

# EquitiesTracker

**EQUITIESTRACKER HOLDINGS BERHAD**

(Company No. 1280985-X)

(Incorporated in Malaysia)

## **FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)**

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 SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY EQUITIESTRACKER HOLDINGS BERHAD (“ETH” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019<sup>(1)</sup>

	As at 30/06/2019 Unaudited RM'000	As at 31/12/2018 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	302	234
Intangible assets	570	600
Goodwill	273	273
<b>Total non-current assets</b>	<b>1,145</b>	<b>1,107</b>
<b>Current assets</b>		
Trade receivables	2,121	1,510
Other receivables, deposits and prepayments	734	414
Short term investment	2,000	-
Cash and bank balances	3,956	392
<b>Total current assets</b>	<b>8,811</b>	<b>2,316</b>
<b>Total assets</b>	<b>9,956</b>	<b>3,423</b>
<b>EQUITY</b>		
Share capital	9,175	2,035
Accumulated losses	(410)	(30)
Shareholders' fund	8,765	2,005
Non-controlling interest	(13)	21
<b>Total equity</b>	<b>8,752</b>	<b>2,026</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Other payables and accruals	712	607
Amount due to directors	37	454
Current tax liabilities	455	336
<b>Total current liabilities</b>	<b>1,204</b>	<b>1,397</b>
<b>Total liabilities</b>	<b>1,204</b>	<b>1,397</b>
<b>Total equity and liabilities</b>	<b>9,956</b>	<b>3,423</b>
<b>Net assets per share (sen)<sup>(2)</sup></b>	<b>3.556</b>	<b>0.985</b>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's number of issued ordinary shares of 245,529,600 ordinary shares as at 30 June 2019 and 203,529,600 ordinary shares as at 31 December 2018 respectively.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED ("FPE") 30 JUNE 2019<sup>(1)</sup>

	Individual 6 months ended		Cumulative 6 months ended	
	30/06/2019	30/06/2018 <sup>(2)</sup>	30/06/2019	30/06/2018 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	2,501	N/A	2,501	N/A
Cost of sales	(781)	N/A	(781)	N/A
<b>Gross profit</b>	<b>1,720</b>	<b>N/A</b>	<b>1,720</b>	<b>N/A</b>
General and administrative expenses	(1,419)	N/A	(1,419)	N/A
Listing expenses	(596)	N/A	(596)	N/A
<b>Loss before tax</b>	<b>(295)</b>	<b>N/A</b>	<b>(295)</b>	<b>N/A</b>
Tax expense	(119)	N/A	(119)	N/A
<b>Net loss for the financial period, representing total comprehensive loss for the financial period</b>	<b>(414)</b>	<b>N/A</b>	<b>(414)</b>	<b>N/A</b>
<b>Loss/total comprehensive loss attributable to equity holders of the parent</b>	<b>(380)</b>	<b>N/A</b>	<b>(380)</b>	<b>N/A</b>
<b>Non-controlling interest</b>	<b>(34)</b>	<b>N/A</b>	<b>(34)</b>	<b>N/A</b>
<b>Total</b>	<b>(414)</b>	<b>N/A</b>	<b>(414)</b>	<b>N/A</b>
<b>Loss per ordinary share ("LPS") (sen):</b>				
- Basic and diluted <sup>(3)</sup>	(0.16)	N/A	(0.16)	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report for the first half-year ended 30 June 2019 announced in compliance with the LEAP Market Listing Requirements of Bursa Securities ("Listing Requirements"). There are no comparative figures for the preceding year's first half-year interim financial report available.
- (3) LPS is calculated based on the Company's weighted average number of ordinary shares of 231,529,600 ordinary shares for the financial period.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FPE 30 JUNE 2019<sup>(1)(2)</sup>

