

EquitiesTracker

EQUITISTRACKER HOLDINGS BERHAD
(Registration No. 201801018969 (1280985-X))
(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 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 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 31 DECEMBER 2023⁽¹⁾

	As at 31/12/2023 Unaudited RM'000	As at 31/12/2022 Audited RM'000
ASSETS		
Non-current assets		
Plant and equipment	861	1,033
Right-of-use assets	455	703
Intangible assets	503	360
Total non-current assets	1,819	2,096
Current assets		
Trade receivables	279	299
Other receivables, deposits and prepayments	802	248
Amount due from directors	-	-
Short term investment	741	104
Fixed Deposit	4,000	-
Cash and bank balances	2,410	3,653
Total current assets	8,232	4,304
	10,051	6,400
EQUITY		
Share capital	17,746	12,363
Accumulated losses	(11,360)	(7,298)
Foreign exchange translation differences	(4)	(23)
Shareholders' fund	6,382	5,042
Non-controlling interest	(407)	(277)
Total equity	5,975	4,765
LIABILITIES		
Non-current liabilities		
Lease liabilities	238	477
	238	477
Current liabilities		
Other payables and accruals	3,602	912
Amount due to directors	15	15
Lease liabilities	221	231
Total current liabilities	3,838	1,158
Total liabilities	4,076	1,635
Total equity and liabilities	10,051	6,400
Net assets per share (sen)⁽²⁾	2.190	1.941

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 FYE 31 DECEMBER 2023⁽¹⁾

	Individual 6 months ended		Cumulative 12 months ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	1,000	1,382	1,920	2,518
Cost of sales	(859)	(742)	(1,520)	(1,686)
Gross profit	141	640	400	832
Other income	129	25	192	45
General and administrative expenses	(2,054)	(1,633)	(3,920)	(3,177)
Depreciation	(359)	(350)	(680)	(654)
Amortisation	(30)	(30)	(60)	(60)
Impairment of cryptocurrency	(105)	(15)	(105)	(194)
Operating Loss	(2,278)	(1,363)	(4,173)	(3,208)
Finance Expense	-	(9)	(21)	(14)
Loss before tax	(2,278)	(1,372)	(4,194)	(3,222)
Tax expense	-	-	-	-
Net loss for the financial period, representing total comprehensive loss for the financial period/year	(2,278)	(1,372)	(4,194)	(3,222)
Loss/total comprehensive loss attributable to equity holders of the parent	(2,232)	(1,285)	(4,063)	(3,057)
Non-controlling interest	(46)	(87)	(131)	(165)
Total	(2,278)	(1,372)	(4,194)	(3,222)
Loss per ordinary share ("LPS") (sen):				
- Basic and diluted ⁽²⁾	(0.79)	(0.52)	(1.44)	(1.23)

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 FYE 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 281,231,896 (2022: 247,300,433) ordinary shares for the financial year.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FYE 31 DECEMBER 2023⁽¹⁾

	Share capital RM'000	Accumulated losses RM'000	Foreign exchange translation differences	Non- controlling interest RM'000	Total RM'000
At 1 January 2023	12,363	(7,298)	(23)	(277)	4,765
Total comprehensive loss for the financial year					
Loss for the financial year	-	(4,063)	-	(131)	(4,194)
Foreign exchange translation differences	-	-	19	-	19
	12,363	(11,361)	(4)	(408)	590
Transaction with owners, recognised directly in equity					
Issuance of shares	5,384	-	-	-	5,384
At 31 December 2023	17,747	(11,361)	(4)	(408)	5,974
At 1 January 2022	9,175	(4,241)	-	(112)	4,822
Total comprehensive loss for the financial year					
Loss for the financial year	-	(3,057)	-	(165)	(3,222)
Foreign exchange translation differences	-	-	(23)	-	(23)
Transaction with owners, recognised directly in equity					
Issuance of shares	3,188	-	-	-	3,188
At 31 December 2022	12,363	(7,298)	(23)	(277)	4,765

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 FYE 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FYE 31 DECEMBER 2023⁽¹⁾

	12 months ended	
	31/12/2023	31/12/2022
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(4,194)	(3,222)
Adjustments for:		
Depreciation of plant and equipment	432	420
Depreciation of right-of-use assets	248	234
Amortisation of intangible assets	60	60
Impairment of cryptocurrency	-	194
Changes in fair value of cryptocurrency	(108)	-
Interest on lease liability	21	14
Dividend income	-	(23)
Interest income	2	-
Other income	(140)	(3)
Unrealised foreign exchange gain	(4)	(19)
Operating loss before working capital changes	(3,685)	(2,345)
Changes in:		
Receivables	(534)	(184)
Payables	2,690	427
Cash used in operations	(1,529)	(2,102)
Dividend received	-	23
Interest received	2	-
Other income	140	-
Unrealised foreign exchange gain	4	-
Net cash from/(used in) operating activities	(1,385)	(2,079)
Cash flows from investing activities		
Placement of fixed deposits	(4,000)	-
Purchase of plant and equipment	(260)	(253)
Proceeds from short term investments	(731)	2,179
Net cash (used in)/from investing activities	(4,991)	1,926
Cash flows from financing activities		
Repayment to a director	-	45
Interest paid	-	(14)
Issuance of shares	5,384	3,188
Operating lease expenses	(270)	(240)
Net cash used in financing activities	5,114	2,979
Net (decrease)/increase in cash and cash equivalents	(1,262)	2,826
Foreign exchange translation differences	19	(23)
Cash and cash equivalents at beginning of the financial year	3,653	850
Cash and cash equivalents at end of the financial year	2,410	3,653
Cash and cash equivalents at end of the financial year comprise:		
Cash and bank balances	2,410	3,653

