online.
14. Inputs at the CIL e-Conference Series on Covid-19 and International Shipping, organised by CIL NUS, 3 Jun: Online.
15. Inputs into the RSIS – MIMA Virtual Roundtable on SCS, 10 Jun: Online.
16. Inputs into the MIMA – Pacific Environment Blue Shipping Discussion, 17 Jun: Online.
17. Inputs into the Online Regional Technical Consultation of the COBSEA Working Group on Marine Litter, 25-27 Jun: Online.
18. Inputs on MIMA Clean Coast Index (CCI) at the World Bank – PROBLUE Trust Fund Inception Workshop in cooperation with KASA on Marine Plastics, 26 Jun: Online.
19. Inputs on sea level rise and impacts on ports at *Perbincangan Kesan Kenaikan Aras Laut Terhadap Keselamatan Pelabuhan di Semenanjung Malaysia*, 9 Jul: NAHRIM.
20. Inputs into the Discussion with HD Centre on SCS developments, 4 Aug: Online.
21. Inputs into the Inter Agency Planning Group (IAPG) Bil. 1/2020 RMK-12 (2021-2025)



- EPU Pengurusan Alam Sekitar, Sumber Asli dan Bencana, 11 Aug: Online.
22. Inputs into the IORA Webinar on Blue Carbon Initiatives, 2 Sept: Online.
 23. Inputs into *Sesi Taklimat Projek Reducing Marine Litter by Addressing the Management of the Plastic Value Chain in South East Asia (SEA Circular)/ SEA Circular Project Working Groups Workshop Marine Litter – Solving Plastic Pollution at Source*, 9 Sept: MGTC.
 24. Inputs on IUU Fishing: 10 Sept: Australian High Comm. KL.
 25. Inputs into the National Marine Litter Framework Discussion with COBSEA on the SEA Circular Project, 17 Sept & 5 Nov: Online.
 26. Inputs into the Discussion with SEA Circular Project Working Group Leaders before the KASA - NSC Meeting, 17 Sept: Online.
 27. Inputs into the National Steering Committee (NSC) Meeting on Marine Litter; including on ToR Project Monitoring Unit (PMU) and *Jawatankuasa Pemandu Kebangsaan (NSC) Bagi Projek Reducing Marine Litter by Addressing the Management of the Plastic Value Chain in South East Asia (SEA Circular)*, 21 Sept: KASA, Putrajaya.
 28. Inputs at Stakeholders' Engagement Workshop: Malaysia's Marine Plastic Debris – Introduction to PROBLUE's Marine Litter Projects, organised by KASA, 24 Sept: Online.
 29. Inputs into the Regional Webinar on Inventorising Marine Litter Monitoring Efforts, by UN Environment, COBSEA, SEA Circular, and CSIRO Australia, 7 Oct: Online.
 30. Inputs into the coordination of the *MIMA – UTM Kajian Statistik Malaysia Sebagai Negara Maritim*, mid-Oct – Dec: Online platforms.
 31. Inputs into the *Mesyuarat secara dalam talian Marine and Coastal Spatial Planning (MCSP)* by KASA, 22 Oct: Online.
 32. Inputs into the First Town Hall Session: Circular Economy Roadmap for Plastics 2020-2030 by KASA and The World Bank, 9 Nov: Online.
 33. Inputs into COBSEA's Regional Workshop on Marine and Coastal Spatial Planning (MCSP), 16-20 Nov: Online.
 34. Inputs into *Bengkel Semakan dan Pengesahan Maklumat dan Cadangan Strategi Adaptasi Bagi Draf Laporan Update of Malaysia's First Nationally Determined Contribution (NDC-1) For Adaptation*, by NAHRIM-KASA, 16-19 Nov: Online.
 35. Inputs into the *Perbincangan Kertas Cadangan ASEAN AWGCME Promoting Regional Cooperation and Capacity Building Measures on Addressing Coastal and*



Marine Invasive Species (IAS) in the ASEAN Region: With a focus on ballast water management measures' by KASA, 10 Dec: Online.

36. Inputs into the NexAMS Project Partners Meeting under UM-UK Partnership Project, 1 Dec: Online.

37. Inputs into *Sesi Taklimat Pelaksanaan Program SEA Circular di Malaysia*, by KASA & MGTC, 2 Dec: Online.

38. Inputs into the 2nd COBSEA Webinar on Post-2020 Global Biodiversity Framework, 3 Dec: Online.

39. Inputs into the Virtual 2nd Regional Ocean Policy Dialogue – Financing Solutions to Address Marine Plastics Pollution in Southeast Asia, 15-16 Dec: Online.



- ▲ 1. Courtesy visit to Datuk Seri Ir. Dr. Zaini Ujang, Secretary General Ministry of Environment and Water (KASA), on 1 October 2020.
- 2. Site visit (Scoping Assessment) Kampung Paya Lebar, Sungai Linggi, Melaka, on 3 September 2020.



PUBLICATIONS

1. Sebastian, Martin A., (2020), *La Diplomatie De La « Coque Blanche » À L'ère Des Opérations En Zones Grises*, La diplomatie des garde-côtes en Asie du Sud-Est, Dr Benoît de Tréglodé et Dr Éric Frécon (dir.), March 2020.
2. Sebastian, Martin A., (2020), Better Security on Land; How about the Sea?, New Straits Time, April 24, 2020.
3. Sebastian, Martin A., (2020), White Hull Diplomacy in the Era of Grey Zone Operations, 11th South China Sea Conference, 2020.

PRESENTATIONS

1. Sebastian, Martin A., (2020), Malaysia as a Maritime Nation: Issues, Challenges and Prospects, National Resilience College – Malaysia a Maritime Nation, 3 March 2020.
2. Sebastian, Martin A., (2020), Survey Standoff in the South China Sea? – Yokosuka Council on Asia-Pacific Studies (YCAPS) Webinar, 8 May 2020.

INPUT PAPERS

1. Sebastian, Martin A., (2020), Partnership with United Nations Office on Drugs and Crime (UNODC) on Andaman Sea Drug Network Conference – Royal Malaysia Police (NCID) and Malaysian Maritime Enforcement Agency (MMEA), 24 March 2020.
2. Sebastian, Martin A., (2020), Research Collaboration with UPNM. Using Europol findings to address Profiteering during Pandemic in Malaysia, 3 April 2020.
3. Sebastian, Martin A., (2020), Provide inputs to Ministry of Foreign Affairs (MOFA) on South China Sea Issues, 21 April 2020.



▲ Malaysian naval armada always at highest level of preparedness.



SUMMARY OF 2020 RESEARCH ACTIVITIES

The first two months of the year 2020 commenced as usual for Centre for Ocean Law and Policy (OLAP) with meetings and presenting paper abroad. Nonetheless, sometime in March due to the Covid-19 pandemic, it became a year of a new norm globally with the culture of working from home (WFH) for OLAP.

Henceforth, adapting to the situation as there are no new projects, OLAP continues with existing work on drafting of national legislation on Voluntary Pilotage Services (VPS) in the Straits of Malacca and Vessel Traffic Services (VTS), both projects engaged by the Marine Department of Malaysia.

In the mean time, the momentum remains the same with OLAP researchers producing input papers, publishing paper for book chapter, rapporteur report, contributing articles to *MIMA Bulletin* and the inaugural *Risalah MIMA*. Making adjustment of the new norm, OLAP researchers also learned the curved of presenting papers via webinar including attending talk, seminars and conferences through the same mode.

