

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 March 2021
The figures have not been audited.

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE QUARTER ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Mar-21 RM' 000	PRECEDING YEAR COMPARATIVE QUARTER 31-Mar-20 RM' 000	CURRENT YEAR TO DATE 31-Mar-21 RM' 000	PRECEDING YEAR COMPARATIVE PERIOD 31-Mar-20 (Restated) RM' 000
Continuing Operations :				
Revenue	16,464	9,673	16,464	9,673
Operating Expenses	(10,145)	(7,101)	(10,145)	(7,101)
Other Operating Income	471	649	471	649
Profit From Operations	6,790	3,221	6,790	3,221
Finance Costs	(21)	(36)	(21)	(36)
Investing Results	-	-	-	-
Share of Profit of Equity Accounted Associate, Net of Tax	-	(124)	-	(124)
Profit/(Loss) Before Tax	6,769	3,061	6,769	3,061
Taxation	(1,708)	(900)	(1,708)	(900)
Profit/(Loss) from Continuing Operations	5,061	2,161	5,061	2,161
Other Comprehensive Income:				
Gain/(loss) on Available For Sale Investments	-	-	-	-
Income Tax Relating To Other Components Of Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	5,061	2,161	5,061	2,161
Profit Attributable to :				
Equity holders of the parent	5,061	2,161	5,061	2,161
Non-controlling interest	-	-	-	-
	5,061	2,161	5,061	2,161
Total Comprehensive Income Attributable to :				
Equity holders of the parent	5,061	2,161	5,061	2,161
Non-controlling interest	-	-	-	-
	5,061	2,161	5,061	2,161
EPS (sen) : Basic	2.50	1.07	2.50	1.07
: Diluted	-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

**APEX EQUITY HOLDINGS BERHAD [199001016563(208232-A)]
CONDENSED CONSOLIDATED FINANCIAL POSITION AS AT 31 MARCH 2021**

	AS AT 31-Mar-21 RM' 000	AS AT 31-Dec-20 (Audited) RM' 000
ASSETS		
Non-Current Assets		
Property , Plant and Equipment	12,150	12,150
Rights of Use Assets	660	711
Investment Properties	27,099	27,101
Investment in an Associate Company	-	4,904
Other asset	4,033	4,029
	43,942	48,895
Current Assets		
Receivables	125,657	132,418
Fixed Deposits With Financial Institutions	214	208
Cash and Short Term Funds	165,391	154,887
	291,262	287,513
Non-current Asset Held for Sale - Associate Company	4,904	-
Non-current Asset Held for Sale - Development Land	30,500	30,500
	326,666	318,013
TOTAL ASSETS	370,608	366,908
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	221,940	221,940
Reserves	109,942	104,882
Treasury Shares	(7,459)	(7,459)
	324,423	319,363
Minority Interests	-	-
TOTAL EQUITY	324,423	319,363
Non-Current Liabilities		
Lease Liabilities	445	401
	445	401
Current Liabilities		
Payables	38,264	40,110
Lease Liabilities	267	250
Bank Borrowings	5,002	5,004
Taxation	2,207	1,780
	45,740	47,144
TOTAL LIABILITIES	46,185	47,545
TOTAL EQUITY AND LIABILITIES	370,608	366,908
Net assets per share (RM)	1.60	1.58

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

APEX EQUITY HOLDINGS BERHAD [199001016563(208232-A)]
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021

	Share Capital RM`000	Fair Value Reserve RM`000	Unappropriated Profit RM`000	Treasury Shares RM`000	Attributable to Equity Holders of the Parent RM`000	Non- Controlling Interest RM`000	Total Equity RM`000
3 months ended 31 March 2021							
Balance at beginning of year 2021	221,940	2,131	102,750	(7,459)	319,362	-	319,362
Total comprehensive income for the period	-	-	5,061	-	5,061	-	5,061
Shares buy-back	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Balance at end of period 2021	<u>221,940</u>	<u>2,131</u>	<u>107,811</u>	<u>(7,459)</u>	<u>324,423</u>	<u>-</u>	<u>324,423</u>
3 months ended 31 March 2020							
Balance at beginning of year 2020 As previously stated	221,940	* 2,131	85,540	(7,459)	302,152	-	302,152
Total comprehensive income for the period	-	-	2,161	-	2,161	-	2,161
Shares buy-back	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Balance at end of period 2020	<u>221,940</u>	<u>2,131</u>	<u>87,701</u>	<u>(7,459)</u>	<u>304,313</u>	<u>-</u>	<u>304,313</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

