

# EquitiesTracker

**EQUITIESTRACKER HOLDINGS BERHAD**

(Registration No. 201801018969 (1280985-X))

(Incorporated in Malaysia)

## **FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023**

**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 2023<sup>(1)</sup>

	As at 30/06/2023 Unaudited RM'000	As at 31/12/2022 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	956	1,033
Right-of-use assets	579	703
Intangible assets	330	360
<b>Total non-current assets</b>	<b>1,865</b>	<b>2,096</b>
<b>Current assets</b>		
Trade receivables	472	299
Other receivables, deposits and prepayments	1,574	248
Short term investment	2,867	104
Cash and bank balances	2,390	3,653
<b>Total current assets</b>	<b>7,303</b>	<b>4,304</b>
<b>Total assets</b>	<b>9,168</b>	<b>6,400</b>
<b>EQUITY</b>		
Share capital	13,375	12,363
Accumulated losses	(9,129)	(7,298)
Foreign exchange translation differences	(31)	(23)
Shareholders' fund	4,215	5,042
Non-controlling interest	(362)	(277)
<b>Total equity</b>	<b>3,853</b>	<b>4,765</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	373	477
	<b>373</b>	<b>477</b>
<b>Current liabilities</b>		
Other payables and accruals	4,706	912
Amount due to directors	15	15
Lease liabilities	221	231
<b>Total current liabilities</b>	<b>4,942</b>	<b>1,158</b>
<b>Total liabilities</b>	<b>5,315</b>	<b>1,635</b>
<b>Total equity and liabilities</b>	<b>9,168</b>	<b>6,400</b>
<b>Net assets per share (sen)<sup>(2)</sup></b>	<b>1.545</b>	<b>1.939</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 2022 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 and 272,779,600 ordinary shares as at 31 December 2022 and 30 June 2023 respectively.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 JUNE 2023<sup>(1)</sup>

	Individual 6 months ended		Cumulative 6 months ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	920	1,136	920	1,136
Cost of sales	(661)	(801)	(661)	(801)
<b>Gross profit</b>	<b>259</b>	<b>335</b>	<b>259</b>	<b>335</b>
Other income	63	14	63	14
General and administrative expenses	(1,866)	(1,399)	(1,866)	(1,399)
Depreciation	(321)	(320)	(321)	(320)
Amortisation	(30)	(30)	(30)	(30)
Impairment Loss	-	(179)	-	(179)
<b>Operating Loss</b>	<b>(1,895)</b>	<b>(1,579)</b>	<b>(1,895)</b>	<b>(1,579)</b>
Finance Expense	(21)	(5)	(21)	(5)
<b>Loss before tax</b>	<b>(1,916)</b>	<b>(1,584)</b>	<b>(1,916)</b>	<b>(1,584)</b>
Tax expense	-	-	-	-
<b>Net loss for the financial period, representing total comprehensive loss for the financial period</b>	<b>(1,916)</b>	<b>(1,584)</b>	<b>(1,916)</b>	<b>(1,584)</b>
<b>Loss/total comprehensive loss attributable to equity holders of the parent</b>	<b>(1,831)</b>	<b>(1,505)</b>	<b>(1,831)</b>	<b>(1,505)</b>
<b>Non-controlling interest</b>	<b>(85)</b>	<b>(79)</b>	<b>(85)</b>	<b>(79)</b>
<b>Total</b>	<b>(1,916)</b>	<b>(1,584)</b>	<b>(1,916)</b>	<b>(1,584)</b>
<b>Loss per ordinary share (“LPS”) (sen):</b>				
- Basic and diluted <sup>(2)</sup>	(1.45)	(0.61)	(1.45)	(0.61)

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 2022 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 272,779,600 (2022: 245,529,600) ordinary shares for the financial period.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FPE 30 JUNE 2023<sup>(1)</sup>

