INFORMATION MEMORANDUM

FOR RESTRICTED CIRCULATION ONLY

EQUITIESTRACKER HOLDINGS BERHAD
(Company No. 1280985-X)
(Incorporated in Malaysia)

PROPOSED EXCLUDED ISSUE OF 42,000,000 NEW ORDINARY SHARES IN EQUITIESTRACKER HOLDINGS BERHAD AT AN INDICATIVE ISSUE PRICE OF RM0.17 PER SHARE IN CONJUNCTION WITH OUR PROPOSED LISTING ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD

APPROVED ADVISER AND PLACEMENT AGENT

MERCURY SECURITIES SDN BHD
(Company No. 113193-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

THIS INFORMATION MEMORANDUM IS DATED 28 DECEMBER 2018

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES"). IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

IMPORTANT NOTICE

NO PERSON IS AUTHORISED IN CONNECTION WITH OUR EXCLUDED ISSUE (AS DEFINED HEREIN) AND LISTING (AS DEFINED HEREIN) TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS INFORMATION MEMORANDUM, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY EQUITIESTRACKER HOLDINGS BERHAD ("ET" OR "COMPANY") OR MERCURY SECURITIES SDN BHD ("MERCURY SECURITIES") AS OUR APPROVED ADVISER AND PLACEMENT AGENT.

THE PURPOSE OF THIS INFORMATION MEMORANDUM IS TO PROVIDE INFORMATION ON THE BUSINESS AND AFFAIRS OF OUR COMPANY AND SUBSIDIARIES (COLLECTIVELY "GROUP") ONLY. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, OR SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE OUR SHARES (AS DEFINED HEREIN), NOR IS IT INTENDED TO INVITE OR PERMIT THE MAKING OF OFFERS BY THE PUBLIC TO SUBSCRIBE FOR OR PURCHASE OUR SHARES.

THIS INFORMATION MEMORANDUM IS INTENDED FOR CIRCULATION ONLY TO PERSONS WHOM AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES OR AN ISSUE OF SECURITIES WOULD CONSTITUTE AN EXCLUDED ISSUE WITHIN THE MEANINGS OF SECTION 230 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA").

THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM AND THE OFFERING OF OUR SHARES MAY, IN CERTAIN JURISDICTIONS, BE RESTRICTED BY LAW. WE REQUIRE PERSONS INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES INTO, TO INFORM THEMSELVES OF AND OBSERVE ALL SUCH RESTRICTIONS.

Our Board of Directors and Promoters (as defined herein), having made all reasonable enquiries, accepts responsibility for, and confirms that this Information Memorandum contains all relevant information with regards to our Group which is material in the context of our Excluded Issue and Listing as at the date hereof, that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading as at the date hereof and that there are no other facts the omission of which would, in the context our Excluded Issue and Listing, make this Information Memorandum as a whole or any information herein misleading in any material respects.

Mercury Securities, being our Approved Adviser and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning our Excluded Issue and Listing.

Our Shares are offered to Sophisticated Investors on the premise of full and accurate disclosure of all material information concerning our Excluded Issue, for which any person set out in Section 236 of the CMSA is responsible.

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum.

A copy of this Information Memorandum has been deposited with the Securities Commission Malaysia ("**SC**"). Each recipient ("**Recipient**") of this Information Memorandum acknowledges and agrees that the SC and Bursa Securities take no responsibility for the contents of this Information Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Information Memorandum.

Our Excluded Issue is subject to the receipt of an approval-in-principle for our Listing from Bursa Securities, who makes no assessment on the suitability, viability or prospects of our Group or the merits of investing in our Shares. Mercury Securities, as our Approved Adviser, has assessed the suitability of our Group for admission to the LEAP Market as required under Rule 4.10 of Bursa Securities' LEAP Market Listing Requirements. **YOU SHALL BE SOLELY RESPONSIBLE FOR YOUR INVESTMENT DECISION, AND SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT IN OUR COMPANY, AND SHOULD CONSULT TO THE EXTENT NECESSARY, YOUR OWN LEGAL, FINANCIAL, TAX, ACCOUNTING AND/OR OTHER PROFESSIONAL ADVISERS IN THIS RESPECT PRIOR TO ANY INVESTMENT IN OUR COMPANY.**

MODE OF COMMUNICATION

In accordance with our Constitution, we may send notices and documents to our securities holders ("**Holders**") by electronic means to the Holders' registered email address last maintained with either our Company Secretaries or Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**"), as the case may be. Our Holders have a right to request for a hard copy of such notices and documents should they wish to do so. In such event, we will forward a hard copy of the notices and documents to the Holders, as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail to the Holders' registered Malaysian address last maintained with either our Company Secretaries or Bursa Depository, as the case may be, at their own risk.

We may also publish notices and documents on our website as a form of electronic communication with our Holders. In such event, we will separately and immediately notify our Holders through the following by way of:

(i) ordinary mail;

(ii) electronic means to the Holders' registered email address;

(iii) advertisements in an English daily newspaper in Malaysia; and/or

(iv) announcements on Bursa Securities.

TERMS AND CONDITIONS BINDING ALL RECIPIENTS

By accepting this Information Memorandum, you hereby agree and undertake to be bound by the following terms and conditions:

1. This Information Memorandum is issued by our Company and distributed by us as well as Mercury Securities as our Approved Adviser and Placement Agent. The distribution of this Information Memorandum shall be in paper/printed copy and/or electronic copy upon request by interested Recipients, free of charge. This Information Memorandum is distributed to interested Recipients for information purposes only and upon the express understanding that such Recipients will use it only for the purposes set forth below.

2. The information contained in this Information Memorandum, including any statement or fact or opinion, is solely for use by a limited number of prospective Sophisticated Investors for the purpose of evaluating their interest in investing in our Company ("**Proposed Investment**"). Nothing contained herein shall be taken as a recommendation or invitation by us and/or Mercury Securities to undertake the Proposed Investment or as a commitment on our part to accept your Proposed Investment.

3. We and Mercury Securities each reserve the right (without notice or recourse) to alter, amend, terminate or suspend the process in respect of the Proposed Investment ("**Investment Process**") without providing any reason therefor. All costs incurred by you during the Investment Process are for your account only and under no circumstances will we or Mercury Securities be responsible for any part of such costs, notwithstanding any alteration, amendment, termination or suspension of the Investment Process or the reasons thereof.

4. Any documents in relation to our Excluded Issue and Listing published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

5. Subject to the provisions of any laws, regulations and guidelines ("**Applicable Laws**"), we and Mercury Securities each reserve the right to negotiate with one or more prospective Sophisticated Investors at any time. Subject to the Applicable Laws, we and Mercury Securities each also reserve the right (without notice or recourse) to terminate, at any time, further participation in the Investment Process by all or any Recipients without assigning any reasons thereof.

6. Neither the receipt of this Information Memorandum by any Recipient nor any information made available in connection with the Proposed Investment is to be taken as constituting the giving of investment advice by Mercury Securities. Mercury Securities shall not advise you on the merits or risks of the Proposed Investment or potential valuations for the Proposed Investment.

7. This Information Memorandum may not be distributed in any jurisdiction outside Malaysia except in accordance with the legal requirements applicable in such jurisdiction. No Recipient in any jurisdiction outside Malaysia may take any action upon this Information Memorandum if, in the relevant jurisdiction, such action cannot be taken by the Recipient without contravention of any relevant legal requirements. It is the sole responsibility of any Recipient wishing to take any action upon this Information Memorandum to satisfy themselves as to the full observance of the laws of the relevant jurisdiction and/or Malaysia in connection therewith, including without limitation, the receipt of our Shares or cash payments upon the sale of our Shares by the Recipients, the repatriation of any money by the Recipients out of Malaysia, the obtaining of any governmental, exchange control or other consents which may be required, and the payment of any tax or duty due in such jurisdiction. Such Recipients shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and we and Mercury Securities shall be entitled to be fully indemnified by such Recipients for any tax or payment as the Recipients may be required to pay.

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Privacy Notice

The Personal Data Protection Act 2010 ("**PDPA"**) was introduced to regulate the processing of personal data in commercial transactions. The PDPA requires us to inform you of your rights in respect of your personal data that is to be collected and processed by us.

Consequently, please be informed that the personal data and other information (collectively, "**Personal Data**") that you provide will be used and processed by us in connection with our Excluded Issue only ("**Purpose**"), and not for any other purpose.

If required for the Purpose, you hereby give consent that your Personal Data may be transferred to locations outside Malaysia or disclosed to our related corporations or our vendor, agent, contractor, service provider, consultant or adviser who provide services to us, including our Placement Agent, which may be located within or outside Malaysia. Save for the foregoing, your Personal Data will not be knowingly transferred to any place outside Malaysia or be knowingly disclosed to any other third party.

Without prejudice to the Terms and Conditions of our Excluded Issue as contained in this Information Memorandum, you may at any time hereafter make inquiries, complaints and, upon payment of a prescribed fee, request in writing for access to, or correction of, your Personal Data or limit the processing of your Personal Data (as described above) by submitting such request to the following:

Postal address	:	**EQUITIESTRACKER HOLDINGS BERHAD** c/o Indah Secretarial (KL) Sdn Bhd 18-2, Jalan 2/114 Kuchai Business Centre Off Jalan Klang Lama 58200 Kuala Lumpur Wilayah Persekutuan (KL)

Kindly be informed that we will assume that you have consented and we will continue to process your Personal Data in accordance with this Privacy Notice unless we hear otherwise from you. You may exercise your rights in respect of your Personal Data in the manner described above.

This Privacy Notice may be amended from time to time and would be in effect on the date as determined by us. Any amendment to this Privacy Notice shall be published on any medium as we deem fit.

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CONTENTS

CONTENTS *(cont'd)*

EXCLUDED ISSUE SUMMARY

	No. of Shares '000	RM'000
Existing issued share capital	203,530	2,035
New Shares to be issued pursuant to our Excluded Issue ("**Issue Shares**")	42,000	7,140
Enlarged issued share capital upon Listing	245,530	9,175
Percentage of enlarged share capital represented by the Issue Shares		17.1%
Issue Price per Issue Share (RM)		0.17
Gross proceeds to be raised under our Excluded Issue		7,140
Market capitalisation at the Issue Price upon Listing		41,740

UTILISATION OF PROCEEDS

We intend to use the gross proceeds from our Excluded Issue as follows:

Description		Estimated timeframe for utilisation upon listing	RM'000	%
(a)	Information technology	Within 48 months	4,000	56.0
(b)	Education premises	Within 24 months	1000	14.0
(c)	Marketing	Within 24 months	500	7.0
(d)	Working capital	Within 24 months	640	9.0
(e)	Estimated listing expenses	Immediate	1,000	14.0
Total			7,140	100.0

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INDICATIVE TIMETABLE

The indicative timetable for our Excluded Issue is set out below for your reference:

Date of Information Memorandum	28 December 2018
Allotment of Issue Shares	Mid February 2019*
Listing of our Company on the LEAP Market	Mid February 2019*

Note:

* *Subject to receipt of approval-in-principle from Bursa Securities for our Listing. An announcement for the key relevant dates will be made after obtaining Bursa Securities' approval-in-principle for our Listing.*

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PRESENTATION OF INFORMATION

All references to “our Company” in this Information Memorandum are to EquitiesTracker Holdings Berhad, while references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key management personnel as disclosed in this Information Memorandum, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include companies and corporations.

Any reference to provisions of statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits) be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to dates and times shall be a reference to dates and times in Malaysia.

In particular, certain information in this Information Memorandum is extracted or derived from the independent market research report prepared by PROVIDENCE (as defined herein), an Independent Market Researcher. In compiling their data, PROVIDENCE had relied on industry sources, public materials, their own private databases and direct contacts within the industry. We believe that the statistical data projections cited in this Information Memorandum are useful in helping you to understand the major trends in the industry in which we operate.

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FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements, which include all statements other than those of historical facts including, amongst others, those regarding our expected financial position, business strategies, plans, prospects and objectives of our Management for future operations. These statements can be identified by forward-looking terminology terms as “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. These forward-looking statements, including but not limited to statements as to our Group’s revenue and profitability, prospects, future plans, expected industry trends and other matters discussed in this Information Memorandum regarding matters that are not historic facts, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors beyond our control that could cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, amongst others:

- changes in the political, social and economic conditions and the regulatory environment in Malaysia and other countries in which we conduct business; and

- changes in our future capital needs and the availability of financing and capital to fund such needs.

Some of these factors are discussed in more detail in Section 6 - Risk Factors and Section 9 – Management Discussion and Analysis of this Information Memorandum.

These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As such, we cannot assure you that the forward-looking statements in this Information Memorandum will be realised.

These forward-looking statements are based on information available to us as at the date of this Information Memorandum. Subject to the provisions of Section 238 of the CMSA, we expressly disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Information Memorandum:

Act	:	Companies Act 2016
ACCA	:	Association of Chartered Certified Accountants
Alvin Vong	:	Alvin Vong Chen Weng
Andrew Vong	:	Andrew Vong Chen Kwong
Board	:	Board of Directors of ET
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of ET
Directors	:	Members of our Board
EPS	:	Earnings per Share
ET or **Company**	:	EquitiesTracker Holdings Berhad (1280985-X)
ET Group or **Group**	:	Collectively, ET and its subsidiaries
ET Shares or **Shares**	:	Ordinary shares in ET
ETRC	:	Equities Training and Research Center (PG0277529-X)
Excluded Issue	:	Proposed excluded issue of 42,000,000 Issue Shares at the Issue Price to Sophisticated Investors within the meanings of Section 230 of the CMSA
Founder	:	Vong Nyam Yew
FPE	:	Financial period ended
FYE	:	Financial year ended/ending, as the case may be
GCP	:	Google Cloud Platform
GP	:	Gross profit
HRDF	:	Human Resources Development Fund
I&J	:	I&J Sdn Bhd (28633-U)
IMR Report	:	Independent Market Research Report on: • The Equity Investment Research Platform Industry in Malaysia • The Investment Training Service Industry in Malaysia
Information Memorandum	:	This Information Memorandum dated 28 December 2018 in relation to our Excluded Issue and Listing
Issue Price	:	RM0.17 per Issue Share, being the indicative price at which each Issue Share is to be issued
Issue Shares	:	New Shares to be issued pursuant to our Excluded Issue
LAT	:	Loss after tax
LBT	:	Loss before tax
Listing	:	Proposed admission to the Official List and the listing of and quotation for our entire enlarged share capital of RM9,175,296 comprising 245,529,600 Shares on the LEAP Market of Bursa Securities

Listing Requirements	:	LEAP Market Listing Requirements of Bursa Securities
LPD	:	30 November 2018, being the latest practicable date prior to the date of this Information Memorandum
Market Day	:	Any day between Mondays and Fridays (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
Mercury Securities	:	Mercury Securities Sdn Bhd (113193-W), being the Approved Adviser, Custodian and Placement Agent for our Excluded Issue and Listing
NA	:	Net assets
Official List	:	The list specifying all securities listed on Bursa Securities
PAT	:	Profit after tax
PBT	:	Profit before tax
Promoters	:	Collectively the following: • Alvin Vong • Andrew Vong • VNY & Sons Sdn Bhd
PROVIDENCE	:	Providence Strategic Partners Sdn Bhd (1238910-A), being the Independent Market Researcher
Public	:	All persons or members of the public but excluding directors of our Group, our substantial shareholders and persons associated with them (as defined in the Listing Requirements)
RM and **sen**	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
SC	:	Securities Commission Malaysia
Sophisticated Investors	:	Investors who fall within Part I of Schedule 7 of the CMSA

<u>Subsidiaries of ET</u>

ET International	:	EquitiesTracker International Sdn Bhd (430737-A)
ET Digital	:	ET Digital Insights Sdn Bhd *(Formerly known as EPDLRC Sdn Bhd)* (1194445-T)
ET Smart Wealth	:	ET Smart Wealth Sdn Bhd (1281299-D)

<u>Subsidiary of ET International</u>

ET Mandarin Academy	:	ET Mandarin Academy Sdn Bhd (1281305-A)

GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain terms used throughout this Information Memorandum in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

Cloud-native application	:	Cloud-native application programme is designed specifically for a cloud computing architecture, which are composed of loosely-coupled cloud services. This means that developers must break down tasks into separate services that can run on several servers in different locations. As the infrastructure that supports a native Cloud-native application does not run locally, Cloud-native application must be planned with redundancy in mind so the application can withstand equipment failure and be able to re-map IP addresses automatically should the hardware fail
Corporate clients	:	Corporate clients include corporations, financial data providers and stock exchanges which are our clients
Clubs	:	Clubs are a form of follow-up sessions for graduates of our training courses. During these sessions, key management personnel (e.g. Chief Executive Officers and Chief Financial Officers) of public listed companies as well as industry experts are invited to interact with our clients. This gives our clients a better perspective on how businesses are managed and latest industry trends
CRM system	:	Customer relationship management system is a back-end system used to manage interaction with our clients. It records historical information of our clients, allows communication with our clients in a timely manner as well as tracks clients interactions and automates certain business functions
Data-driven investments	:	Data-driven investments is the use of financial data analysis in making investment decisions
End-of-day price	:	End-of-day price refers to the closing price of a stock on a trading day
EPM platform	:	Equities Portfolio Manager is our portfolio management platform that provides a clear overview of a client's equity portfolio
ePOS system	:	Electronic point of sale system is a back-end system used to record and manage financial transactions
Labs	:	Labs are a form of follow-up training sessions held for members or graduates of our training courses. Labs are to sharpen their knowledge in fundamental principles of financial analysis
MVIP course	:	Master Value Investing Programme is our pre-designed investment training package which comprise training modules on stock picking methodologies, portfolio management and investment simulation. It is typically sold with our PLUS and EPM platforms and bundled with follow-up sessions
PLUS platform	:	Proprietary Equity Research Platform which provides financial information on public listed companies and analytical functions to assist with data-driven investment decisions
Retail clients	:	Retail clients refer to individual investors
Stock	:	Stock refers to capital raised by a corporation through the issuance of shares

GLOSSARY OF TECHNICAL TERMS *(cont'd)*

VIP course	:	Value Investing Programme is our pre-designed introductory investment training course which comprise training modules on basic investment principles and basic stock assessment methods
White label	:	In this Information Memorandum, white label refers to the sale of our PLUS platform to a client that allows them to rebrand the PLUS platform under their brand name

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Company No. 1280985-X

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS	:	Alvin Vong *Executive Director/Chief Executive Officer* Andrew Vong *Executive Director/Chief Future Officer* Ng Bak Lee *Executive Director/Chief of Mandarin Investment Training Division* Tan Meng Chai *Independent Non-Executive Director*
REGISTERED OFFICE	:	18-2, Jalan 2/114 Kuchai Business Centre Off Jalan Klang Lama 58200 Kuala Lumpur Wilayah Persekutuan (KL) Tel No. : +603-7984 2018 Fax No. : +603-7984 9872
HEAD OFFICE	:	Suite 662, Block A1 9 Leisure Commerce Square Jalan PJS 8/9 46150 Petaling Jaya Selangor Darul Ehsan Tel No. : +603-78764837 Website address : www.equitiestracker.com E-mail address : hello@equitiestracker.com
COMPANY SECRETARIES	:	Christina Lim Zhu Chern (MAICSA 7067461) Tiew Sze Hann (MAICSA 7058007) c/o 18-2, Jalan 2/114 Kuchai Business Centre Off Jalan Klang Lama 58200 Kuala Lumpur Wilayah Persekutuan (KL) Tel No. : +603-7984 2018 Fax No. : +603-7984 9872
APPROVED ADVISER, CUSTODIAN AND PLACEMENT AGENT	:	Mercury Securities Sdn Bhd L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Wilayah Persekutuan (KL) Tel No. : +603 6203 7227 Fax No. : +603 6207 7117
AUDITORS AND REPORTING ACCOUNTANTS	:	CHENGCO PLT (LLP0017004-LCA & AF 0886) *(Formerly known as Cheng & Co)* No. 8-2 & 10-2, Jalan 2/114 Kuchai Business Centre Off Jalan Klang Lama 58200 Kuala Lumpur Wilayah Persekutuan (KL) Tel No. : +603 7984 8988 Fax No. : +603 7980 0191

1. CORPORATE DIRECTORY *(cont'd)*

LEGAL ADVISER	:	*Messrs* Ben & Partners 7-2, Level 2, Block D2 Dataran Prima Jalan PJU 1/39 47301 Petaling Jaya Selangor Darul Ehsan Tel No. : +603 7805 2922 Fax No. : +603 7805 3922
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel No. : +603 7849 0777 Fax No. : +603 7841 8151 / 8152
INDEPENDENT MARKET RESEARCHER	:	Providence Strategic Partners Sdn Bhd L-2-1, Plaza Damas No. 60 Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan (KL) Tel No. : +603 7725 2288
LISTING SOUGHT	:	LEAP Market of Bursa Securities

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2. DETAILS OF OUR LISTING

2.1 Listing Scheme

2.1.1 Excluded Issue

Pursuant to our Listing, we intend to issue 42,000,000 Issue Shares, representing approximately 17.1% of our enlarged issued share capital at RM0.17 per Issue Share to Sophisticated Investors within the meanings of Section 230 of the CMSA.

In accordance with Rule 3.10 of the Listing Requirements:

(i) Mercury Securities has obtained a waiver from Bursa Securities from compliance with Rule 3.10(1) of the Listing Requirements where all monies received from investors pursuant to subscription of the Issue Shares will be deposited into a trust account operated by Mercury Securities. As such, all monies received from investors pursuant to subscription of the Issue Shares will be held in trust by Mercury Securities;

(ii) both Mercury Securities and ourselves undertake that all monies deposited in the trust account will not be withdrawn until the date of our Listing; and

(iii) we undertake to repay without interest all monies received from the Sophisticated Investors if:

(a) our Listing does not take place within 6 months from the date of Bursa Securities' approval for our Listing or such further extension of time as Bursa Securities may allow ("**Period**"); or

(b) we abort our Listing.

In such event, the monies will be repaid within 14 days from the end of the Period or the date when we notify Bursa Securities of our decision to abort our Listing. Should we fail to do so, in addition to our Company's liability, our Board shall be jointly and severally liable to repay such money with interest at the rate of 10% per annum from the end of the Period or such other rate as Bursa Securities may prescribe.

2.1.2 Basis of arriving at the Issue Price

Our Board, together with Mercury Securities, had determined and agreed on the Issue Price of RM0.17 per Share after taking into consideration the following factors:

(a) our competitive strengths as set out in Section 4.5 of this Information Memorandum;

(b) our business strategies and future plans and prospects as set out in Sections 4.15 and 4.16 of this Information Memorandum; and

(c) our operating history and financial performance as set out in Sections 8 and 9 of this Information Memorandum, which represents an implied price-earnings multiple of approximately 24.2 times based on our annualised EPS (after excluding our non-recurring Listing expenses amounting to approximately RM0.2 million) of 0.7 sen for the FPE 30 June 2018.

For information purposes, the implied price-earnings multiple based on our EPS of 0.3 sen for the FYE 31 December 2017 is approximately 51.0 times.

2. DETAILS OF OUR LISTING *(cont'd)*

Prior to our Listing, there was no public market for our Shares within or outside Malaysia. You should note that the market price of our Shares subsequent to our Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You are reminded to carefully consider the risk factors as set out in Section 6 of this Information Memorandum and form your own views on the valuation of our Shares before deciding to invest in them.

2.1.3 Utilisation of proceeds

Based on the Issue Price, we expect to raise gross proceeds of approximately RM7.1 million from our Excluded Issue, which are intended to be utilised in the following manner:

Description		Estimated Timeframe for Utilisation upon Listing	RM'000	%
(a)	Information technology	Within 48 months	4,000	56.0
(b)	Education premises	Within 24 months	1,000	14.0
(c)	Marketing	Within 24 months	500	7.0
(d)	Working capital	Within 24 months	640	9.0
(e)	Estimated listing expenses	Immediate	1,000	14.0
Total			7,140	100.0

Further details of the utilisation of our Excluded Issue proceeds are as set out below:

(a) Information technology

We intend to utilise RM4.0 million of the proceeds to upgrade and enhance our PLUS and EPM platforms as well as our back-end systems as outlined in Section 4.15 (i) and (ii) of this Information Memorandum. Further details on the allocation for our platforms and systems as follows:

Description	RM'000
System/feature enhancements of PLUS platform	700
System enhancements of EPM platform	1,200
Back-end system upgrades	1,600
Enhancements for CRM and ePOS systems	500
Total	4,000

Such upgrades and enhancements will involve investment in software and hardware such as servers as well as recruitment of in-house and/or external software developers with the requisite knowledge to develop the infrastructure and applications.

