

Press Release

EquitiesTracker receives in-principle approval for LEAP listing

- Aims to raise RM7.14 million to fuel expansion of its business in Malaysia and overseas

Kuala Lumpur, Malaysia, 18 Feb 2019

Malaysia-based equity investment research platform and investment training provider, EquitiesTracker Holdings Berhad ("ET") has received in-principle approval on 14 February 2019 to list its shares on the Leading Entrepreneur Accelerator Platform ("LEAP") of Bursa Malaysia Securities Berhad.

Mercury Securities Sdn Bhd ("Mercury Securities") is the adviser, placement agent and custodian for the company's listing.

ET intends to issue up to 42 million new ordinary shares, representing approximately 17.1% of the Company's enlarged issued share capital - at an indicative issue price of RM0.17 per share to raise gross proceeds of RM7.14 million. The Company is expected to have a market capitalisation of about RM41.7 million upon listing.

The excluded issue is targeted at sophisticated investors.

Said Mr. Alvin Vong, ET's Executive Director and Chief Executive Officer, "Demand for high quality investment research and investment training remains robust. The bulk of the listing proceeds or about RM4 million will be used to expand and enhance our digital investment research platform as well as our technology backend support systems. We will also be recruiting and acquiring more talent - especially software developers to enhance our infrastructure and develop applications. We also intend to have better premises to house our training facilities in the Klang Valley and Penang to better serve our existing clients and to also deal with the increase demand. The listing proceeds will allow us to increase our marketing efforts, explore expansion plans and strengthen our market position to be a key differentiator in line with our strategy."

"The listing proceeds will enable ET to scale-up our position as a recognised and dominant player in this business." added Mr Vong.

ET - Pioneer in Equity Investment Research Platform and Investment Training, Serving Blue-Chip Institutional Clientele and Active Retail Investors

Through its proprietary equity investment research platforms. ET is a pioneer in providing equity data and analytics on public listed companies in Malaysia, Singapore and Australia. It is also a leading investment training services provider offering bi-lingual training courses (in English and Mandarin) in Malaysia.

EquitiesTracker

ET's history can be traced back to 1976 when its late Founder, Mr Jim Vong Nyam Yew began marketing its equity investment research platform. He is the father of the Company's current Executive Director/Chief Executive Officer, Mr Alvin Vong, and Executive Director/Chief Future Officer, Mr Andrew Vong.

At the time, Jim 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.

Since 2007, it has expanded to provide investment training and currently offers two types of training - pre-designed and customised investment training to educate participants on the fundamental principles of performing financial analysis to carry out data-driven investment decisions.

ET's revenue is derived mainly from Malaysia and its customer base includes retail investors and institutional clients. The bulk of ET's sales comes from financial institutions such as securities/investment firms as well as Bursa Malaysia. Many of them are long-term clients with an average of 14 to 15 years of business relationship.

The Company also has an active retail investor clientele base. In 2017, just under 1,700 retail investors participated in its investment training courses.

Competitive Strengths

The Company's Directors have identified the following as ET's competitive strengths:

- Its equity investment research platforms and investment training services are complementary, enabling the Company to reap synergistic benefits to offer clients a comprehensive guide for making investment decisions and executing investment plans. With the data-driven analysis from its equity investment research platforms, ET is able to differentiate its investment training courses by leveraging on its digital platform to enhance clients' learning experience.
- Its long-term business relationship with established clients brings about recurring income.
- Its products and services are proprietary and technology-driven. ET uses proprietary algorithms to synchronise its platform with clients' online trading platforms to differentiate its services from other providers and to better support clients' investment decisions.
- ET's equity investment research platforms have an extensive database of historical financial information on listed companies spanning a period of over 40 years. Hence, brokers, financial institutions and dealers are able to rely on this database to enhance their decision-making on investments.
- ET has an established track record of more than 11 years in providing investment training courses.

EquitiesTracker

- The Company has an experienced and committed management team led by Mr Alvin Vong and Mr Andrew Vong, who have accumulated at least 25 years of experience in the business.

Financial Performance

ET's revenue doubled from about RM1.7 million in FY2016 to RM3.1 million in FY2017. For the first half of FY2018, revenue reached RM2.2 million.

In terms of profitability, the Company rebounded from a loss of RM270,000 in FY2016 to achieve a net profit of RM678,000 in FY2017. The net profit for the first half of FY2018 was RM551,000.

Prospects

Looking ahead, the Directors are upbeat on its growth prospects.

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%.

According to PROVIDENCE Strategic Partners Sdn Bhd ("Providence"), the equity investment research platform industry in Malaysia is forecast 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.

Listing Details/Indicative Timeline:

ET's listing on the LEAP market, is expected to take place by March 2019.

Issued by Stratagem Consultants Pte Ltd
For more information, please contact:

Tham Moon Yee – tmy@stratagemconsultants.com
Julian Kay – julian@stratagemconsultants.com

Stratagem Consultants Pte Ltd
Tel: +65-6227 0502
Fax: +65-6227 5663