Highlights of OLAP's Activities in 2020

1. Rapporteurs for the World-Wide Academic on the Safety of Navigation, Effective Implementation of International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), organised by Ministry of Transport Malaysia, Grand Hyatt Hotel, Kuala Lumpur, 24 – 28 February 2020.
2. Speaker for the ASEAN Regional Forum (ARF) Workshop on Dispute Resolution and Law of the Sea, presenting on “Resolving Maritime Boundary Disputes: Approaches and Analysis, Dili, Timor-Leste, 27 – 28 February 2020.
3. Secretariat for International Maritime Organization Member State Audit Scheme (IMSAS), No. 1/2020, Series 1 Workshop, organised by Ministry of Transport Malaysia, Hatten Hotel, Melaka, 14 – 16 August 2020.
4. Guest Lecture via Webinar for the ASEAN Diplomatic Attachment Training Programme, presenting on “Law of the Sea Convention and Its Impact: Development in South East Asia”, organised by Institute of Diplomacy and Foreign Relations (IDFR), Ministry of Foreign Affairs Malaysia, 17 September 2020.
5. Organised MIMA Research Retreat 2021, The Zenith Hotel, Kuantan, 18 – 20 September 2020.
6. Organised Women in Maritime Association Malaysia (MyWIMA) Biennial General Meeting 2020, Ministry of Transport Malaysia Auditorium, Putrajaya, 7 October 2020.
7. Published article titled “The Crew Change Crisis amid the Covid-19 Pandemic”, *MIMA Bulletin, Volume 27 (1) 2020*, pp. 21-27.



PUBLICATIONS

1. Jalila Abdul Jalil. Book Chapter, Chapter III, Maritime Boundary Delimitation and Dispute Settlement: Malaysia's Experience in Ha Anh Tuan (eds.) 2020, *Ocean Governance in the South China Sea, Fishery Cooperation and Environmental Protection*, National Political Publishing House, Hanoi, pp. 61-76.
2. Jalila Abdul Jalil, Muhammad Rozif Roslan, Muhamad Shafiq Ismail. The Crew Change Crisis amid the Covid-19 Pandemic, *MIMA Bulletin, Volume 27 (1) 2020*, pp. 21-27.
3. Muhamad Shafiq Ismail, Nurul Ashikin Zakaria, Norsyihan Jamal, Nurfatih Wahida Puspa, Cheryl Rita Kaur. Sungai Linggi Scoping Assessment: A Cross Centre Highlight, *MIMA Bulletin, Volume 27 (1) 2020*.
4. Muhamad Shafiq Ismail, Nurul Ashikin Zakaria, Norsyihan Jamal, Nurfatih Wahida Puspa, Cheryl Rita Kaur. Penilaian Alam Sekitar, Ekologi, Sosial dan Ekonomi di Sungai Linggi, Melaka, *Risalah MIMA, Bil. 1/2020*.

PRESENTATIONS

1. Jalila Abdul Jalil. ASEAN Regional Forum (ARF) Workshop on Dispute Resolution and Law of the Sea presenting on "Resolving Maritime Boundary Disputes: Approaches and Analysis", 27 – 28 February, Dili, Timor-Leste.
2. Jalila Abdul Jalil. Presentation titled "Maritime Norms and Rules: Is It Under Threat? A Malaysia Perspective", RSIS – CSIS Virtual Workshop on ASEAN Mechanisms for Maritime Security Cooperation (III), co-organised by RSIS, Singapore and CSIS, Jakarta, 11 September 2020.
3. Jalila Abdul Jalil. ASEAN Diplomatic Attachment Training Programme, presenting on "Law of the Sea Convention and Its Impact: Development in South East Asia", Institute of Diplomacy and Foreign Relations (IDFR), Ministry of Foreign Affairs Malaysia, 17 September 2020.
4. Muhamad Shafiq Ismail, Nurul Ashikin Zakaria, Norsyihan Jamal, Nurfatih Wahida Puspa, co-presented MIMA Tea Talk Sharing Session on Scoping Assessment: Linggi River, MIMA Seminar Room, 28 September 2020.

INPUT PAPERS

1. *Laporan Terjemahan from English to Bahasa Malaysia, Kronologi Mesyuarat "Tripartite Technical Expert Group (TTEG) bagi Kumpulan Kerja Perkhidmatan Pemaliman Sukarela (Voluntary Pilotage Services (VPS) di Selat Melaka dan Singapura"*, Marine Department of Malaysia, 30 March 2020.
2. *Kertas Dasar Pandangan Maritim – Permohonan Keputusan Dasar ke Atas Cadangan Mewartakan Peraturan-peraturan Perkhidmatan Pemaliman Sukarela di Selat Melaka dan Singapura 20XX*, Marine Department of Malaysia, 9 April 2020.



3. Inputs on MIMA Roles and Job Scopes in Maritime Sector for PHD Candidate from Universiti Malaysia Terengganu, 12 April 2020.
4. Position Paper on Extractive Industries, Blue Economy Special Interest Group on Oceanography Academy of Sciences, 29 May 2020.
5. Input Paper on “The Impact of Coronavirus (Covid-19) to Shipping Industry: An Analysis”, Maritime Institute of Malaysia, 3 June 2020.
6. Inputs on the Existing Draft Regulations of the International Convention Standards of Training, Certification and Watchkeeping for Seafarers (STCW Convention) and Maritime Labour Convention (MLC), Marine Department of Malaysia, 20 – 21 July 2020.
7. Inputs on the International Maritime Organization Member State Audit Scheme (IMSAS), No. 1/2020, Series 1 Workshop, Ministry of Transport Malaysia, Hatten Hotel, Melaka, 14 – 16 August 2020.
8. Inputs on *MIMA sebagai Centre of Excellence (CoE) Maritim, Inisiatif bagi Tahun 2021*, Ministry of Transport (MOT), 19 October 2020.
9. Inputs to Malaysia Competition Commission (MyCC), Expert Panel Committee (EPC) Comment on Inception Report for Market Review on Transportation Sector Under the Competition Act 2010, 11 December 2020.
10. Inputs on International Convention for the Prevention of Pollution from Ships (MARPOL 73/78 and Annex III) Draft Act and Regulations, Marine Department of Malaysia.

EVENTS ORGANISED

1. MIMA Research Retreat 2021, The Zenith Hotel, Kuantan, 18 – 20 September 2020.
2. Women in Maritime Association Malaysia (MyWIMA) Biennial General Meeting 2020, Ministry of Transport Malaysia Auditorium, Putrajaya, 7 October 2020.
3. Discussion with Marine Department of Malaysia on Drafting of Safety of Navigation and Marine Environmental Protection in the Straits of Malacca (SOM): Recent Views on Hazardous and Noxious Substances (HNS), Maritime Institute of Malaysia, 3 December 2020.
4. Discussion with Marine Department of Malaysia on Review and Amendments of the Draft Rules 20XX (Subsections 408 and Section 518) on Voluntary Pilotage Services (VPS) in the Straits of Malacca, Maritime Institute of Malaysia, 14 December 2020.
5. Discussion with Marine Department of Malaysia on Review and Amendments of Draft Legislation on Merchant Shipping (Vessel Traffic Services) Rules 20XX, Maritime Institute of Malaysia, 15 December 2020.



RAPPORTEUR REPORT

1. Rapporteur Report for World-Wide Academic Seminar on the Safety of Navigation, Effective Implementation of International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), 24 – 28 February 2020.



- 1 & 2. Women in Maritime Association Malaysia (MyWIMA) Biennial General Meeting 2020 at the Ministry of Transport Malaysia Auditorium, Putrajaya, on 7 October 2020.
3. MIMA Research Retreat 2021 at The Zenith Hotel, Kuantan, on 18 – 20 September 2020.



CALENDAR OF EVENTS

2020





27 August 2020

MEI

Virtual Professional Dialogue on Cabotage Policy and Bunkering Industry

📍 MIMA



18 – 20 Sept. 2020

OLAP

MIMA Research Retreat

📍 The Zenith Hotel, Kuantan, Pahang



7 October 2020

OLAP

Women in Maritime Association Malaysia (MyWIMA), Biennial General Meeting

📍 Auditorium Ministry of Transport, Putrajaya



13 October 2020

MEI

Mock Cheque Presentation for the Selected 10 Mini Research Projects

📍 MIMA



21 October 2020

SOM

Virtual Conference on Balancing Priorities of the Indo-Pacific: Connectivity & Prosperity

📍 Virtual





24 – 26 Nov. 2020

CMER

SEA of Solutions: Wasting Less Plastic and Keeping it Out of the Ocean – Has the Needle Moved?

