

TOPIC 30 – INFORMATION THAT CAN BE GATHERED FROM ANALYSIS OF COMPANIES THAT ARE LISTED IN LEAP MARKET

To date there are **three companies** that are listed in LEAP Market with **another company** which is targeted to be listed on 26 February 2018.

1. How much money had been raised by each of the four companies in the LEAP market?

The total gross amount raised ranges from **RM 3 million to RM 7 million** as shown in the table tabulate below.

2. How was the pricing set for the four companies that are listed in LEAP Market when it is offered at the time of listing to sophisticated investors?

Generally, LEAP Market companies command a **higher price earning multiple** as compared with companies in the Main Market and ACE Market with a price earning multiple that ranges from 13 times to 16 times, and price to book multiple that ranges from 3 times to 4 times, possibly that such companies still have growth potential compared to more matured companies.

However, companies in the LEAP Market **generally do not command high liquidity** as the shares which are in the individual public during the initial listing is low in percentage. Generally, liquidity shall improve as time progresses when the moratorium shares held by promoters are released to market as time progresses.

Companies that were listed on LEAP market to date				
	Cloudaron Bhd	Red Ideas Holdings Bhd	JM Education Group Bhd	Metro Healthcare Bhd
Financial summary (based on latest audited at the time of submission of listing)				
Date of listing / Tentative listing date	3 October 2017	8 November 2017	8 February 2018	26 February 2018
Revenue, RM millions	69.6	0.1	10.0	14.2
Profit after tax / (Loss after tax), RM millions	5.2	(0.6)	2.3	3.3
Net assets, RM millions	30.7	(1.5)	7.8	10.7
Net margin, %	8%	-406%	23%	24%
ROE, %	17%	-	29%	31%
Intangible included in net assets, RM millions	22.6	-	2.3	-
Financials statistics / Pricing				
Issue share price, RM	0.11	0.35	0.45	0.23
Closing share price on 8 february 2018, RM	0.24	0.43	0.53	Not yet listed
Total return analysis based on IPO issued share price, %	118%	23%	18%	Not yet listed
Market capitalization as at 8 February 2018, RM millions	186.1	43.0	35.9	Not yet listed
P/E based on latest audited earnings	16.3	Loss	13.5	13.8
P/B based on latest audited net assets	2.8	Deficit	3.9	4.3
Amount raised from Private Placement, RM millions	5.5	7.0	3.1	4.6
Free float, %	25%	20%	10%	15%
Percentage offered to sophisticated investors in conjunction with IPO, %	6.4%	20.0%	10.0%	10.0%

Compiled by **Asia Equity Research** - 19 February 2018

If you have any enquiries, kindly direct to: general@aer.global

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