	Share capital RM'000	Accumulated losses RM'000	Foreign exchange translation differences RM'000	Non-controlling interest RM'000	Total RM'000
<b>At 1 January 2023</b>	12,363	(7,298)	(23)	(277)	4,765
<b>Total comprehensive loss for the financial period</b>					
Loss for the financial period	-	(1,831)	-	(85)	(1,916)
Foreign exchange translation differences	-	-	(8)	-	(8)
<b>Total</b>	<b>12,363</b>	<b>(9,129)</b>	<b>(31)</b>	<b>(362)</b>	<b>2,841</b>
<b>Transaction with owners, recognised directly in equity</b>					
Issuance of shares	1,012	-	-	-	1,012
<b>Total</b>	<b>1,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,012</b>
<b>At 30 June 2023</b>	<b>13,375</b>	<b>(9,129)</b>	<b>(31)</b>	<b>(362)</b>	<b>3,853</b>
<b>At 1 January 2022</b>	<b>9,175</b>	<b>(4,240)</b>	<b>-</b>	<b>(112)</b>	<b>4,823</b>
<b>Total comprehensive loss for the financial period</b>					
Loss for the financial period	-	(1,505)	-	(79)	(1,584)
<b>At 30 June 2022</b>	<b>9,175</b>	<b>(5,745)</b>	<b>-</b>	<b>(191)</b>	<b>3,239</b>

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 2023 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30 JUNE 2023<sup>(1)</sup>**

	6 months ended	
	30/06/2023	30/06/2022
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(1,916)	(1,584)
Adjustments for:		
Depreciation of plant and equipment	197	204
Depreciation of right-of-use assets	124	116
Amortisation of intangible assets	30	30
Changes in fair value of cryptocurrency	(63)	-
Impairment of short term investment	-	180
Interest on lease liability	21	5
Operating loss before working capital changes	<u>(1,607)</u>	<u>(1,049)</u>
Changes in:		
Receivables	(1,499)	(69)
Payables	3,793	(72)
Net cash from/(used in) operating activities	<u>687</u>	<u>(1,190)</u>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(120)	(133)
(Placement)/Disposal of short term investments	(2,700)	986
Net cash (used in)/from investing activities	<u>(2,820)</u>	<u>853</u>
<b>Cash flows from financing activities</b>		
Advance from director	-	35
Issuance of shares	1,012	-
Operating lease expenses	(134)	(128)
Net cash from/(used in) financing activities	<u>878</u>	<u>(93)</u>
Net decrease in cash and cash equivalents	(1,255)	(430)
Foreign exchange translation differences	(8)	-
Cash and cash equivalents at beginning of the financial period	<u>3,653</u>	<u>850</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>2,390</u>	<u>420</u>
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	<u>2,390</u>	<u>420</u>

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 2022 and the accompanying explanatory notes attached to this interim financial report.

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 JUNE 2023**

**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 2022 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 2022 except the adoption of the following standards and amendments to standards that are mandatory for the Group for the financial year beginning 1 January 2023:

Amendments to MFRS 1	First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvement to MFRS Standard 2018-2021 Cycle)
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments (Annual Improvement to MFRS Standard 2018-2021 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets

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 2023 (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 16 Leases – Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
MFRS 1: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements – Disclosures of Accounting Estimates	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure of Accounting Policies	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.

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 JUNE 2023 (CONT'D)**

**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 year.

On 4 January 2023, 3,750,000 new ordinary shares of the Company were issued pursuant to the excluded issue at an issue price of RM0.15 per ordinary share to sophisticated investors within the meanings of Section 230 of the Capital Markets and Services Act 2007.

On 15 February 2023, an extension of time of 6 months from 27 January 2023 until 27 July 2023 was approved by Bursa Malaysia Securities Bhd to complete the implementation of private placement of up to 49,105,900 new ordinary shares.

Subsequently on 13 June 2023, 2,250,000 new ordinary shares of the Company were issued pursuant to the excluded issue at an issue price of RM0.20 per ordinary share to sophisticated investors within the meanings of Section 230 of the Capital Markets and Services Act 2007.

**A7. SEGMENTAL INFORMATION**

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

	Individual 6 months ended				Cumulative 6 months ended			
	30/06/2023		30/06/2022		30/06/2023		30/06/2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Equity investment research platforms</b>								
- Corporate	77	8.4	201	17.6	77	8.4	201	17.6
- Retail	253	27.5	287	25.3	253	27.5	287	25.3
	330	35.9	488	42.9	330	35.9	488	42.9
<b>Investment training services</b>								
- Corporate	365	39.7	226	20.0	365	39.7	226	20.0
- Retail	225	24.4	422	37.1	225	24.4	422	37.1
	590	64.1	648	57.1	590	64.1	648	57.1
<b>Total</b>	<b>920</b>	<b>100.0</b>	<b>1,136</b>	<b>100.0</b>	<b>920</b>	<b>100.0</b>	<b>1,136</b>	<b>100.0</b>

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

Save as disclosed below, there were no material events subsequent to the end of the current financial year.