(b) Education premises

We have allocated RM1.0 million of the proceeds for renovation costs in relation to the expansion and relocation of our current education premise in the Klang Valley as well as establishment of an education premise in Pulau Pinang. The planned expansion and relocation is to cater for an expected increase in number of participants as well as provide a more conducive learning environment to our clients or participants and an inspiring and productive working space for our employees as outlined in Section 4.15 (iii) of this Information Memorandum. We are in the midst of identifying suitable locations for our education premises.

(c) Marketing

We intend to allocate RM0.5 million of the proceeds for marketing purposes, including a 2-year digital advertising and marketing campaign to create awareness of our investment training courses and strengthen our brand, which will thereby enable us to expand our client base as outlined in Section 4.15 (iii) of this Information Memorandum.

(d) Working capital

Our working capital requirements are expected to increase in line with our intended business expansion and ongoing pursuit of organisation growth as outlined in Section 4.15 of this Information Memorandum. Thus, we intend to allocate approximately RM0.6 million of the proceeds on amongst others, recruitment of personnel and experts, and other operating expenses.

(e) Estimated listing expenses

The proceeds allocated for our listing expenses include professional fees, fees payable to the relevant authorities and other miscellaneous expenses in relation to our Excluded Issue and Listing.

In the event that the actual amounts vary from the above estimates (including the total gross proceeds to be raised from our Excluded Issue which is dependent on the actual Issue Price), the excess or deficit, as the case may be, would be reallocated to/from the amount earmarked for working capital.

Save for the estimated listing expenses of approximately RM1.0 million, the other proceeds will be placed in short term deposits with licensed financial institutions and/or short-term money market instruments before utilisation for the abovementioned purposes.

2.1.4 Listing on Bursa Securities

Our Listing is subject to the receipt of an approval-in-principle from Bursa Securities. Thus, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged share capital of RM9,175,296 comprising 245,529,600 Shares on the LEAP Market of Bursa Securities and are awaiting Bursa Securities' decision on the same.

2. DETAILS OF OUR LISTING *(cont'd)*

2.2 Share Capital

	No. of Shares '000	RM'000
Existing issued share capital	203,530	2,035
New Shares to be issued pursuant to our Excluded Issue	42,000	7,140
Enlarged issued share capital upon Listing	245,530	9,175

Issue Price per Issue Share (RM)	0.17
Market capitalisation at the Issue Price upon Listing	41,740

We have only one class of shares in our Company, namely ordinary shares. The Issue Shares will, upon allotment and issuance, rank *pari-passu* in all respects with our existing Shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attached to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid up on the Shares held by them, be entitled to share the profits paid out by us as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to any surplus in accordance with our Constitution.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by duly authorised representative. Each shareholder shall be entitled to appoint up to 2 proxies to attend and vote at any general meeting of our Company. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. On a poll, each shareholder present either in person or by proxy or by attorney or by other authorised representative shall have one vote for each Share held.

2.2.1 Shareholding structure

Our shareholding structure before and after our Listing are as set out below:

	As at the date of this Information Memorandum		After Listing	
Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Promoters, substantial shareholders and/or directors	177,369,600	87.1	177,369,600	72.2
Existing Public shareholders	26,160,000	12.9	26,160,000	10.7
New Public shareholders	-	-	42,000,000	17.1
Total	203,529,600	100.0	245,529,600	100.0

2.2.2 Cost of investments

Most of our shareholders have invested in our Group for more than one year. The summary of investments in our Group for the past one year (excluding those of our Promoters) are as follows:

Shareholder	Month	Cost of Investment RM'000	No. of Shares '000	*%
Chong Ngat Sin	February 2018	25	1,000	0.5
Fun Wai Hong	February 2018	15	600	0.3
Khoo Chin Siam	February 2018	10	400	0.2
Ng Bak Lee	December 2018	600	3,529	1.7
John Huo Shien Chai	December 2018	850	5,000	2.5
Ong Li Lee	December 2018	850	5,000	2.5
Benny Lee Wan Yu	December 2018	510	3,000	1.5
Tan Shuo Hui	December 2018	136	800	0.4

Note:

* *Computed based on our existing issued share capital of 203,529,600 Shares.*

2.3 Purpose of Our Listing

The purpose of our Listing is to:

(i) enhance the corporate profile of our Group and our products and services;

(ii) enable us to tap the capital markets to fund the expansion of our business;

(iii) provide Sophisticated Investors who are our employees, business associates and those who have contributed to the success of our Group as well as other members of the Public with an opportunity to participate in the equity of our Company; and

(iv) establish liquidity for our Shares.

2.4 Dividend Policy

We may declare dividends by ordinary resolution of our shareholders at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. The declaration and payment of dividends will be determined at the sole discretion of our Board, subject to the approval of our shareholders. Our Board may also declare an interim dividend without the approval of our shareholders. In making their recommendations, our Board will consider, amongst other things, our retained earnings, expected future earnings, operations, cash flow, capital requirements, general business and financing conditions as well as other factors which our Board may determine appropriate, subject always to the fulfilment of the solvency test under the Act.

As we are an investment holding company, our income and therefore, our ability to pay dividends depends on the dividends we receive from our subsidiaries. The payment of dividends by our subsidiaries will depend on their distributable profits, financial performance, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant.

3. OVERVIEW OF OUR GROUP

3.1 Incorporation and History

We are an equity investment research platform and investment training provider based in Malaysia. Our equity investment research platforms provide equity data and analytics on public listed companies in Malaysia, Singapore and Australia. Meanwhile, our investment training services are offered throughout Malaysia, and conducted in both English and Mandarin.

Our Company was incorporated in Malaysia under the Act as a public company on 22 May 2018 under our present name to facilitate the listing of our Group on the LEAP Market of Bursa Securities. Our Company is principally an investment holding company, whilst our subsidiaries, ET International, ET Digital and ET Smart Wealth are principally involved in the provision of equity investment research platform and investment training services. In addition, ET Mandarin Academy, a subsidiary of ET International, is principally involved in the provision of investment training services in Mandarin.

Our history can be traced back to when our late Founder, Vong Nyam Yew began marketing our equity investment research platform in 1976 under I&J. Vong Nyam Yew is the father of our Executive Director/Chief Executive Officer, Alvin Vong, and Executive Director/Chief Future Officer, Andrew Vong.

At the time, Vong Nyam Yew saw a need for financial data of public listed companies to be collated, organised and presented in a systematic manner to support novice investors in making data-driven investment decisions. He thus began developing our internal database of financial data on public listed companies in Malaysia, and subsequently developed an equity investment research platform (which is presently known as the “PLUS platform”) to enable visualisation and analysis of these research data. I&J also secured contracts with financial data providers to provide customised data using information gathered through our internal database.

Our Group was established when ET International was incorporated in 1997. At the time, our clients were primarily corporate clients comprising small fund management companies. ET International also provided customised data to financial data providers as well as I&J for their onward sale to financial data providers.

We later began to expand our client base to serve retail investors and financial institutions in 2002. Since then, we sold customised data as well as secured subscription agreements for our PLUS platform from financial institutions.

Vong Nyam Yew later realised that the PLUS platform, if offered on its own, was not sufficient to support the novice retail investors in their investment decisions. Thus, he began to design and develop training modules to educate and introduce retail investors to the fundamental principles of performing financial analysis to make data-driven investment decisions. These investment training services complemented the use of our PLUS platform, which eases research on the equity capital market. The first pre-designed training course was held in 2007. Alongside Vong Nyam Yew, our Executive Director/Chief Executive Officer, Alvin Vong, was one of our first few trainers to conduct these courses.

In 2011, we began to offer our pre-designed investment training courses in Mandarin through an agent, i.e. ETRC. ETRC was a partnership set up by Ng Bak Lee, Ng Swee Kiang and Ng Yi Tao to market, sell and carry out training courses in Mandarin. Ng Bak Lee, who spearheaded ETRC, was a graduate of our pre-designed training courses who saw the need to introduce our fundamental principles of performing financial analysis to novice retail investors whose native language is Mandarin. The first course conducted in Mandarin was held in Pulau Pinang.

3. OVERVIEW OF OUR GROUP *(cont'd)*

In 2012, Alvin Vong was appointed as Director of ET International and began planning and managing our Group's day-to-day business operations. Realising the importance of supporting our clients in terms of portfolio management, Alvin Vong spearheaded the design and development of our portfolio management platform (known today as the "EPM platform"), which provided its users with a clear overview of their equity portfolios. The first version of the EPM platform was launched in 2014.

In the same year, a new training module on portfolio management was also developed and launched to complement the use of the EPM platform. The year 2014 was also the first year we began offering our pre-designed training courses to corporations, when we were engaged to train a financial institution's retail investors.

In 2016, we restructured and enhanced our pre-designed training modules, making it more simplistic and easier for our clients to understand.

We began to expand our investment training services segment to include customised training to target corporations in 2017. In that year, we were engaged by several corporations for our customised investment training services that are approved by HRDF and ACCA. We subsequently signed a contract with Bursa Securities in 2018 to provide customised training courses.

To facilitate our Listing, we set up ET Mandarin Academy on 24 May 2018 to consolidate our business under the ET Group. Ng Bak Lee joined our Group on 28 December 2018 and was appointed Chief of Mandarin Investment Training Division to spearhead and grow our Mandarin investment training services. Pursuant thereto, ETRC has been dissolved on 14 November 2018. In addition, I&J has also ceased its equity investment research platform business and has been an investment holding company since 23 May 2018.

Over the years, our equity investment research platform and investment training modules have been updated to adapt to changes in market trends. Our present equity investment research platforms, i.e. PLUS and EPM platforms, as well as investment training services are as elaborated in Section 4.2 of this Information Memorandum.

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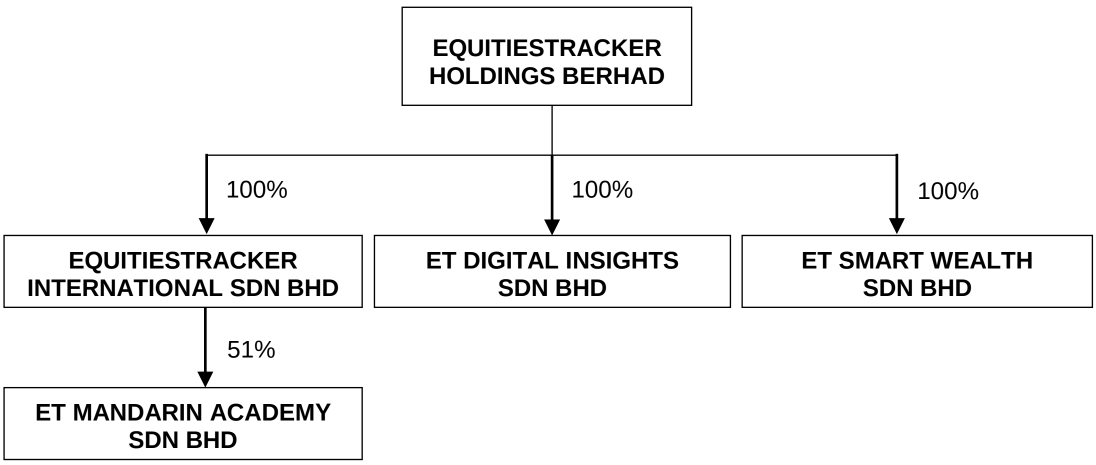
3.2 Key Milestones and Achievements

The table below sets out our key milestones since the incorporation of ET International in 1997:

Year	Key Milestones / Achievements
1997	We incorporated ET International to undertake the sale of equity investment research platform and customised data
2002	We expanded our client base for our PLUS platform to serve retail investors and financial institutions.
2007	We held our first pre-designed investment training course in English
2011	We began to hold pre-designed investment training courses in Mandarin through ETRC, an agent
2014	• We developed and launched our EPM platform • We launched a new training module on portfolio management to complement the use of our EPM platform • We secured our first corporate client for our pre-designed training course
2016	We restructured our pre-designed training modules
2017	We expanded our investment training service segment to include customised training which is designed according to our clients' requirement
2018	• We incorporated ET and acquired ET International, ET Digital and ET Smart Wealth to form our Group • We set up ET Mandarin Academy to offer Mandarin investment training services under the ET Group

3.3 Group Structure

Our Group structure as at the date of this Information Memorandum is as follows:



3. OVERVIEW OF OUR GROUP *(cont'd)*

The details of our subsidiaries as at the LPD are as follows:

Company	Date/Country of Incorporation	Date of Commencement of Business	Issued Share Capital	Effective Equity Interest	Directors	Principal Activities
Subsidiaries of ET			**RM**	**%**		
ET International	9 May 1997/ Malaysia	9 May 1997	1,100,000	100	• Alvin Vong • Fun Wai Hong	Provide data licensing and software, education courses and online registration services
ET Digital	13 July 2016/ Malaysia	-	2	100	• Alvin Vong • Andrew Vong	Dormant. Intended activity is to provide software development services
ET Smart Wealth	24 May 2018/ Malaysia	-	1	100	• Alvin Vong	Dormant. Intended activity is to provide software services
Subsidiary of ET International						
ET Mandarin Academy	24 May 2018/ Malaysia	-	50,000	51*	• Alvin Vong • Ng Swee Kiang	Dormant. Intended activity is to provide investment training services

Note:

* *Remaining 49% is held by Ng Swee Kiang.*

Company No. 1280985-X

4. OVERVIEW OF OUR BUSINESS

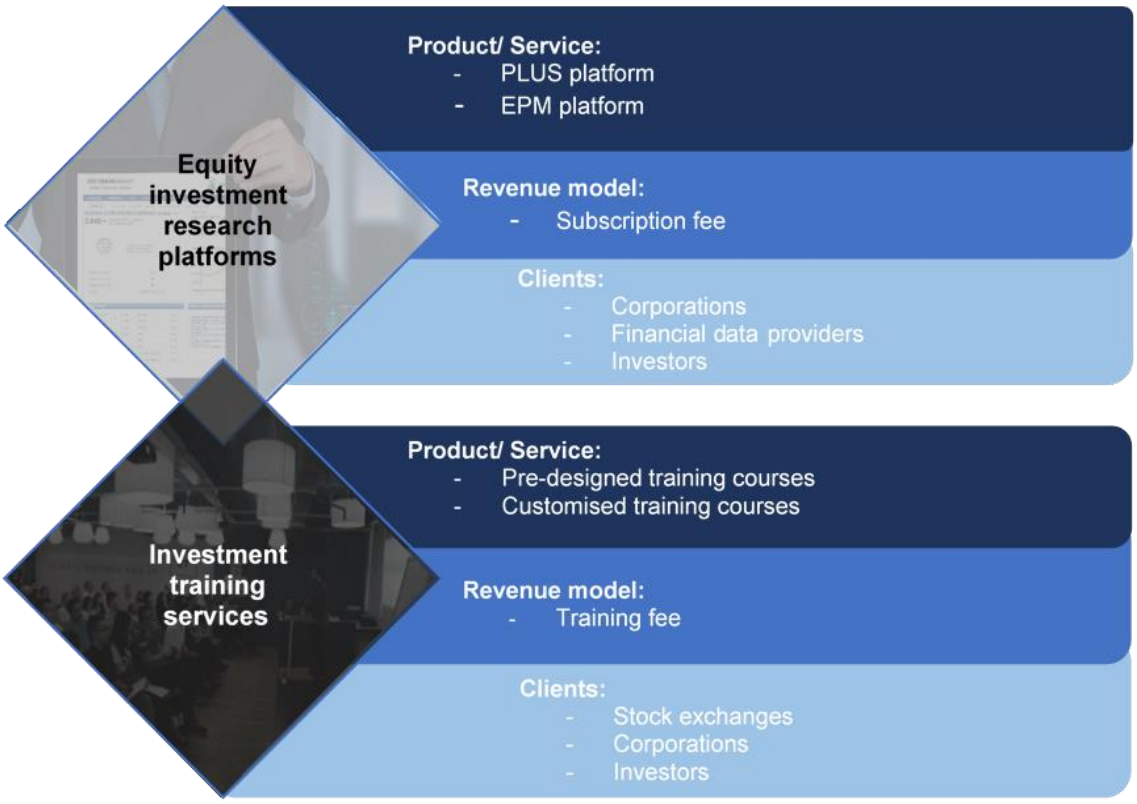
4.1 Principal Activities

We are principally involved in the provision of:

(i) equity investment research platforms; and

(ii) investment training services.

Our business model is as illustrated below:



Our solutions are developed based on data-driven investment principles. Our equity investment research platforms serve as a tool to assist investors in gathering information, performing market analysis and managing investment portfolios. Our investment training services are aimed at providing our clients with the required expertise to perform data-driven investment decisions.

While our equity investment research platforms and investment training services can be sold as standalone products, both of these products are complementary. Through the offering of equity investment research platforms and investment training services as a package, we are able to provide a more comprehensive guide to our clients in making investment decisions and execution plans.

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

4.2 Products / Services

(i) Equity investment research platforms

Our proprietary equity investment research platforms have been built and developed based on our management team's in-depth understanding on the necessary information and analysis required to support investment decisions.

As at the LPD, we provide 2 types of platforms:

(a) PLUS platform

Our PLUS platform is built upon an internal database which spans over 40 years of historical financial data. We curate financial data of public listed companies, which we obtain from annual reports, quarterly financial reports and other publicly available information from the relevant stock exchanges, and present them on our PLUS platform in a standardised format that is easy to understand. As at the LPD, we provide equity data and analytics on 914 companies listed on Bursa Securities, 739 companies listed on Singapore Exchange Limited and the top 500 companies in terms of market capitalisation listed on the Australian Securities Exchange.

Our PLUS platform enables investors to reduce the time taken to conduct research on a potential stock, thus allowing investors to spend more time to refine their investment execution plan. Further, our PLUS platform provides ease of comparison as the financial information is presented in a standardised format. Our PLUS platform also assists clients to focus their research on potential stocks by providing a quality score on companies using our proprietary scoring method.

Our PLUS platform can be sold under the "EquitiesTracker" brand or as a white label product (i.e. our clients will be able to rebrand to make it appear under their brand). Our PLUS platform is typically sold on a subscription basis to corporations as well as individual investors.

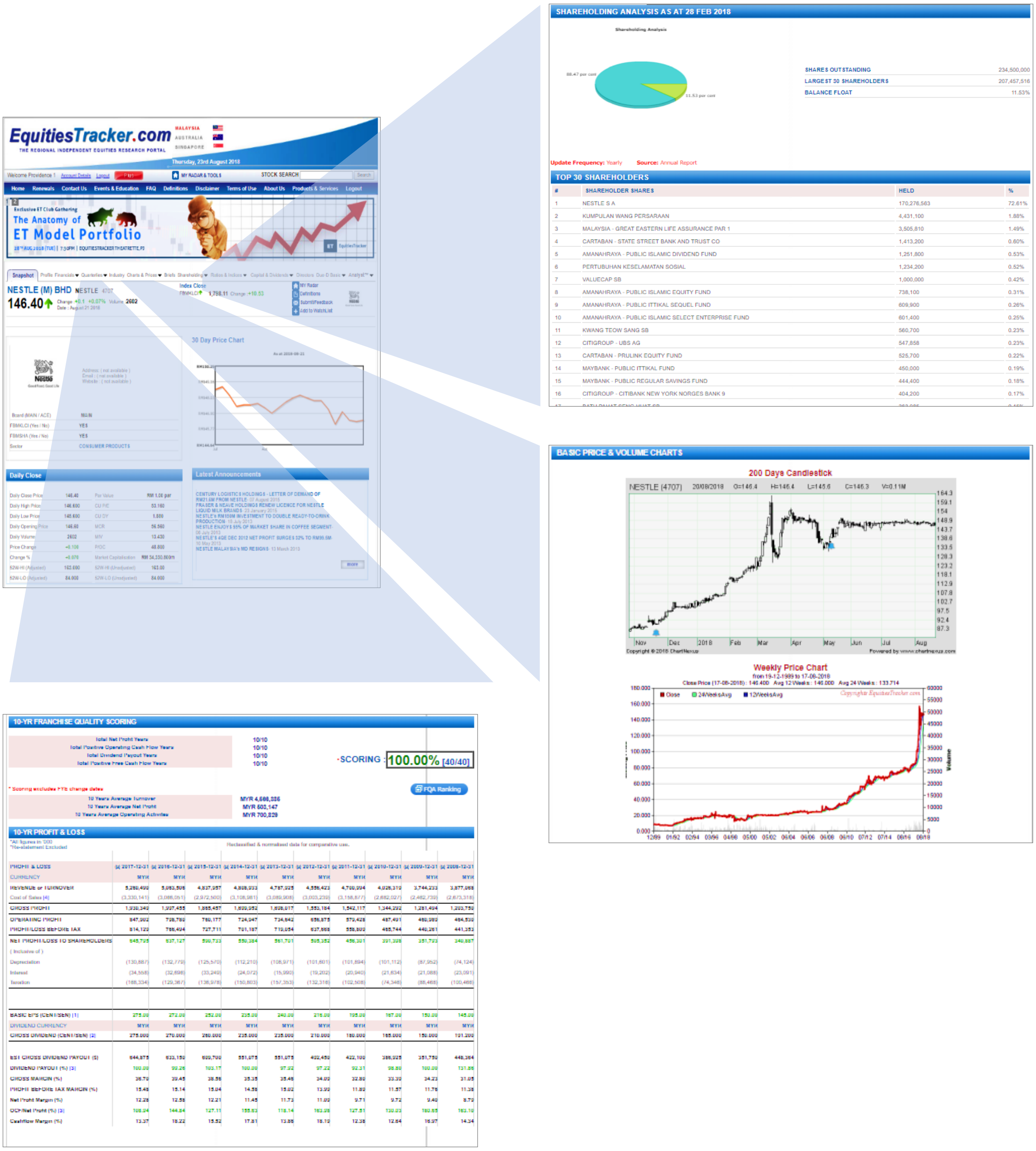
The types of equity financial data it provides include but are not limited to:

- 10-year financial data
- 52-week prices
- Dividend pay-out schedules
- Market price ratio filter
- Analysis of shareholdings
- Information on company's management

Using the information gathered for our PLUS platform, we also provide customised data to financial data providers. Customised data may vary in accordance to clients' specifications in terms of data types, duration and frequency of data provided.

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

Illustration of our PLUS platform



(b) EPM platform

Our EPM platform provides our clients with a clear overview of their equity portfolios, allowing them to effectively and easily manage their portfolios.

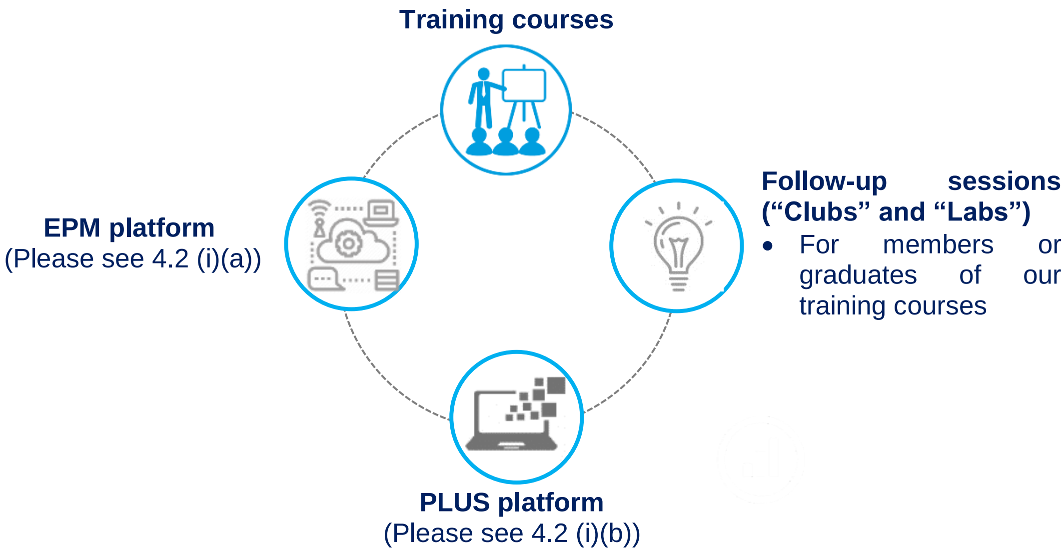
A client's individual EPM platform account is updated once the client buys or sells stocks using an associated online trading platform. With the EPM platform, our clients can assess their cash position and equity portfolio at a glance.