**APEX EQUITY HOLDINGS BERHAD [199001016563(208232-A)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2021**

	3 months ended 31-Mar-21 RM' 000	3 months ended 31-Mar-20 RM' 000
Net Profit/(Loss) before tax	6,769	3,061
Adjustments for :-		
Non-cash items	117	480
Non-operating items (which are investing/financing)	(3,052)	(3,234)
Operating profit before changes in working capital	<u>3,834</u>	<u>307</u>
Changes in working capital		
Net change in current assets	6,691	25,598
Net change in current liabilities	(1,785)	(9,305)
Dividend Income	-	-
Interest income	3,073	3,270
Interest expense	(21)	(36)
Income tax paid	(1,281)	(1,032)
Tax refund	-	-
Net cash flows from operating activities	<u>10,511</u>	<u>18,802</u>
Investing Activities		
Purchase of property, plant & equipment	-	(2)
Withdrawal/(placement) of fixed deposits	(6)	(7)
Net cash in investing activities	<u>(6)</u>	<u>(9)</u>
Financing Activities		
Dividends paid	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net change in Cash & Cash Equivalents	10,505	18,793
Cash & Cash Equivalents at beginning of period	149,884	125,223
Cash & Cash Equivalents at end of period	<u>160,389</u>	<u>144,016</u>
Cash & Cash Equivalents at end of period comprise :		
Cash, Bank Balances and Deposits	165,391	144,016
Bank Overdrafts	(5,002)	-
	<u>160,389</u>	<u>144,016</u>
	-	-

(The Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 MARCH 2021**

Notes (In compliance with MFRS 134)

1. Basis of Preparation and Group Accounting Policies

The quarterly report has been prepared in accordance with the Malaysian Financial Reporting Standards 134 “Interim Financial Reporting” and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly financial statements have been prepared based on accounting policies and method of computation consistent with those adopted in the most recent annual financial statement for the year ended 31 December 2020.

2. Condensed Financial Statements

This set of quarterly financial statements has been prepared on a condensed basis and should be read in conjunction with the annual financial statement for the year ended 31 December 2020.

3. Audit Report

The Audit Report of the Company’s preceding annual financial statements for the year ended 31 December 2020 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group’s business operations are not subject to any seasonal or cyclical factors.

5. Unusual Items

The group’s assets, liabilities, equity, net income or cash flows were not affected by any unusual items.

6. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years, which have a material effect in the current interim period.

7. Capital Management, Debt and Equity Securities

There have been no issuance, cancellations, repurchase, resale and repayments of debt and equity securities during the financial period ended 31 March 2021.

The Group’s objectives of managing capital are to safeguard the Group’s ability to continue in operations as a going concern in order to provide fair returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

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For capital management purposes, the Group considers shareholders' equity, non-controlling interest and long-term liabilities to be the key components in the Group capital structure. The Group monitors capital on the basis of gearing ratio. The ratio is calculated as the total net liabilities to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The Group's strategy is to maintain a low gearing ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total debts.

8. Dividends Paid

No dividend has been paid during the financial period.

9. Segment Analysis

The basis of segmentation is based on operating segment. The Group's operating segments are as follows:

- (i) Stock and futures broking
- (ii) Building management and property investment
- (iii) Money lending and property development
- (iv) Investment holdings
- (v) Other segments

The segment information for the current period is as follows:

Period ended 31 March 2021	Stock and futures broking	Building management and property investment	Money lending and property development	Investment holdings	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	16,318	140	0	0	6	16,464
Inter-segment revenue	0	346	0	57	0	403
Reportable segment profit/(loss)	6,467	211	159	(74)	6	6,769
Total segment assets	248,003	42,666	75,095	243,337	385	609,486
Less: elimination						(238,878)
Group total						370,608

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Period ended 31 Mar 2020	Stock and futures broking	Building management and property investment	Money lending and property develop- ment	Invest- ment holdings	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	9,486	182	0	0	5	9,673
Inter-segment revenue	0	346	0	37	0	383
Reportable segment profit/(loss)	2,918	227	232	(197)	5	3,185
Share of loss of an associate						(124)
						<u>3,061</u>
Total segment assets	203,757	41,565	70,992	239,696	364	556,374
Less: elimination						(233,824)
Group total						<u>322,550</u>

