



FUTURE FORWARD

As the world continues to navigate through what is possibly one of the most foreboding and ominous periods of human history, many have been left perplexed and overwhelmed by the series of unfortunate events, starting with the coronavirus plague. Over the last eighteen months, not only has mankind experienced the distressing agony of the long drawn plague but more recently, also the desolation of wildfires in North America and uncontrolled floods in Europe. So violent has the course of human life been over this short span of time that many are still asking if the world is now permanently and irreversibly changed since the outbreak of those calamities. Changed or not, the pulse of life beats on, perhaps at a different tempo and a different rhythm. Perhaps the real question is, are we ready to welcome the future, whatever shape it shall take? Are we future ready?

Valued Shareholders and Partners,

Another financial year has come to a close for the Company and once again I have the duty to present to you the Financial Statement and Annual Report of 2021. Given the many recent daunting happenings in the world including the yet uncontrolled coronavirus, the situation over the last year and a half has no doubt been extremely challenging for many people and for all businesses, big and small.

A World In Turbulence

Before the world could contain the ravages of the Corona virus, forceful acts of nature battered the West and other parts of the world, adding to the already insurmountable challenges of the pandemic. Rising temperatures and wildfires ravaged huge parts of Northern America while Belgium, the Netherlands and Germany reeled from destruction brought by floods so severe that their governments were left bewildered and stumped. Soon after, deadly landslides buried the seaside city of Atami, Japan and rains deluged Henan province in Central China.

As various parts of the world continue to go through halts and stops because of environmental disasters and threats of the mutating virus, EDARAN is thankful that our country has, at least, been spared of major natural disasters, which would have made our fight with the coronavirus situation even more arduous. It cannot be denied that several aspects of our economy, as it is, have been undesirably affected. It saddens me to think about the millions of Malaysians across the board who experienced hardship, including loss of livelihoods and loss of loved ones. It has been a very grim and harsh time.

Crisis moments are also opportunity moments

Although spared of devastating natural catastrophes, we have never been down this fearsome route before. Life changing events such as the Aids epidemic in Africa, the Indian ocean tsunami and the 2008 financial crisis pale in comparison to this pandemic that has struck the world. It is difficult to envisage what lies around the bend.

With the turnaround and improvement in the Group's performance, the Board made a dividend payment of RM1.01 Million on 26 March 2021.

Two years on since its outbreak, the world is still staring helplessly at a novel virus that keeps us contained in our homes for weeks, maybe for months or even years. It has crippled businesses and is reorienting our relationship to government, to the outside world and even to families and friends. Some changes these experts expect to see in the coming months or years might feel unfamiliar or unsettling.

Nonetheless, EDARAN journeys on, grateful that IT as a discipline and industry has buoyed us up over the last one year. Even so, EDARAN is mindful that the future remains unpredictable and we must strengthen and stabilise ourselves to face whatever may come. We also believe that one cannot prosper alone. In our books, sustainable success can only be achieved when the rest of society is also doing well. To that end, EDARAN will work towards the enrichment of the communities within our universe and even beyond. We can do that through the enabling power of IT.

Financial Performance

EDARAN has been able to steer itself on an even keel despite the turmoil in the world and the uncertainties posed by the pandemic. Over the year in review, our services continued to be needed by customers, largely because IT is an essential requirement in our daily activities. Our Team, who adhered strictly to the government's lockdown SOP and guidelines continued to provide critical support services to customers, sustaining therefore our own revenue inflow. At time of writing this message, the nation is in a two-week full lockdown, permitting once again, the operations of only essential services.

For the financial year in review, the Group recorded an increase in revenue from RM45.4 Million to RM50.2 Million. With an improvement in the Gross Profit Margin, EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) improved substantially to RM8.8 Million from RM5.4 Million in the previous year. For the first time since financial year 2018, the Group recorded a Profit After Tax (PAT) of RM2.51 Million. This improvement in PAT is attributed to the diligence and good performance of the Group's I.T Division.

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The financial performance of the Group's domestic operations is healthy. Contributions from Jabatan Kastam DiRaja Malaysia remain the major source of revenue for the Group. However the healthy performance is also attributed to earnings from other customers among which are Lembaga Hasil Dalam Negeri (Inland Revenue Board), Jabatan Perdana Menteri (Prime Minister's Department), Jabatan Penerangan Malaysia, the Ministry of International Trade and Industry (MITI) and UiTM (Universiti Teknologi Malaysia), Fusionex Solutions and some other customers.

History continually shows us that the human spirit is indomitable. At point of writing this message, some countries such as the United Kingdom have braved it, lifting lockdown restrictions and attempting to resume life as normal. Although attempts to return to normalcy have been in fits and starts, it is no less a sign that societies will yet overcome all odds to get back onto the shoulder of the road. In moments of crisis there are also opportunity moments. We believe that the world is on the cusp of technology breakthroughs. The world will see more sophisticated and flexible use of technology, more innovative and effective ways of keeping in touch, new consumer technology, a new awareness of health and fitness, medical breakthroughs, a revived appreciation for the outdoors, appreciation of life's other simple pleasures and even greater spiritual awareness. No one knows exactly what this prolonged pandemic will bring forth but we can be quite sure that imminent changes will happen within the main pillars of society, namely, government, healthcare, education, the economy and lifestyles.