(ii) Investment training services

Our investment training services provide our clients or participants with the fundamental principles of performing financial analysis to carry out data-driven investment decisions.

We offer 2 types of courses, i.e. pre-designed and customised investment training courses.

Our pre-designed training courses are programmes that have standardised training modules and are periodically held. Our pre-designed training courses can be bundled with our equity investment research platforms and sold as investment training packages, comprising the following core components:



Apart from our pre-designed training course and use of our proprietary PLUS and EPM platforms, we have built a community of like-minded investors through the Clubs. We provide a conducive environment for our members and our graduates to continuously develop/enhance their knowledge and skill sets after our training courses. Club meetings allow our members and graduates to interact with key management personnel of public listed companies or industry experts. Meanwhile, our Lab meetings are follow-up training sessions to sharpen our graduates' knowledge in fundamental principles of performing financial analysis.

By offering pre-designed investment training packages, we are able to provide a comprehensive guide to our clients or participants of our training course in making investment decisions and execution plans.

Meanwhile, customised training courses are programmes tailored to our clients' needs and specifications in terms of training modules, frequency and location. As the modules are designed by us, we have the flexibility to tailor these courses to suit our clients' needs. Customisations are designed with consideration of factors such as time, venue and clients' command of knowledge in fundamental principles of performing financial analysis.

As and when requested by our clients, we also assist them to develop digital management solutions such as web and mobile applications which will enable them to monitor, track registrations, facilitate online payments as well as allow access to a repository of training materials, amongst others. This eases the management of our customised courses and provides value-add to participants of the training courses.

We also offer investment training courses approved by HRDF and ACCA.

The types of courses we conduct and the clients we serve can be broadly categorised as follows:

Course type	Target clients	Typical participants	Examples of courses[(1)]
Pre-designed training	Investors	• Individuals with an interest in investment	• VIP course[(2)] which covers: ○ Basic investment principles ○ Basic stock assessment methods • MVIP course[(3)] which covers: ○ Stock pick methodologies ○ Portfolio management ○ Investment simulation courses (Stock timing strategies and business valuations)
Customised training	Corporations	• Employees • Stockbrokers/ commissioned dealers • Investors • Stakeholders	• HRDF approved courses • ACCA approved courses

Notes:

(1) Refers to present training courses offered as at the LPD. Training courses offered may change in accordance to the needs and demands of the market.

(2) VIP course is a pre-designed introductory investment training course.

(3) MVIP course is a pre-designed advance investment training package.

Our training modules have been built since 2007 based on our late Founder's and management team's knowledge and expertise in the investment sector. Over the years, our syllabus has been constantly refined and updated to adapt to changes in the financial and investment sectors.

To ensure the effectiveness and relevance of our training courses, our trainers are required to keep abreast of the latest developments in the financial and investment sectors, and are invested in the equity market. In addition, we engage investment experts and trained professionals in the financial and investment sectors to conduct training courses to share their investment views and perspectives.

Our training courses can be conducted in both English and Mandarin. In addition to providing face-to-face courses, we continuously capitalise on technologies available to extend the reach of our courses such as through webinars.

4.3 Revenue Model

Our Group's revenue model can be summarised as follows:

Equity investment research platforms

PLUS platform

Revenue derived from our clients are based on a fixed subscription rate model.

The fees are based on the following:

- Number and duration of data points required;
- Features e.g. filter functions and quality scoring; and
- White labelling

EPM platform

Revenue derived from our clients are based on a fixed subscription rate model.

Investment training services

Pre-designed training courses

Revenue derived from our clients are from their registration and/or participation in the training courses.

These training fees are at a fixed fee and are dependent on course availability.

Customised training courses

Revenue derived from our clients are from the customised training courses designed specific to their needs.

These training fees are charged on the following basis:

- The number of training courses to be held;
- Location of courses;
- The use of digital management solutions; and
- Subsidies for future attendance of pre-designed training courses

4.4 Our Presence

Our revenues are primarily derived from Malaysia in the FYE 31 December 2016, FYE 31 December 2017 and FPE 30 June 2018. While we have derived revenues from international markets, i.e. Singapore and Australia, revenues from these markets during these financial periods were insignificant.

Our internal database which feeds into our PLUS platform covers the Malaysia, Singapore and Australia markets. Meanwhile, our investment training courses are presently conducted throughout Malaysia. Our training courses held in the Klang Valley are typically conducted at our education premises located at Leisure Commerce Square, Selangor, while we hire other premises for training courses held in other states in Malaysia.

4.5 Our Competitive Strengths

We believe that our competitive strengths stated below are the factors that define our past successes and future prospects:

(i) Our products and services are complementary

Our equity investment research platforms and investment training services are complementary. We can thus reap the following synergistic benefits:

- **We are able to offer our clients a comprehensive guide in making investment decisions and carrying out investment execution plans**

  As described in Section 4.2 of this Information Memorandum, our PLUS platform enables investors to reduce the time taken to conduct research and select a stock while our EPM platform provides our clients with a clear overview of their equity portfolio.

  Meanwhile, our pre-designed investment training services provide our clients with the required knowledge to perform data-driven investment decisions. These training courses also guide our clients to use our equity investment research platforms to efficiently perform data-driven investment decisions.

  The use of both our equity investment research platforms and investment training service segments enhance our clients' learning experience and increase the effectiveness of our client's investment decisions. Our clients may not be able to extract the full benefits of our investment research platforms and investment training services if they are used as standalone products.

  As an illustration, clients may not be able to fully understand the usage of analytics on our equity investment research platforms without attending our training courses. On the other hand, the use of our equity investment research platforms can enhance deeper understanding of our graduates on the equity market. Graduates are also continually supported by follow-up sessions through our Clubs and Labs to constantly sharpen their investing abilities.

- **The data and analysis gathered through our PLUS platform enhances our training materials**

  We are able to differentiate our investment training courses as we can leverage on our PLUS platform to enhance our clients' learning experience.

As we maintain and manage our PLUS platform in-house, we are constantly updating to the latest financial information, trend analysis and case studies in our internal database. This enables us to enhance our training materials and the knowledge of our internal trainers. Further, we are also able to enhance our Clubs and Labs by providing in-depth understanding of case studies to our clients through the information gathered using our PLUS platform.

- **We can encourage long term business relationships with our clients**

  Once clients graduate from our training courses (particularly pre-designed training packages, i.e. our MVIP course), they may continually subscribe to our equity investment research platforms and attend our Clubs and Labs. This allows us to maintain our relationships with these clients and cross-sell other training courses.

(ii) Our products and services are proprietary and technology driven

We have internally developed proprietary front-end and back-end systems for our PLUS and EPM platforms. We thus have full autonomy over these platforms and systems, allowing us to respond to market demands and consumer preferences in a timely manner.

As described in Section 4.8 of this Information Memorandum, we use our proprietary back-end system for data collection, processing and normalisation. This system has evolved over the years to arrive at its current state and we are continuously updating this system to ensure our back-end processes constantly improve. In addition, we also use proprietary algorithms to synchronise our EPM platform with our clients' online trading platforms.

We believe our proprietary platforms and systems differentiate us from other equity investment research platform or investment training providers. We thus ensure we continuously upgrade our platforms and systems with additional analytics and features that can better support our clients' investment decisions.

(iii) Our PLUS platform is built upon an internal database comprising over 40 years of historical financial information

Through our collation of financial data from public listed companies of over 40 years, we have built a comprehensive internal database of historical financial data obtained from annual reports, quarterly financial reports and other publicly available information from the relevant stock exchanges. This serves to support the market trend and historical financial performance analysis generated through our PLUS platform. In addition, we believe that our analysis also enhances content creation for our investment training modules.

As such, we have built a client base comprising financial institutions in Malaysia with stockbroking capabilities. Our PLUS platform is used by their stockbrokers, commissioned dealers and clients to enhance their decision making on investments. We are in a business where we are committed to enabling both retail and professional investors to make ethical and informed investments, through the provision of market data.

(iv) We have the experience and know-how in designing and implementing investment training courses

We have been conducting investment training courses since 2007. Nevertheless, our training modules have been built upon 40 years of data, knowledge and expertise in the investment sector.

Today, our investment training segment is led by our Chief Executive Officer, Alvin Vong, who has been a trainer since 2007 and has been key in the refining and development of our course materials over the years. In addition, our team of trainers have an average of 6 years of experience each. To ensure our training modules are relevant to the latest market trends and developments, our internal trainers proactively keep abreast of latest developments in the financial and investment sectors and trade in the equity market.

Through our experience and reputation within the investment community, we have built a network of trained professionals in the financial sector and investment experts. We are thus able to tap onto our professional network and engage them to conduct training courses and share their investment views. By doing so, we can further enhance our investment training courses and expand our clients' interests.

We believe our experience and technical know-how has enabled us to establish our Group's track record and credentials in Malaysia. In 2017, we trained 1,617 participants over 112 classes. These included training sessions for our corporate clients and pre-designed training courses conducted for retail clients. We believe our market reputation will support our Group's future growth and expansion plans, thus ensuring our continued sustainability.

(v) We have an experienced and committed management team

Our management personnel possess vast experience in investment training, equity investment research platform management, sales, finance and marketing. This ensures the comprehensiveness of the management of our business.

Further, our management team is committed with critical managerial skills and financial prudence in formulating sound business strategies, building solid foundations and executing daily operating requirements. These are instrumental in enabling our Group to seize opportunities that arise and add value to our Group.

4.6 Sales and Marketing Strategies

We create awareness of investment training services and equity investment research platforms by being thought leaders in the financial and investment sector. To be thought leaders in our area of expertise, we participate in the following channels:

- **Traditional and online media**

  We believe that showcasing the experience and knowledge of our management team has augmented our Group's brand reputation amongst the investment community. Our management team has contributed to and have been featured as subject matter experts in both print and broadcast media such as "Astro Awani", "Bernama TV", "Business FM", "Focus Malaysia" and "The Edge".

  Further, our management team also contribute and post online articles and columns on their investment views (for example, articles on palm oil futures on the Malaysian Palm Oil Board (MPOB) website) and participate in the Malaysian Association Technical Analyst (MATA) in an advisory capacity.

- **Industry events**

  We hold events for clients and business associates to discuss and share new investment ideas. This creates a place to connect investors with catalysts to fuel accurate and objective conversations about the equity market, ultimately increasing confidence in our brand.

  In addition, our management team are also invited to other industry events as speakers to share their views and insights.

We attract new or prospective clients *via* the following means:

- **Personal and professional referrals**

  We have established a network of clients and associates through our equity investment research platforms and investment training services.

  These clients and associates routinely refer new businesses to us by "word of mouth". Further, our past training courses held for the stock exchange and corporations in Malaysia have also led to clients or participants of these courses enquiring about our pre-designed training courses.

- **Social media marketing**

  We maintain a profile on social media platforms such as Facebook to reach out to our target market of investors or individuals interested in learning investment techniques. We also capitalise on engagement tools such as "WhatsApp" and "Telegram" as platforms of communication with our clients and members. In addition, we invest in social media advertising to broaden our reach to our target market.

- **Corporate website**

  Our website, *www.equitiestracker.com*, provides relevant information with regards to our PLUS platform and investment training courses as well as any events held by us. Our PLUS platform, which is hosted online, is also accessible from this website.

4.7 Research & Development

To differentiate ourselves and maintain our competitiveness, we emphasise on research and development to improve the content and quality of our platforms and investment training modules. Much of these potential developments will be made in line with market requirements and the demands of sophisticated investors.

To this end, we are investing in research and development of our PLUS platform in terms of enhancing the user interface and user experience as well as creating new and improved existing functions. We are also in the midst of enhancing our EPM platform to enable data analytics functions as well as automate prompts and actions. These upgrades are aimed at developing an automated portfolio management platform.

Further, we ensure our internal trainers are kept abreast of latest market developments and trends and are trading in the equity market as well as investing in other investment vehicles and exchanges.

By doing so, we aim to achieve the following:

(i) to regularly introduce case studies and analysis as part of our investment training courses that are in line with the latest market developments;

(ii) to create or improve on existing content offered in any of our investment training courses; and

(iii) to create new training modules.

4.8 Technology

The following are the tools we use:

4.8.1 Technologies used for our PLUS and EPM platforms

(a) Technologies used for back-end systems:

We use our proprietary back-end data management system to perform back-end processes such as data collection, processing and normalisation. We also use proprietary algorithms to synchronise our EPM platform with users' portfolios.

In addition, we use third party software including:

- Visual Extract Transform and Load (ETL) tools to import data from multiple data sources as well as profile and transform data;
- Data mapping tools to map relationships between different datasets;
- Relational database management system to maintain and manage our internal database;
- CRM system to manage interaction with clients; and
- ePOS systems to record and manage financial transactions.

(b) Technologies used for front-end platforms:

We have developed our PLUS and EPM platforms using:

- Hypertext Preprocessor (PHP), a server-side scripting language used to design and develop the platform;
- Structured Query Language (SQL), domain-specific language used in programming and designed for managing data held within our PLUS platform; and
- Application Programming Interface (API[1]) to collate and port data from other software and platform.

[1] API is a set of functions and procedures that allow applications to access the features of an operating system, services or databases.

4.8.2 Technologies used for data storage

We hold significant amounts of data organised in our platforms. Thus, we regularly backup all our systems and data, maintain multiple instances of development, and retain distributed isolated recovery copies to mitigate risks. This ensures the reliability and stability of our platforms. Data in our internal database are stored on-premise as well as on third party cloud hosting providers' premises.

Our data is now securely stored in our database with cloud service providers such as Amazon Web Services (AWS) and Google Cloud Platform (GCP).

4.8.3 Technologies used for web and mobile applications

As and when required by our clients, we also develop web and mobile applications to digitally manage and monitor participants' registrations, investment behaviour as well as allow for online payment of training courses. In developing these web and mobile applications, we use third party software development tools.

4.9 Major Clients

Our clients comprise both retail investors and corporations (i.e. financial institutions, stock exchanges and other private corporations).

The top 5 clients contributing to our Group's revenue for the FYE 31 December 2016, FYE 31 December 2017 and FPE 30 June 2018 respectively are as follows:

Client	FYE 31 Dec 2016 %	Average Length of Business Relationship (years)
Financial institutions*(1)*	22.1	15*
I&J*(2)*	2.2	21
Total contribution	**24.3**	

Client	FYE 31 Dec 2017 %	Average Length of Business Relationship (years)
Financial institutions*(1)*	9.4	14*
Australian financial data provider	2.3	1
Notion Venture Sdn Bhd	2.0	1
Total contribution	**13.7**	

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

Client	FPE 30 June 2018 %	Average Length of Business Relationship (years)
Bursa Securities	14.4	1
Timing and You Pte Ltd	9.0	1
Bioalpha Holdings Berhad	7.1	1
Notion Venture Sdn Bhd	5.9	1
Financial institution (1)	4.0	14
Total contribution	**40.3**	

Notes:

(1) Comprises financial institution(s) which subscribe to our PLUS platform and/or engages us for investment training services and which are among our top 5 clients for the relevant financial year/period.

(2) We received revenue from I&J for their onward sale of customised data to financial data providers as contracts with the financial data providers were secured by I&J prior to the incorporation of ET International. I&J did not earn any additional fees from these transactions. As at the LPD, I&J has ceased its equity investment research platform business and is now an investment holding company.

** Average length of relationship of financial institutions which are among our top 5 clients in the financial year/period.*

Our top 5 clients in the FYE 31 December 2016 and 31 December 2017 generally comprise financial institutions in Malaysia. These financial institutions are recurring clients who have been our clients for an average of 14 to 15 years. This indicates that we have established long-term relationships with them.

In the FPE 30 June 2018, our top 5 clients mainly comprise corporations that engaged us for investment training services as we seek to grow our investment training services for the corporate segment.

Due to the nature of our investment training service business model, our client base may change from year to year, especially the retail segment. In 2017, there were 1,617 retail investors that participated in our investment training courses. As such, we believe we are not reliant on any single client. However, as we grow our investment training services for the corporate segment, the loss or non-renewal of contracts with the corporate clients may adversely affect our financial performance.

4.10 Major Suppliers

Due to the nature of our business model, we are not required to make any significant procurement of services or products to facilitate the provision of our equity investment research platforms and investment training services. Collectively, our top 5 suppliers in the FYE 31 December 2016, FYE 31 December 2017 and FPE 30 June 2018 contributed less than 10.0% of our total expenses in the respective financial year/period.

Our top 5 suppliers comprise suppliers of food and beverages which we cater for our investment training participants, as well as Bursa Securities to whom we pay data licensing fees to redistribute end-of-day price data on public listed companies.

We are not dependent on any single food and beverage supplier as we are able to readily source these supplies from alternative suppliers. While we are dependent on stock exchanges (e.g. Bursa Securities) to be licensed to redistribute of end-of-day price data, we believe our business and financial performance will not be materially affected as we are still able to market other data to our clients.

4.11 Seasonality

We do not experience any fluctuations due to seasonality or cyclicality in our business as most of our services are subscription based and the demand for investment training services and our equity investment research platforms are not subject to major seasonal fluctuations.

4.12 Approvals, Licences and Permits

As at the LPD, our Group has obtained all approvals, licences and permits necessary for our business operations. The details of our approvals, licenses and permits are as follows:

Company	Issuing Authority	Effective Date/ Expiry Date	Type of Licence/ Permit/ Approval/	Salient Conditions	Status of Compliance
ET International	HRDF pursuant to the "Pembangunan Sumber Manusia Berhad 2001"	26 Jul 2017/ 25 Jul 2020	HRDF Certificate	None	Not applicable
ET International	Majlis Bandaraya Petaling Jaya	26 Oct 2018/ 31 Dec 2019	Business license for office use	None	Not applicable
ET International	Majlis Bandaraya Petaling Jaya	30 Oct 2018/ 29 Apr 2019	Business license for education premises	None	Not applicable
ET International	Majlis Bandaraya Petaling Jaya	30 Oct 2018/ 29 Apr 2019	Business license for education premises	None	Not applicable

4.13 Intellectual Property Rights

As at the LPD, our Group has made applications on 28 November 2018 for the registration of the following trademarks and copyrights with the Registry of Trade Marks Malaysia and Intellectual Property Corporation of Malaysia respectively:

Trademarks

No.	Trademark	Application No.	Class
1.	Enabling Wealth Creation through Informed Investment Decisions	2018015343	Class 16 Booklets; books; printed matter; printed publications; all included in class 16
2.	Enabling Wealth Creation through Informed Investment Decisions	2018015344	Class 35 Business research; providing business information *via* a website; compilation of information into computer databases; compilation of statistics; compiling indexes of information for commercial or advertising purposes; market intelligence services; systemisation of information into computer databases; updating and maintenance of data in computer databases; updating and maintenance of information in registries; all included in class 35
3.	Enabling Wealth Creation through Informed Investment Decisions	2018015345	Class 41 Academies [education]; coaching [training]; arranging and conducting of seminars; training services provided *via* simulators; all included in class 41
4.	EquitiesTracker	2018015346	Class 16 Booklets; books; printed matter; printed publications; all included in class 16
5.	EquitiesTracker	2018015347	Class 35 Business research; providing business information *via* a website; compilation of information into computer databases; compilation of statistics; compiling indexes of information for commercial or advertising purposes; market intelligence services; systemisation of information into computer databases; updating and maintenance of data in computer databases; updating and maintenance of information in registries; all included in class 35
6.	EquitiesTracker	2018015348	Class 41 Academies [education]; coaching [training]; arranging and conducting of seminars; training services provided *via* simulators; all included in class 41
7.		2018015349	Class 16 Booklets; books; printed matter; printed publications; all included in class 16

No.	Trademark	Application No.	Class
8.		2018015350	Class 35 Business research; providing business information *via* a website; compilation of information into computer databases; compilation of statistics; compiling indexes of information for commercial or advertising purposes; market intelligence services; systemisation of information into computer databases; updating and maintenance of data in computer databases; updating and maintenance of information in registries; all included in class 35
9.		2018015352	Class 41 Academies [education]; coaching [training]; arranging and conducting of seminars; training services provided *via* simulators; all included in class 41

Copyright

No.	Title of Work	Application No.	Type of Work
1.	EQUITIESTRACKER.COM (PLUS)	2018006000	Literary
2.	EQUITIESPORTFOLIOMANAGER.COM (EPM)	2018006001	Literary
3.	EQUITIESTRACKER ADVANCED LABS	2018006002	Literary
4.	MASTER VALUE INVESTING PROGRAME (MVIP)	2018006003	Literary
5.	VALUE INVESTING PROGRAM (VIP)	2018006004	Literary

4.14 Properties

4.14.1 Own properties

As at the LPD, we do not own any properties.

4.14.2 Rental properties

As at the LPD, we have rented the following properties for our operations:

Landlord	Location	Built-up area (Square feet)	Description / Existing Use	Monthly Rental (RM)	Tenure
I&J	Unit 662, Block A1, Leisure Commerce Square, No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor	1,554	For office use	2,500	1 Apr 2018 – 31 Mar 2020
Alvin Vong and Andrew Vong	Unit 3A-62, Block A1, Leisure Commerce Square, No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor	1,528	For education premise	2,500	1 Apr 2018 – 31 Mar 2020
I&J	Unit 867, Block A1, Leisure Commerce Square, No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor	1,022	For education premise/ office use	1,500	1 Apr 2018 – 31 Mar 2020

4.15 Business Strategies and Future Plans

(i) We intend to enhance our existing equity investment research platforms

We intend to further improve and enhance our equity investment research platforms, namely our PLUS and EPM platforms.

While our PLUS platform has been through several upgrades over the years, we intend to continually have more features to enhance clients' user experience. Specifically, we intend to reduce the time required for our clients to gain insights from analytical tools in our PLUS platform. This will include using visual analytics in financial analysis in our PLUS platform which will improve the presentation of our financial analysis to clients.

In addition, we intend to continually upgrade the system and features of our EPM platform by providing additional tools and improvements that can provide an automated portfolio management experience.

We may invest in newer technology to further aid us in our enhancement of these platforms. Further, we intend to employ in-house and/or external software developers with the requisite knowledge to develop the infrastructure and applications as well as procure the necessary software licenses to support the systems developed. These will be funded through the proceeds from our Excluded Issue (further details of which are as elaborated in Section 2.1.3 of this Information Memorandum).

We will begin enhancing and upgrading our platforms upon receipt of the Excluded Issue proceeds. We expect that the first version of the enhanced PLUS and EPM platforms will be completed by the end of 2019.

(ii) We intend to upgrade our back-end systems to accommodate future business expansion

We intend to convert our existing back-end systems to Cloud-native applications. Our back-end system is currently operating on both on-premise and cloud-based systems. We believe that operating on Cloud-native applications will ease our business expansion as it will facilitate sharing of information and workflow efficiencies, while ensuring proper data backup for business continuity.

We plan to employ in-house and/or external software developers with the requisite knowledge to develop the infrastructure and applications as well as procure the necessary software licenses to support these cloud-based systems. This will be funded *via* the proceeds of our Excluded Issue, as detailed in Section 2.1.3 of this Information Memorandum.

We intend to be fully ported to Cloud-native applications by the end of 2020. Post that, we will continually enhance and upgrade our applications to ensure they remain relevant to latest technological trends.

Further, we intend to upgrade our CRM and ePOS systems to provide better management accounting reports to our management team and better manage interactions with our clients. As we intend to invest in digital marketing (see Section 4.15 (iii) below), we expect to have more interactions with our clients through digital channels and as such, our CRM and ePOS systems must be enhanced to automate responses to our clients and facilitate online transactions. By enhancing our CRM and ePOS systems, we will be able to track our clients' transactions in real time and optimise manhours in keeping in touch with them. The enhanced CRM system will also allow for seamless integration with digital advertising from multiple channels into a consolidated repository for better work flow management. This will also enable self-service digital channels for our clients which will allow us to reduce response time and improve client management. This will also be funded *via* the proceeds of our Excluded Issue, as detailed in Section 2.1.3 of this Information Memorandum.