📍 Virtual



30 November 2020

SOM

Webinar on Port Governance and Management: Post-Pandemic Recovery

📍 Virtual



7 December 2020

CMER

MIMA Sharing Session on Coastal Zone Management Issues and Way Forward for Sungai Linggi, Malacca

📍 MIMA



14 December 2020

CMER

Stakeholders' Consultation on Coastal Zone Management Issues and Way Forward for Sungai Linggi, Malacca

📍 Virtual



23 December 2020

MEI

Sharing Session on “Northport: A Corporate Overview”

📍 MIMA



RESOURCE CENTRE

2020

The background of the left side of the page features a photograph of an open book lying on a sandy beach. The book's pages are slightly curled, and the text on them is faint. The entire scene is overlaid with a semi-transparent teal color. The year '2020' is printed vertically in large, white, sans-serif font on the left side of the image.

Background

The MIMA Resource Centre (MRC) was established in 1994 in support of MIMA's aim to be the leading national resource and reference centre, as well as a focal point for all maritime research.

The MRC is among the few maritime research libraries in Malaysia dealing with all matters pertaining to the acquisition, storage, management, and dissemination of maritime information. As these tasks are the lifeline of its existence, the Resource Centre has to be alert and proactive in pursuing its vision.

In order to realise its objective to serve MIMA's researchers, members, and the Board of Directors, the MRC will fulfil the following goals:

- Emphasise quality data, references, and support for MIMA research activities.
- Strengthen its role as a specialised research library and concentrate on being more user-friendly, in terms of intellectual and physical access to its collection and services.
- Provide adequate resources, such as maritime data and information to support MIMA's research interests and activities.
- Improve access to maritime information, information-seeking services, and efficiency through automation.
- Enhance audio-visual capabilities and services.

Activities in 2020

Year after year, the MRC gathers a large amount of reading material. There are 5,996 collections listed in the MIMA OPAC (Online Public Access Catalog) at the MRC in terms of records. The majority of the collection is focused on maritime subjects. The following is an example of the latest collection that is already available at the MRC in 2020 and that users can use:

- *The Maritime Executive* (Magazine)
- *Berita Perikanan* (Magazine)
- *Environmental Aspect of Dredging* (Book)
- *Operational Law in International Straits and Current Maritime Security Challenges* (Book)
- *Australian Journal of Maritime & Ocean Affairs* (Compilation of Article)
- *The Journal of Defence and Security* (Compilation of Article)

This year, Perpustakaan Negara Malaysia (PNM) legally registered MIMA to ease the process of getting the CIP (Cataloging in Publication), ISBN (International Standard Book Number), and ISSN (International Standard Serial Number) for MIMA publications easier. These results also suggest that MIMA will publish more in the future, which will benefit MRC users such as MIMA's researchers and members, the Board of Directors, and support staff who use maritime information.



HIGHLIGHTS OF THE YEAR

An aerial photograph of a group of surfers in the ocean, viewed from above. The surfers are scattered across the frame, some standing on their boards and others lying down. The water is a clear, light blue color. The image is used as a background for the left side of the page.

2020

HIGHLIGHTS OF THE YEAR



Courtesy visit by the High Commissioner of Canada on 7 January 2020.





Delegation from the South China Sea Strategic Situation Probing Initiative (SCSPI), Center for Maritime Strategy Studies, Pekin University on 9 January 2020.





Celebration of the Chinese New Year on the 30 January 2020.



Workshop with University of Malaya on 30 January 2020.



Visit from the National Institute for Defense Studies (NIDS), Japan, on 20 February 2020.





Discussion on the Cabotage Policy and Bunkering Industry on 17 August 2020.



Courtesy visit by the Malaysian Institute of Defence and Security (MiDAS) on 17 August 2020.





MIMA Board Meeting on 18 August 2020.





Courtesy visit by Ms. Candice Lin, Deputy Director, Taipei Economic and Cultural Office on 25 August 2020.



Discussion on the Cabotage Policy and Bunkering Industry on 25 August 2020.





Townhall Meeting Session with the Chairman of MIMA on 27 August 2020.



Virtual Professional Dialogue on 27 August 2020.





Site visit (Scoping Assessment) Kampung Paya Lebar, Sungai Linggi, Melaka, on 3 September 2020.





Courtesy visit by the Deputy High Commissioner, Australian High Commission on 3 September 2020.



Courtesy visit to Admiral Maritime Dato' Mohd Zubil Mat Som, Director-General of Malaysian Maritime Enforcement Agency (MMEA) on 8 September 2020.





Courtesy visit to H.E. Kamala Shirin Lakhdir, the United States Ambassador to Malaysia on 15 September 2020.



Courtesy visit to H.E. Oka Hiroshi, the Ambassador of Japan to Malaysia on 17 September 2020.





MIMA Research Retreat on 18-20 September 2020.



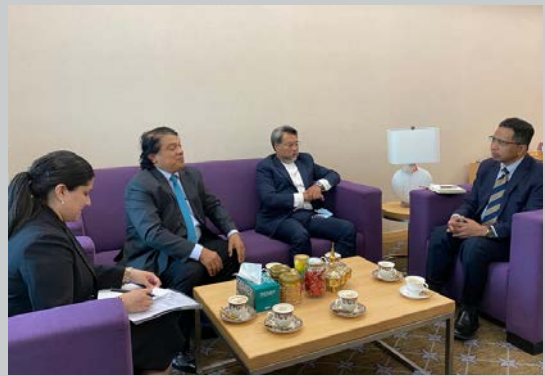


Courtesy visit to H.E. Bai Tian, the Ambassador of China to Malaysia on 24 September 2020.



Courtesy visit to Laksamana Tan Sri Mohd Reza Mohd Sany, Chief of Navy, on 30 September 2020.





Courtesy visit to Datuk Seri Ir. Dr. Zaini Ujang, Secretary General Ministry of Environment and Water (KASA), on 1 October 2020.



Zumba dance activity 2 October 2020.





Visit by YB Haji Hasbi Habibollah, Deputy Minister of Transport to MIMA on 6 October 2020.



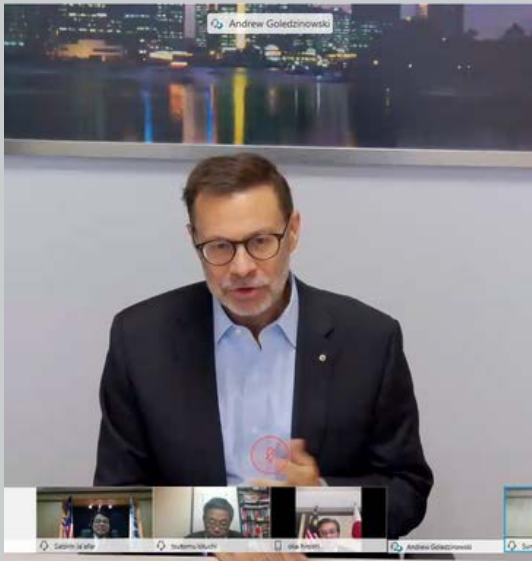


MyWIMA Biennially General Meeting on 7 October 2020.



10 Mini Project Mock Cheque Presentation on 13 October 2020.





MIMA Virtual Conference Balancing the Priorities of the Indo-Pacific - Connectivity and Prosperity on 21 October 2020.



Courtesy visit to H.E. Mr. Pascal Grégoire, the Ambassador of Belgium to Malaysia on 27 October 2020.