	Share capital RM'000	Accumulated losses RM'000	Non-controlling interest RM'000	Total RM'000
<b>At 1 January 2019</b>	2,035	(30)	21	2,026
<b>Total comprehensive loss for the financial period</b>				
Loss for the financial period	-	(380)	(34)	(414)
<b>Total</b>	<b>2,035</b>	<b>(410)</b>	<b>(13)</b>	<b>1,612</b>
<b>Transaction with owners, recognised directly in equity</b>				
Issuance of shares	7,140	-	-	7,140
<b>Total</b>	<b>9,175</b>	<b>-</b>	<b>-</b>	<b>9,175</b>
<b>At 30 June 2019</b>	<b>9,175</b>	<b>(410)</b>	<b>(13)</b>	<b>8,752</b>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report for the first half-year ended 30 June 2019 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year's first half-year interim financial report available.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30 JUNE 2019** <sup>(1)(2)</sup>

	6 months ended	
	30/06/2019 RM'000	30/06/2018 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(295)	N/A
Adjustments for:		
Depreciation of plant and equipment	35	N/A
Amortisation of intangible assets	30	N/A
Operating loss before working capital changes	(230)	N/A
Changes in:		
Receivables	(931)	N/A
Payables	105	N/A
Net cash used in operating activities	(1,056)	N/A
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(102)	N/A
Investment in short term investments	(2,000)	N/A
Net cash used in investing activities	(2,102)	N/A
<b>Cash flows from financing activities</b>		
Repayment to director	(418)	N/A
Issuance of shares	7,140	N/A
Net cash from financing activities	6,722	N/A
Net increase in cash and cash equivalents	3,564	N/A
Cash and cash equivalents at beginning of the financial period	392	N/A
<b>Cash and cash equivalents at end of the financial period</b>	<b>3,956</b>	<b>N/A</b>
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	3,956	N/A

**Notes:**

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statement for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *This is the first interim financial report for the first half-year ended 30 June 2019 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year's first half-year interim financial report available.*

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019**

**A1. BASIS OF PREPARATION**

ETH was incorporated in Malaysia under the Companies Act, 2016 on 22 May 2018 as a public limited company.

During the 4th quarter of financial year 2018, ETH has completed the acquisition of 100% equity interest of 3 companies, namely Equitistracker International Sdn Bhd (“ETI”), ET Smart Wealth Sdn Bhd, and ET Digital Insights Sdn Bhd for a total consideration of RM2,035,297.

Along with the acquisition, ET Mandarin Academy Sdn Bhd (“ETMA”), a 51 % owned subsidiary of ETI became part of the group.

The interim financial statements of ETH and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting.

This is the interim financial report on the consolidated results for the 1st half-year ended 30 June 2019 announced by the Company in compliance with the LEAP Market Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

**A2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Audited Financial Statements for the financial year ended 31 December 2018 except the adoption of the following standards and amendments to standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3	Business Combination (Annual Improvements 2015-2017 Cycle)
Amendments to MFRS 11	Joint Arrangement (Annual Improvements 2015-2017 Cycle)
Amendments to MFRS 112	Income Taxes (Annual Improvements 2015-2017 Cycle)
Amendments to MFRS 123	Borrowing Costs Eligible for Capitalisation (Annual Improvements 2015-2017 Cycle)
IC Interpretation 23	Uncertainty over Income Tax Treatments

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)**

**A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)**

The adoption of these new MFRSs, amendments, annual improvements and Issue Committees (“IC”) interpretations did not have any material impact on the interim financial report of the Group.

**MFRSs, Amendments to MFRSs and IC Interpretations that have been issued but are not yet effective**

The Group has not adopted the following MFRSs, amendments and IC Interpretations that have been issued but are not yet effective:

<u>MFRSs/Amendments to MFRSs/IC Interpretations</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 2: Share Based Payments	1 January 2020
Amendments to MFRS 3: Business Combinations	1 January 2020
Amendments to MFRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14: Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134: Interim Financial Reporting	1 January 2020
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138: Intangible Assets	1 January 2020
Amendments to IC Interpretation 12: Service Concession Agreements	1 January 2020
Amendments to IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22: Foreign Currency Transactions and Advance Considerations	1 January 2020
Amendments to IC Interpretation 132: Intangible Assets – Web Site Costs	1 January 2020
Amendments to MFRS 17: Insurance Contracts	1 January 2021