We believe that it is important to invest on upgrading our back-end systems as it will serve as a foundation for us to expand our business presence.

(iii) We plan to expand our presence in the investment training services industry in Malaysia

We will continue to grow our investment training service segment within Malaysia where our growth prospects appear promising on the back of the growing investment training service industry, as highlighted in Section 5 of this Information Memorandum. In addition, we also intend to expand our Mandarin investment training service business. Based on feedback and enquiries from our clients, we have noted a demand for investment training courses conducted in Mandarin.

We plan to intensify our marketing initiatives to grow our client base. At present, most of our clients are a result of referrals or "word of mouth". As such, we intend to invest in a 2-year digital advertising and marketing campaign to generate publicity of our investment training courses and strengthen our brand. We believe digital advertising and marketing is the most effective method in reaching out to our target audience as well as allow us to effectively measure the effectiveness of our advertisements. This campaign will be funded *via* the proceeds of our Excluded Issue, as detailed in Section 2.1.3 of this Information Memorandum.

In order to facilitate the expansion of our investment training service segment, we will be hiring more qualified trainers. Further, we also intend to relocate our headquarters and education premises to a larger premise. Our current education premises in Leisure Commerce Square in Selangor occupies 2 units of commercial lots on 2 different levels and only are able to cater for up to 150 and 50 participants respectively at a single event. We intend to relocate our office and education premises to a leased premise with a built-up area ranging from 5,000 to 8,000 square feet. We expect to have 2 rooms within the leased premise to function as education premises which can cater for up to 100 participants individually or function as a sizeable seminar room that can cater for up to 300 participants, when combined.

We will also be renting a suitable premise to hold our training courses in Pulau Pinang. In the past, ETRC, who was our agent, rented a premise to hold investment training courses in Pulau Pinang. Since the establishment of ET Mandarin Academy, these training courses will now be undertaken in-house, and we will require a suitable location in Pulau Pinang to continue holding these training courses. Specifically, we are identifying a premise with a built-up area of approximately 3,000 square feet that can cater up to 200 participants.

We expect to begin renovation of both of these premises within 24 months after our Listing, and the renovation costs for these premises will be funded *via* proceeds from our Excluded Issue, as detailed in Section 2.1.3 of this Information Memorandum. The relocation is not only expected to allow us to cater for an increased number of participants, but also provide a more conducive learning environment for our clients or participants and working environment for our employees. In addition, our management also intends to select a premise which can enhance accessibility and our corporate image.

4.16 Prospects

Our Board is of the view that we will continue to enjoy favourable prospects in the long term, having built our reputation and track record in the equity investment research platform and investment training industries in Malaysia.

The equity investment research platform industry in Malaysia increased from RM152.6 million in 2013 to an estimated RM240.2 million in 2017 at a compound annual growth rate ("**CAGR**") of 11.9%. Moving forward, PROVIDENCE forecasts the equity investment research platform industry in Malaysia to grow by a further CAGR of 10.1% between 2018 and 2020, to reach RM324.2 million in 2020.

Meanwhile, the investment training service industry in Malaysia increased from RM55.2 million in 2013 to an estimated RM83.2 million in 2017 at a CAGR of 10.8%. PROVIDENCE forecasts the investment training service industry in Malaysia to grow at a healthy CAGR of 9.6% between 2018 and 2020, to reach RM110.7 million in 2020.

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

This is expected to be driven by the:

(i) growing retail participation in the equity market in Malaysia, leading to a growing market for investment training courses to enhance financial literacy and use of equity investment research platforms to derive data-driven conclusions;

(ii) growing number of active Central Depository System (CDS) account holders amongst the younger population in light of the trend of building passive income through equity investments. This trend is expected to lead to an interest in financial and investment training courses and equity investment research platforms; and

(iii) continuing professional development and requirements for finance professionals to attend industry approved investment training courses.

(Source: IMR Report)

By leveraging on our strengths as highlighted in Section 4.5 of this Information Memorandum, our Group believes that we will be able to capture future growth opportunities presented by the growing industry we operate in. Against this backdrop, we seek a listing on the LEAP Market of Bursa Securities to facilitate our future growth and strengthen our position in the equity investment research platforms and investment training service industries in Malaysia. With our technical expertise and market experience, we are well-positioned to undertake our strategies identified in Section 4.15 of this Information Memorandum. This will place us in a position to be able to ensure our long-term growth and sustainability in the industry.

(Source: Our Management)

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5. INDUSTRY OVERVIEW

PROVIDENCE
STRATEGIC PARTNERS

PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
L-2-1, Plaza Damas, No. 60, Jalan Sri Hartamas 1,
Sri Hartamas, 50480 Kuala Lumpur, Malaysia.
T: +603 7725 2288

28 December 2018

The Board of Directors

EQUITIESTRACKER HOLDINGS BERHAD
18-2, Jalan 2/114 Kuchai Business Centre
Off Jalan Klang Lama
58200 Kuala Lumpur
Wilayah Persekutuan

Dear Sirs,

Industry Overview on the Equity Investment Research Platform Industry in Malaysia and the Investment Training Service Industry in Malaysia for the Listing of EquitiesTracker Holdings Berhad on the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities")

This Industry Overview Report on the Equity Investment Research Platform Industry in Malaysia and the Investment Training Service Industry in Malaysia was prepared by PROVIDENCE STRATEGIC PARTNERS SDN BHD ("**PROVIDENCE**") for inclusion in the Information Memorandum of EquitiesTracker Holdings Berhad ("**ET**").

For and on behalf of PROVIDENCE:

MELISSA LIM
EXECUTIVE DIRECTOR

PROVIDENCE
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1 RESEARCH OBJECTIVE AND SCOPE

This Industry Overview has been prepared in conjunction with the listing of ET and its subsidiaries (collectively referred to as "**ET Group**" or "**the Group**" in the Industry Overview) on the LEAP Market of Bursa Securities. The objective of this Industry Overview report is to provide an independent view of the industry in which the ET Group operates and offer a clear understanding of industry and market dynamics.

ET Group is an equity investment research platform and investment training provider based in Malaysia. Its equity investment research platforms and investment training services are offered throughout Malaysia.

The scope of work for this Industry Overview will thus address the following:

- The Equity Investment Research Platform Industry in Malaysia, which is the industry in which the ET Group operates; and
- The Investment Training Service Industry in Malaysia, which is the industry in which the Group operates.

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2 EQUITY INVESTMENT RESEARCH PLATFORM INDUSTRY IN MALAYSIA

DEFINITION AND SEGMENTATION

Fundamentally, equity investment research platforms collect and collate unstructured data sets and provide investors with a platform to access market data, analytics and conduct research on public listed companies. These platforms typically summarise corporate and financial data and analysis for most, if not all, public listed companies, in a standardised format. It also allows its users to narrow their search of public listed companies using pre-specified parameters. Some of these platforms also provide its users with analytical tools that can assist them in refining their investment execution plan (allowing them to decide on whether to buy, hold, or sell a particular investment).

As such, equity investment research platforms reduce time taken for its users to conduct research and perform analysis on the equity market. These platforms allow ease of comparison as they present the data in a standardised format. Thus, this enables users to focus on making investment decisions and/or refining their investment execution plans. Without these platforms, it would be highly time consuming for investors and finance professionals to obtain this information from all companies' annual reports or source documents.

Equity investment research platforms may be sold to both corporations (typically banks, investment institutions or Bursa Securities) and retail investors (individuals participating in the equity market). Typically, these platforms are sold on a subscription basis.

The competitive landscape of the equity investment research platform industry in Malaysia comprises platform providers or operators that sell equity investment research platforms. Key industry players include Bloomberg (Malaysia) Sdn Bhd, ET, SI Portal.com Sdn Bhd and Thomson Reuters Malaysia Sdn Bhd.

While these industry players curate data and manage their platform, the data within these platforms are typically obtained from public sources (such as annual reports and quarterly financial reports). Some of these data may also be procured from other industry players.

INDUSTRY PERFORMANCE AND GROWTH

The size of the equity investment research platform industry in Malaysia, based on the revenue of industry players, increased from RM152.6 million in 2013 to an estimated RM240.2 million in 2017 at a compound annual growth rate ("**CAGR**") of 11.9%. PROVIDENCE projects the equity investment research platform industry in Malaysia to grow from an estimated RM267.3 million in 2018 to RM324.2 million in 2020 at a CAGR of 10.1%.

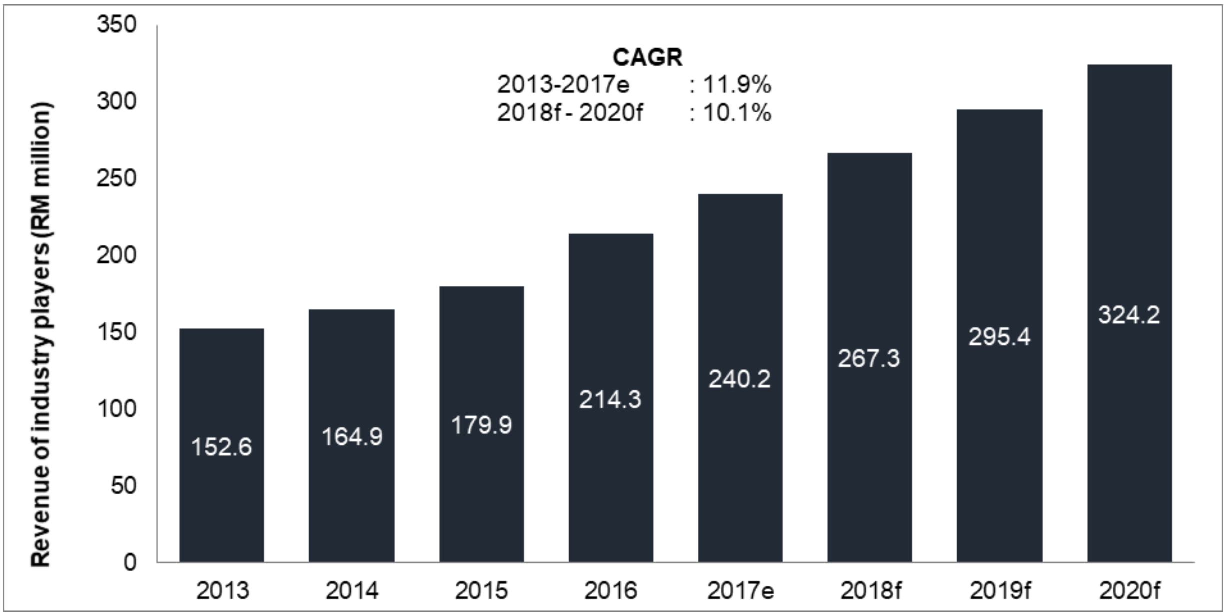
At present, the market for these platforms are driven by banks and investment institutions which require such tools to manage and analyse large volumes of historical data on public listed companies. Increasingly, retail investors are expected to embrace these platforms to support them in making informed investment analysis and decisions.

PROVIDENCE STRATEGIC PARTNERS

The growth of the equity investment research platform industry is expected to be attributable to the growing retail participation in the equity market which will in turn lead to a growing number of investors seeking to enhance their financial and investment literacy, the growing number of young active Central Depository System ("**CDS**") account holders, as well as anticipated growth in the local stock exchange.

Please refer to **Chapter 4 – Key Demand Drivers** for further details on growth factors influencing the equity investment research platform industry in Malaysia.

Equity investment research platform industry size in Malaysia



Notes:

(i) e - estimated
(ii) f - forecast
(iii) Comprises revenue of industry players that offer equity investment research platforms for retail and corporate clients in Malaysia
(iv) Includes revenue from other forms of research products as segmental revenue is not available for all industry players
(v) Latest available as at 30 November 2018

Source: Companies Commission of Malaysia, PROVIDENCE analysis

PROVIDENCE STRATEGIC PARTNERS

3 INVESTMENT TRAINING SERVICE INDUSTRY IN MALAYSIA

INTRODUCTION

Investment training refers to courses designed to allow investors and finance professionals (including corporate and financial advisors, qualified accountants, equity analysts and stockbrokers/commissioned dealers) to acquire the necessary knowledge, skills and behaviours on equity markets.

In Malaysia, the competitive landscape of the investment training service industry comprises:

(i) authorities and accreditors (i.e. Bursa Securities, Finance Planning Association of Malaysia, Finance Accreditation Agency, Malaysian Rating Corporation Berhad and Securities Industry Development Corporation ("**SIDC**")) that organise investment training courses for finance professionals and retail investors. It is important to note that these authorities and accreditors typically engage investment training providers to conduct these courses; and

(ii) investment training providers that designs and offer courses focused on the equity market. These investment training providers may either have their own in-house trainers or engage investment experts to conduct these courses. The courses they offer may be designed for:
   - corporations, which includes authorities and accreditors (see (i)) and other companies which intend to hold investment training courses for their employees; and
   - retail investors, which refers to individuals participating in the equity market.

Some of the key investment training providers in Malaysia include 8i Holdings Ltd, Beyond Insights Sdn Bhd, ET, F1 Academy of Technical Analysis Sdn Bhd and iTrain (M) Sdn Bhd.

Investment training courses designed for corporations are aimed at educating finance professionals and employees. In particular, investment training courses designed for capital market regulating authorities, namely Bursa Securities and the Securities Commission Malaysia ("**SC**") (under SIDC) must be approved by the respective authorities beforehand. These courses are required for finance professionals to attend to be licensed to continue providing professional services.

Conversely, investment training courses offered to retail investors are aimed at providing them with a better understanding on equity markets and to build their investment portfolios. For novice investors, this includes teaching how the capital markets work, how to find good investment opportunities and how to manage their own portfolio. These courses are conducted regularly and may vary from a one-day introductory course designed to increase understanding on basic investment, to detailed courses that span across several modules. Further, some investment training providers also combine the use of equity investment research platforms or other equity investment analytical tools in their courses to retail investors to simplify and provide additional value in the learning process.

PROVIDENCE STRATEGIC PARTNERS

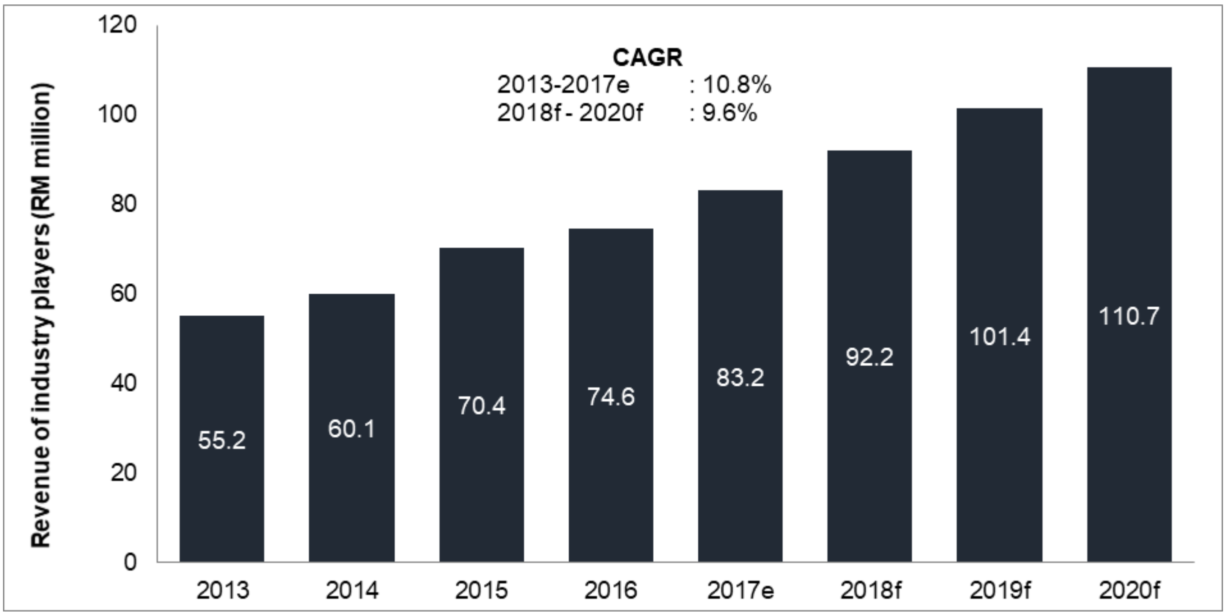
INDUSTRY PERFORMANCE AND GROWTH

The investment training service industry in Malaysia grew from RM55.2 million in 2013 to an estimated RM83.2 million in 2017 at a CAGR of 10.8%. The investment training service industry size in Malaysia is represented by the revenue of industry players offering equity investment training courses. PROVIDENCE projects the investment training service industry in Malaysia to grow from an estimated RM92.2 million in 2018 to RM110.7 million in 2020 at a CAGR of 9.6%.

Growth in the investment training service industry in Malaysia is expected to be driven by the same factors as the equity investment research platform industry in the country; i.e. growing retail participation which will in turn lead to a growing number of investors seeking to enhance their financial and investment literacy, the growing number of young active CDS account holders, as well as anticipated growth in the local stock exchange. Further, the investment training service industry in Malaysia will continue to be supported by requirements set by the SC (with SIDC) for finance professionals to attend industry approved training courses in order to be licensed to provide professional services.

Please refer to **Chapter 4 – Key Demand Drivers** for further details on growth factors influencing the investment training service industry in Malaysia.

Investment training service industry size in Malaysia



Notes:

(i) e - estimated
(ii) f – forecast
(iii) Comprises revenue of industry players that offer investment training for retail and corporate clients in Malaysia
(iv) Latest available as at 30 November 2018

Source: Companies Commission of Malaysia, PROVIDENCE analysis

PROVIDENCE
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4 KEY DEMAND DRIVERS

The equity investment research platform and investment training service industries in Malaysia have been, and expect to continue to be, driven by the following factors:

Efforts by the Government of Malaysia and Bursa Securities to boost retail participation in the equity market will increase the need for financial and investment literacy through investment training services and use of equity investment research platforms

In November 2017, Bursa Securities announced its intention to boost the participation of retail investors from an existing 12.0% to 25.0% of the value traded on the stock exchange. To that end, in February 2018, Malaysia's previous government announced a list of measures to increase the number of retail investors, which included among others, a volume-based incentive programme and a six month-waiver on trading and clearing fees for new investors who opened their first CDS account. In addition, shares in mid and small-cap companies are exempted from stamp duty for three years commencing March 2018 and margin financing rules were liberalised.

The growing retail participation in the equity market in Malaysia is an indicator for growth in market for the equity investment research platform and investment training industries in Malaysia. The increased number of retail investors will in turn lead to a growing number of investors seeking to enhance their financial and investment literacy through investment training courses and use equity investment research platforms to perform data-driven investments.

Growing number of active CDS account holders amongst the younger population in the local stock exchange is expected to create demand for investment training services and equity investment research platforms

According to the latest publicly available data from Bursa Securities, the growth in number of active CDS account holders was largely driven by the increase in number of young investors. Between 2015 and 2017, the number of active account holders aged between 18 and 25 years old grew at a CAGR of 20.4%, while active account holders aged between 26 and 35 years old grew at a CAGR of 4.7%. Collectively, these two age groups comprised 22.5% of Bursa Securities' total retail participation in 2017 (19.3% in 2016). In contrast, active account holders aged 36 years and above registered a negative CAGR during the same period.

Retail participation in Bursa Securities

Age group	December 2015	December 2016	December 2017	CAGR (2015 – 2017)
18 – 25	28,254	27,142	40,962	20.4%
26 – 35	179,524	179,545	196,789	4.7%
36 – 45	234,966	223,833	222,043	(2.8%)
46 – 55	240,352	230,548	219,760	(4.4%)
> 56 years	365,680	373,401	346,409	(2.7%)
Others (unknown)	39,910	37,345	31,218	(11.6%)

Source: Bursa Securities

This increase in retail participation amongst the younger population is driven by a growing trend of building an additional source of income through equity investments. In addition, Bursa Securities and stockbroking companies had introduced various initiatives to attract millennial investors, including using digital platforms to reach out to the technologically savvy youth segment. Bursa Securities conducts Market Awareness visits, which form an integral part of its engagement with young and new investors, while the Bursa Young Investor Clubs in local and foreign higher education institutions help to educate university students on investing in the stock market.

This trend is expected to lead to an interest in financial and investment training courses, as well as equity investment research platforms. As the younger population are generally technologically savvy, there is a high likelihood of them subscribing to equity investment research platforms to shorten their time spent on performing research and analysis on public listed companies. Further, with the growing trend of building an additional source of income, the younger population also perceives investment training courses as an investment as opposed to a cost. This perception will encourage the younger generation to spend on investment training courses to improve their financial and investment literacy.

The focus on continuing professional development creates demand for investment training services

Continuing professional development is widely recognised as fundamental to the improvement of standards and skills for individuals and their industries. This ensures that an individual continuously enhances their skills and abilities even after they have graduation with a degree. Typically, academic qualifications have already been completed at this stage and an individual is now working within their specific industry and job function.

The responsibility for completing continuing professional development lies ultimately with the individual, often within the context of their membership and involvement with industry professional bodies or institutes.

In Malaysia, the SIDC works hand-in-hand with the industry through consultations and collaborations to design, develop and deliver training courses that raise the standard of practitioners and support market growth. Further, SIDC works with the SC to establish competency standards for the industry by developing, maintaining and administering the Securities Commission Licensing Examinations and the mandatory Continuing Professional Education (CPE) programme as part of the licensing regime for Malaysian capital market intermediaries. This sets the foundation for requirements for finance professionals to attend industry approved investment training courses, thereby creating demand for investment training in Malaysia.

6. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER, ALONG WITH OTHER MATTERS IN THIS INFORMATION MEMORANDUM, THE RISKS AND INVESTMENT CONSIDERATIONS BELOW.

6.1 Risks Relating to Our Business, Operations and Investment

6.1.1 We are exposed to business risks inherent in the industries we operate in

Our Group is exposed to several business risks inherent in the industries we operate in, i.e. the equity investment research platform and investment training service industries. This includes changes in the demand for our products and services, changes in the legal and regulatory framework in the financial and investment sector and other going concern business risks.

We have been taking proactive measures to mitigate such business risks, including constantly reviewing our business strategies in response to the changing market conditions, keeping abreast of regulatory developments and keeping track on the validity of our certifications and licenses. However, there is no assurance that such unexpected events would not occur or if they do occur, would not have a material adverse impact on our business operations and financial performance.

6.1.2 We face competition in our industry

As we operate in the equity investment research platform and investment training service industries in Malaysia, we are subject to competition from established service providers in Malaysia as well as potential new entrants in the industry. Increased competition has, and is expected to continue to have, an impact on our ability to retain our existing clients and secure new clients, and this may adversely affect our Group's operational results and financial performance.

As such, our Group's future success and competitiveness largely depends on, amongst others, our ability to enhance/upgrade our equity investment research platforms as well as customise our training courses to meet the latest market trends. Our competitiveness is also dependent on our ability to maintain our service level and uphold our reputation in the industry.

Therefore, we have been taking active measures to mitigate such risks, including constantly reviewing and updating our platforms and training modules in response to the changing market trends and keeping abreast of regulatory developments.

Further, we believe that we have differentiated ourselves from most other service providers in the offering of both platforms and investment training services as complementary products/services. Many other service providers are only involved in offering either platforms or training courses. By offering both product/service segments, we can enhance our clients' investment experience as well as foster long term business relationships with our clients as they continually subscribe to our equity investment research platforms and attend our Clubs and Labs.

6.1.3 We are exposed to technological advancement risks

As an equity investment research platform provider, we need to keep abreast of the latest technological as well as investment trends in order to ensure our platforms remain relevant to the industry. Failure to incorporate enhanced features and automate functions that are offered by other competitors in the industry may lead to a loss in clientele.

There can be no assurance that we have sufficient resources to successfully and accurately anticipate technological changes and upgrade our platforms in a timely and cost-effective manner. We may also experience unforeseen difficulties that could delay or prevent the enhancement of our platforms, and this may have a negative impact on our business.

In order to mitigate this risk, we constantly keep abreast of the latest changes in the market and the adoption of new technologies. We also regularly obtain clients feedback in order to ensure our platforms are meeting their needs.

6.1.4 We are dependent on our key management for continued success

In the past, our management team has been featured as subject matter experts through traditional and online media, as described in Section 4.6 of this Information Memorandum. We recognise that our Group's continuing success depends, to a certain extent, on the capabilities and continuing efforts of our key management personnel as well as our ability to retain and attract skilled personnel.

