

# EquitiesTracker

**EQUITISTRACKER HOLDINGS BERHAD**

(Registration No. 201801018969 (1280985-X))

(Incorporated in Malaysia)

## **FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**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 EQUITISTRACKER 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 2021<sup>(1)</sup>**

	As at 30/06/2021 Unaudited RM'000	As at 31/12/2020 Audited RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Plant and equipment	1,127	1,156
Right-of-use assets	308	424
Intangible assets	450	480
<b>Total non-current assets</b>	<b>1,885</b>	<b>2,060</b>
<b>Current assets</b>		
Trade receivables	266	585
Other receivables, deposits and prepayments	155	339
Short term investment	3,144	3,116
Cash and bank balances	1,324	960
<b>Total current assets</b>	<b>4,889</b>	<b>5,000</b>
<b>Total assets</b>	<b>6,774</b>	<b>7,060</b>
<b><u>EQUITY</u></b>		
Share capital	9,175	9,175
Accumulated losses	(3,365)	(3,418)
Shareholders' fund	5,810	5,757
Non-controlling interest	(75)	25
<b>Total equity</b>	<b>5,735</b>	<b>5,782</b>
<b><u>LIABILITIES</u></b>		
<b>Non-current liabilities</b>		
Lease liabilities	84	206
	<b>84</b>	<b>206</b>
<b>Current liabilities</b>		
Other payables and accruals	710	833
Amount due to directors	4	4
Lease liabilities	241	234
Current tax liabilities	-	1
<b>Total current liabilities</b>	<b>955</b>	<b>1,072</b>
<b>Total liabilities</b>	<b>1,039</b>	<b>1,278</b>
<b>Total equity and liabilities</b>	<b>6,774</b>	<b>7,060</b>
<b>Net assets per share (sen)<sup>(2)</sup></b>	<b>2.366</b>	<b>2.345</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 2020 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.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 JUNE 2021<sup>(1)</sup>

	Individual 6 months ended		Cumulative 6 months ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	2,614	975	2,614	975
Cost of sales	(857)	(474)	(857)	(474)
<b>Gross profit</b>	<b>1,757</b>	<b>501</b>	<b>1,757</b>	<b>501</b>
Other income	41	85	41	85
General and administrative expenses	(1,511)	(1,603)	(1,511)	(1,603)
Depreciation	(291)	(260)	(291)	(260)
Amortisation	(30)	(30)	(30)	(30)
<b>Operating Loss</b>	<b>(34)</b>	<b>(1,307)</b>	<b>(34)</b>	<b>(1,307)</b>
Finance expense	(13)	(20)	(13)	(20)
<b>Loss before tax</b>	<b>(47)</b>	<b>(1,327)</b>	<b>(47)</b>	<b>(1,327)</b>
Tax expense	-	-	-	-
<b>Net loss for the financial period, representing total comprehensive loss for the financial period</b>	<b>(47)</b>	<b>(1,327)</b>	<b>(47)</b>	<b>(1,327)</b>
<b>Profit/(Loss) / Total comprehensive profit/(loss) attributable to equity holders of the parent</b>	53	(1,304)	53	(1,304)
<b>Non-controlling interest</b>	(100)	(23)	(100)	(23)
<b>Total</b>	<b>(47)</b>	<b>(1,327)</b>	<b>(47)</b>	<b>(1,327)</b>
<b>Earnings/(Loss) per ordinary share (“EPS / LPS”) (sen):</b>				
- Basic and diluted <sup>(2)</sup>	0.02	(0.53)	0.02	(0.53)

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 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) LPS is calculated based on the Company's weighted average number of ordinary shares of 245,529,600 ordinary shares.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FPE  
30 JUNE 2021<sup>(1)</sup>**