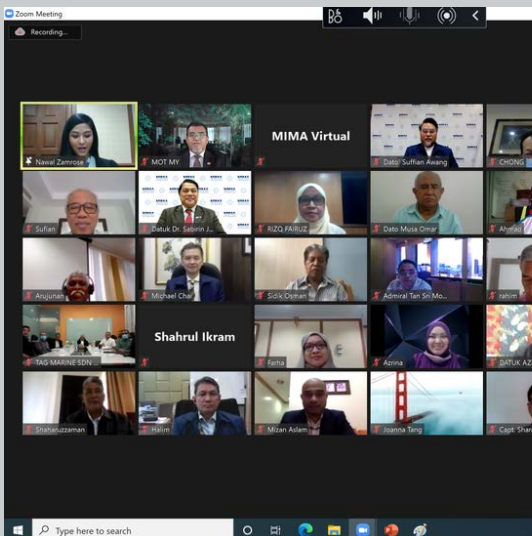




Courtesy visit to Mr. Ahmad Tarmidzi Ramly, Director-General Department of Fisheries on 19 November 2020.

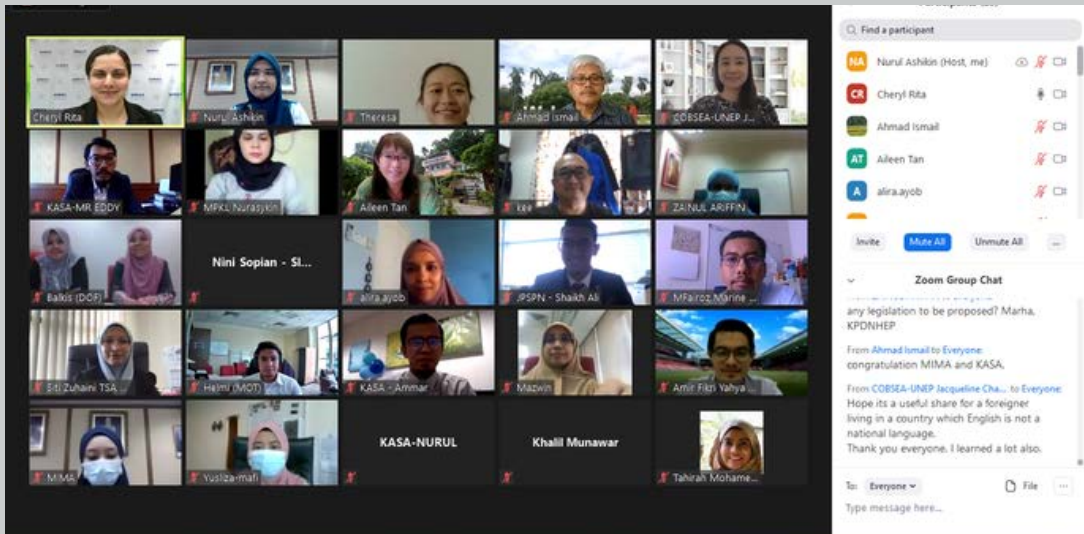


Webinar on Port Governance and Management: Post-Pandemic Recovery on 30 November 2020.



MIMA 27th Annual General Meeting on 4 December 2020.





Virtual Roundtable Stakeholders' Engagement to Address Marine Litter in Malaysia through a Policy Framework on 21 December 2020.



Sharing Session by Mr. Wahab Hassan on Northport - Corporate Overview on 23 December 2020.





Company No.
199301015663 (270403-K)

**MARITIME
INSTITUTE OF
MALAYSIA**
*(Incorporated in
Malaysia)*

**FINANCIAL
STATEMENTS**

**YEAR ENDED 31
DECEMBER 2020**

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Company No.
199301015663 (270403-K)

MARITIME INSTITUTE OF MALAYSIA *(Incorporated in Malaysia)*

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITY

Maritime Institute of Malaysia is incorporated in Malaysia, it is a company limited by guarantee and does not have share capital.

The Company is a policy research institute set up by the Malaysian Government to deal specifically with national, regional and global maritime issues.

RESULTS

RM

Surplus for the financial year, representing total comprehensive income for the financial year

1,423,034

ISSUE OF SHARES

The Company is a company limited by guarantee and thus has no shares being issued.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS

The directors in office during the financial year until the date of this report are:

CHAIRMAN

	Appointed on	Resigned/ Retired/ Ceased on
Vice Admiral Laksamana Madya Tan Sri Dato' Seri Ahmad Ramli Bin Mohd. Nor	-	08.01.2020
Datuk Seri Haji Saripuddin Bin Kasim	05.02.2020	02.06.2020
Dato' Mohamed Suffian Bin Awang	06.07.2020	-



Company No.
199301015663 (270403-K)

MARITIME INSTITUTE OF MALAYSIA *(Incorporated in Malaysia)*

DIRECTORS' REPORT

DIRECTORS (CONT'D)

DIRECTOR-GENERAL

	Appointed on	Resigned/ Retired/ Ceased on
YBhg. Datuk Dr. Sabirin Bin Ja'afar	16.07.2020	-

DIRECTORS

	Appointed on	Resigned/ Retired/ Ceased on
Vice Admiral Laksamana Madya Tan Sri Dato' Seri Ahmad Ramli Bin Mohd. Nor	-	08.01.2020
Laksamana Dato' Seri Panglima Ahmad Kamarulzaman Bin Haji Ahmad Badaruddin	-	05.02.2020
Datuk Mohd. Sidik Bin Shaik Osman	-	-
Michael Chai Woon Chew	-	-
Chua Tong Ka	-	04.12.2020
Dato' Haji Munir Bin Haji Mohd Nawawi	-	03.08.2020
Kapten Mohamad Halim Bin Ahmed	-	-
Dato' Sri Muhammad Shahrul Ikram Bin Yaakob	-	-
Datuk Seri Haji Saripuddin Bin Kasim	13.05.2020	02.06.2020
Laksamana Tan Sri Mohd Reza Bin Mohd Sany	15.07.2020	-
Dato' Mohamed Suffian Bin Awang	04.08.2020	-
Khairul Anuar Bin Yahya (alternate to Laksamana Dato' Seri Panglima Ahmad Kamarulzaman Bin Haji Ahmad Badaruddin)	-	05.02.2020
Dr. Adina Binti Kamarudin (alternate to Dato' Sri Muhammad Shahrul Ikram Bin Yaakob)	-	-
Nik Azman Bin Nik Ab Kadir	21.10.2020	-
Datuk Haji Mohd Rabin Bin Basir	21.10.2020	-
Alfian Bin Yang Amri	21.10.2020	01.04.2021
Roselin Bin Rajab (alternate to Datuk Haji Mohd Rabin Bin Basir)	09.12.2020	-
Raja Malik Saripulazan	13.01.2021	-
Datuk Azhar Bin Mohamed	29.03.2021	-

DIRECTORS' INTEREST IN SHARES

The Company is limited by guarantee and thus has no shares in which the directors could have interest.



MARITIME INSTITUTE OF MALAYSIA *(Incorporated in Malaysia)*

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATIONS

The amounts of remunerations received and receivable by the directors during the financial year are disclosed in Note 22 of the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and the statements of financial position of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and, the making of allowance for doubtful debts, and have satisfied themselves that there were no known bad or doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of which were written down to an amount which they might be expected so to realise.



MARITIME INSTITUTE OF MALAYSIA
(Incorporated in Malaysia)

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

As of the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent liability or other liabilities of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

- (a) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.



Company No.
199301015663 (270403-K)

MARITIME INSTITUTE OF MALAYSIA *(Incorporated in Malaysia)*

DIRECTORS' REPORT

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The significant event during the financial year and subsequent to the end of the reporting period is disclosed in Note 25 to the financial statements.

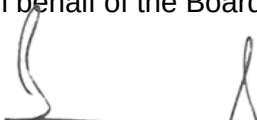
AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are disclosed in Note 17 of the financial statements.