We have currently put in place a competitive remuneration package to reward our performing personnel and to retain their services in our Group.

We also believe that by enhancing our corporate profile as a listed issuer, we will be able to attract more qualified personnel to continuously play an active role in the growth and success of our Group. However, no assurance can be given that these measures would result in the successful recruitment, retention and/or motivation of our personnel.

6.1.5 We are dependent on our trainers for the continuation and growth of our business

Our business performance depends, to a certain extent, on the abilities, skills, experiences, competencies and continuous efforts of our trainers to conduct our investment training courses. Trainers that fail to meet our clients' expectations may damage our Group's reputation as an investment training provider.

Our team of trainers have an average of 6 years teaching experience, and some of them were graduates of our training courses who believed in our investment principles before they joined us as a trainer. Thus, they have extensive knowledge of our investment training modules. As such, we may be adversely impacted by the loss of our trainers simultaneously or within a short span of time without suitable and timely replacements, or our inability to attract and retain qualified and competent trainers. In addition, we may also be adversely affected by our inability to train new trainers to either build our team of trainers for expansion or replacement.

As we recognise the importance of attracting and retaining our trainers, we continuously develop and implement appropriate human resource strategies. These strategies comprise, amongst others, competitive remuneration packages and training programmes to enhance our trainers' knowledge and capabilities.

6.1.6 We are subject to political and economic risks

Like all other business entities, changes in the political and economic conditions in Malaysia and in the markets which we operate, may materially and adversely affect the overall profitability of our business. Amongst the political and economic uncertainties that may affect our operations and profitability are changes in inflation rates, fiscal and monetary policies as well as changes in regulations relating to taxation, licensing or business permits.

Whilst we will continue to take measures to undertake careful financial planning and ensure efficient operating procedures, there is no assurance that adverse political and economic conditions will not materially affect our business.

6.1.7 There is no assurance that our future plans will be successful

As part of our future plans as set out in Section 4.15 of this Information Memorandum, we intend to, amongst others, enhance and upgrade our platforms and back-end systems to keep abreast with latest technological trends, as well as expand our investment training services segment in Malaysia.

Any such expansion will carry inherent risks and uncertainties and requires significant management attention and resources, but may not yield the results we expect. Hence, there can be no assurance that our future plans will materialise or that our expansion plans will not have any material adverse effect on our future financial performance.

6.1.8 We face risk on security breaches and system failure

We may face risks of external security threats such as malware attack, hacking, espionage and cyber intrusion, as well as internal security breaches. This includes unauthorised access to restricted information by employees, or attacks which originate from malware-infected devices which are brought into the network system by employees.

Our PLUS platform requires us to process large volumes of data and manage an internal database, while our EPM platform involves the retention of personal and/or confidential data/information pertaining to our clients' investments. Failure to protect data pertaining to these 2 platforms could adversely impact our operations.

We currently subscribe to GCP hosting to store the data in our internal database. GCP offers back-up services on the data we save on their cloud system. In addition, we also have a security endpoint and antivirus on each of our local computers as protection against any vulnerability. Further, we have established policies and procedures to help protect the security and privacy of these data.

6.1.9 We may not be able to protect our proprietary training materials

Reproduction and distribution of unauthorised copies of our training materials denies our Group of such revenue and thus, may adversely affect our financial performance.

Nevertheless, it is important to note that successful deployment of our training courses and information requires the constant need to keep abreast with latest developments in the financial and investment sector. While our materials may be copied, our core strengths lie in our trainers' ability to relate to current market trends as well as the information or analysis gathered through our PLUS platform.

Further, we have created an eco-system of education, tools and continuous guidance through our follow-up sessions, i.e. Clubs and Labs. As such, clients will be provided with an opportunity to deepen their knowledge and apply concepts learnt through post training courses in a practical setting. Such value proposition differentiates us from other investment training providers that do not have their own proprietary tools and ongoing continuous education system to support clients in their investment journey.

6.1.10 We are dependent on our ability to retain existing clients and secure new clients for our investment training service segment

Our revenues derived from our investment training service segment contributed 62.1%, 71.7% and 79.2% of our total revenue during the FYE 31 December 2016 and 2017 and FPE 30 June 2018.

Due to the nature of our investment training service business model, our client base of retail and corporate clients changes from year to year. Retail clients who attended our training courses are not required to continuously attend our training courses. We also enter into one-off contracts with our corporate clients to provide investment training courses and in some instances, contracts for a pre-specified number of training courses.

As such, our revenue is, to a certain extent, dependent on the renewals of the existing contracts as well as our ability to secure new contracts. No assurance can be given that these clients will continue to engage us for our investment training services or that we will be able to attract new clients.

Nevertheless, it is important to note that we have a large client base in the past financial years. In 2017, there were 1,617 retail investors that participated in our investment training courses.

6.2 Risks Relating to an Investment in Our Shares

6.2.1 We may not be able to proceed with or experience a delay for our Listing

Bursa Securities may not grant an approval-in-principle for our Listing or if granted, we may not be able to proceed with or experience a delay in our Listing due to, amongst others, the following reasons:

(i) the identified Sophisticated Investors fail to subscribe for the portions of the Shares allotted to them; or

(ii) the occurrence of any force majeure events, which are beyond our control, before our Listing.

Nevertheless, we will endeavour to ensure compliance with the Listing Requirements for our successful listing on the LEAP Market of Bursa Securities.

6.2.2 There may not be an active or liquid market for our Shares

The listing of and quotation for our Shares on the LEAP Market of Bursa Securities does not guarantee that an active market for the trading of our Shares will develop.

There can also be no assurance that the Issue Price, which has been determined after taking into consideration the factors as set out in Section 2.1.2 of this Information Memorandum, will correspond to the price at which our Shares will be traded on the LEAP Market of Bursa Securities upon or subsequent to our Listing.

6.2.3 Our Promoters can exercise significant control over us

Upon Listing, our Promoters will hold approximately 69.2% of our enlarged issued share capital. As a result, they have voting control over our Group and are expected to have significant influence on the outcome of certain matters, unless they are required to abstain from voting under the Listing Requirements, the Act and/or by the relevant authorities.

Our Company has appointed Tan Meng Chai as our Independent Non-Executive Director. It is anticipated that he will play an active role in our Board's deliberations to ensure, amongst others, any transactions involving related parties are entered into on an arms-length basis for good corporate governance and transparency purposes.

6.2.4 We may not be able to pay dividends

Our Company, being an investment holding company, derives income mainly from dividends received from our subsidiaries. Hence, our ability to pay future dividends in the future are largely dependent on the performance of our subsidiaries and the availability of distributable profits. In determining the amount of any dividends, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, future expansion plans, loan covenants and compliance with regulatory requirements.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

7.1 Promoters and Substantial Shareholders

7.1.1 Shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after our Listing are as follows:

	As at the date of this Information Memorandum				After Listing			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Alvin Vong	64,123,900	31.5	40,000,000	19.7(1)	64,123,900	26.1	40,000,000	16.3(1)
Andrew Vong	65,716,300	32.3	40,000,000	19.7(1)	65,716,300	26.8	40,000,000	16.3(1)
VNY & Sons Sdn Bhd	40,000,000	19.7	-	-	40,000,000	16.3	-	-

Note:

(1) Deemed interest by virtue of his substantial shareholding in VNY & Sons Sdn Bhd.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

7.1.2 Profiles

Alvin Vong, Malaysian, aged 36
Promoter, Executive Director/Chief Executive Officer

Alvin Vong was appointed to our Board on 28 December 2018 and is responsible for the overall strategic business planning and direction of our Group.

He graduated with a Bachelor of Commerce in Management Accounting, Investment Finance and Information Management in 2002 from University of Western Australia. He subsequently obtained a Graduate Diploma in Information Technology from University of Western Australia in 2004.

He returned to Malaysia and joined our Group as Subscriptions Manager in 2005, and was later promoted to Business Development Manager in 2007. During this time, he was primarily involved in business development activities and cultivating client relationships. He was later designated as Research Analyst in 2009 and Executive Director in 2012 where he was involved in planning and managing the business operations of our Group.

Alvin Vong began honing his skills as a trainer in our Group since 2007. Throughout his career in our Group, he has played an instrumental role in the growth of our Group, alongside our late Founder. Alvin Vong spearheaded the enhancement of our investment training courses, which led to the introduction of our present VIP and MVIP courses as well as our EPM platform. He was also responsible for the expansion of our internal database to include financial information on public listed companies in Singapore and Australia.

He assumed his present position as Chief Executive Officer since 2016.

Andrew Vong, Malaysian, aged 41
Promoter, Executive Director/Chief Future Officer

Andrew Vong was appointed to our Board on 28 December 2018 and is responsible for overseeing the strategic technological direction of our Group.

He graduated with a Bachelor of Computing in Computer Technology from Monash University in 1998. He subsequently attained a Master of Electronic Commerce from Curtin University of Technology in 2000.

He returned to Malaysia in 2001 and began his career in I&J as an Analyst where he designed and developed the company's website. In 2002, he was an Events Manager in the Localization Industry Standards Association (LISA), where he organised international conferences in North America, Europe and Asia. Later in 2002, he joined our Group as Business Development Manager where he was primarily involved in business development activities and cultivating client relationships. In 2007, he moved to Australia and remained as an advisor to our Group in terms of strategic technological direction.

In Australia, he joined Paritech Wealth Technology Pty Ltd in 2007, where he was involved in strategy consulting for international business expansions into Southeast Asia. Later in the year, he joined Data Action Pty Ltd as Manager where he managed the restructuring exercise for the company, amongst other responsibilities. He joined Telstra Corporation Ltd in 2011 as Sales Planning and Performance Analyst and later took on the role as Finance Business Analyst and Channel Performance Manager in 2015 and Commercial Analytics in 2016. During his tenure there, he was involved in deep data analytics (i.e. the use of sophisticated *data* processing techniques to yield information from large and typically multi-source data sets) in the areas of finance, sales planning and commercial management.

Andrew Vong returned to Malaysia in 2018 and assumed his present position as Chief Future Officer of our Group.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

VNY & Sons Sdn Bhd
Promoter and Substantial Shareholder

VNY & Sons Sdn Bhd was incorporated in Malaysia under the Act on 1 August 2018 as a private limited company. As at the LPD, its issued share capital is RM100 comprising 100 ordinary shares.

VNY & Sons Sdn Bhd is principally involved in investment holding and real estate activities with owned or leased properties.

The directors and shareholders of VNY & Sons Sdn Bhd and their shareholdings in the company as at the LPD are as follows:

	Direct		Indirect	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Alvin Vong	100	50.0	-	-
Andrew Vong	100	50.0	-	-

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7.2 Directors

7.2.1 Shareholdings

The shareholdings of our Directors before and after our Listing are as follows:

		As at the date of this Information Memorandum				After Listing			
		Direct		Indirect		Direct		Indirect	
Name	**Designation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Alvin Vong	Executive Director/ Chief Executive Officer	64,123,900	31.5	40,000,000	19.7(1)	64,123,900	26.1	40,000,000	16.3(1)
Andrew Vong	Executive Director/Chief Future Officer	65,716,300	32.3	40,000,000	19.7(1)	65,716,300	26.8	40,000,000	16.3(1)
Ng Bak Lee	Executive Director/Chief of Mandarin Investment Training Division	3,529,400	1.7	-	-	3,529,400	1.4	-	-
Tan Meng Chai	Independent Non-Executive Director	400,000	0.2	-	-	400,000	0.2	-	-

Note:

(1) Deemed interest by virtue of his substantial shareholding in VNY & Sons Sdn Bhd.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

7.2.2 Profile

The profiles of Alvin Vong and Andrew Vong, who are also our Promoters, are disclosed in Section 7.1.2 of this Information Memorandum.

Ng Bak Lee, Malaysian, aged 70
Executive Director/Chief of Mandarin Investment Training Division

Ng Bak Lee was appointed to our Board on 28 December 2018 and responsible for spearheading our mandarin investment training services.

He graduated with a Bachelor of Science in Engineering from National Taiwan University in 1974. He began his career in 1975 when he joined Asia-Pacific Shipyard Pte Ltd in Singapore as Mechanical Engineer. During his tenure there, he was responsible for project planning and management, as well as ensuring timely delivery of materials and project completion.

In 1977, he returned to Malaysia and joined Suzuki Assemblers Malaysia Sdn Bhd, a subsidiary of Lion Group Malaysia, as Plant Engineer. He was later promoted to Assistant General Manager in 1994 where he oversaw the company's business operations in China and co-listed Zhejiang QianJiang Motorcycle on the Shenzen Stock Exchange in 1999. In 2001, he became the Chief Executive Officer cum Divisional Executive Director of Motor Cycle of Suzuki, China. He subsequently retired in 2005, and acted as a consultant for foreign expansion of automobile related businesses in Malaysia.

He co-founded ETRC with Ng Swee Kiang and Ng Yi Tao in October 2010 and was since a trainer for our Group's training courses in Mandarin. He assumed his present role as Chief of Mandarin Investment Training Division in December 2018.

Tan Meng Chai, Malaysian, aged 57
Independent Non-Executive Director

Tan Meng Chai was appointed to our Board on 28 December 2018.

He is a qualified chartered accountant and a fellow member of ACCA since 1996. He studied for his ACCA at Tunku Abdul Rahman College.

He began his career with Khoo, Wong & Chan as Auditor, where he performed audits for companies across various sectors including manufacturing, trading and distribution, plantation as well as property and construction. In 1989, he joined Kumpulan Jetson Sdn Bhd as Finance Executive where he led several special projects for the company. Subsequently, he joined Dinding Soya & FeedMill Sdn Bhd as Accountant in 1991 and P.T. Satya Langgeng Sentosa as Accountant in 1993. During his tenure in these companies, he was responsible for the preparation of financial and operational reports.

In 1995, he joined Tomisho Holdings Sdn Bhd as Chief Operating Officer where he played a strategic role in restructuring the company's business operations. Later in 1997, he joined Memory Lane (M) Sdn Bhd as Director and was primarily tasked to oversee the finance and information technology functions of the company.

In 2010, he assumed his current position as Senior Consultant of DDI-Asia/Pacific International Ltd where he is responsible for delivering performance management and leadership development programmes. He is also a Director in McWy Associates Sdn Bhd.

He assumed his present position as Independent Non-Executive Director in 2018.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

7.2.3 Directors' remuneration and benefits

The aggregate remuneration and material benefits-in-kind *(including any contingent or deferred compensation accrued for the year)* paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 31 December 2017 and FYE 31 December 2018 are as follows:

	FYE 31 Dec 2017	**FYE 31 Dec 2018**
Remuneration band	**No. of Directors**	**No. of Directors**
Non-Executive Directors		
Less than RM50,000	1	1
Executive Directors		
Less than RM50,000	1	1
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	1	1

Our Directors' remuneration includes salaries, bonuses, fees and allowances as well as other benefits, whereby pursuant to our Constitution, the fees and benefits must be approved by our shareholders in a general meeting.

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7.3 Key Management Personnel

7.3.1 Shareholdings

Our key management personnel and their respective shareholdings in our Company before and after our Listing are as follows:

		As at the date of this Information Memorandum				After Listing			
		Direct		Indirect		Direct		Indirect	
Key Management	**Designation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Alvin Vong	Executive Director/ Chief Executive Officer	64,123,900	31.5	40,000,000	19.7[(1)]	64,123,900	26.1	40,000,000	16.3[(1)]
Andrew Vong	Executive Director/Chief Future Officer	65,716,300	32.3	40,000,000	19.7[(1)]	65,716,300	26.8	40,000,000	16.3[(1)]
Ng Bak Lee	Executive Director/ Chief of Mandarin Investment Training Division	3,529,400	1.7	-	-	3,529,400	1.4	-	-
John Huo Shien Chai	Chief Operating Officer	5,000,000	2.5	-	-	5,000,000	2.0	-	-
Benny Lee Wan Yu	Chief Market Strategist	3,000,000	1.5	-	-	3,000,000	1.2	-	-
Tan Shuo Hui	Finance Manager	880,000	0.4	-	-	880,000	0.4	-	-

Note:

(1) Deemed interest by virtue of his substantial shareholding in VNY & Sons Sdn Bhd.

7.3.2 Profiles

The profiles of Alvin Vong and Andrew Vong who are also our Promoters and Executive Directors are disclosed in Section 7.1.2 of this Information Memorandum.

The profile of Ng Bak Lee who is also our Executive Director is disclosed in Section 7.2.2 of this Information Memorandum.

John Huo Shien Chai, Malaysian, aged 39
Chief Operating Officer

John Huo Shien Chai is responsible for overseeing the overall operations of our Group.

He graduated with a Bachelor of Electrical Engineering from Universiti Tun Hussein Onn in 2004, followed by a Master of Engineering in Electric, Mechatronics and Automatic Control from Universiti Teknologi Malaysia (UTM) in 2006. He later attained his Master of Technology in Petroleum Technology from Curtin University of Technology in 2012.

In 2006, he joined Sarawak Shell Berhad as Instrument, Control and Automation Engineer where he was responsible for the design, engineering and commissioning of crude oil and natural gas offshore production facilities. He later took on the role of Process Automation and Control Optimization (PACO) Engineer in 2012 where he was responsible for subsea oil and gas equipment design and commissioning. He was subsequently promoted to PACO Commissioning Lead in 2014 and in 2015, he became the Construction Lead of Topsides and Hull, Electrical and Instrumentation Systems, where he was responsible for overseeing the construction of electrical and instrumentation systems of a major offshore deepwater oil and gas facility.

In 2016, he ventured into the finance and investment sector and joined GE LifeSavers Sdn Bhd (part of the Great Eastern Life Assurance Group) as Life Planning Advisor where he engaged clients on financial planning. During his tenure there, he advised clients in asset allocation and risk management.

He joined our Group as a trainer in 2017 and contributed to the enhancements of the current VIP and MVIP course syllabus. He assumed his present position as Chief Operating Officer in 2018.

Benny Lee Wan Yu, Malaysian, aged 42
Chief Market Strategist

Benny Lee Wan Yu is responsible for providing industry insights and investment knowledge to our Group.

He graduated with a Diploma in Business Administration in 1996 and Advanced Diploma in Business Administration in 2001 from the Association of Business Executives, United Kingdom. He later graduated with a Bachelor of Arts in Business Management from University of Greenwich in 2012.

Benny Lee Wan Yu began his career in 1996 when he joined KeyQuotes Sdn Bhd, a financial trading technology company as Business Development Executive. In 2003, he joined NextView Sdn Bhd as Chief Market Strategist cum Principal Consultant. During his tenure in these 2 companies, he was primarily involved in business development activities and conducting training courses and workshops. In 2012, he was appointed by Jupiter Securities Sdn Bhd as Chief Market Strategist to provide market insights and advisory services as well as conduct trainings and events.

He was the founder of i2Matrix Sdn Bhd, a company that provides investment training services and equity investment research platforms in 2015.

Alongside his successful career, he is also a Non-Executive Advisor of the Malaysian Association of Technical Analysts (MATA). He has also been engaged regularly by the media, e.g. Smart Investors, Busy Weekly and Palm Oil Fortune, to provide his insights on business and finance. In addition, he is also a columnist for The Edge Financial Markets and Borneo Posts, and the co-author of "Keep Investment Simple and Stupid".

He joined our Group in 2018 and assumed his present role as Chief Market Strategist.

Tan Shuo Hui, Malaysian, aged 27
Finance Manager

Tan Shuo Hui is our Finance Manager and is responsible of overseeing our Group's finance functions. She graduated with a Bachelor in Accounting from Universiti Tunku Abdul Rahman (UTAR) in 2013.

She began her career in 2014 when she joined our Company as Finance Executive. She was later promoted to Senior Finance Executive in 2015. Throughout her career in our Group, she is responsible for maintaining and handling our Group's financial accounts. In addition, she is also involved in the compilation of information on public listed companies on Bursa Securities, the Singapore Exchange and the Australian Securities Exchange.

She assumed her present role as Finance Manager in 2017.

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7.4 Involvement of Our Promoters, Substantial Shareholders, Directors and Key Management Personnel in Businesses/Corporations Outside Our Group

Save as disclosed below, our Promoters, substantial shareholders, Directors and key management personnel do not have any other directorships in other Malaysian corporations or any principal business activities performed outside our Group for the past 3 years prior to the LPD:

Name	Company	Involvement (Director/Shareholder)	Principal Activities
Alvin Vong	I&J	Director and Shareholder	Investment holding
	Equal Balance Sdn Bhd	Director and Shareholder	Dormant
	VNY & Sons Sdn Bhd	Director and Shareholder	Investment holding
Andrew Vong	I&J	Shareholder	Investment holding
	Equal Balance Sdn Bhd	Director and Shareholder	Dormant
	VNY & Sons Sdn Bhd	Director and Shareholder	Investment holding
Benny Lee Wan Yu	FYI Asia Sdn Bhd	Director(1)	Marketing of financial products and other related products, provide training and consultancy services and investment
	i2matrix Sdn Bhd	Director and Shareholder(2)	Providing management training and consulting services
John Huo Shien Chai	Tech Bliss Sdn Bhd	Shareholder	Dormant
Tan Meng Chai	Trilogy Digest Sdn Bhd	Director and Shareholder(3)	Dissolved
	Xtreme Treasures Sdn Bhd	Director and Shareholder	Dormant
	Memory Lane (M) Sdn Bhd	Shareholder	Importers and dealers of greeting cards, souvenirs and social expression products
	MCWY Associates Sdn Bhd	Director and shareholder	Dormant
	Perfect Status Sdn Bhd	Shareholder	Importers and exporters

Notes:

(1) He has resigned as a Director of the company on 24 December 2018.

(2) He has resigned as a Director of the company and disposed of all his interest in the company on 1 October 2018.

(3) The company has been dissolved.

7.5 Benefit Paid or to be Paid or Given

Save as disclosed in Section 7.2.3 of this Information Memorandum, there is no amount or benefit paid or intended to be paid or given to any of our Promoters, Directors or substantial shareholders.

7.6 Service Agreements

As at the LPD, there are no existing or proposed service agreements between the companies within our Group and our Directors and key management personnel which are not terminable by notice without payment or compensation.

7.7 Employees

A summary of our Group's total workforce as at 31 December 2017 as well as at the LPD is set out below:

	No. of Employees	
Category	**As at 31 Dec 2017**	**As at the LPD**
Executive Directors	2	2
Key management personnel	2	3
Technical	6	9
Trainers	1	2
Non-Technical	5	8

We currently have 24 full-time employees in our employment. None of our employees belong to any trade unions and we enjoy good working relationships with our employees. Thus, we have not experienced any major turnover in our workforce.

Part of our key management team (namely Alvin Vong, Andrew Vong, Ng Bak Lee, John Huo Shien Chai and Benny Lee Wan Yu) are also in-house trainers. In addition, we also engage trained finance professionals and investment experts to share their investment views and perspectives, as and when required.

7.8 Moratorium

In compliance with Rule 3.07 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:

(i) the moratorium applies to our Promoters' entire shareholdings for a period of 12 months from the date of our admission to the Official List; and

(ii) upon expiry of the 12 months period stated above, our Promoters' aggregate shareholdings amounting to at least 45% of the total number of issued Shares shall remain under moratorium for another period of 36 months.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Where the promoter is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation (whether individuals or other unlisted corporations) up to the ultimate individual shareholders must give undertakings to Bursa Securities that they will not sell, transfer or assign their securities in the unlisted corporation for the period stipulated above.

The moratorium shall be imposed according to the following:

	Shares under Moratorium for the First 12 Months Upon Listing		**Shares Under Moratorium for the Subsequent 36 Months**	
Promoter	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**
Alvin Vong	64,123,900	26.1	46,053,906	18.8
Andrew Vong	65,716,300	26.8	35,706,340	14.5
VNY & Sons Sdn Bhd	40,000,000	16.3	28,728,075	11.7
Total	169,840,200	69.2	110,488,321	45.0

Note:

(1) Based on our enlarged issued share capital of 245,529,600 Shares upon Listing.

The moratorium, which is fully acknowledged by our Promoters, is specifically endorsed on our share certificates representing their shareholdings to ensure that our Share Registrar will not register any sale, transfer or assignment that is not in compliance with the above moratorium.