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FYE 31
DECEMBER 2022 (CONT'D)**

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 FYE 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Denotes amount not exceed RM1,000.*

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 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 FYE 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 statements of the Group.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2022 (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 121 – Lack of Exchangeability	1 January 2025
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
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	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 FYE 31 DECEMBER 2022 (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 and 25 July 2023, 2,250,000 and 21,855,900 new ordinary shares of the Company were issued respectively 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 12 months ended			
	Unaudited		Audited		Unaudited		Audited	
	31/12/2023		31/12/2022		31/12/2023		31/12/2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Equity investment research platforms								
- Corporate	271	27.0	171	12.4	348	18.1	372	14.8
- Retail	189	18.9	209	15.1	442	23.0	496	19.7
	460	45.9	380	27.5	790	41.1	868	34.5
Investment training services								
- Corporate	15	1.5	644	46.6	380	19.8	870	34.6
- Retail	437	43.7	347	25.1	662	34.5	769	30.5
	452	45.3	991	71.7	1,042	54.3	1,639	65.1
Fund Management	88	8.8	-	-	88	4.6	-	-
Others	-	-	11	0.8	-	-	11	0.4
Total	1,000	100.0	1,382	100.0	1,920	100.0	2,518	100.0

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL YEAR

There are no material events subsequent to the end of the current financial year.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current financial year.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2022 (CONT'D)

A11. CAPITAL COMMITMENTS

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

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 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	1,000	1,382	1,920	2,518
Gross profit	141	640	400	832
Loss before tax	(2,278)	(1,372)	(4,194)	(3,089)

Comparison between 6-months financial period ended ("FPE") 31 December 2022 and 6-months FPE 31 December 2023

The Group's revenue from equity investment research platforms recorded an increase of RM0.08 million or approximately 21% to RM0.46 million in the FPE 31 December 2023 compared to the previous corresponding financial period which was attributable by the timing gap in the billing of an international client which leads to corporate platform sales to spike for the second half of the year.

The Group's revenue derived from investment training services decreased by RM0.539 million or approximately 54.4% to RM0.452 million in the FPE 31 December 2023 as compared to the previous corresponding financial period which was mainly attributable to decrease in sales from corporate clients due to the challenging market conditions.

The Group's gross profit decreased by RM0.499 million or approximately 77.97% to RM0.141 million in the FPE 31 December 2023 as compared to the previous corresponding financial period mainly due to the overall decrease from corporate clients from the investment training services as mentioned above.

The Group's loss before tax increased by RM0.906 million to RM2,278 million in the FPE 31 December 2023 mainly due to decrease in investment training services as mentioned above and the set-up of two subsidiaries which includes, manpower, compliance, network and programming costs.

Comparison between FYE 31 December 2022 and FYE 31 December 2023

The Group's revenue from equity investment research platforms recorded a decrease of RM0.078 million or approximately 8.9% to RM0.79 million in the FYE 31 December 2023 as compared to the previous financial year which was attributable to the decrease in sales to both corporate and retail clients as a result of the challenging year.

The Group's revenue from investment training services reduced by RM0.597 million or approximately 36.42% to RM1.042 million in the FYE 31 December 2023 as compared to the previous financial year mainly attributable to lower demand from corporate and retail clients for education services, which was primarily due to the challenging equities market which has made investors hesitant in investing resulting in reduced engagement in training services and increased competition within the investment training space which has become crowded and oversaturated.

The Group's gross profit decreased by 51.92% to RM0.400 million in the FYE 31 December 2023 as compared to the previous financial period mainly due to the reduced sales engagement by corporate and retail clients as mentioned above.

The Group's loss before tax increased by RM1.105 million to RM4.194 million in the FYE 31 December 2022 mainly due to the decrease in gross profit as mentioned above as well as the activation of operations for the subsidiaries.

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. Thereafter, the subsidiary commenced its fund management business on 15 August 2023.

- (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 continues to upgrade its backend systems and data 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.
 - e) The Group implemented the mandatory use of Two-Factor Authentication (2FA) for all ET Smart Wealth Sdn Bhd clients as part of its continuous security enhancements with effect from 1 October 2023..

- (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, the Group successfully collaborated with SGX in organising education events.

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

B2. COMMENTARY ON PROSPECTS (CONT'D)

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

Nevertheless, the Board is confident that the Group's strategy to enhance market attractiveness through initiatives that the Group have put in place which includes efforts to broaden the product and service offerings will be able to support our clients and mitigate the effects from the weakened market condition.

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 ⁽²⁾ RM'000	Reallocation of Proceeds ⁽¹⁾ RM'000	Balance RM'000	Estimated timeframe for utilisation of proceeds (from date of listing of the Placement Shares) RM'000	Purpose
Initial capital for fund management	4,000	3,814	-	186	Within 12 months	Initial capital for fund management
Working capital for fund management	4,071	2,233	407	2,245	Within 12 months	Working capital for fund management
Estimated expenses	500	93	(407)	-	Within 1 month	Estimated expenses
Total	8,571	6,140	-	2,431		

Notes:

(1) The unutilised proceeds previously earmarked for Placement Expenses was reallocated to the Group's working capital to reimburse the working capital spent in the use of the Group's newly acquired license of Fund Management Business.

(2) Utilisation of proceeds as at 31 December 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 FYE 31 December 2023.