	Share capital RM'000	Accumulated losses RM'000	Non-controlling interest RM'000	Total RM'000
<b>At 1 January 2021</b>	9,175	(3,418)	25	5,782
<b>Total comprehensive loss for the financial period</b>				
Profit/(Loss) for the financial period	-	53	(100)	(47)
<b>At 30 June 2021</b>	9,175	(3,365)	(75)	5,735
<b>At 1 January 2020</b>	9,175	(1,749)	(15)	7,411
<b>Total comprehensive loss for the financial period</b>				
Loss for the financial period	-	(1,304)	(23)	(1,327)
<b>At 30 June 2020</b>	9,175	(3,053)	(38)	(6,084)

Note:

- (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 2020 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30 JUNE 2021<sup>(1)</sup>**

	6 months ended	
	30/06/2021	30/06/2020
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(47)	(1,327)
Adjustments for:		
Depreciation of plant and equipment	175	144
Depreciation of right-of-use assets	116	116
Amortisation of intangible assets	30	30
Interest on lease liability	13	20
Operating loss before working capital changes	287	(1,017)
Changes in:		
Receivables	503	157
Payables	(123)	558
Net cash (used in)/from operating activities	667	(302)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(146)	(399)
(Investment in)/Proceeds from short term investments	(29)	969
Net cash (used in)/from investing activities	(175)	570
<b>Cash flows from financing activities</b>		
Repayment to director	-	(25)
Operating lease expenses	(128)	(130)
Net cash used in financing activities	(128)	(155)
Net increase in cash and cash equivalents	364	113
Cash and cash equivalents at beginning of the financial period	960	480
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,324</b>	<b>593</b>
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	1,324	593

Note:

- (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 2020 and the accompanying explanatory notes attached to this interim financial report.

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 JUNE 2021**

**A1. BASIS OF PREPARATION**

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

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.

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2020 except the adoption of the following standards and amendments to standards that are mandatory for the Group for the financial year beginning 1 January 2021:

Amendments to Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform
Amendment to MFRS 16 Leases	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendment to MFRS 4 Insurance Contract	Extension of the Temporary Exemption from Applying MFRS 9

The adoption of these new MFRSs and amendments did not have any material impact on the interim financial report of the Group.

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 JUNE 2021 (CONT'D)**

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

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

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

<u>MFRSs/Amendments to MFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 3: Business Combinations	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112: Income Taxes	1 January 2023
Amendments to MFRS 10: Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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 and amendments 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 under review.

**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**

There were no material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the current financial period and financial year-to-date under review.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 JUNE 2021 (CONT'D)**

**A7. SEGMENTAL INFORMATION**

The Group's revenue based on its activities is presented as follows:

	Individual 6 months ended				Cumulative 6 months ended			
	30/06/2021		30/06/2020		30/06/2021		30/06/2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Equity investment research platforms</b>								
- Corporate	297	11.4	115	11.8	297	11.4	115	11.8
- Retail	483	18.5	318	32.6	483	18.5	318	32.6
	780	29.9	433	44.4	780	29.9	433	44.4
<b>Investment training services</b>								
- Corporate	656	25.0	232	23.8	656	25.0	232	23.8
- Retail	1,165	44.6	310	31.8	1,165	44.6	310	31.8
	1,821	69.6	542	55.6	1,821	69.6	542	55.6
Others	13	0.5	-	-	13	0.5	-	-
<b>Total</b>	<b>2,614</b>	<b>100.0</b>	<b>975</b>	<b>100.0</b>	<b>2,614</b>	<b>100.0</b>	<b>975</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 performance is presented as follows:

	Individual 6 months ended		Cumulative 6 months ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	2,614	975	2,614	975
Gross profit	1,757	501	1,757	501
Loss before tax	(47)	(1,327)	(47)	(1,327)

**Comparison between FPE 30 June 2020 and FPE 30 June 2021**

The Group's revenue has increased by RM1.64 million or approximately 168.1% as compared to the previous corresponding financial period as a result of higher revenue from both equity investment research platforms and investment training services due to higher subscription by both corporate and retail clients as a result of recovering market conditions and acceptance of "new normal" practices, including conducting online classes as compared to the previous corresponding financial period.