In addition, the following existing shareholders also undertake not to sell, transfer or assign any part of their respective interest in ET Shares for a period of 12 months from the date of our admission to the Official List:

	Shares Under Moratorium for 12 Months Upon Listing	
Shareholder	**No. of Shares**	**(1)%**
Fun Wai Hong	600,000	0.3
Chong Ngat Sin	1,000,000	0.5
Khoo Chin Siam	400,000	0.2
Total	2,000,000	1.0

Note:

(1) Based on our enlarged issued share capital of 245,529,600 Shares upon Listing.

8. FINANCIAL INFORMATION

8.1 Audited Combined Statements of Profit or Loss and Other Comprehensive Income

The following table, which has been extracted from our audited combined financial statements as set out in Appendices I and II of this Information Memorandum, sets out our combined statements of profit or loss and other comprehensive income for the FYE 31 December 2016, FYE 31 December 2017, FPE 30 June 2017 and FPE 30 June 2018 should be read in conjunction with the "Management Discussion and Analysis" in Section 9 of this Information Memorandum.

	Audited			
	FYE 31 Dec 2016	**FYE 31 Dec 2017**	**FPE 30 Jun 2017**	**FPE 30 Jun 2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	1,673	3,128	1,161	2,236
Cost of sales	(725)	(936)	(364)	(614)
GP	948	2,192	797	1,622
Other operating income	-	1	-	*
General and administrative expenses	(1,201)	(1,345)	(556)	(913)
PBT/(LBT)	(253)	848	241	709
Tax expense	(17)	(170)	17	158
Net profit/(loss) for the financial year/period, representing the total comprehensive income/(loss) for the year/period	(270)	678	224	551
EPS/(Loss per Share) (sen)				
- Basic^	(0.1)	0.3	0.1	0.3
GP margin (%)	56.7	70.1	68.6	72.5
PBT/(LBT) margin (%)	(15.1)	27.1	20.8	31.7
PAT/(LAT) margin (%)	(16.1)	21.7	19.3	24.6

Notes:

* *Less than RM1,000.*

^ *Computed based on our existing issued share capital of 203,529,600 Shares.*

8.2 Audited Combined Statements of Financial Position

The following table, which has been extracted from our audited combined financial statements as set out in Appendices I and II of this Information Memorandum, sets out our combined statements of financial position as at 31 December 2016, 31 December 2017, 30 June 2017 and 30 June 2018 and should be read in conjunction with the "Management Discussion and Analysis" in Section 9 of this Information Memorandum.

	Audited			
	31 Dec 2016	**31 Dec 2017**	**30 Jun 2017**	**30 Jun 2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Non-current assets				
Property, plant and equipment	-	24	-	188
Intangible assets	80	-	40	-
	80	**24**	**40**	**188**
Current assets				
Trade and other receivables	71	621	363	1,500
Cash and cash equivalents	79	621	356	661
	150	**1,242**	**719**	**2,161**
Total assets	**230**	**1,266**	**759**	**2,349**
LIABILITIES				
Current liabilities				
Other payables and accruals	436	(2)672	752	(2)484
Amount due to directors	34	2	22	(3)564
Current tax liabilities	17	170	17	328
	487	**844**	**791**	**1,376**
Total liabilities	**487**	**844**	**791**	**1,376**
Net current assets/ (liabilities)	(1)**(337)**	**398**	**(72)**	**785**
NET ASSETS/(LIABILITIES)	**(257)**	**422**	**(32)**	**973**
EQUITY				
Share capital	500	500	500	500
Retained earnings/ (Accumulated losses)	(757)	(78)	(532)	473
TOTAL EQUITY	**(257)**	**422**	**(32)**	**973**
NA per Share (RM)	(0.05)	0.08	(0.01)	0.20

8. FINANCIAL INFORMATION *(cont'd)*

Notes:

(1) The net current liabilities position as at 31 December 2016 was mainly as a result of the reclassification of approximately RM0.4 million from revenue to deferred revenue (included in other payables and accruals) to be in line with the presentation for FYE 31 December 2017 and FPE 30 June 2018. The reclassification was in relation to the recognition of revenue from the provision of our equity investment research platforms and MVIP courses over the duration of such services of 12 months and up to 6 months respectively, instead of upfront at the point of billing.

(2) The higher other payables and accruals as at 31 December 2017 was mainly attributable to a higher amount of deferred revenue of approximately RM0.1 million. The higher deferred revenue was mainly due to an increase in subscription fee for our equity investment research platforms as mentioned in Section 9.2 of this Information Memorandum.

The lower other payables and accruals as at 30 June 2018 was mainly attributable to a lower amount of deferred revenue of approximately RM0.3 million. The lower deferred revenue was mainly due to a lower sign up for our MVIP course in the first half of 2018 as compared to the preceding corresponding period, whereby the revenue from our MVIP course is recognised over a 6 month period as mentioned in note (1) above.

(3) The higher amount due to directors as at 30 June 2018 was mainly due to advances from our Directors for our Listing expenses.

8.3 Audited Combined Statements of Cash Flows

The following table, which has been extracted from our audited combined financial statements as set out in Appendices I and II of this Information Memorandum, sets out the summary of our combined statements of cash flows for the FYE 31 December 2016, FYE 31 December 2017, FPE 30 June 2017 and FPE 30 June 2018 and should be read in conjunction with the "Management Discussion and Analysis" in Section 9 of this Information Memorandum.

	Audited			
	FYE 31 Dec 2016	**FYE 31 Dec 2017**	**FPE 30 Jun 2017**	**FPE 30 Jun 2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash (used in)/from operating activities	263	620	289	(336)
Net cash (used in)/from investing activities	-	(29)	-	(186)
Net cash from/(used in)/financing activities	-	(49)	(12)	562
Net increase in cash and cash equivalents	263	542	277	40
Cash and cash equivalents at beginning of the financial year/period	(184)	79	79	621
Cash and cash equivalents at the end of the financial year/period	79	621	356	661

9. MANAGEMENT DISCUSSON AND ANALYSIS

The following discussion and analysis of our past financial condition and results of operations should be read in conjunction with our Audited Combined Financial Statements as set out in Appendices I and II of this Information Memorandum.

This discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below or elsewhere in this Information Memorandum, particularly in the section entitled “Risk Factors” set out in Section 6 of this Information Memorandum.

9.1 Overview

We are principally involved in the provision of equity investment research platforms and investment training services. Please refer to Sections 4.1 and 4.2 of this Information Memorandum for further details of our principal activities and products/services.

In line with our business strategies and future plans as set out in Section 4.15 of this Information Memorandum, we will focus on the enhancement and upgrade of our equity investment research platforms and back-end systems. We also plan to expand our presence in the investment training service industry in Malaysia. Please refer to Section 9.8 of this Information Memorandum for significant factors which affect our financial position and results of operations and Section 6 of this Information Memorandum for the risk factors that may affect our revenue and financial performance.

9.2 Revenue

Our revenue are recognised when all the following conditions are satisfied:

(i) the amount of revenue can be measured reliably;

(ii) it is probable that the economic benefits associated with the transaction will flow to our Group; and

(iii) on an accrual basis when the services are rendered.

Our revenue are mainly derived from our equity investment research platforms and investment training service businesses as follows:

Equity investment research platforms	:	Platforms which provide financial information of public listed companies to corporate clients (i.e. corporations and financial data providers) and retail clients (i.e. investors)
Investment training services	:	Pre-designed and customised training courses for corporate clients (i.e stock exchange and corporations) and retail clients (i.e. investors)

In addition, we also collect rental from corporate clients for organising events in our premises.

9. MANAGEMENT DISCUSSON AND ANALYSIS (*cont'd*)

The following table set out a breakdown of our revenue by activities for the FYE 31 December 2016, FYE 31 December 2017, FPE 30 June 2017 and FPE 30 June 2018:

	Audited							
	FYE 31 Dec 2016		FYE 31 Dec 2017		FPE 30 Jun 2017		FPE 30 Jun 2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Equity investment research platform								
- Corporate	413	24.7	485	15.5	235	20.2	228	10.2
- Retail	179	10.7	394	12.6	165	14.2	235	10.5
	592	35.4	879	28.1	400	34.4	463	20.7
Investment training services								
- Corporate	64	3.8	92	3.0	41	3.5	841	37.6
- Retail	975	58.3	2,150	68.7	717	61.8	930	41.6
	1,039	62.1	2,242	71.7	758	65.3	1,771	79.2
Others	42	2.5	7	0.2	3	0.3	2	0.1
Total	**1,673**	**100.0**	**3,128**	**100.0**	**1,161**	**100.0**	**2,236**	**100.0**

Comparison between FYE 31 December 2016 and FYE 31 December 2017

In the FYE 31 December 2017, our revenue derived from equity investment research platforms increased to RM0.9 million, representing an increase of RM0.3 million or approximately 48.5% as compared to the FYE 31 December 2016. This was mainly attributable to an increase in pricing pursuant to enhancements made on our PLUS and EPM platforms. The enhancements include additional features such as information on historical top 30 shareholders made available in our PLUS platform and dividend calendar which assists investors to monitor returns from dividends in our EPM platform.

Our revenue attributable to investment training services increased to RM2.2 million in the FYE 31 December 2017, representing an increase of RM1.2 million or approximately 115.8% as compared to the previous financial year. The increase in revenue was mainly attributable to an upward price revision of our VIP and MVIP courses after we revamped and/or extended the duration of our training courses to facilitate a better understanding of fundamental financial principles by our clients.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

Our revenue from equity investment research platforms recorded an increase of RM0.1 million in the FPE 30 June 2018 as compared to the previous financial period, was mainly attributable to higher subscription by retail clients pursuant to our MVIP course .

Our revenue derived from investment training services increased by RM1.0 million or approximately 133.3% to RM1.8 million in the FPE 30 June 2018 as compared to the corresponding financial period. The increase was mainly attributable to our Group securing 2 new training service agreements with corporate clients.

9. MANAGEMENT DISCUSSON AND ANALYSIS (*cont'd*)

9.3 Cost of Sales

Our cost of sales comprise direct wages (including trainers' fees and sales commission), data licensing fees, network and server hosting fees as well as other training costs (e.g. purchases of food and beverages, venue costs and education materials).

The following table set out a breakdown of our cost of sales for the FYE 31 December 2016, FYE 31 December 2017, FPE 30 June 2017 and FPE 30 June 2018:

	Audited							
	FYE 31 Dec 2016		**FYE 31 Dec 2017**		**FPE 30 Jun 2017**		**FPE 30 Jun 2018**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Direct wages	334	46.1	483	51.6	173	47.4	422	68.8
Data licensing and network fee	105	14.5	175	18.7	71	19.5	77	12.5
Other training costs	286	39.4	278	29.7	120	33.1	115	18.7
Total	**725**	**100.0**	**936**	**100.0**	**364**	**100.0**	**614**	**100.0**

Comparison between FYE 31 December 2016 and FYE 31 December 2017

Our cost of sales increased by RM0.2 million or approximately 29.1% to RM0.9 million in the FYE 31 December 2017 as compared to the previous financial year in line with the higher revenue registered as well as an increase in commissions payable for referrals.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

Our cost of sales increased to RM0.6 million in the FPE 30 June 2018 representing an increase of RM0.3 million or approximately 68.7% as compared to the FPE 30 June 2017. The increase in cost of sales was mainly due to higher commissions payable to ETRC arising from higher number of participants for their Mandarin training courses in the FPE 30 June 2018.

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9. MANAGEMENT DISCUSSON AND ANALYSIS (*cont'd*)

9.4 Gross Profit and Gross Profit Margin

The following table set out a breakdown of our GP and GP margin by activities for the FYE 31 December 2016, FYE 31 December 2017, FPE 30 June 2017 and FPE 30 June 2018:

	Audited							
	FYE 31 Dec 2016		FYE 31 Dec 2017		FPE 30 Jun 2017		FPE 30 Jun 2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Equity investment research platform	486	51.3	705	32.2	328	41.2	386	23.8
Investment training services	420	44.3	1,480	67.5	466	58.4	1,234	76.1
Others	42	4.4	7	0.3	3	0.4	2	0.1
Total GP	**948**	**100.0**	**2,192**	**100.0**	**797**	**100.0**	**1,622**	**100.0**

	Audited			
	FYE 31 Dec 2016	FYE 31 Dec 2017	FPE 30 Jun 2017	FPE 30 Jun 2018
	%	%	%	%
Equity investment research platform	82.2	80.1	82.2	83.4
Investment training services	40.4	66.1	61.4	69.7
Group GP Margin	**56.7**	**70.1**	**68.6**	**72.5**

Comparison between FYE 31 December 2016 and FYE 31 December 2017

Our GP increased to RM2.2 million in the FYE 31 December 2017, representing an increase of RM1.2 million or approximately 131.3% as compared to the FYE 31 December 2016. The higher GP margin was mainly attributable to an upward price revision of our VIP and MVIP courses as explained above.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

In FPE 30 June 2018, our GP increased to RM1.6 million, representing an increase of RM0.8 million or approximately 103.5% as compared to the previous financial period. The increase in GP margin was mainly attributable to 2 new training service agreements secured during the financial period which also include the delivery of digital management solutions that enable the corporate clients to monitor and track registrations, facilitate online payments as well as allow access to a repository of training materials.

9. MANAGEMENT DISCUSSON AND ANALYSIS (*cont'd*)

9.5 General and Administrative Expenses

The following table sets out a breakdown of our Group's general and administrative expenses for the FYE 31 December 2016, FYE 31 December 2017, FPE 30 June 2017 and FPE 30 June 2018:

	Audited							
	FYE 31 Dec 2016		FYE 31 Dec 2017		FPE 30 Jun 2017		FPE 30 Jun 2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs and incentives	828	68.9	903	67.2	319	57.3	540	59.2
Travelling expenses	32	2.7	62	4.6	73	13.1	36	3.9
Office and equipment rental and maintenance	76	6.3	89	6.6	27	4.9	37	4.1
Utilities	82	6.8	84	6.2	48	8.6	36	3.9
Amortisation and depreciation	80	6.7	86	6.4	40	7.2	22	2.4
Listing expenses	-	-	-	-	-	-	147	16.1
Others	103	8.6	121	9.0	49	8.9	95	10.4
Total	**1,201**	**100.0**	**1,345**	**100.0**	**556**	**100.0**	**913**	**100.0**

Comparison between FYE 31 December 2016 and FYE 31 December 2017

Our general and administrative expenses increased to RM1.3 million in the FYE 31 December 2017, representing an increase of RM0.1 million or approximately 11.6% as compared to the FYE 31 December 2016. The increase was mainly due to training and related expenses incurred for our key management personnel to keep abreast with the latest market developments.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

Our general and administrative expenses increased to RM0.9 million in the FPE 30 June 2018, representing an increase of RM0.4 million or approximately 64.2% as compared to the FPE 30 June 2017. The higher expenses were mainly due to higher staff costs incurred as a result of the recruitment of additional staff and salary increments as well as expenses incurred for our Listing.

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9. MANAGEMENT DISCUSSON AND ANALYSIS (*cont'd*)

9.6 Profit After Tax and Profit After Tax Margin

The following table sets out a breakdown of our PAT and PAT margin for the FYE 31 December 2016, FYE 31 December 2017, FPE 30 June 2017 and FPE 30 June 2018:

	Audited			
	FYE 31 Dec 2016	**FYE 31 Dec 2017**	**FPE 30 Jun 2017**	**FPE 30 Jun 2018**
Total PAT/(LAT) (RM'000)	(270)	678	224	551
PAT/(LAT) margin (%)	(16.1)	21.7	19.3	24.6

Comparison between FYE 31 December 2016 and FYE 31 December 2017

We turned around our financial performance and recorded a PAT of RM0.7 million in the FYE 31 December 2017 mainly as a result of the increase in our revenue as explained above.

For information purposes, the loss incurred in the FYE 31 December 2016 was mainly as a result of the reclassification of approximately RM0.4 million from revenue to deferred revenue to be in line with the presentation for FYE 31 December 2017 and FPE 30 June 2018.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

We recorded a higher PAT of RM0.6 million in the FPE 30 June 2018 as compared to the FPE 30 June 2017 mainly as a result of the higher revenue generated during the financial period as well as an increase in GP margin as explained above.

9.7 Key Financial Ratios

The following table sets out certain key financial ratios of our Group based on our audited combined financial statements for the FYE 31 December 2016, FYE 31 December 2017 and FPE 30 June 2018:

	Audited		
	FYE 31 Dec 2016	**FYE 31 Dec 2017**	**FPE 30 Jun 2018**
Trade receivables turnover (days)[(1)]	15	72	101
Current ratio (times)[(2)]	0.3	1.5	1.6
Gearing ratio (times)[(3)]	-	-	-

Notes:

(1) Computed as trade receivables over revenue.

(2) Computed as current assets over current liabilities.

(3) Computed as total borrowings over total equity.

(i) Trade receivables turnover

We generally extend the following payment terms to our corporate and retail clients:

- Corporate – Credit period of up to 90 days or according to contract payment terms
- Retail – Cash for our VIP course and the following payment options for our MVIP course:

  (a) Monthly instalments of up to 12 months *via* instalment payment scheme with selected financial institutions' credit cards, whereby the entire course fee will be remitted upfront to us by the relevant financial institutions; or

  (b) Monthly instalments of up to 12 months *via* direct debit, i.e. we will receive the course fee on a monthly basis over the instalment period.

The higher trade receivables turnover period for the FYE 31 December 2017 was mainly due to a higher number of retail clients opting for instalment payments *via* direct debit in the 4th quarter of 2017.

The higher trade receivables turnover period for the FPE 30 June 2018 was mainly due to slower payments by 3 of our corporate clients. We are closely monitoring collections from these clients and have been receiving payments from them. In addition, we have ongoing business relationships with these clients. Thus, our Board is of the opinion that the amount outstanding is recoverable.

As at the LPD, we have collected RM0.4 million (31.7%) of the trade receivables outstanding as at 30 June 2018.

(ii) Current ratio

The current ratio of less than one time as at 31 December 2016 was mainly due to the reclassification of approximately RM0.4 million from revenue to deferred revenue as mentioned in Section 8.2 of this Information Memorandum. The higher current ratio as at 31 December 2017 and 30 June 2018 was mainly attributable to higher trade and other receivables due to the same reasons as mentioned in Section 9.7(i) above.

9.8 Significant Factors Affecting Our Financial Position and Results of Operations

Section 6 "Risk Factors" of this Information Memorandum details a number of risk factors relating to our business and the industries in which we operate in. Some of these risk factors have an impact on our financial position and results of operations. You should carefully consider the risk factors set out therein before making a decision on whether an investment in our Shares is suitable for you in light of your circumstances and financial resources.

9.9 Material Capital Commitments

As at the LPD, there is no material capital commitment incurred or known to be incurred by us or by our subsidiaries, which upon becoming enforceable, may have a material impact on our financial position.

9.10 Order Book

Save for certain agreements with our corporate clients, we generally do not have long-term contracts with our clients as our sales are made based on annual subscriptions or on a course to course basis which are typically delivered within a duration of less than 1 year.

As at the LPD, our order book stood at approximately RM0.8 million, all of which is expected to be fulfilled by the end of 2019.

9. MANAGEMENT DISCUSSON AND ANALYSIS (*cont'd*)

We actively and continuously market our products and services in order to secure new clients as part of our business strategies. Riding on our competitive strengths as set out in Section 4.5 of this Information Memorandum as well as our commitment towards the growth of our business, barring unforeseen circumstances, we are optimistic of the business and prospects of our Group in the foreseeable future.

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10. OTHER INFORMATION

10.1 Material Contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiaries within the 2 years immediately preceding the date of this Information Memorandum:

(i) Share sale agreement dated 26 December 2018 entered into by ET to purchase the entire share capital of ET International comprising 5,088,235 ordinary shares, which shall be settled by the issuance and allotment of an aggregate 203,529,600 new ordinary shares to the shareholders of ET International. The share sale agreement has been completed in accordance with its terms on 28 December 2018.

(ii) Share sale agreement dated 30 November 2018 entered into by ET to purchase the entire share capital of ET Digital comprising 2 ordinary shares for a cash consideration of RM2.00 from ET International, being the shareholder of ET Digital. The share sale agreement has been completed in accordance with its terms on 24 December 2018.

(iii) Share sale agreement dated 30 November 2018 entered into by ET to purchase the entire share capital of ET Smart Wealth for a cash consideration of RM1.00 from Alvin Vong, being the shareholder of ET Smart Wealth. The share sale agreement has been completed in accordance with its terms on 24 December 2018.

(iv) Shareholders agreement of ET Mandarin Academy dated 18 December 2018 entered into between ET International and Ng Swee Kiang to govern its relationship as shareholders of ET Mandarin Academy. The shareholders agreement is effective as at the date of the agreement.

(iv) Deed of assignment of copyright dated 13 November 2018 entered into between Ng Bak Lee and ET International for Ng Bak Lee to assign, sell and transfer the copyright in relation to translations made from English to Mandarin in relation to ET International's course materials to ET International for a purchase consideration of RM600,000 which shall be wholly satisfied by the issuance and allotment of 88,235 new ordinary shares in ET International to Ng Bak Lee. The deed of assignment has been completed on 3 December 2018.

(v) Sale of business agreement dated 13 November 2018 entered into between Ng Bak Lee, Ng Swee Kiang and Ng Yi Tao to sell the business of ETRC to ET Mandarin Academy for a cash consideration of RM24,500. The sale of business agreement has been completed in accordance with its terms on 13 November 2018.

10.2 Material Litigation and Contingent Liabilities

As at the LPD, we are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and our Board does not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect our position or business.

As at the LPD, there is no contingent liability which, upon becoming enforceable, may have a material impact on our financial position or business.

10.3 Related Party Transactions

Under the Listing Requirements, a 'related party transaction' is a transaction entered between the listed corporation or its subsidiaries and a related party. A 'related party' of a listed issuer is:

(i) A director having the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation or a chief executive of the listed corporation; or

(ii) A major shareholder who has an interest of 10% or more of the total number of voting shares in a corporation; or

(iii) A person connected with such director or major shareholder.

10.3.1 Existing and proposed related party transactions

Save as disclosed below, our Board confirms that there are no existing or presently proposed related party transactions entered into between our Group and our Directors, major shareholders and/or persons connected with them for the FYE 31 December 2017 and subsequent period up to the LPD.

			Actual	
Transacting Parties	**Nature of Relationship**	**Nature of Transaction**	**FYE 31 December 2017**	**Subsequent Period up to the LPD**
			RM'000	**RM'000**
I&J and ET International	Alvin Vong, our major shareholder and Executive Director/Chief Executive Officer, is a shareholder and director of I&J Andrew Vong, our major shareholder and Executive Director/Chief Future Officer, is a shareholder of I&J	Rental paid for our office and education premise	30	44
Alvin Vong, Andrew Vong and ET International	Alvin Vong is our major shareholder and Executive Director/Chief Executive Officer Andrew Vong is our major shareholder and Executive Director/Chief Future Officer	Rental paid for our education premise	30	28
Ng Bak Lee and ET International	Ng Bak Lee is our Executive Director/Chief of Mandarin Investment Training Division	Purchase of intellectual property rights from Ng Bak Lee	-	600*
Ng Bak Lee, Ng Swee Kiang and Ng Yi Tao "**Partners of ETRC**" and ET Mandarin Academy	Ng Bak Lee is our Executive Director/Chief of Mandarin Investment Training Division	Acquisition of business from the Partners of ETRC	-	25

Note:

* *The consideration was arrived at after taking into consideration amongst others, the intellectual property rights' valuation of approximately RM0.7 million accorded by an independent valuer.*

Our Board confirmed that the above related party transactions were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to our Group and not detrimental to our minority shareholders.

Upon Listing, our Board will continue to ensure that any related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not detrimental to our minority shareholders. In the event that there are any proposed related party transactions that require the prior approval of our shareholders, the Directors and major shareholders and/or persons connected with them which have any interest, direct or indirect, in the proposed related party transaction will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Director and/or major shareholder will also undertake to ensure that the person connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

10.4 Interests in Similar Businesses and Other Conflict of Interest

None of our Promoters, substantial shareholders, Directors and key management personnel have any interest, direct or indirect, in other businesses or corporations carrying on a trade similar to that of our Group, or businesses or corporations which are also our clients or suppliers as at the LPD.