10. Valuation of Property, Plant and Equipment

Valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

11. Material Events Subsequent to Reporting Quarter

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

12. Changes in Composition of the Group

There were no significant changes in the composition of the Company during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

13. Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

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14. Related Party Transactions

The related party transaction during the year ended 31 March 2021:

	RM'000
Securities transactions by persons related to major shareholders	189,023
Brokerage on securities transactions by persons related to major shareholders	211

The Group's key management personnel compensation for the year ended 31 March 2021 is as follows:

Type of compensation	Directors and key management personnel
	RM'000
Short-term employee benefits	273
Post-employment benefit	27

Additional information required by the Bursa Malaysia Securities Bhd Listing Requirements

15. Review of Group Results

The Group's results for the current financial period ended 31 March 2021 registered higher revenue of RM16.46 million as compared to RM9.67 million in the corresponding period due to higher brokerage income. Profit before tax increased 121% to RM6.77 million as compared to RM3.06 million in the corresponding period. The performance analysis of various active segments is set out below:

Stock and futures broking	:	Profit before tax increased 122% to RM6.47 million as compared to RM2.92 million in the corresponding period due to higher brokerage income.
Building management and property investment	and:	Profit before tax decreased 7% to RM0.21 million from RM0.23 million in the corresponding period due to lower rental income.
Money lending/property development	:	Profit before tax decreased 31% to RM0.16 million from RM0.23 million in the corresponding period due to lower interest income.
Investment holding	:	Loss before tax decreased 62% to RM0.07 million from RM0.20 million in the corresponding period due to lower expenses.

16. Explanatory Comments on Any Material Change in the Profit Before taxation for the Quarter Reported on as Compared with the Immediate Preceding Quarter

The Group recorded slightly higher revenue and pre-tax profit of RM16.46 million and RM6.77 million respectively for the current quarter as compared to RM16.38 million and RM6.36 million respectively in the preceding quarter.

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17. **Prospect**

The Board anticipates that the economic outlook would improve in the second half of the year 2021 with the current rollout of mass vaccination by the Government. We envisage the capital market and stockbroking industry to remain active yet challenging and volatile.

18. **Profit Forecast or Profit Guarantee**

The Group has not entered into any scheme that requires it to present forecast results or guarantee any profits.

19. **Taxation**

	Current Year Quarter	Current Year- to-date
	31-Mar-2021	31-Mar-2021
	RM'000	RM'000
Current year tax expense	1,708	1,708
Previous years under/(over) provision	-	-
Deferred tax	-	-
	<u>1,708</u>	<u>1,708</u>

The effective tax rate for the financial period is higher than the statutory income tax rate due to certain expenses are not allow for tax.

20. **Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments or properties in the current quarter and financial year to date other than as disclosed in Note 21.

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21. Status of Corporate Proposals

The Company does not have any corporate proposals announced but not completed as at the end of the reporting period and the date of issue of the quarterly report except the following:-

- (i) Proposed merger of businesses of the Company and Mercury Securities via the transfer by Mercury Securities to JF Apex Securities Berhad of its stockbroking, corporate advisory and other related businesses (“Business”) together with the requisite business assets and business liabilities for a consideration of RM140.00 million (“BMA”).

As announced on 16 April 2021, the Company and JF Apex Securities Berhad were notified by Mercury Securities Sdn Bhd via its letter dated 15 April 2021 that they are not seeking a further extension of the Conditions Fulfillment Period for the BMA, which had been mutually extended for 10 times for a period of more than 2 years. As a result, the BMA lapsed and accordingly, the proposed merger and proposed private placement were discontinued.

- (ii) Proposed disposal of four (4) parcels of freehold land in Shah Alam measuring 23,915.34 sq. metres for a total cash consideration of RM37,000,000.00 (“Proposed Disposal of Shah Alam Land”)

The Proposed Disposal of Shah Alam Land is pending fulfillment of conditions precedent.

- (iii) Proposed disposal of 43% shareholding in Apex Investment Services Berhad (“AISB”), an associate company of JF Apex Securities Berhad, for a cash consideration of RM5.18m (“Proposed Disposal of AISB”).