AUDITORS

The auditors, ONG & WONG, have indicated their willingness to be continued in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,



DATO' MOHAMED SUFFIAN BIN AWANG
Director



KAPTEN MOHAMAD HALIM BIN AHMED
Director

Date: 27 JUL 2021
Kuala Lumpur



Company No.
199301015663 (270403-K)

STATEMENT BY DIRECTORS

Pursuant to Section 251 (2) of the Companies Act 2016

We, DATO' MOHAMED SUFFIAN BIN AWANG and KAPTEN MOHAMAD HALIM BIN AHMED, two of the directors of MARITIME INSTITUTE OF MALAYSIA, do hereby state that, in the opinion of the directors, the financial statements of the Company set out on page 11 to 43 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and financial performance and cash flows of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors,



DATO' MOHAMED SUFFIAN BIN AWANG
Director



KAPTEN MOHAMAD HALIM BIN AHMED
Director

Date: 27 JUL 2021
Kuala Lumpur

STATUTORY DECLARATION

Pursuant to Section 251 (1) (b) of the Companies Act 2016

I, YBHG. DATUK DR SABIRIN BIN JA'AFAR, the officer primarily responsible for the financial management of MARITIME INSTITUTE OF MALAYSIA, do solemnly and sincerely declare that the financial statements set out on pages 10 to 40 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the above-named at Kuala Lumpur in
Wilayah Persekutuan on

27 JUL 2021



Unit C-6-1, Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

YBHG. DATUK DR SABIRIN BIN
JA'AFAR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MARITIME INSTITUTE OF MALAYSIA

[Company No. 199301015663 (270403-K)]

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maritime Institute Of Malaysia, which comprise the statement of financial position as at 31 December 2020 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on page 11 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MARITIME INSTITUTE OF MALAYSIA

[Company No. 199301015663 (270403-K)]

(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (cont'd)

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MARITIME INSTITUTE OF MALAYSIA

[Company No. 199301015663 (270403-K)]

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MARITIME INSTITUTE OF MALAYSIA

[Company No. 199301015663 (270403-K)]

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



ONG & WONG
AF 0241
Chartered Accountants



WONG SHAN JEAN
03198/05/2021 J
Chartered Accountant

Dated: 27 JUL 2021
Kuala Lumpur



MARITIME INSTITUTE OF MALAYSIA
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 RM	2019 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	3,001,847	2,981,653
Investment in associate	5	100,001	100,001
		<u>3,101,848</u>	<u>3,081,644</u>
CURRENT ASSETS			
Other receivables, deposits and prepayments	6	629,553	591,326
Income tax recoverable		5,451	24,132
Deposits with licensed banks	7	8,242,611	8,233,924
Cash and bank balances	8	5,541,288	4,377,023
		<u>14,418,903</u>	<u>13,226,405</u>
TOTAL ASSETS		<u>17,520,751</u>	<u>16,308,049</u>
CURRENT LIABILITIES			
Other payables and accruals	9	2,172,065	2,375,708
Amount due to associate	10	129,139	129,139
		<u>2,301,204</u>	<u>2,504,847</u>
TOTAL LIABILITIES		<u>2,301,204</u>	<u>2,504,847</u>
NET ASSETS		<u>15,219,547</u>	<u>13,803,202</u>
Accumulated fund		11,253,269	9,830,235
Revolving fund	11	958,734	965,423
Education fund	12	3,007,544	3,007,544
		<u>15,219,547</u>	<u>13,803,202</u>

The annexed notes from an integral part of these financial statements.



Company No.
199301015663 (270403-K)

MARITIME INSTITUTE OF MALAYSIA
(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 RM	2019 RM
Revenue	13	483,695	843,693
Other income	14	4,944,857	3,968,518
Total revenue		5,428,552	4,812,211
Research, honorarium and hospitality expenses	15	(613,671)	(1,112,937)
Employee benefits	16	(2,649,308)	(2,820,543)
Depreciation of property, plant and equipment	4	(194,266)	(223,209)
Other operating expenses	17	(513,263)	(485,346)
Surplus before taxation		1,458,044	70,176
Taxation	18	(35,010)	(16,668)
Surplus for the financial year, representing total comprehensive income for the year		1,423,034	153,508

The annexed notes from an integral part of these financial statements.



Company No.
199301015663 (270403-K)

MARITIME INSTITUTE OF MALAYSIA
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Total RM
As at 1 January 2019	9,676,727
Surplus for the financial year, representing total comprehensive income for the financial year	<u>153,508</u>
As at 31 December 2019	9,830,235
Surplus for the financial year, representing total comprehensive income for the financial year	<u>1,423,034</u>
As at 31 December 2020	<u>11,253,269</u>

The annexed notes from an integral part of these financial statements.



MARITIME INSTITUTE OF MALAYSIA
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	1,458,044	70,176
Adjustments for:		
Depreciation of property, plant and equipment	194,266	223,209
Interest income	(298,327)	(392,835)
Dividend income	(10,000)	(10,000)
Gain on disposal of property, plant and equipment	-	(61,698)
Operating surplus/(deficit) before working capital changes	1,343,983	(71,148)
(Decrease)/increase in payables	(203,643)	801,656
(Increase)/decrease in receivables	(38,227)	152,710
Cash from operations	1,102,113	883,218
Tax paid	(16,329)	(12,671)
Net cash from operating activities	1,085,784	870,547
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	10,000	10,000
Interest received	298,327	392,835
Proceeds from disposal of property, plant and equipment	-	61,700
Acquisition of property, plant and equipment	(214,470)	-
Net cash from investing activities	93,857	464,535
CASH FLOWS FROM FINANCING ACTIVITY		
(Decrease)/increase in revolving fund	(6,689)	7,542
Net cash (used in)/from financing activity	(6,689)	7,542
Net increase in cash and cash equivalents	1,172,952	1,342,624
Cash and cash equivalents at beginning of the financial year	7,610,947	6,268,323
Cash and cash equivalents at end of the financial year	8,783,899	7,610,947
Cash and cash equivalents comprise:		
Deposits with licensed banks	8,242,611	8,233,924
Cash and bank balances	5,541,288	4,377,023
	13,783,899	12,610,947
Fixed deposits with licensed banks maturing exceeding 3 months	(5,000,000)	(5,000,000)
	8,783,899	7,610,947

The annexed notes from an integral part of these financial statements.



MARITIME INSTITUTE OF MALAYSIA
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

1. GENERAL INFORMATION

The Company is a policy research institute set up by the Malaysian Government to deal specifically with national, regional and global maritime issues. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public company incorporated and domiciled in Malaysia.

The registered office is located at suite C-5-4, Wisma Goshen, Plaza Pantai, Jalan Pantai Baharu, 59200 Kuala Lumpur.

The principal place at which business is carried on is located at Unit B-06-08, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

2. BASIS OF PREPARATION

The financial statements for the financial year ended 31 December 2019 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except for the significant accounting policies as disclosed in Note 3 below. The financial statements are presented in Ringgit Malaysia ("RM").

Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Amendments
(a)

The accounting policies adopted by the Company are consistent with those adopted in the previous financial period except for the adoption of the following new, revised MFRSs, IC interpretations and amendments which are effective for annual period beginning on or after 1st January, 2020.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 4 Insurance Contracts	17 August 2020
Amendments to MFRS 101 and 108 Definition of Material	1 January 2020



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

2. BASIS OF PREPARATION (CONT'D)

(a) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Amendments (cont'd)

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
MFRS 101 Classification of Liabilities as Current or Non-current – Deferral of Effective Date	17 August 2020 ^

^ Effective immediately.

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021.

The Standards that are issued but not yet effective up to date of issuance of financial statement of the Company are disclosed below. The Company intend to adopt these Standards, if applicable, when they become effective.

	<u>Effective for annual period beginning on or after</u>
MFRSs/Amendments to MFRSs/IC Interpretations	
Amendments to MFRS 16 Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform- Phase 2	1 January 2021
Amendment to MFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, plant and equipment - Proceeds before Intended Use	1 January 2022



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

2. BASIS OF PREPARATION (CONT'D)

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021 (cont'd).