Notwithstanding the above, in the event of a potential conflict of interest situation, such Promoters, substantial shareholders, Directors and/or persons connected with them are obliged, if required by law or regulations, to abstain from voting on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect their direct and indirect interests.

10.5 Other Transactions

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party during the FYE 31 December 2017 up to the LPD.

There are no outstanding loans, including guarantees of any kind made by our Group to or for the benefit of related parties during the FYE 31 December 2017 up to the LPD.

10.6 Declaration by Our Advisers

10.6.1 Mercury Securities

Mercury Securities confirms that there is no existing or potential conflict of interest in relation to its capacity as the Approved Adviser and Placement Agent for our Listing.

10.6.2 *Messrs* Ben & Partners

Messrs Ben & Partners confirms that there is no existing or potential conflict of interests in its capacity as the Legal Adviser for our Listing

10.6.3 CHENGCO PLT

CHENGCO PLT confirms that there is no existing or potential conflict of interest in relation to its capacity as the Auditors and Reporting Accountants for our Listing.

10.6.4 Providence

Providence confirms that there is no existing or potential conflict of interest in relation to its capacity as the Independent Market Researcher for our Listing.

APPENDIX I

Audited Combined Financial Statements for the Financial Year Ended 31 December 2017

COMPANY NO.	
1280985	X

EQUITIESTRACKER HOLDINGS BERHAD

(Incorporated in Malaysia)

COMBINED FINANCIAL STATEMENTS

FOR

THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND 31 DECEMBER 2017

CHENGCO PLT
(Formerly known as CHENG & CO)
CHARTERED ACCOUNTANTS
LLP0017004-LCA & AF - 0886

EQUITIESTRACKER HOLDINGS BERHAD
(Company No. : 1280985-X)
(Incorporated in Malaysia)

CONTENTS

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INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF EQUITIESTRACKER HOLDINGS BERHAD

(Company No.: 1280985-X)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE COMBINED FINANCIAL STATEMENTS

Opinion

We have audited the combined financial statements of Equitiestracker Holdings Berhad and its subsidiary companies ("the Group"). The combined financial statements comprise combined statements of financial position as at 31 December 2017 and 31 December 2016 of the Group, and combined statements of profit or loss and other comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group for the financial years then ended, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages 4 to 37.

In our opinion, the accompanying combined financial statements give a true and fair view of the financial position of the Group as at 31 December 2017 and 31 December 2016, and of their financial performance and their cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standard and International Financial Reporting Standards.

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 Combined 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 Group 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

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

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the Group's 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 Group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF EQUITIESTRACKER HOLDINGS BERHAD
(Company No.: 1280985-X)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group 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 combined 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, 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 Group'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 Group'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 combined financial statements of the Group 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statement of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF EQUITIESTRACKER HOLDINGS BERHAD

(Company No.: 1280985-X)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Combined 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 Matter

This report is made solely to the Directors of the Company, as a body for inclusion in the information memorandum of Equitiestracker Holdings Berhad in connection with the proposed listing of and quotation for the enlarged issued share capital of Equitiestracker Holdings Berhad on the LEAP Market of Bursa Malaysia Securities Berhad. This report is given for the purposes of complying with the LEAP Market Listing Requirements issued by Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CHENGCO PLT
(Formerly known as Cheng & Co)
LLP0017004-LCA & AF: 0886
Chartered Accountants

YAP PENG BOON
02118/12/2020 J
Chartered Accountant

Kuala Lumpur,

Date: 28 December 2018

EQUITIESTRACKER HOLDINGS BERHAD
(Company No.: 1280985-X)
(Incorporated in Malaysia)

COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 AND 31 DECEMBER 2016

	Note	2017 RM	2016 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	23,520	-
Intangible assets	5	-	80,000
		23,520	80,000
Current assets			
Trade and other receivables	6	621,638	70,720
Cash and cash equivalents		620,682	79,307
		1,242,320	150,027
Total assets		1,265,840	230,027
LIABILITIES			
Current liabilities			
Other payables and accruals	7	671,829	435,753
Amount due to directors	8	1,907	34,332
Current tax liabilities		170,245	16,755
		843,981	486,840
Total liabilities		843,981	486,840
Net current assets/(liabilities)		398,339	(336,813)
NET ASSETS/(LIABILITIES)		421,859	(256,813)
EQUITY			
Share capital	9	500,002	500,002
Accumulated losses		(78,143)	(756,815)
TOTAL EQUITY		421,859	(256,813)

The accompanying notes form an integral part of these financial statements.

EQUITIESTRACKER HOLDINGS BERHAD
(Company No.: 1280985-X)
(Incorporated in Malaysia)

COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

	Note	2017 RM	2016 RM
Revenue	10	3,128,361	1,673,454
Cost of sales		(935,641)	(725,177)
Gross profit		2,192,720	948,277
Other operating income	11	853	-
General and administrative expenses		(1,344,656)	(1,200,946)
Profit/(Loss) before tax	12	848,917	(252,669)
Tax expense	13	(170,245)	(16,755)
Net profit/(loss) for the financial year		678,672	(269,424)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the financial year		678,672	(269,424)
Profit/(Loss) for the financial year attributable to owners of the Company		678,672	(269,424)
Total comprehensive income/(loss) attributable to owners of the Company		678,672	(269,424)

The accompanying notes form an integral part of these financial statements.

COMBINED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

	----- Attributable to owners of the Company -----		
	Share capital RM	**Accumulated losses RM**	**Total equity RM**
At 1 January 2016	500,002	(487,391)	12,611
Total comprehensive loss for the financial year	-	(269,424)	(269,424)
At 31 December 2016 and 1 January 2017	500,002	(756,815)	(256,813)
Total comprehensive income for the financial year	-	678,672	678,672
At 31 December 2017	500,002	(78,143)	421,859

The accompanying notes form an integral part of these financial statements.

COMBINED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

	Note	2017 RM	2016 RM
Cash flows from operating activities			
Profit/(Loss) before tax		848,917	(252,669)
Adjustments for :			
Depreciation of property, plant and equipment	4	5,880	-
Amortisation of intangible assets	5	80,000	80,000
Operating profit before working capital changes		934,797	(172,669)
Changes in:			
Receivables		(550,918)	39,531
Payables		236,076	395,953
Net cash from operating activities		619,955	262,815
Cash flows from investing activity			
Purchase of property, plant and equipment	4	(29,400)	-
Net cash used in investing activity		(29,400)	-
Cash flows from financing activity			
Repayments to director		(49,180)	-
Net cash used in financing activity		(49,180)	-
Net increase in cash and cash equivalents		541,375	262,815
Cash and cash equivalents at beginning of financial year		79,307	(183,508)
Cash and cash equivalents at end of financial year		620,682	79,307
Cash and cash equivalents consist of:-			
Cash at bank		620,682	79,307

The accompanying notes form an integral part of these financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

This combined financial statements deals solely with the audited combined financial statements of Equitiestracker Holdings Berhad and its subsidiary companies for the financial year ended 31 December 2017 and financial year ended 31 December 2016. The financial information of Equitiestracker Holdings Berhad ("the Company") has not been presented in these combined financial statements because it was only incorporated on 22 May 2018 to facilitate the Proposed Listing on the LEAP Market of Bursa Securities.

The combined financial statements consist of the financial statements of combining entities as disclosed in Note 18 to the combined financial statement, which were under common control throughout the reporting years by virtue of common controlling shareholder.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting periods.

The financial information as presented in the combined financial statements do not correspond to the combined financial statements of the Company, as the combined financial statements reflect business combinations under common control for the purpose of the Proposed Listing. Consequently, the financial positions, results of operations and cash flows of the combining entities during the reporting periods.

1. General Information

Equitiestracker Holdings Berhad was incorporated on 22 May 2018 under the Companies Act, 2016 as a private limited company with an issued share capital of RM2 comprising 2 ordinary shares.

The registered office of the Company is located at No. 18-2, Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur.

The principal place of business of the Company is located at Suite 662, Block A1, Leisure Commerce Square 9, Jalan PJS 8/9, 46150 Petaling Jaya.

The principal activities of the Company is that of providing equity investment research platforms and investment training services. The principal activities of the combining entities are disclosed in Note 18. There have been no significant changes in the nature of these activities during the financial year ended 31 December 2017 and financial year ended 31 December 2016.

2. Basic of Preparation of the Financial Statements

The financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

2. Basic of Preparation of the Financial Statements (Cont'd)

The accounting policies adopted are consistent with those of the previous financial years except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial years beginning as at 1 January 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and of the Company.

2.1 Statement of Compliance

Standards issued but not yet effective

The Group have not applied the following new MRFSs, IC Interpretations and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 1 *First time Adoption of Malaysian Financial Reporting Standards*		1 January 2018
Amendments to MFRS 128 *Investments in Associates and Joint Ventures*		1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and measurement of Share-based payment Transactions	1 January 2018
Clarifications to MFRS 15	*Revenue from Contracts with Customers*	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

2. Basic of Preparation of the Financial Statements (Cont'd)

2.1 Statement of Compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group intends to adopt the above MFRSs, IC interpretations and amendments to MFRSs when they become effective.

The initial application of the abovementioned MFRSs, IC Interpretations and amendments to MFRSs are not expected to have any significant impacts on the combined financial statements of the Group except as mentioned below:

MFRS 9 *Financial Instruments* (IFRS 9 issued by International Accounting Standards Board ("IASB") in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement.*

MFRS 15, Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) Identify the contracts with a customer;
(ii) Identify the performance obligation in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations in the contract; and
(v) Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

2. Basic of Preparation of the Financial Statements (Cont'd)

2.1 Statement of Compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 15, Revenue from Contracts with Customers (cont'd)

The followings MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

1. MFRS 111, Construction Contracts
2. MFRS 118, Revenue
3. IC Interpretation 13, *Customer Loyalty Programmes*
4. IC Interpretation 15, *Agreements for the Construction of Real Estate*
5. IC Interpretation 18, *Transfers of Assets from Customers*
6. IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services*.

The management expects the financial impact of adopting MFRS 15 will not be material on the Group's financial performance for the financial year ended 31 December 2017.

MFRS 16, *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee s reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for lease that are classified as operating leases under the predecessor standard, MFRS 117.

The management is currently assessing the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

2. Basic of Preparation of the Financial Statements (Cont'd)

2.2 Basis of measurement

The financial statements, which are presented in Ringgit Malaysia ("RM"), have been prepared under the historical cost except as disclosed in the accounting policies below.

2.3 Foreign currency

Items included in the financial statements of each of the combining entities are measured suing the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial currency of the Group is Ringgit Malaysia ("RM"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is the functional and presentation currency of the principal operating combining entities. All financial information is presented in RM except when otherwise stated.

2.4 Significant accounting judgements, estimates and assumption

The preparation of the combined financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the combined financial statements other than those disclosed in the following notes:

Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. The directors estimate the useful lives of these property, plant and equipment to be within 5 years. 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 property, plant and equipment is disclosed in Note 4.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges may be revised.

3. Significant Accounting Policies

3.1 Basis of combination

The combined financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are combined from the date of acquisition, being the date on which the Group obtains control, and continue to be combined until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises the any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

3. Significant Accounting Policies (Cont'd)

3.2 Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition-related costs are recognised as expense in the year in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

The Group elects for each individual business combinations, whether non-controlling interest in the acquire (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another MFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Non-controlling interests at reporting date, being the equity in a subsidiary not attributable directly or indirectly to the owners of the Company, are presented in the combined statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the combined statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3. Significant Accounting Policies (Cont'd)

3.3 Foreign currency translation

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange difference arising on the settlement of monetary items or on translating monetary item at the reporting date are recognised in profit or loss.

(ii) Combined financial statements

For combined purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3.4 Property, plant and equipment

(i) Measurement basis

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

3. **Significant Accounting Policies (Cont'd)**

3.4 **Property, plant and equipment (Cont'd)**

(i) Measurement basis (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(ii) Depreciation

Freehold land is not depreciated. Depreciation of other property, plant and equipment is calculated to write off the cost on a straight line basis to their residual values over their expected economic useful lives at the following annual rates:

Furniture and fittings	20%

The residual values, useful lives and depreciation method are reviewed at each to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

3.5 **Intangible assets**

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

3. **Significant Accounting Policies (Cont'd)**

3.5 **Intangible assets (Cont'd)**

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying amount may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

i. Computer software development costs

Costs associated with developing computer software programmes that are considered to be capable of generating future economic benefits are capitalised in the financial statements, otherwise they are written off in profit or loss. Cost represents staff costs directly incurred in the development of the computer software.

Computer software development costs recognised as assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Computer software development costs, which are regarded to have finite useful lives are amortised on a straight line basis over their estimated useful lives or 5 years, whichever is shorter. The carrying amount of these costs is reviewed annually and will be written down when its value had deteriorated or when it ceases to have any economic useful life. The policy for the recognition and measurement of impairment loss is in accordance with Note 3.6.

3.6 **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3. **Significant Accounting Policies (Cont'd)**

3.6 **Impairment of non-financial assets (cont'd)**

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase to its recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.7 **Financial assets**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

<u>Subsequent measurement</u>

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

3. **Significant Accounting Policies (Cont'd)**

3.7 **Financial assets (Cont'd)**

(i) Financial assets at fair value through profit or loss (cont'd)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured to fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity instruments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

3. Significant Accounting Policies (Cont'd)

3.7 Financial assets (Cont'd)

(iv) Available-for-sale financial assets (cont'd)

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way of purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date. i.e. the date that the Group commits to purchase or sale 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.

3.8 Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

3. Significant Accounting Policies (Cont'd)

3.8 Financial liabilities (Cont'd)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a 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.

3.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.10 Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

3. **Significant Accounting Policies (Cont'd)**

3.10 **Impairment of financial assets (cont'd)**

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include: (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. Significant is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

3. Significant Accounting Policies (Cont'd)

3.10 Impairment of financial assets (Cont'd)

If an available-for-sale financial asset is impaired, an amount comprising the n its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on the investment previously recognised in profit and loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise bank balances which are subject to insignificant risk of changes in value.

3.12 Share capital

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends to shareholders are recognised in equity in the period in which they are declared.

3. **Significant Accounting Policies (Cont'd)**

3.13 **Leases**

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3.14 **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(i) Rendering of services

Revenue from online information services are recognised on an accrual basis when services are rendered.

3.15 **Employee benefits**

(i) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) Post-employment benefits

The Company and its Malaysian subsidiaries pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

3. **Significant Accounting Policies (Cont'd)**

3.15 **Employee benefits (Cont'd)**

(ii) Post-employment benefits (Cont'd)

The legal or constructive obligation of the Company and its Malaysian subsidiaries is limited to the amount that they required to contribute to the EPF. The contributions to EPF are charged to profit or loss in the period to which they relate.

Some of the Company's foreign subsidiaries make contributions to their respective countries' statutory pension schemes which are recognised as an expense in profit or loss as incurred which is also a defined contribution plan.

(iii) Termination benefits

The Group recognises termination benefits payable as a liability and an expense when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan without a realistic possibility of withdrawal.

3.16 **Taxes**

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

(i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

3. Significant Accounting Policies (Cont'd)

3.16 Taxes (Cont'd)

(ii) Deferred tax (cont'd)

Deferred tax liabilities are recognised for all temporary differences, except:

(ii) In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

(i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3. **Significant Accounting Policies (Cont'd)**

3.16 **Taxes (Cont'd)**

(ii) Deferred tax (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(iii) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

(i) Where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of good and services tax included.

3.17 **Fair value of assets and liabilities**

(i) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant.

4. Property, plant and equipment

	Furniture and fittings
Cost	
At 1 January 2016, 31 December 2016, and 1 January 2017	-
Additions	29,400
At 31 December 2017	29,400
Accumulated depreciation	
At 1 January 2016, 31 December 2016, and 1 January 2017	-
Charge for the financial year	5,880
At 31 December 2017	5,880
Net carrying amount	
At 31 December 2016	-
At 31 December 2017	23,520

5. Intangible assets

	Computer software development costs RM
Cost	
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	400,000
Accumulated amortisation	
At 1 January 2016	240,000
Amortisation for the financial year	80,000
At 31 December 2016	320,000
Amortisation for the financial year	80,000
At 31 December 2017	400,000
Carrying amount	
At 31 December 2016	80,000
At 31 December 2017	-

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

6. Trade and other receivables

	2017 RM	2016 RM
Trade receivables	619,638	68,720
Rental deposits	2,000	2,000
	621,638	70,720

Trade receivables that are individually determined to be impaired relate to debtors that are more than 360 days past due and there was no repayment arrangement. These receivables are not secured by any collateral or credit enhancement. At the reporting date, the Directors believe that the allowance for doubtful debts was adequately provided.

Trade receivables comprise amounts receivable from sales of equity investment research data to customers. All trade receivables are granted credit terms of between 30 and 90 days.

An aging analysis of trade receivables as at the reporting date is as follows:

	2017 RM	2016 RM
Current	506,495	12,190
> 31 to 90 days	25,440	-
> 91 to 180 days	22,110	17,013
> 181 days	65,593	39,517
	619,638	68,720

7. Other payables and accruals

	2017 RM	2016 RM
Other payables	57,380	16,691
Deferred revenue	507,789	390,782
Accruals	106,660	28,280
	671,829	435,753

8. Amount due to directors

The amount due to directors is unsecured, interest-free and repayable on demand.

9. Share capital

	2017 Number of shares	2017 RM	2016 Number of shares	2016 RM
Ordinary shares				
Issued and fully paid	5,000,002	500,002	5,000,002	500,002

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

10. Revenue

	2017 RM	2016 RM
Data licensing and software	879,513	592,112
Education	2,241,500	1,039,616
Others	7,348	41,726
	3,128,361	1,673,454

11. Other operating income

	2017 RM	2016 RM
Interest income	853	-

12. Profit/(Loss) before tax

	2017 RM	2016 RM
Amortisation of intangible assets	-	80,000
Auditor's remuneration	13,000	7,000
Depreciation of property, plant and equipment	5,880	-
Incorporation fee	2,430	-
Rental of equipment	31,584	6,820
Rental of premises	95,000	109,124

13. Tax expense

	2017 RM	2016 RM
Income tax		
- Current	187,000	16,755
- Overprovision in prior year	(16,755)	-
	170,245	16,755

The numerical reconciliations between the tax expense and the product of accounting results multiplied by the applicable tax rates are as follows:

	2017 RM	2016 RM
Profit/(Loss) before tax	848,917	(252,669)
Income tax calculated at tax rate of 20% (2016 : 24%)	203,740	(60,641)
Tax effect of:		
Non-deductible expenses	29,503	1,340
Differential tax rate for:		
- small & medium companies in Malaysia	(48,600)	(4,506)
Deferred tax (liabilities)/assets not recognised during the financial year	(14,398)	80,562
	170,245	16,755

14. Earnings per ordinary share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the number of ordinary shares of the Company of the Company as at the end of the reporting period.

	2017 RM	2016 RM
Profit/(Loss) for the financial year attributabe to owners of the Company	678,672	(269,424)
Ordinary shares at the end of the reporting period	500,002	500,002
Basic earnings per ordinary share (sen)	13.57	(5.39)

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016**

14. Earnings per ordinary share (cont'd)

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

15. Related party disclosures

(a) Compensation of key management personnel

The directors of the Group and of the Company are considered as key management personnel.

Key management personnel compensation payable to directors of the Group during the financial period is as follows:

	2017 RM	2016 RM
Directors remuneration		
Short-term employee benefits	169,300	133,800
Post-employment benefits		
- defined contribution plan	13,546	11,386
Total directors remuneration	182,846	145,186

(b) Related parties transaction

Related parties transaction have been enter into the normal course of business under negotiated terms.In addition to the related party balances as disclosed elsewhere in the combined financial statements, the significant related party transactions of the combining entities during the report periods as follows:

	2017 RM	2016 RM
Transaction with directors and company in which certain director of combining entities have substantial financial interests		
Sale	-	37,500
Rental of premise	60,000	86,124

16. Financial instruments

(a) Classification of financial instruments

The Group and the Company have classified its financial assets and liabilities in the following categories:

	2017	2016
Financial assets:	**RM**	**RM**
Loans and receivables		
Trade and other receivables	619,638	68,720
Cash and bank balances	620,682	79,307
	1,240,320	148,027
Financial liabilities:		
Measured at amortised cost		
Other payables	57,380	16,691
Deferred revenue	507,789	390,782
Amount due to directors	1,907	34,332
	567,076	441,805

All other financial instruments are carried at amounts not materially different from their fair values as at 31 December 2017 and 2016.

(b) Financial risk management objectives and policies

The Group's operating, investing and financing activities are exposed to credit risk, interest rate risk, market risk (foreign currency risk) and liquidity risk. The Group's risk management objectives and policies are to minimise its exposure to foreign currency exchange rates and future cash flow risk, accept reasonable level of price risk and credit risk that commensurate with the expected returns of the underlying operations and activities and minimise liquidity risk by proper cash flow planning, management and control.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instrument should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

16. Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

Credit risk concentration profile

At reporting date, the Group did not have significant exposure to any individual customer or counter party or any major concentration of credit risk related to any financial assets.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash at banks that are neither past due nor impaired are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 6.

(ii) Interest rate risk

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

The Group's short term receivables and payables are not significantly exposed to interest rate risk.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's exposure to liquidity risk arises principally from its various payables, bank overdraft and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

16. Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Liquidity risk

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2017	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	>3 years RM
Other payables	57,380	4.95%	57,380	57,380	-	-
Deferred revenue	507,789	4.95%	507,789	507,789	-	-
	565,169		565,169	565,169	-	-

2016	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	>3 years RM
Other payables	16,691	4.95%	16,691	16,691	-	-
Deferred revenue	390,782	4.95%	390,782	390,782	-	-
	407,473		407,473	407,473	-	-

17. Fair value of assets and liabilities

(i) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant.

18. Combining entities

Details of combining entities are as follows:

Name of combining entities	**Country of incorporation**	**Effective interest** %	**Principal activities**
Equitiestracker International Sdn Bhd	Malaysia	100	Provide data licensing and software, education courses and online registration services
ET Digital Insights Sdn Bhd (formerly known as EPDLRC Sdn Bhd)	Malaysia	100	Dormant. Intended activity is to provide software development services

19. Events after the end of the reporting period

Below are the significant events that the company enter into after end of the reporting period,

(i) Share sale agreement dated 26 December 2018 entered into by Equitiestracker Holdings Berhad to purchase the entire share capital of Equitiestracker International Sdn Bhd comprising 5,088,235 ordinary shares, which shall be paid by the way of issuance and allotment an aggregate of 203,529,600 new ordinary shares to the shareholders of Equitiestracker International Sdn Bhd. The share sale agreement has been completed in accordance with its terms on 28 December 2018.

(ii) Share sale agreement dated 30 November 2018 entered into by Equitiestracker Holdings Berhad to purchase the entire share capital of ET Digital Insights Sdn Bhd of comprising 2 ordinary shares for a cash consideration of RM2.00 from Equitiestracker International Sdn Bhd, being the shareholder of ET Digital Insights Sdn Bhd. The share sale agreement has been completed in accordance with its terms on 24 December 2018.

(iii) Share sale agreement dated 30 November 2018 entered into by Equitiestracker Holdings Berhad to purchase the entire share capital of ET Smart Wealth Sdn Bhd for a cash consideration of RM1.00 from Alvin Vong, being the shareholder of ET Smart Wealth Sdn Bhd. The share sale agreement has been completed in accordance with its terms on 24 December 2018.

(iv) Deed of assignment of copyright dated 13 November 2018 entered into between Ng Bak Lee and Equitiestracker International Sdn Bhd for Ng Bak Lee to assign, sell and transfer the copyright in relation to translations made from English to Mandarin in relation to Equitiestracker International Sdn Bhd's course material to Equitiestracker International Sdn Bhd for the purchase consideration of RM600,000 which shall be wholly satisfied by issuance and allotment of 88,235 new ordinary shares in ET International to Ng Bak Lee. The deed of assignment has been completed on 3 December 2018.

(v) Sale of business agreement dated 13 November 2018 entered into between Ng Bak Lee, Ng Swee Kiang and Ng Yi Tao to sell the business of Equities Training & Research Centre to ET Mandarin Academy Sdn Bhd for the cash consideration of RM24,500. The sale of business agreement has been completed in accordance with its terms on 13 November 2018.