The Group's revenue from equity investment research platforms recorded an increase of RM0.35 million or approximately 80.1% as compared to the previous corresponding financial period. The Group's revenue derived from investment training services increased by RM1.28 million or approximately 236.0% as compared to the previous corresponding financial period.

The Group's gross profit increased by RM1.26 million or approximately 250.7% to RM1.76 million in the FPE 30 June 2021 as compared to the previous corresponding financial period in line with the increase in revenue which improved the utilisation of our current workforce and facilities.

The Group's loss before tax decreased by RM1.28 million to RM0.47 million in the FPE 30 June 2021 mainly due to the increase in revenue as well as rationalisation of staff costs.

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

**B2. COMMENTARY ON PROSPECTS**

In line with the Group's future plans and strategies, the Group continues to strengthen the core business which are focused in the following areas:

- (i) Enhancement of its existing equity investment research platforms.
  - To provide its customers with greater performance, reliability and stability, some of the infrastructure was successfully migrated onto the Cloud Infrastructure.
  - Additional features to keep up with the launch of new education products are available to increase dependencies from the clients.
  - Work has also begun to expand the current offerings beyond the Malaysian equity market.
- (ii) Upgrading of the back-end systems to accommodate future business expansion.
  - The Group continues to convert more of its existing back-end systems to Cloud-native applications.
  - The Group managed to convert its back-end data entry systems to the Cloud. This is to ensure that staff are able to operate from home in the "new normal" environment.
- (iii) Building Next Generation Infrastructure
  - Continual enhancement of security and processes of cloud-native systems.
  - Program of Work is now in place to build Next Generation Infrastructure to enable ETH's staff to work in an environment that is Volatility, Uncertainty, Complexity and Ambiguity ("VUCA").
  - Program of Work will also allow for the Group to Scale at Speed once Next Generation Infrastructure is successfully put in place.
- (iv) Expand its presence in the investment training services industry in Malaysia

The Group has been having most of its classes online since October 2020 to ensure that its retail education can be conducted in the "new normal" environment.

The Group's online self-serve learning services (<https://start.equitiestracker.com/>) and Securities Industry Development Corporation (SIDC) approved programmes via <https://cpecourses.com.my> are also seeing increase in engagement from corporate and retail clients as it is convenient for the users to attend without needing to follow pre-set schedules and also ease its clients in checking for attendance progress.

To-date, the implementation of these plans and strategies are in progress and are within the management's expectation.

The Board of Directors of ETH ("**Board**") remains cautious of the prospects of the Group. Nevertheless, the Board is confident that the Group's strategy to enhance market attractiveness through the Group's initiatives which includes digital adoption, efforts to broaden the product and service offerings will be able to mitigate the effects of COVID-19.

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

**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	Reallocation of Proceeds (1) RM'000	Actual Utilisation (2) RM'000	Deviation RM'000	Balance RM'000	Estimated timeframe for utilisation upon listing
Information technology	4,000	(1,630)	936	-	1,434	Within 48 months
Education premises	1,000	-	972	-	28	Within 36 months
Marketing	500	-	500	-	-	Within 24 months
Working capital	640	1,630	2,231	(39)	-	Within 24 months
Estimated listing expenses	1,000	-	1,039	39 <sup>(3)</sup>	-	Immediate
<b>Total</b>	<b>7,140</b>	<b>-</b>	<b>5,678</b>	<b>-</b>	<b>1,462</b>	

Notes:

- (1) Part of the proceeds previously earmarked for information technology was reallocated to the Group's working capital to reimburse the working capital spent on Cloud Infrastructure as part of the Group's efforts to go Cloud-native.
- (2) Utilisation of proceeds as at 30 June 2021.
- (3) 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 FPE 30 June 2021.