	Effective for annual period <u>beginning on or after</u>
MFRSs/Amendments to MFRSs/IC Interpretations	
Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual improvements to MFRSs 2018-2020 - MFRS 1 and MFRS 9	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

3. SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Property, Plant and Equipment and Depreciation (Cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold building	2%
Books and research materials	10%
Computer software	10% - 20%
Electrical appliances	20%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	15%
Renovation	33 1/3%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

b. Basis of consolidation

i. Associate

Associates are entities, including unincorporated entities, in which the Company has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transactions costs. The consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of the associates, after the adjustment if any, to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Basis of consolidation (cont'd)

i) Associate (cont'd)

When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discounted except to the extent that the Company has an obligation or has made payments on behalf of the associate.

When the Company ceases to have significant influence over an associate, any retained interest in the former associate at the date when the significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at that date when the equity method is discontinued is recognised in profit or loss.

When the Company's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss from the decrease in interest is recognised in profit or loss. Any gain or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of gain or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Pursuant to MFRS 127, Separate Financial Statements, the Company prepares separate financial statements and accounts its investment in associate company at cost.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Basis of consolidation (cont'd)

ii) Transactions eliminated on consolidation

Intra-company balances transactions, and any unrealised income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gain arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Company's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

c. Financial Assets

Financial assets with the exception of trade receivables without significant financing component are measured initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Trade receivable without a significant financing component is initially measured at the transaction price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics of the Company's business model for managing them. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Financial assets (cont'd)

i) Financial assets at amortised cost

Financial assets are measured at amortised cost if they meet both of the following conditions and are not designated as at FVTPL:

- a) The financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

ii) Financial assets at FVOCI

a) Debt instruments

Debt instruments are measured at FVOCI if they meet both of the following conditions and are not designated as at FVTPL:

- i) The financial assets are held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, debt instruments at FVOCI are measured at fair value.

Interest income, foreign exchange gains and losses and impairment losses or reversals are recognised in profit or loss. Other net fair value changes are recognised in other comprehensive income. Fair value changes accumulated in other comprehensive income are recycled to profit or loss when the asset is derecognised.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Financial assets (cont'd)

ii) Financial assets at FVOCI (cont'd)

b) Equity instruments

Upon initial recognition of equity investments that are not held for trading, the Company may irrevocably elect to classify equity investments that are not held for trading as equity instruments designated at FVOCI and to present subsequent changes in the fair value in other comprehensive income. This election is made on an investment-by-investment basis. Subsequent to initial recognition, equity instruments at FVOCI are measured at fair value.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment in which case, such gains are recorded in other comprehensive income. Other net gains and losses are recognised in other comprehensive income and are never recycled to profit or loss when the asset is derecognised. Equity investments designated at FVOCI are not subject to impairment assessment.

iii) Financial assets at FVTPL

Financial assets are classified and measured at FVTPL if they are not classified and measured at amortised cost or FVOCI or are designated as such upon initial recognition. This includes all derivative financial assets. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value.

Dividend income, interest income and any gains or losses arising from changes in fair value are recognised in profit or loss, except for changes in fair value on derivatives that qualify for hedge accounting.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Financial assets (cont'd)

(iii) Financial assets at FVTPL (cont'd)

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- a) the rights to receive cash flows from the asset have expired;
- b) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- c) the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

d. Impairment of Financial Assets

The Company recognises loss allowances for Expected Credit Loss ("ECL") on financial assets measured at amortised cost and debt investments measured at FVOCI.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d. Impairment of Financial Assets (cont'd)

For trade receivable and contract assets, the Company applies a simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognise a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

e. Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, bank balances, deposits with licensed financial institutions with original maturities not exceeding 3 months and other short-term highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

f. Provisions

A provision is recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

i) Financial Liabilities at Fair Value through Profit or Loss

The Company does not hold any financial liabilities measured at fair value through profit or loss.

ii) Amortised cost

The Company's financial liabilities include other payables and amount due to associate company.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

h. Employee Benefits

i) Short Term Benefits

Wages, salaries, bonuses and social security contributions ("Socso") are recognised as expenses in the year in which the associated services are rendered by employees of the Company. 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Employee Benefits (cont'd)

i) Defined Contribution Plans

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Company makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

i. Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Company transfers control of a good or service and recognises revenue at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Company performs;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and
- The Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

i) Consultancy fee

Revenue from consultancy fees is recognised based on the value of services performed during the year.

ii) Dividend income

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



MARITIME INSTITUTE OF MALAYSIA
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i. Revenue (cont'd)

iii) Conference fee

Conference fee is recognised upon the delivery of the conference, advanced payment received from conference is recognised as contract liabilities in the statement of financial position.

iv) Government grant

A grant that does not impose specified future performance condition on the recipient is recognised in income when the grant proceeds are receivable. A grant that imposes specific future performance conditions on the recipient is recognised in income only when the performance conditions are met. Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

v) Interest income

Interest income is recognised using the effective interest method, and accrued on a time basis.

vi) Membership fee

Membership fee is recognised on a straight line basis over the tenure of the membership offered, membership fee relating to periods beyond the current financial year is recognised as contract liabilities in the statement of financial position.

j. Income Tax

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j. Income Tax (Cont'd)

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

k. Significant Accounting and Judgements and Estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

i) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Company which may have significant effects on the amounts recognised in the financial statements.

ii) Key Sources of Estimation Uncertainty

The key assumptions 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 are discussed below.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Significant Accounting and Judgements and Estimates (cont'd)

ii) Key Sources of Estimation Uncertainty (cont'd)

a) Impairment of Investment in Associate

The management determines whether the carrying amounts of its investment are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less cost to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation.

Further details are disclosed in Note 5 to the financial statements. Based on management review, no adjustment for impairment is required for the investment in associate by the Company during the current year.

b) Useful Lives of Property, Plant and Equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. The useful lives and annual depreciation rates of these assets are disclosed in Notes 3(a). These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Company's property, plant and equipment at the reporting date is disclosed in Note 4.

c) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and provisions can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Significant Accounting and Judgements and Estimates (cont'd)

ii) Key Sources of Estimation Uncertainty (cont'd)

d) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company 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 and deferred tax provisions in the year in which such determination is made.

l. Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

4. PROPERTY, PLANT AND EQUIPMENT

	As at 01.01.2020 RM	Additions RM	Disposals RM	As at 31.12.2020 RM
<u>Cost</u>				
Freehold building	4,744,380	-	-	4,744,380
Book & research materials	2,661,915	650	-	2,662,565
Computer & software	209,555	19,209	-	228,764
Electrical appliances	1,424,078	-	-	1,424,078
Furniture and fittings	591,785	-	-	591,785
Motor vehicles	442,803	194,611	-	637,414
Office equipment	82,706	-	-	82,706
Renovation	618,630	-	-	618,630
	<u>10,775,852</u>	<u>214,470</u>	<u>-</u>	<u>10,990,322</u>

	As at 01.01.2020 RM	Charge for the year RM	Disposals RM	As at 31.12.2020 RM
<u>Accumulated Depreciation</u>				
Freehold building	1,984,734	94,888	-	2,079,622
Book & research materials	2,613,901	10,932	-	2,624,833
Computer & software	110,979	40,482	-	151,461
Electrical appliances	1,392,337	15,379	-	1,407,756
Furniture and fittings	588,317	1,140	-	589,457
Motor vehicles	418,344	24,829	-	443,173
Office equipment	69,480	4,065	-	73,545
Renovation	616,077	2,551	-	618,628
	<u>7,794,209</u>	<u>194,266</u>	<u>-</u>	<u>7,988,475</u>

				2020 RM
<u>Carrying Amounts</u>				
Freehold building				2,664,758
Book & research materials				37,732
Computer & software				77,303
Electrical appliances				16,322
Furniture and fittings				2,328
Motor vehicles				194,241
Office equipment				9,161
Renovation				2
				<u>3,001,847</u>