20. Date of authorisation for issue

The combined financial statements for the financial year ended 31 December 2017 and financial year ended 31 December 2016 were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 28 December 2018.

EQUITIESTRACKER HOLDINGS BERHAD
(Company No :1280985-X)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying combined financial statements set out on pages 4 to 37 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2017 and 31 December 2016, and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors dated 28 DEC 2018

ALVIN VONG CHEN WENG	**ANDREW VONG CHEN KWONG**

APPENDIX II

Audited Combined Financial Statements for the Financial Period Ended 30 June 2018

COMPANY NO.	
1280985	X

EQUITIESTRACKER HOLDINGS BERHAD

(Incorporated in Malaysia)

COMBINED FINANCIAL STATEMENTS

FOR

THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

CHENGCO PLT
(Formerly known as CHENG & CO)
CHARTERED ACCOUNTANTS
LLP0017004-LCA & AF - 0886

EQUITIESTRACKER HOLDINGS BERHAD
(Company No.: 1280985-X)
(Incorporated in Malaysia)

CONTENTS

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INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF EQUITIESTRACKER HOLDINGS BERHAD

(Company No.: 1280985-X)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE COMBINED FINANCIAL STATEMENTS

Opinion

We have audited the combined financial statements of Equitiestracker Holdings Berhad and its subsidiary companies ("the Group"). The combined financial statements comprise combined statements of financial position as at 30 June 2018 and 30 June 2017 of the Group, and combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial periods from 1 January 2018 to 30 June 2018, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages 4 to 36.

In our opinion, the accompanying combined financial statements give a true and fair view of the financial position of the Group as at 30 June 2018 and 30 June 2017, and of their financial performance and their cash flows for the financial periods from 1 January 2018 to 30 June 2018 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 Combined 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 Group 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

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

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the Group's 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 Group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF EQUITIESTRACKER HOLDINGS BERHAD

(Company No.: 1280985-X)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group 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 combined 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, 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 Group'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 Group'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 combined financial statements of the Group 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF EQUITIESTRACKER HOLDINGS BERHAD

(Company No.: 1280985-X)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Combined 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 Matter

This report is made solely to the Directors of the Company, as a body for inclusion in the information memorandum of Equitiestracker Holdings Berhad in connection with the proposed listing of and quotation for the enlarged issued share capital of Equitiestracker Holdings Berhad on the LEAP Market of Bursa Malaysia Securities Berhad. This report is given for the purposes of complying with the LEAP Market Listing Requirements issued by Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CHENGCO PLT
(Formerly known as Cheng & Co)
LLP0017004-LCA & AF: 0886
Chartered Accountants

YAP PENG BOON
02118/12/2020 J
Chartered Accountant

Kuala Lumpur,

Date: 28 December 2018

EQUITIESTRACKER HOLDINGS BERHAD
(Company No.: 1280985-X)
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	30.06.2018 RM	30.06.2017 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	188,110	-
Intangible assets	5	-	40,000
		188,110	40,000
Current assets			
Trade and other receivables	6	1,500,644	363,033
Cash and cash equivalents		660,634	355,546
		2,161,278	718,579
Total assets		2,349,388	758,579
LIABILITIES			
Current liabilities			
Other payables and accruals	7	484,278	752,071
Amount due to directors	8	564,283	21,907
Current tax liabilities		328,245	17,000
		1,376,806	790,978
Total liabilities		1,376,806	790,978
NET ASSETS/(LIABILITIES)		972,582	(32,399)
EQUITY			
Share capital	9	500,007	500,002
Retained earnings / (Accumulated losses)		472,575	(532,401)
TOTAL EQUITY		972,582	(32,399)

The accompanying notes form an integral part of these financial statements.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIODS FROM 1 JANUARY 2018 TO 30 JUNE 2018

	Note	1.1.2018 to 30.6.2018 RM	1.1.2017 to 30.6.2017 RM
Revenue	10	2,235,700	1,161,507
Cost of sales		(614,119)	(364,231)
Gross profit		1,621,581	797,276
Other operating income	11	320	-
General and administrative expenses		(913,183)	(555,863)
Profit before tax	12	708,718	241,413
Tax expense	13	(158,000)	(17,000)
Net profit for the financial period		550,718	224,413
Other comprehensive income		-	-
Total comprehensive income for the financial period		550,718	224,413
Profit attributable to owners of the Company		550,718	224,413
Total comprehensive income attributable to owners of the Company		550,718	224,413

The accompanying notes form an integral part of these financial statements.

EQUITIESTRACKER HOLDINGS BERHAD
(Company No.: 1280985-X)
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIODS FROM 1 JANUARY 2018 TO 30 JUNE 2018

	Attributable to owners of the Company		
	Share capital RM	**Retained earnings/ (Accumulated losses) RM**	**Total equity RM**
At 1 January 2018	500,007	(78,143)	421,864
Total comprehensive income for the financial period	-	550,718	550,718
At 30 June 2018	500,007	472,575	972,582
At 1 January 2017	500,002	(756,814)	(256,812)
Total comprehensive income for the financial period	-	224,413	224,413
At 30 June 2017	500,002	(532,401)	(32,399)

The accompanying notes form an integral part of these financial statements.

EQUITIESTRACKER HOLDINGS BERHAD
(Company No.: 1280985-X)
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIODS FROM 1 JANUARY 2018 TO 30 JUNE 2018

	Note	1.1.2018 to 30.6.2018 RM	1.1.2017 to 30.6.2017 RM
Cash flows from operating activities			
Profit before tax		708,718	241,413
Adjustments for :			
Depreciation of property, plant and equipment	4	21,555	-
Amortisation of intangible assets	5	-	40,000
Operating profit before working capital changes		730,273	281,413
Changes in:			
Receivables		(636,365)	(292,313)
Other assets		(242,641)	
Payables		(187,556)	299,564
Net cash (used in)/from operating activities		(336,289)	288,664
Cash flows from investing activities			
Acquisition of property, plant and equipment	4	(186,145)	-
Net cash inflow from acquisition of subsidiary		-	2
Net cash (used in)/from investing activities		(186,145)	2
Cash flows from financing activity			
Advances from directors		562,376	(12,425)
Net cash from/(used in) financing activity		562,376	(12,425)
Net increase in cash and cash equivalents		39,942	276,241
Cash and cash equivalents at beginning of financial period		620,692	79,305
Cash and cash equivalents at end of financial period		660,634	355,546
Cash and cash equivalents consist of:-			
Cash at bank		660,634	355,546

The accompanying notes form an integral part of these financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 AND 30 JUNE 2017

1. General Information

Equitiestracker Holdings Berhad was incorporated on 22 May 2018 under the requirements of the Companies Act, 2016 in Malaysia as a private limited liability company with an issued share capital of RM2 comprising of 2 ordinary shares.

The registered office of the Company is located at No. 18-2, Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur.

The principal place of business of the Company is located at Suite 662, Block A1, Leisure Commerce Square 9, Jalan PJS 8/9, 46150 Petaling Jaya.

The principal activities of the Company is that of providing equity investment research platforms and investment training services. The principal activities of the combining entities are disclosed in Note 16. There have been no significant changes in the nature of these activities during the financial period ended 30 June 2018 and 30 June 2017.

2. Basis of Preparation of the Financial Statements

The financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial years except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning as at 1 January 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group.

2.1 Statement of Compliance

Standards issued but not yet effective

The Group have not applied the following new MFRSs, IC Interpretations and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group:

	Effective dates for financial periods beginning on or after
Amendments to MFRS 1, First time Adoption of Malaysian *Financial Reporting Standards*	1 January 2018
Amendments to MFRS 128, Investments in Associates and Joint Ventures	1 January 2018

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 AND 30 JUNE 2017**

2. Basic of Preparation of the Financial Statements (Cont'd)

2.1 Statement of Compliance (cont'd)

Standards issued but not yet effective

The Group have not applied the following new MFRSs, IC Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group (cont'd):

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and measurement of Share-based payment Transactions	1 January 2018
Clarifications to MFRS 15	*Revenue from Contracts with Customers*	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt the above MFRSs, IC interpretations and amendments to MFRSs when they become effective.

The initial application of the abovementioned MFRSs, IC Interpretations and amendments to MFRSs are not expected to have any significant impacts on the combined financial statements of the Group except as mentioned below:

<u>MFRS 9 *Financial Instruments* (IFRS 9 issued by International Accounting Standards Board ("IASB") in July 2014)</u>

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement.*

2. Basic of Preparation of the Financial Statements (Cont'd)

2.1 Statement of Compliance

Standards issued but not yet effective

MFRS 15, Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) Identify the contracts with a customer;
(ii) Identify the performance obligation in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations in the contract; and
(v) Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The followings MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

1. MFRS 111, Construction Contracts
2. MFRS 118, Revenue
3. IC Interpretation 13, *Customer Loyalty Programmes*
4. IC Interpretation 15, *Agreements for the Construction of Real Estate*
5. IC Interpretation 18, *Transfers of Assets from Customers*
6. IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services.*

The management expects the financial impact of adopting MFRS 15 will not be material on the Group's financial performance for the financial period ended 30 June 2018.

2.2 Basis of measurement

The financial statements, which are presented in Ringgit Malaysia ("RM"), have been prepared under the historical cost except as disclosed in the accounting policies below.

2. Basic of Preparation of the Financial Statements (Cont'd)

2.3 Functional and Presentation currency

Items included in the financial statements of each of the combining entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial currency of the Group is Ringgit Malaysia ("RM"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is the functional and presentation currency of the principal operating combining entities. All financial information is presented in RM except when otherwise stated.

2.4 Significant accounting judgements, estimates and assumption

The preparation of the combined financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the combined financial statements other than those disclosed in the following notes:

Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. The directors estimate the useful lives of these property, plant and equipment to be within 2 to 5 years. 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 property, plant and equipment is disclosed in Note 4.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges may be revised.

Amortisation of Development Costs

The estimates for the residual values, useful lives and related amortisation charges for the development costs are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its development costs will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

3. Significant Accounting Policies

3.1 Basis of combination

The combined financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are combined from the date of acquisition, being the date on which the Company obtains control, and continue to be combined until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises the any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition-related costs are recognised as expense in the period in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

3. Significant Accounting Policies

3.1 Basis of combination (Cont'd)

The Group elects for each individual business combinations, whether non-controlling interest in the acquire (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another MFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Non-controlling interests at reporting date, being the equity in a subsidiary not attributable directly or indirectly to the owners of the Company, are presented in the combined statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the combined financial statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the period between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3.2 Foreign currency translation

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

3. Significant Accounting Policies (Cont'd)

3.2 Foreign currency translation (Cont'd)

(i) Transactions and balances (Cont'd)

Exchange difference arising on the settlement of monetary items or on translating monetary item at the reporting date are recognised in profit or loss.

(ii) Combined financial statements

For combined purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3.3 Property, plant and equipment

(i) Measurement basis

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the period in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(ii) Depreciation

Depreciation of property, plant and equipment is calculated to write off the cost on a straight line basis to their residual values over their expected economic useful lives at the following annual rates:

Furniture and fittings	20%
Computers	20%
Website	20%
Vehicles	20%

3. Significant Accounting Policies (Cont'd)

3.3 Property, plant and equipment (Cont'd)

(ii) Depreciation (Cont'd)

The residual values, useful lives and depreciation method are reviewed at each to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

3.4 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial period end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying amount may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

i. Computer software development costs

Costs associated with developing computer software programmes that are considered to be capable of generating future economic benefits are capitalised in the financial statements, otherwise they are written off in profit or loss. Cost represents staff costs directly incurred in the development of the computer software.

3. Significant Accounting Policies (Cont'd)

3.4 Intangible assets (Cont'd)

(i) Computer software development costs (Cont'd)

Computer software development costs recognised as assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Computer software development costs, which are regarded to have finite useful lives are amortised on a straight line basis over their estimated useful lives or 5 years, whichever is shorter. The carrying amount of these costs is reviewed annually and will be written down when its value had deteriorated or when it ceases to have any economic useful life. The policy for the recognition and measurement of impairment loss is in accordance with Note 3.9.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

3.5 Impairment of non-financial assets

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase to its recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.6 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

3. Significant Accounting Policies (Cont'd)

3.6 Financial assets (Cont'd)

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured to fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

3. Significant Accounting Policies (Cont'd)

3.6 Financial assets (Cont'd)

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity instruments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way of purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date. i.e. the date that the Group commits to purchase or sale 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.

3. Significant Accounting Policies (Cont'd)

3.7 Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(ii) Other liabilities measured at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a 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.

3. Significant Accounting Policies (Cont'd)

3.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.9 Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3. Significant Accounting Policies (Cont'd)

3.9 Impairment of financial assets (Cont'd)

Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include: (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. Significant is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the n its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on the investment previously recognised in profit and loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise bank balances which are subject to insignificant risk of changes in value.

3.11 Share capital

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends to shareholders are recognised in equity in the period in which they are declared.

3. Significant Accounting Policies (Cont'd)

3.12 Leases

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3.13 Deferred revenue

Deferred revenue represents training fee received in advanced from customers. The revenue is recognised in profit or loss on a time proportion basis over the training period.

3.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(i) Rendering of services

Revenue from online information services are recognised on an accrual basis when services are rendered.

3.15 Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

3. Significant Accounting Policies (Cont'd)

3.15 Employee benefits (Cont'd)

(ii) Post-employment benefits

The Company and its Malaysian subsidiaries pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiaries is limited to the amount that they required to contribute to the EPF. The contributions to EPF are charged to profit or loss in the period to which they relate.

(iii) Termination benefits

The Group recognises termination benefits payable as a liability and an expense when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan without a realistic possibility of withdrawal.

3.16 Taxes

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. Significant Accounting Policies (Cont'd)

3.16 Taxes (cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax liabilities are recognised for all temporary differences, except:

(i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

(i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

3. **Significant Accounting Policies (Cont'd)**

3.16 **Taxes (Cont'd)**

(iii) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

(i) Where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of good and services tax included.

3.17 **Fair value of assets and liabilities**

(i) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant.

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 AND 30 JUNE 2017

4. Property, plant and equipment

	Furniture and fittings RM	Computers RM	Website RM	Vehicles RM	Total RM
Cost					
At 1 January 2018	29,400	-	-	-	29,400
Additions	25,765	55,190	44,300	60,890	186,145
At 30 June 2018	55,165	55,190	44,300	60,890	215,545
Accumulated depreciation					
At 1 January 2018	5,880	-	-	-	5,880
Charge for the financial period	5,517	5,519	4,430	6,089	21,555
At 30 June 2018	11,397	5,519	4,430	6,089	27,435
Net book value					
At 30 June 2018	43,768	49,671	39,870	54,801	188,110
At 30 June 2017	-	-	-	-	-

5. Intangible assets

	Computer software development costs RM
Cost	
At 1 January 2018	400,000
Additions	-
At 30 June 2018	400,000
Accumulated amortisation	
At 1 January 2018	400,000
Charge for the financial period	-
At 30 June 2018	400,000
Net book value	
At 30 June 2018	-

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 AND 30 JUNE 2017

5. Intangible assets (cont'd)

	Computer software development costs RM
Cost	
At 1 January 2017	400,000
Additions	-
At 30 June 2017	400,000
Accumulated amortisation	
At 1 January 2017	320,000
Charge for the financial period	40,000
At 30 June 2017	360,000
Net book value	
At 30 June 2017	40,000

6. Trade and other receivables

	30.6.2018 RM	30.6.2017 RM
Trade receivables	1,256,003	361,033
Prepayment	242,641	-
Rental deposits	2,000	2,000
	1,500,644	363,033

Trade receivables that are individually determined to be impaired relate to debtors that are more than 180 days past due and there was no repayment arrangement. These receivables are not secured by any collateral or credit enhancement. At the reporting date, the Directors believe that the allowance for doubtful debts was adequately provided.

Trade receivables comprise amounts receivable from sales of equity investment research data to customers. All trade receivables are granted credit terms of between 30 and 90 days.

6. Trade and other receivables (cont'd)

An aging analysis of trade receivables as at the reporting date is as follows:

	30.6.2018 RM	30.6.2017 RM
Current	270,934	254,787
> 31 to 90 days	70,598	12,720
> 91 to 180 days	875,431	54,486
> 181 days	39,040	39,040
	1,256,003	361,033

7. Other payables and accruals

	30.6.2018 RM	30.6.2017 RM
Other payables	44,208	29,337
Deferred revenue	348,922	680,730
Accruals	91,148	42,004
	484,278	752,071

8. Amount due to directors

This amount is unsecured, non trade in nature, interest-free and repayable on demand.

9. Share capital

	30.6.2018		30.6.2017	
	Number of shares	RM	Number of shares	RM
Ordinary shares				
Issued and fully paid	5,000,007	500,007	5,000,002	500,002

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

10. Revenue

Revenue from equity investment research platforms and investment training services are recognised on an accrual basis when services are rendered.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 AND 30 JUNE 2017**

11. Other operating income

	1.1.2018 to 30.6.2018 RM	1.1.2017 to 30.6.2017 RM
Interest income	320	-

12. Profit before tax

	1.1.2018 to 30.6.2018 RM	1.1.2017 to 30.6.2017 RM
Amortisation of intangible assets	-	40,000
Incorporation fee	16,500	-
Depreciation of property, plant and equipment	21,555	-
Rental of equipment	12,501	7,665
Rental of premises	50,000	45,000

13. Tax expense

	1.1.2018 to 30.6.2018 RM	1.1.2017 to 30.6.2017 RM
Income tax		
- Current	158,000	17,000

13. Tax expense (cont'd)

The numerical reconciliations between the tax expense and the product of accounting results multiplied by the applicable tax rates are as follows:

	1.1.2018 to 30.6.2018 RM	**1.1.2017 to 30.6.2017 RM**
Profit before tax	708,718	241,413
Income tax calculated at tax rate of 18% - 24% (2017 : 18%)	140,092	43,454
Tax effect of:		
Non-deductible expenses	20,701	7,266
Deferred tax liabilities not recognised during the financial year	(2,793)	(33,720)
	158,000	17,000

14. Earnings per ordinary share

(a) Basic

Basic earnings per ordinary share for the financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the number of ordinary shares of the Company of the Company as at the end of the reporting period.

	1.1.2018 to 30.6.2018 RM	**1.1.2017 to 30.6.2017 RM**
Profit for the financial period attributable to owners of the Company	550,718	224,413
Ordinary shares at the end of reporting period	500,007	500,002
Basic earnings per ordinary share (sen)	11.01	4.49

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

15. Financial instruments

(a) Classification of financial instruments

The Group have classified their financial assets and liabilities in the following categories:

	30.6.2018 RM	30.6.2017 RM
Financial assets:		
Loans and receivables		
Trade and other receivables	1,498,644	361,033
Cash and cash equivalents	660,634	355,546
	2,159,278	716,579
Financial liabilities:		
Measured at amortised cost		
Other payables	135,356	71,341
Deferred revenue	348,922	680,730
Amount due to directors	564,283	21,907
	1,048,561	773,978

All other financial instruments are carried at amounts not materially different from their fair values as at 30 June 2018 and 2017.

(b) Financial risk management objectives and policies

The Group's operating, investing and financing activities are exposed to credit risk, interest rate risk, market risk (foreign currency risk) and liquidity risk. The Group's risk management objectives and policies are to minimise its exposure to foreign currency exchange rates and future cash flow risk, accept reasonable level of price risk and credit risk that commensurate with the expected returns of the underlying operations and activities and minimise liquidity risk by proper cash flow planning, management and control.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instrument should a counterparty default on its obligations.

The Group's exposure to credit risk arises primarily from trade receivables.

15. Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Credit risk concentration profile

At reporting date, the Group did not have significant exposure to any individual customer or counter party or any major concentration of credit risk related to any financial assets.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash at banks that are neither past due nor impaired are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 6.

(ii) Interest rate risk

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

The Group's short term receivables and payables are not significantly exposed to interest rate risk.

15. Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's exposure to liquidity risk arises principally from its various payables and amount due to directors.

The Group maintains a level of cash and cash equivalents deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

30.6.2018	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	>3 years RM
Other payables	135,356	4.95%	135,356	135,356	-	-
Deferred revenue	348,922	4.95%	348,922	348,922	-	-
Amount due to directors	564,283	4.95%	564,283	564,283	-	-
	1,048,561		1,048,561	1,048,561	-	-

30.6.2017	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	>3 years RM
Other payables	71,341	4.95%	71,341	71,341	-	-
Deferred revenue	680,730	4.95%	680,730	680,730	-	-
Amount due to directors	21,907	4.95%	21,907	21,907	-	-
	773,978		773,978	773,978	-	-

16. Fair value of assets and liabilities

(i) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant.

17. Related party disclosures

(a) Related parties transaction

Related parties transaction have been enter into the normal course of business under negotiated terms.In addition to the related party balances as disclosed elsewhere in the combined financial statements, the significant related party transactions of the combining entities during the report periods as follows:

	1.1.2018 to 30.6.2018 RM	1.1.2017 to 30.6.2017 RM
Transaction with directors and company in which certain director of combining entities have substantial financial interests		
Rental of premise	39,000	30,000

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 AND 30 JUNE 2017

18. Combining entities

Details of the combining entities are as follows:

Name of combining entities	Country of incorporation	Effective interest %	Principal activities
EquitiesTracker International Sdn Bhd	Malaysia	100	Provide data licensing and software, education courses and online registration services
ET Digital Insights Sdn Bhd (formerly known as EPDLRC Sdn Bhd)	Malaysia	100	Dormant. Intended activity is to provide software development services
ET Smart Wealth Sdn Bhd	Malaysia	100	Dormant. Intended activity is to provide software services
ET Mandarin Academy Sdn Bhd	Malaysia	51	Dormant. Intended activity is to provide investment training services

19. Events after the end of the reporting period

Below are the significant events that the company enter into after end of the reporting period,

(i) Share sale agreement dated 26 December 2018 entered into by Equitiestracker Holdings Berhad to purchase the entire share capital of Equitiestracker International Sdn Bhd comprising 5,088,235 ordinary shares, which shall be paid by the way of issuance and allotment an aggregate of 203,529,600 new ordinary shares to the shareholders of Equitiestracker International Sdn Bhd. The share sale agreement has been completed in accordance with its terms on 28 December 2018.

(ii) Share sale agreement dated 30 November 2018 entered into by Equitiestracker Holdings Berhad to purchase the entire share capital of ET Digital Insights Sdn Bhd of comprising 2 ordinary shares for a cash consideration of RM2.00 from Equitiestracker International Sdn Bhd, being the shareholder of ET Digital Insights Sdn Bhd. The share sale agreement has been completed in accordance with its terms on 24 December 2018.

(iii) Share sale agreement dated 30 November 2018 entered into by Equitiestracker Holdings Berhad to purchase the entire share capital of ET Smart Wealth Sdn Bhd for a cash consideration of RM1.00 from Alvin Vong, being the shareholder of ET Smart Wealth Sdn Bhd. The share sale agreement has been completed in accordance with its terms on 24 December 2018.

19. Events after the end of the reporting period (cont'd)

(iv) Deed of assignment of copyright dated 13 November 2018 entered into between Ng Bak Lee and Equitiestracker International Sdn Bhd for Ng Bak Lee to assign, sell and transfer the copyright in relation to translations made from English to Mandarin in relation to Equitiestracker International Sdn Bhd's course material to Equitiestracker International Sdn Bhd for the purchase consideration of RM600,000 which shall be wholly satisfied by issuance and allotment of 88,235 new ordinary shares in ET International to Ng Bak Lee. The deed of assignment has been completed on 3 December 2018.

(v) Sale of business agreement dated 13 November 2018 entered into between Ng Bak Lee, Ng Swee Kiang and Ng Yi Tao to sell the business of Equities Training & Research Centre to ET Mandarin Academy Sdn Bhd for the cash consideration of RM24,500. The sale of business agreement has been completed in accordance with its terms on 13 November 2018.

21. Date of authorisation for issue

The combined financial statements for the financial period ended 30 June 2018 and 30 June 2017 were authorized for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 28 December 2018.

EQUITIESTRACKER HOLDINGS BERHAD
(Company No.: 1280985-X)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying combined financial statements set out on pages 4 to 36 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 30 June 2018 and 30 June 2017, and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors dated 28 DEC 2018

ALVIN VONG CHEN WENG

ANDREW VONG CHEN KWONG