On 25 July 2023, 21,855,900 new ordinary shares of the Company were issued pursuant to the excluded issue at an issue price of RM0.20 per ordinary share to sophisticated investors within the meanings of Section 230 of the Capital Markets and Services Act 2007.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 JUNE 2023  
(CONT'D)**

**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	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	920	1,136	920	1,136
Gross profit	259	335	259	335
Loss before tax	(1,936)	(1,584)	(1,936)	(1,584)

**Comparison between FPE 30 June 2022 and FPE 30 June 2023**

The Group's revenue from equity investment research platform recorded a decrease of RM0.16 million or approximately 32.4% to RM0.33 million in the FPE 30 June 2023 as compared to the previous financial period mainly attributable to lower subscriptions by both corporate and retail clients due to weaker market conditions with inflation and the rise in interest rates. Clients especially from the retail segment were more cautious on their spending.

The Group's revenue which is derived from investment training services reduced by RM0.06 million or approximately 9.0% to RM0.59 million in the FPE 30 June 2023 as compared to the previous financial period mainly attributable to lower engagements by corporate and retail clients for education services due to the uncertain and challenging environment in the equities market.

The Group's gross profit decreased by RM0.08 million or approximately 22.7% to RM0.26 million in the FPE 30 June 2023 as compared to the previous financial period mainly due to overall lower engagements by corporate and retail clients for the services as mentioned above.

The Group's loss before tax increased by RM0.35 million to RM1.94 million in the FPE 30 June 2023 mainly due to decrease in corporate and retail sales as mentioned above as well as the activation of two subsidiaries to prepare for the new business ventures.

**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 further expand its business which are focused in the following areas:

- (i) Activation of its TWO (2) subsidiaries for the Fund Management businesses
  - a) The Group has received the licences to carry on business as a Labuan fund manager pursuant to Section 2 of the Labuan Financial Services and Securities Act 2010 on 7 December 2022 through its subsidiary, ET Capital LTD.
  - b) The Group has through its subsidiary, ET Smart Wealth Sdn Bhd received an approval from Securities Commission Malaysia via its letter dated 29 March 2023, for its application for the Capital Markets Services Licence for the regulated activity of fund management in relation to portfolio management pursuant to Section 61 of the Capital Markets and Services Act 2007.
- (ii) Enhancement of its existing equity investment research platforms
  - a) The Group continues to embark on enhancements to its platforms with the intent of reducing the time for its clients to gain insights from analytical tools from its Proprietary Equity Research Platform.
  - b) The Group is making good progress with its backend updates and processes to allow for deeper data-mining of existing data sets.
- (iii) Upgrading of its back-end systems to accommodate future business expansion
  - a) The Group continues to grow and scale its platform to improve both its proposition and services using the infinite scalability of the cloud. The back-end systems continue to operate on both on-premise & cloud-based systems as the migration takes place.
  - 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 built-in business continuity planning (BCP).
  - c) The Group continues to focus on the enhancement of Cyber-Security to achieve globally recognised standards.
  - d) The Group continues to improve the processes to allow for data-mining of existing data sets and to enable its Data Warehouse Capabilities.
- (iv) Expand its presence in the investment training services industry
  - a) The Group has embarked on online digital marketing initiatives by creating a new department and have increased its focus on marketing its products digitally.
  - b) The Group continues to work towards the expansion of its investment training coverage. Following the launch of [sg.equiestracker.com](http://sg.equiestracker.com), the Group successfully collaborated with SGX in organising education events.

**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**

On 16 June 2022, a proposed placement to raise expected gross proceeds of up to RM7.109 million was announced. The intended utilisation of the gross proceeds arising from the proposed placement are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation <sup>(2)</sup> RM'000	Balance RM'000	Estimated timeframe for utilisation of proceeds (from date of listing of the Placement Shares)
Initial capital for fund management	4,000	2,814	1,186	Within 12 months
Working capital for fund management	2,609	1,134	1,475	Within 12 months
Estimated expenses	500	68	432	Within 1 month
<b>Total</b>	<b>7,109</b>	<b>4,016</b>	<b>3,093</b>	

Notes:

(1) As at 30 June 2023, the Group has successfully raised gross proceeds of RM4.2 million.

(2) Utilisation of proceeds as at 30 June 2023.

**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 2023.