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4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	As at 01.01.2019 RM	Additions RM	Disposals RM	As at 31.12.2019 RM
<u>Cost</u>				
Freehold building	4,744,380	-	-	4,744,380
Book & research materials	2,661,915	-	-	2,661,915
Computer & software	213,697	-	(4,142)	209,555
Electrical appliances	1,424,078	-	-	1,424,078
Furniture and fittings	591,785	-	-	591,785
Motor vehicles	583,069	-	(140,266)	442,803
Office equipment	82,706	-	-	82,706
Renovation	618,630	-	-	618,630
	<u>10,920,260</u>	<u>-</u>	<u>(144,408)</u>	<u>10,775,852</u>

	As at 01.01.2019 RM	Charge for the year RM	Disposals RM	As at 31.12.2019 RM
<u>Accumulated Depreciation</u>				
Freehold building	1,889,848	94,886	-	1,984,734
Book & research materials	2,593,803	20,098	-	2,613,901
Computer & software	73,497	41,623	(4,141)	110,979
Electrical appliances	1,376,996	15,381	-	1,392,377
Furniture and fittings	586,128	2,189	-	588,317
Motor vehicles	543,510	15,099	(140,265)	418,344
Office equipment	64,694	4,786	-	69,480
Renovation	586,930	29,147	-	616,077
	<u>7,715,406</u>	<u>223,209</u>	<u>(144,406)</u>	<u>7,794,209</u>

	2019 RM
<u>Carrying Amounts</u>	
Freehold building	2,759,646
Book & research materials	48,014
Computer & software	98,576
Electrical appliances	31,701
Furniture and fittings	3,468
Motor vehicles	24,459
Office equipment	13,226
Renovation	2,553
	<u>2,981,643</u>



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

5. INVESTMENT IN ASSOCIATE COMPANY

	2020 RM	2019 RM
Unquoted shares, at cost	100,001	100,001

	Country of incorporation	Principal activities	Equity interest	
			2020	2019
Perlindungan Dan Indemniti Malaysia Sdn Bhd	Malaysia	Marine insurance	50%	50%

Pursuant to MFRS 127: Separate Financial Statements, the Company accounts its investment in associate company at cost.

6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 RM	2019 RM
Other receivables	399,079	364,014
Deposits	2,800	2,500
GST input tax	214,103	214,103
Prepayments	13,571	10,709
	629,553	591,326

7. DEPOSITS WITH LICENSED BANKS

	2020 RM	2019 RM
Maturing not exceeding 3 months	3,242,611	3,233,924
Maturing exceeding 3 months	5,000,000	5,000,000
	8,242,611	8,233,924

The weighted average effective interest rates of deposits at the statement of financial position date were as follows:

	Effective Interest Rates	
	2020	2019
	%	%
Deposits with licensed banks	1.70 - 3.60	2.90 - 3.60

Include in the deposit with licensed banks are revolving fund and education fund amounting to RM958,734 (2019: RM965,423) and RM3,007,544 (2019: RM3,007,544).



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8. CASH AND BANK BALANCES

Include in the bank balances are for Jabatan Laut Malaysia and Integrated Technical Cooperation Programmes amounting to RM248,192 (2019: RM248,192) and RM2,569,308 (2019: RM3,026,991) respectively.

9. OTHER PAYABLES AND ACCRUALS

	2020	2019
	RM	RM
Other payable	2,050,886	2,337,287
Accruals	121,179	8,421
	<u>2,172,065</u>	<u>2,375,708</u>

Other payable represents monies managed by MIMA on behalf of Ministry of Transport in separate account identified as Integrated Technical Cooperation Programme account.

10. AMOUNT DUE TO ASSOCIATE

This balance is unsecured, non-interest bearing and are repayable on demand.

11. REVOLVING FUND

	2020	2019
	RM	RM
As at beginning of year	965,423	957,881
Loan disbursed	(9,700)	(344)
Loan repaid	3,011	7,886
As at end of year	<u>958,734</u>	<u>965,423</u>

Revolving fund is for loans to employees of the Company for the purchase of motor vehicle and computers.

12. EDUCATION FUND

	2020	2019
	RM	RM
As at beginning/end of year	<u>3,007,544</u>	<u>3,007,544</u>

Education fund is for benefit of employees pursuing post-graduate studies and for human resource development.



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13. REVENUE

	2020	2019
	RM	RM
Consultancy fees	27,000	105,151
Conference fees	-	182,784
Income from research activities	447,300	552,428
Membership fees	8,250	2,700
Sales of publication	1,145	630
	483,695	843,693

Timing of revenue recognition:

At a point in time	475,445	40,993
Over time	8,250	2,700
	483,695	843,693

Income from research activities is in respect of service rendered to Ministry of Transport Malaysia.

14. OTHER INCOME

	2020	2019
	RM	RM
Dividend income form associate company	10,000	10,000
Gain on disposal of property, plant and equipment	-	61,698
Government grant	4,500,300	3,500,300
Interest income		
- fixed deposit	294,365	387,507
- current account	3,962	5,328
Recovery of staff salary from SPAD	135,700	-
Others	530	3,685
	4,944,857	3,968,518



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15. RESEARCH ACTIVITIES EXPENSES

	2020	2019
	RM	RM
Food and drinks	5,081	8,969
Honorarium, hospitality and other payments		
- Donation	-	5,050
- Food & beverage for seminar	12,542	13,283
- Honorarium for speakers	10,101	53,365
- Photography service	48,000	800
- Practical training allowances	590	7,027
- Printing service	45,647	66,828
- Professional fees for research activities	262,071	12,000
- Seminar, conference and training	-	237,024
- Souvenir/honorarium for staff on research activities	141,826	101,538
- Other	-	538
Supplies	38,746	207,671
Travelling	49,067	398,844
	613,671	1,112,937

16. EMPLOYEE BENEFITS

	2020	2019
	RM	RM
Allowance	38,505	30,841
EIS	4,672	9,810
EPF	281,680	297,591
Insurance	353,174	311,324
Levy for HRDF	10,346	21,405
Medical expenses	297	763
Overtime	25,977	47,022
Salaries	1,882,655	2,012,607
SOCSSO	27,737	29,021
Special assistance for Hari Raya	21,500	42,600
Staff hospitality & recreation	2,765	17,559
	2,649,308	2,820,543



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17. OTHER OPERATING EXPENSES

	2020	2019
	RM	RM
Auditors' remuneration	8,300	8,300
Bank charges	423	446
Building insurance	3,941	3,897
Communication and utilities	72,399	88,246
Director remuneration		
- Other emoluments (Director General)	128,945	124,452
- Meeting allowances	9,250	5,500
Filing fee and stamping	330	2,244
Legal fees	9,313	6,416
Motor vehicle expenses	20,865	25,915
Parking expenses	23,877	25,800
Property and maintenance expenses		
- Assessment rate	34,740	34,740
- Service charge	34,203	34,364
- Sinking fund	3,275	3,361
Rental expenses:		
- Florist rental	3,386	3,096
- Motor vehicle rental	300	3,210
- Office equipment rental (photocopy machine)	14,736	14,796
Repair and maintenance	126,412	88,491
Secretarial fees	15,494	9,210
Tax fees	3,074	2,862
	513,263	485,346

18. TAXATION

	2020	2019
	RM	RM
Income tax	35,349	16,668
Current year provision	(339)	-
Over provision for taxation		
	35,010	16,668

The applicable tax rate is 10.90% (2019: 10.90%) for the first chargeable income of RM100,000 and 24% for the subsequent chargeable income.



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18. TAXATION (CONT'D)

The reconciliation between tax expense and the product of accounting surplus/(deficit) multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

	2020	2019
	RM	RM
Surplus before taxation	1,458,044	170,176
Taxation at Malaysian statutory tax rate of 24%	349,931	40,842
Differential tax rate for first RM 100,000	(13,100)	(13,100)
Income not subject to tax	(1,084,451)	(845,944)
Non-deductible expenses	763,967	824,949
Deferred tax assets not recognised	19,002	9,921
Over provision of taxation in prior year	(339)	-
	35,010	16,668

Subject to agreement with the Inland Revenue Board, the Company has the followings:

	2020	2019
	RM	RM
Unabsorbed capital allowances	2,379,308	2,304,458
Unabsorbed tax losses	2,668,304	2,668,304

The unabsorbed tax losses and capital allowances are available to set off against future income.