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)**

**A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)**

**MFRSs, Amendments to MFRSs and IC Interpretations that have been issued but are not yet effective (cont'd)**

**MFRSs/Amendments to MFRSs/IC Interpretations**

Amendments to MFRS 10: Consolidated Financial Statements –  
Sale or Contribution of Assets between an Investor and its  
Associate or Joint Venture

**Effective for annual periods  
beginning on or after**

To be announced

Amendments to MFRS 128: Investments in Associates and Joint  
Ventures - Sale or Contribution of Assets between an Investor and  
its Associate or Joint Venture

To be announced

The Group will adopt the above new MFRSs, amendments and IC interpretations when they become effective in the respective financial periods. The adoption of these standards and amendments that have been issued but are not yet effective are not expected to have a material impact to the financial statements of the Group.

**A3. SEASONAL AND CYCLICAL FACTORS**

The Group did not experience any material seasonality or cyclical effects in its business operations for the current financial period and financial year-to-date.

**A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period and financial year-to-date under review.

**A5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates in the current financial period and financial year-to-date under review.

**A6. DEBT AND EQUITY SECURITIES**

Save as disclosed below, there was no other material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the current financial period:

On 1 March 2019, 42,000,000 new ordinary shares of the Company were issued pursuant to the excluded issue at an issue price of RM0.17 per ordinary share to sophisticated investors within the meanings of Section 230 of the Capital Markets and Services Act 2007.

Subsequently, on 7 March 2019, the Company's entire enlarged issued capital of RM9,175,296 comprising 245,529,600 ordinary shares were listed on the LEAP Market of Bursa Securities.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)**

**A7. SEGMENTAL INFORMATION**

The Group's interim financial report prepared based on the consolidated basis for the FPE 30 June 2018 did not capture the performance of the newly acquired subsidiaries and therefore, showed nullified figures in the Interim Statements of Profit or Loss and Other Comprehensive Income.

For ease of reference, the Group is disclosing the segmental revenue information based on the Combined Financial Statements basis for the FPE 30 June 2018 and Consolidated Financial Statements basis for the FPE 30 June 2019 as follows:

	Individual 6 months ended				Cumulative 6 months ended			
	Unaudited		Audited		Unaudited		Audited	
	30/06/2019		30/06/2018		30/06/2019		30/06/2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Equity investment research platforms</b>								
- Corporate	262	10.5	228	10.2	262	10.5	228	10.2
- Retail	310	12.4	235	10.5	310	12.4	235	10.5
	572	22.9	463	20.7	572	22.9	463	20.7
<b>Investment training services</b>								
- Corporate	746	29.8	841	37.6	746	29.8	841	37.6
- Retail	1,181	47.2	930	41.6	1,181	47.2	930	41.6
	1,927	77.0	1,771	79.2	1,927	77.0	1,771	79.2
Others	2	0.1	2	0.1	2	0.1	2	0.1
<b>Total</b>	<b>2,501</b>	<b>100.0</b>	<b>2,236</b>	<b>100.0</b>	<b>2,501</b>	<b>100.0</b>	<b>2,236</b>	<b>100.0</b>

**A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL PERIOD**

There were no material events subsequent to the end of the current financial period.

**A9. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the current financial period and financial year-to-date.

**A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There are no contingent assets and contingent liabilities as at the date of this interim financial report.

**A11. CAPITAL COMMITMENTS**

There were no material capital commitments in respect of property, plant and equipment as at the end of the current financial period.

**B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. REVIEW OF PERFORMANCE**

The Group's interim financial report for the FPE 30 June 2018 prepared based on consolidated basis will not capture the performance of the newly acquired subsidiaries and therefore showing a nullified figure on the Interim Statements of Profit or Loss and Other Comprehensive Income as explained in Note A7 above.