The Proposed Disposal of AISB is pending fulfillment of conditions precedent.

22. Group Borrowings

The Group’s borrowings and debt securities as at 31 March 2021: -

	RM'000
Bank Overdraft	5,002
Revolving Credit	0
Total short term borrowings	5,002
Long term bank loan	0
Total group borrowings	5,002

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23. Off Balance Sheet Financial Instruments

There were no contracts involving off balance sheet risk as at the end of the reporting period and the date of issue of the quarterly report.

24. Material Litigation

There was no material litigation as at the date of issue of the quarterly report, which in the opinion of the directors would have a material adverse effect on the financial results of the Group except as follows:

(A) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-1551-08/2019 (“Appeal 1551”)

On 25 February 2019, Concrete Parade Sdn. Bhd. (“Concrete Parade”), a corporate shareholder of the Company filed OS56 at the High Court against amongst others, the Company and JF Apex to declare that the Head Of Agreement and the BMA related to the Proposed Merger, as illegal and/or unlawful and/or null and void.

On 7 August 2019, the High Court dismissed OS56. Concrete Parade subsequently appealed to the Court of Appeal against the dismissal of OS56 (“Appeal 1551”).

On 20 November 2019, Concrete Parade obtained an order from the Court of Appeal to stay the proceedings in OS345 disclosed in Note (B) below, pending the disposal of Appeal 1551. The hearing of Appeal 1551 finally concluded on 18 February 2021.

In light that the BMA has lapsed, the Court of Appeal has been notified of this development, and the Court of Appeal had vacated the decision date of Appeal 1551 (which was originally fixed on 28 April 2021), to a date to be fixed.

(B) Originating Summons No. WA-24NCC-345-06/2019 (“OS 345”)

JF Apex and Mercury, filed OS345 on 1 July 2019 and obtained the Vesting Order from the High Court for the Proposed Merger.

Concrete Parade and another corporate shareholder of the Company, Pinerains Sdn. Bhd. (“Pinerains”) applied to intervene in OS345 and set aside the Vesting Order.

On 15 July 2019, Concrete Parade’s application to set aside the Vesting Order was allowed. Both Concrete Parade and Pinerains were allowed to intervene in OS345.

On 18 September 2019, the High Court set aside resolutions passed at the EGM held on 18 June 2019 in respect of the Proposals as the High Court was of view that the shareholders’ circular dated 3 June 2019 did not clearly define the assets in the Proposed Merger. Costs of RM100,000 was awarded to Pinerains and damages was ordered to be assessed. OS345 was however not dismissed.

On 30 April 2021, Pinerains’s application for assessment of damages was allowed with nominal damages of RM5,000. No costs was awarded to Pinerains.

The hearing of OS345 has been put on hold by the Court of Appeal *vide* the Civil Appeal 1551, which allowed OS345 to be stayed pending resolution of Appeal 1551. OS345 is now fixed for further case management on 24 May 2021.

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25. Profit before tax is arrived at after (charging)/crediting:

	Current quarter 31 Mar 2021	YTD 31 Mar 2021
	RM'000	RM'000
- Interest expenses	(21)	(21)
- Depreciation	(134)	(134)
- Change in fair value of marketable securities	(6)	(6)
- Gain/(loss) on marketable securities	581	581
- Interest income	3,073	3,073
- (Provision)/Write-back of impairment loss for receivables	(60)	(60)
- Foreign exchange gain/(loss)	21	21

26. Earnings per Share

The basic earnings per share have been calculated based on the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-2021	Preceding Year Comparative Quarter 31-Mar-2020	Current Year To Date 31-Mar-2021	Preceding Year Comparative Period 31-Mar-2020
Net profit/(loss) attributable to equity holders of the parent (RM'000)	5,061	2,161	5,061	2,161
No of ordinary shares in issued ('000)	213,563	213,563	213,563	213,563
Less: treasury shares ('000)	(10,923)	(10,923)	(10,923)	(10,923)
Adjusted number of ordinary shares ('000)	202,640	202,640	202,640	202,640
Basic earnings per share (Sen)	2.50	1.07	2.50	1.07

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
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27. Dividends

The Board has approved and declared an interim single-tier dividend of 1.0 sen per ordinary share amounting to RM2,026,402 in respect of the financial year ending 31 December 2021