The unabsorbed tax losses will expire in accordance with Section 44(5F) of the Income Tax Act, 1967 as follows:

	2020	2019
	RM	RM
Year of assessment: 2025	2,668,304	2,668,304



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19. DEFERRED TAXATION

As at 31 December 2020, the amount of estimated net deferred tax assets of the Company measured at current tax rate which are not recognised in the financial statements, are as following temporary differences:

	2020 RM	2019 RM
The net deferred tax assets is in respect of the following:		
- Temporary differences between book depreciation and capital allowances on property, plant and equipment	(22,059)	(23,098)
- Unabsorbed capital allowances	571,033	553,070
- Unabsorbed tax losses	640,393	640,393
	<u>1,189,367</u>	<u>1,170,365</u>

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the short-term financial assets and financial liabilities of the Company at the end of the financial year approximated their fair value due to the relatively short-term nature of these financial instruments.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a. Credit Risk

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Following are the areas where the company are exposed to credit risk:



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21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

a. Credit Risk (cont'd)

Receivables

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Company. The Company uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

b. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

<-----31.12.2020----->

	On demand or within one year RM	One to five year RM	Over five year RM	Total RM
Financial Liabilities				
Other payables and accruals	2,172,065	-	-	2,172,065
Amount due to associate company	129,139	-	-	129,139



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21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

b. Liquidity Risk (cont'd)

	<-----31.12.2019----->			
	On demand or within one year RM	One to five year RM	Over five year RM	Total RM
Financial Liabilities				
Other payables and accruals	<u>2,375,708</u>	-	-	<u>2,375,708</u>
Amount due to associate company	<u>129,139</u>	-	-	<u>129,139</u>

c. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company places fixed deposits at competitive rates under the most favorable terms and conditions.

The following tables set out the carrying amounts, effective interest rates as at the reporting date and the remaining maturities of the Company's financial instruments that are exposed to interest rate risk:

	Effective interest rate %	Total RM	Within 1 year RM
31.12.2020			
Financial Assets			
Deposits with licensed banks	<u>1.70 – 3.60</u>	<u>8,242,611</u>	<u>8,242,611</u>
31.12.2019			
Financial Assets			
Deposits with licensed banks	<u>2.90 - 3.60</u>	<u>8,233,924</u>	<u>8,233,924</u>



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22. SIGNIFICANT RELATED PARTY TRANSACTION

	2020	2019
	RM	RM
Key management personnel compensation:		
Directors:		
- Other emoluments (Director General)	128,945	124,452
- Meeting allowances	9,250	5,500
	<u>138,195</u>	<u>129,952</u>
Dividend received from associate company	<u>10,000</u>	<u>10,000</u>

23. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table provides an analysis of financial instruments categorised as follows:

- (i) Financial assets at amortised cost; and
(ii) Financial liabilities at amortised cost

	Amortised cost	
	2020	2019
	RM	RM
Financial assets:		
Other receivables and deposits	615,982	580,617
Deposits with licensed banks	8,242,611	8,233,924
Cash and bank balances	5,541,288	4,377,023
	<u>14,399,881</u>	<u>13,191,564</u>
Financial liabilities:		
Other payables and accruals	2,172,065	2,375,708
Amount due to associate	129,139	129,139
	<u>2,301,204</u>	<u>2,504,847</u>



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24. CAPITAL MANAGEMENT

The Company regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated fund for future operational needs. The Company regards the accumulated fund as its capital.

25. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order (“MCO”) on 18 March 2020 and has subsequently entered into various phases of the MCO until 28 June 2021.

Based on the assessment of the Company, the judgements and assumption used in the preparation of the financial statements for the financial year ended 31 December 2020, such as the expected credit losses of financial assets, impairment assessments of assets (property, plant and equipment and investment in joint venture) have been impacted by the COVID-19 pandemic.

The Company will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Company for the financial year ending 31 December 2021.

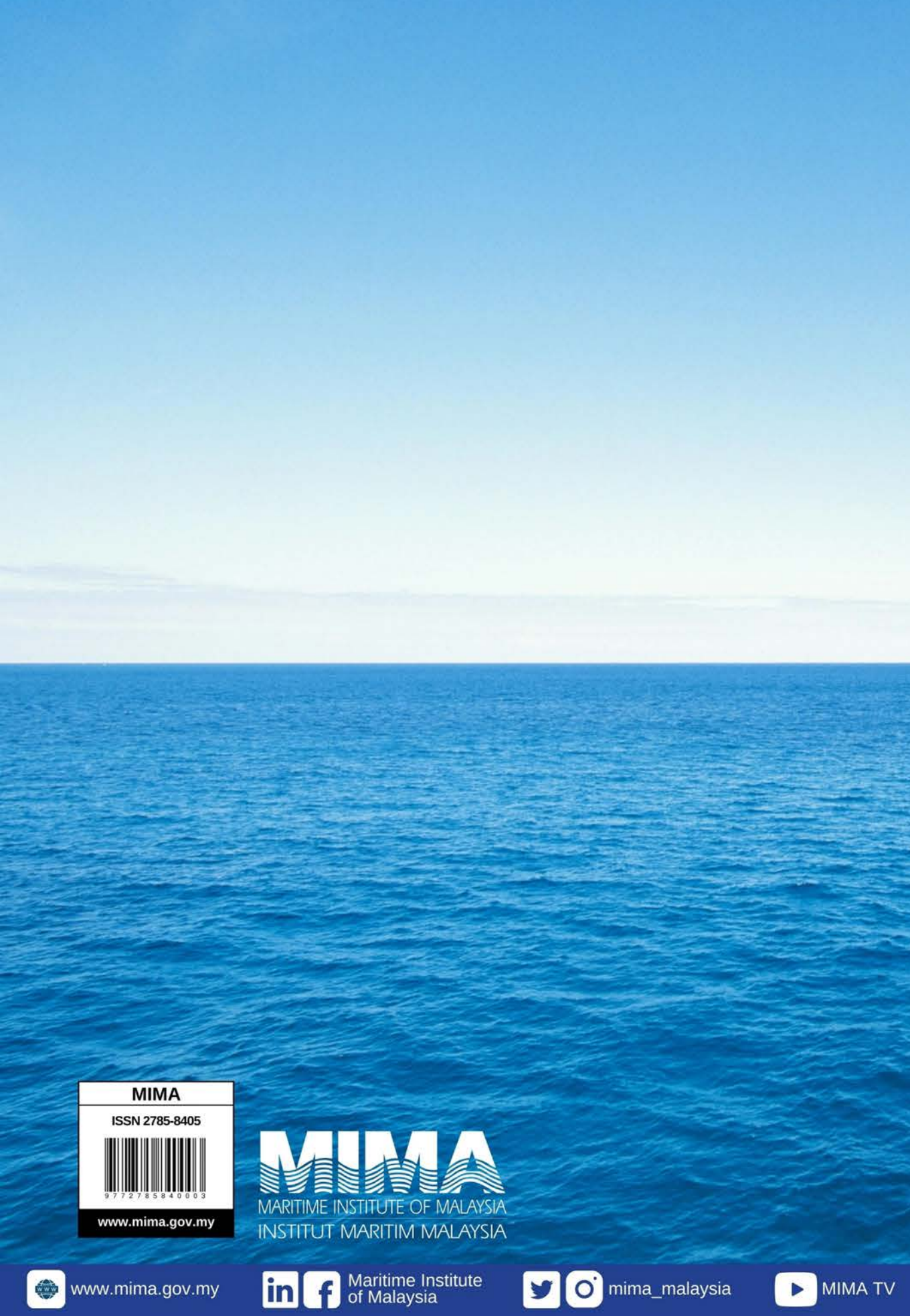
26. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been restated to conform with current year’s presentation.

27. AUTHORISATION FOR ISSUE

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 27 July 2021.





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