Experts are predicting that post pandemic, people's relationship with technology will deepen as larger segments of the population come to rely more on digital connections for work, education, health care, daily commercial transactions and essential social interactions. We will continue to see the evolution of digital life at an accelerated pace.

The World Shifts Online

Hastened by the climate of the pandemic, more and more people will shift their lives online, whether for commerce, entertainment or education.

We will, with much certainty, see regulatory barriers brought down for online tools. COVID-19 will sweep away many of the artificial barriers to enable shifting more of our lives online. But in many areas of our lives, the uptake on genuinely useful online tools has been slowed by legacy players and overcautious governance. In the areas of medical health and education, for instance, barriers to online tools have disabled online facilities such as telemedicine in many parts of the world. Until recently, online learning and partial home schooling were not largely accepted and even resisted by conventional learning institutions.

Today, hastened by necessity due to the pandemic, online learning and home schooling have become necessary on the contrary. In universities and colleges, the campus landscape is changing. College students may no longer need to return to expensive dormitory rooms. At any rate, a sparsely populated campus will not be appealing to college students. In the work place, a similar change is fast happening. Many people are learning that the difference between having to dress up and commute for an hour, negotiating traffic jams and, working efficiently at home was always just the ability to download one or two apps plus of course, the agreement and permission from their bosses. Indeed more and more, we will see lifestyles being ‘lived’ online.

Digital Media Becomes Healthy

What can we offer in a time of affliction? What do people truly need?

Digital media may become a healthy platform and our digital devices might have actually come of age with the pandemic. Given its ability to cross all kinds of borders and break barriers, it is not impossible to use our digital devices to reshape the kinds of community we would want. Indeed if we put our minds to it, we can use our digital devices and digital media to create specific environment, stage situations, develop new paradigms.

Take culture for instance. In the earliest days of the coronavirus pandemic when social distancing disallowed mass audiences, artistes took to social media to render their performances to a global online audience. Inspirational first examples include Cello master Yo-Yo Ma who posted a daily live concert of a song that sustains him. On Broadway, diva Laura Benanti invited performers from high school musicals who were not going to put on their shows live, to send their performances to her. In the world of business, digital media is becoming the new stage.

Entrepreneurs made time to listen to presentations and pitches online. In lifestyles, master yoga instructors gave free classes, trainers taught online. These initiatives have broken open new mediums of connectivity with human generosity and empathy. People are beginning to ask of themselves, “What can I authentically offer in a time of affliction on the entire human race”. People are beginning to ponder and ask , “What do people truly need?” If we applied our most human instincts to our digitally smart devices, we may yet leave a powerful and meaningful COVID-19 legacy born out of compassion and goodness. In the darkness of the world’s prevailing devastation, some good may yet arise from this ravaging plaque. And EDARAN realises that IT can play a more noble role in society.

A Heightened Sense of Responsibility

EDARAN recognises its corporate responsibility to be a voice that reminds society to prioritise the human being rather than systems and hardware.

As an IT company, EDARAN straddles the fine balance between the inevitable dependence on technology and the indispensable need for human intervention. Driven by a commitment to bring the benefits of technological innovations to society, EDARAN upholds that while the use of smart technology is increasingly essential, it cannot and must not totally replace the human factor, simply because the moral responsibility in the use of technology can only lie with the humans behind those technologies. We are acutely aware that lifestyles will go on to become more digital. IT will play an integral and central role in the lives of industries and the lives of people. We are aware of the delicate equilibrium between a 'digitise-everything life' and a wholesome 'humane life', a life lived with mindfulness, consciousness, integrity and ethics.

EDARAN recognises its corporate responsibility to be a voice that reminds society to prioritise the human being rather than systems and hardware. Concern for the human being is needed more than ever because the world has seen so much devastation as a result of many global disasters, the Covid plaque notwithstanding. With the power of IT and connectivity in its hands, EDARAN believes it can be that voice for the community.

Improving Life At Every Stage

As the pandemic rages on, devastating lives across the globe, there are calls for technology to focus more on human well being. There are calls for social justice. There are calls to reconfigure the workplace, the systems of governance, healthcare and education. Expert voices are urging the world to make use of technology such as artificial intelligence, data analytics, smart cities and virtual reality to improve communication, improve emergency responses, make information more accurate and alleviate suffering. The world has learnt from the crises of the Covid 19 pandemic. Perhaps there is hope that smarter systems will be created. Municipal, rural, state and independent services, especially in the health care sector, may be further modernised to better handle future crises, quickly identifying and responding to emerging threats and sharing information with all citizens in more timely and helpful ways.

It is our aim to use smart technology to improve every stage of a person's life, life from the cradle to the grave.