For ease of reference, the Group is disclosing its performance based on the Combined Financial Statements basis for the FPE 30 June 2018 and Consolidated Financial Statements basis for the FPE 30 June 2019 as follows:

	Individual 6 months ended		Cumulative 6 months ended	
	Unaudited	Audited	Unaudited	Audited
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	2,501	2,236	2,501	2,236
Gross profit	1,720	1,622	1,720	1,622
(Loss)/Profit before tax	(295)	709	(295)	709

The Group's revenue from equity investment research platforms recorded an increase of RM0.11 million or approximately 23.5% to RM0.57 million in the FPE 30 June 2019 as compared to the previous year's financial period mainly attributable to higher subscription by retail clients due to commencement of business operations of one its subsidiaries, ETMA and increased awareness of the Group's courses through digital marketing initiatives.

The Group's revenue derived from investment training services increased by RM0.16 million or approximately 8.8% to RM1.93 million in the FPE 30 June 2019 as compared to the previous year's financial period mainly attributable to higher contribution from retail clients due to commencement of business operations of ETMA and increased awareness of the Group's courses through digital marketing initiatives.

The Group's gross profit increased by RM0.10 million or approximately 6.0% to RM1.72 million in the FPE 30 June 2019 as compared to the previous year's financial period due to the increase in retail sales as mentioned above.

The Group's profit before tax decreased by RM1.00 million to a loss of RM0.30 million in the FPE 30 June 2019 mainly due to listing related expenses amounting to approximately RM0.60 million as compared to RM0.15 million in the FPE 30 Jun 2018 and commencement of business operations of ETMA.

**B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS (CONT'D)**

**B2. COMMENTARY ON PROSPECTS**

As disclosed in the Company's Information Memorandum dated 28 December 2018, the Group has in place a series of future plans and strategies to further expand its business which are focused in the following areas:

(i) Enhancement of its existing equity investment research platforms

The Group embarked on its first phase of enhancements to its platforms with the intent of reducing the time for its clients to gain insights from analytical tools in its Proprietary Equity Research Platforms and is making good progress with backend updates.

(ii) Upgrading of its back-end systems to accommodate future business expansion

a) The Group has commenced work to convert its existing back-end systems to Cloud-native applications. The back-end systems are currently operating on both on-premise and cloud-based systems.

b) The Group believes that operating on Cloud-native applications will ease its business expansion as it will facilitate the sharing of information and workflow efficiencies, while ensuring proper data backup for business continuity.

(iii) Expand its presence in the investment training services industry in Malaysia

a) Since January 2019 the Group has embarked on its online digital marketing initiatives by creating a new department currently staffed by 4 full time employees focusing on marketing its products digitally.

b) The Group is also currently in the midst of moving its education premises in Klang Valley which is expected to enhance its delivery of customer experience. Whereas for Penang, as the Group has arrangements with venue providers (i.e. hotels) that are charging economically feasible rates, the Board of Directors of the Company ("**Board**") is of the opinion that there is no urgency to relocate to new education premises.

Barring any unforeseen circumstances, the Board is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 December 2019 will remain favourable.

**B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**C OTHER INFORMATION**

**C1. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals announced but pending completion as at the date of this report.

**C2. UTILISATION OF PROCEEDS**

The status of the utilisation of the gross proceeds arising from the excluded issue amounting to RM7.14 million are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation <sup>(1)</sup> RM'000	Deviation RM'000	Balance RM'000	Estimated timeframe for utilisation upon listing
Information technology	4,000	229	-	3,771	Within 48 months
Education premises	1,000	-	-	1,000	Within 24 months
Marketing	500	53	-	447	Within 24 months
Working capital	640	601	(39)	-	Within 24 months
Estimated listing expenses	1,000	1,039	39 <sup>(2)</sup>	-	Immediate
<b>Total</b>	<b>7,140</b>	<b>1,922</b>	<b>-</b>	<b>5,218</b>	

Notes:

(1) Utilisation of proceeds as at 30 June 2019.

(2) The shortfall of the amount allocated for listing expenses was reallocated from the amount earmarked for working capital.

**C3. MATERIAL LITIGATION**

There are no material litigations pending as at the date of this report.

**C4. DIVIDENDS**

The Board does not recommend any dividend for the current FPE 30 June 2019.