From The Cradle To The Grave

EDARAN wants to be a part of such a revolution, to use technology to improve life, from the cradle to the golden years of life. EDARAN wants to be part of the vision to upgrade the quality of life, to save lives and to manage crises. We will continue in our efforts to develop solutions and apps that enable remote administration of services, apps that can immensely reduce the hassle of having to be physically present to attend to routine chores. We want to bring to communities, the conveniences of digital services, to do away with time-wasting queues and long waits. EDARAN has the platform and the ability to connect. Our goal is to seek partners who can join us to develop and deliver lifestyle solutions that will be needed . Our aim is to optimise the smart devices in people's hands so that they may better use their resources, energy and time.

Smart Apps And Convenient Solutions

During the year in review, EDARAN developed PAYJE, an app designed as an integrated e-payment platform suitable for multi-merchant bill aggregation, serves as an organiser and allows payment transaction. PAYJE is already working alongside several merchants to deliver the conveniences of on line payment to the man on the road. PAYJE will contribute towards the country's objective of further developing the e-commerce sector. PAYJE is already working in collaboration with Jabatan Hal Ehwal Veteran Angkatan Tentera Malaysia to initiate a virtual mall for its members. As our society shifts further online, PAYJE will make inroads into Malaysia's e-commerce sector.

PAYJE , not unlike some other new product initiatives of the company, represents the kind of smart solutions we will continue to develop for our communities; multi-benefit solutions and apps that people from all walks of life; be they consumers, traders or the ordinary man on the street, will find useful.

Our goal should be to help bring about a better tomorrow for all of humankind.

Future Forward

The world after Covid 19 is unlikely to return to the world that was. New trends, accelerated by the pandemic are already underway. The future has arrived faster and along with it, its challenges. The choices of the Group during this crisis will shape the future of the Group for many years from now. What is the Group's stand in the face of this uncertain future?

We aim to strengthen our brand; a brand that stands for excellence, a brand defined by integrity, business ethics, honesty and good conduct.

EDARAN stands Future Forward, ready to move ahead. Our goal should be to help bring about a better tomorrow for all of humankind, to be part of the plan to bring about an optimistic future in terms of better quality of life, better education, better health, cleaner environment and all things that lead to prosperity and abundance in the true sense of the word.

Anchored within the IT industry we are in a good place to help bring the best of this digital transformation to communities. So much progress awaits if we but pooled efforts, knowledge and skills. Telemedicine, online teaching, financial services, security, e-commerce and many more areas that can be supported by digital capabilities.

Our mission to bring about a better normal prompts us to go on improving our know-how, our skills and capabilities to apply our knowledge. But improving upon those areas alone is not enough. Contained within the Group's Charter is our undertaking to improve ourselves as human beings, to work on building our character as a team, as a company. One of our continual goals is to build a brand that stands for excellence, a brand defined tech saviness will not be enough. Indeed, the visibly shifting paradigm of life brought about the pandemic, reminds us that all the technology, knowledge and skills we acquire are of no use, unless the people behind them are people of value and character.

Let Us Not Forget The Lessons

We are mindful too that over the next twenty years, the mindsets of young people are going to change significantly because of what they are experiencing today. While some may become discouraged by the unpredictability of life and may therefore throw caution to the wind, there are others who will take valuable lessons from these difficult times and become more adaptable, more resourceful, nimble and agile. The latter will go on to embrace a world of opportunities brought about by new knowledge and new technology. They will work to bring innovations to society. They will contribute towards making this a safer world, a healthier, cleaner world. They will seek balance and better quality of life.

The pandemic has made many of us value what is truly valuable; our health, safety and our ability to keep our loved ones out of harm's way. As a business organisation, the pandemic has made us increasingly conscious of the vulnerability of our people. It has also awakened in us, a wholesome sense of duty. We must be more than just a mercantile entity. We must become more relatable and relevant to the communities around us. As an IT company we have abundant opportunities to do that effectively; to bring benefits to the societies and communities we serve through our expertise, our resources and know-how. Post a life-changing experience such as the Coronavirus pandemic, the society, bruised from devastation and dread will increasingly seek out organisations and companies they can trust and relate to.

We subscribe to the principle that people's lives matter, all stages of life matter. We are ever more determined today, to do our best to bring a better quality of life to people no matter which stage of life they are in, through the capabilities of technology, our expertise and know-how. We are determined to go forward that way. Future forward into the next normal, a better one.

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Appreciation

I close with heartfelt thanks to all, who in one way or another, contributed towards the sustainability of EDARAN Berhad while the world was ravaged by the continuing menace of the coronavirus. Your efforts and support have truly been instrumental in the continuity of the Group.

This is an unprecedented time. There will be new challenges and unpredictable obstacles ahead because our environment is being transformed by the new normal. Whether we are a shareholder, a member of the staff, a member of the board, a customer, a partner or a supplier, we are all in this together. The time has come when we must close distances, come together and help each other grapple with this crisis. If we succeed in climbing out of this quicksand, we will all share the jubilation and triumph. Only when and until we pool our forces, strength and capabilities, can we overcome this crisis that has beset us all.

Yours sincerely,

Dato' Abdul Halim Abdullah
Chairman