

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 June 2021
The figures have not been audited.

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Jun-21 RM' 000	PRECEDING YEAR COMPARATIVE QUARTER 30-Jun-20 RM' 000	CURRENT YEAR TO DATE 30-Jun-21 RM' 000	PRECEDING YEAR COMPARATIVE PERIOD 30-Jun-20 (Restated) RM' 000
Continuing Operations :				
Revenue	13,537	12,713	30,001	22,386
Operating Expenses	(8,370)	(8,353)	(18,515)	(15,454)
Other Operating Income	2,688	1,486	3,159	2,135
Profit From Operations	7,855	5,846	14,645	9,067
Finance Costs	(16)	(11)	(37)	(47)
Investing Results	-	-	-	-
Share of Profit of Equity Accounted Associate, Net of Tax	-	(87)	-	(211)
Profit/(Loss) Before Tax	7,839	5,748	14,608	8,809
Taxation	(1,918)	(1,276)	(3,626)	(2,176)
Profit/(Loss) from Continuing Operations	5,921	4,472	10,982	6,633
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	5,921	4,472	10,982	6,633
Profit Attributable to :				
Equity holders of the parent	5,921	4,472	10,982	6,633
Non-controlling interest	-	-	-	-
	5,921	4,472	10,982	6,633
Total Comprehensive Income Attributable to :				
Equity holders of the parent	5,921	4,472	10,982	6,633
Non-controlling interest	-	-	-	-
	5,921	4,472	10,982	6,633
EPS (sen)				
: Basic	2.92	2.21	5.42	3.27
: 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 (208232-A)
CONDENSED CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2021

	AS AT 30-Jun-21 RM' 000	AS AT 31-Dec-20 (Audited) RM' 000
ASSETS		
Non-Current Assets		
Property , Plant and Equipment	12,185	12,150
Rights of Use Assets	676	711
Investment Properties	27,097	27,101
Investment in an Associate Company	-	4,904
Other asset	4,037	4,029
	43,995	48,895
Current Assets		
Marketable Securities Held for Trading	727	0
Receivables	127,398	132,418
Fixed Deposits With Financial Institutions	214	208
Cash and Short Term Funds	155,379	154,887
	283,718	287,513
Non-current Asset Held for Sale - Associate Company	4,904	-
Non-current Asset Held for Sale - Development Land	30,500	30,500
	319,122	318,013
TOTAL ASSETS	363,117	366,908
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	221,940	221,940
Reserves	113,837	104,882
Treasury Shares	(7,459)	(7,459)
	328,318	319,363
Minority Interests	-	-
TOTAL EQUITY	328,318	319,363
Non-Current Liabilities		
Lease Liabilities	381	401
	381	401
Current Liabilities		
Payables	31,017	40,110
Lease Liabilities	347	250
Bank Borrowings	-	5,004
Taxation	3,054	1,780
	34,418	47,144
TOTAL LIABILITIES	34,799	47,545
TOTAL EQUITY AND LIABILITIES	363,117	366,908
Net assets per share (RM)	1.62	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 (208232-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 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
6 months ended 30 June 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	-	-	10,982	-	10,982	-	10,982
Shares buy-back	-	-	-	-	-	-	-
Dividend paid	-	-	(2,026)	-	(2,026)	-	(2,026)
Balance at end of period 2021	<u>221,940</u>	<u>2,131</u>	<u>111,706</u>	<u>(7,459)</u>	<u>328,318</u>	<u>-</u>	<u>328,318</u>
6 months ended 30 June 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	-	-	6,633	-	6,633	-	6,633
Shares buy-back	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Balance at end of period 2020	<u>221,940</u>	<u>2,131</u>	<u>92,173</u>	<u>(7,459)</u>	<u>308,785</u>	<u>-</u>	<u>308,785</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 (208232-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2021**

	6 months ended 30-Jun-21 RM' 000	6 months ended 30-Jun-20 RM' 000
Net Profit/(Loss) before tax	14,608	8,809
Adjustments for :-		
Non-cash items	89	632
Non-operating items (which are investing/financing)	(6,432)	(6,091)
Operating profit before changes in working capital	<u>8,265</u>	<u>3,350</u>
Changes in working capital		
Net change in current assets	4,344	18,114
Net change in current liabilities	(9,016)	(8,002)
Dividend Income	-	-
Interest income	6,469	6,138
Interest expense	(37)	(47)
Income tax paid	(2,352)	(2,033)
Tax refund	-	-
Net cash flows from operating activities	<u>7,673</u>	<u>17,520</u>
Investing Activities		
Purchase of property, plant & equipment	(146)	(4)
Withdrawal/(placement) of fixed deposits	(6)	(7)
Net cash in investing activities	<u>(152)</u>	<u>(11)</u>
Financing Activities		
Dividends paid	(2,026)	-
Net cash used in financing activities	<u>(2,026)</u>	<u>-</u>
Net change in Cash & Cash Equivalents	5,495	17,509
Cash & Cash Equivalents at beginning of period	149,884	125,223
Cash & Cash Equivalents at end of period	<u>155,379</u>	<u>142,732</u>
Cash & Cash Equivalents at end of period comprise :		
Cash,Bank Balances and Deposits	155,379	149,724
Bank Overdrafts	-	(6,992)
	<u>155,379</u>	<u>142,732</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 (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 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 Statements for the year ended 31 December 2020.

2. Condensed Financial Statements

This set of Quarterly Condensed Financial Statements (“QCFS”) should be read in conjunction with the Annual Financial Statements 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. However, it’s business is influenced largely by the stock market velocity and any retail market cycles and sentiments that may affect its trading volumes and revenue.

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 quarter.

7. Capital Management, Debt and Equity Securities

There have been no issuance, cancellations, repurchase, resale and repayments of debt and equity securities during the 6 months ended 30 June 2021.

APEX EQUITY HOLDINGS BERHAD (208232-A)
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FOR FINANCIAL QUARTER ENDED 30 JUNE 2021

8. **Dividends Paid**

The Company had paid 1st interim single tier dividend of 1 sen per share amounting to RM2,026,402 on 30 June 2021 in respect of the financial year ending 31 December 2021.

9. **Segment Analysis**

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

- (i) Stock and securities broking
- (ii) Property holding and property development
- (iii) Money lending
- (iv) Investment holdings and others

The segment information for the current period is as follows:

Quarter ended 30 Jun 2021	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Money Lending *	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	12	29,710	279	-	30,001
Inter-segment revenue	146	0	693	-	839
Reportable segment profit/(loss)	129	13,834	645	-	14,608
Total segment assets	242,250	247,267	117,843	-	607,360
Less: elimination					(244,243)
Group total					363,117

* Temporarily cease operations

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NOTES TO THE FINANCIAL STATEMENTS
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Quarter ended 30 Jun 2020	Investment holdings and others	Stock and securities broking	Property Holding & Property Development	Money lending *	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	7	22,015	364	-	22,386
Inter-segment revenue	76	0	692	-	768
Reportable segment profit/(loss)	(429)	7,679	1,770	-	9,020
Share of loss of an associate	-	(211)	-	-	(211)
					8,809
Total segment assets	238,283	216,429	112,304	-	567,016
Less: elimination					(231,701)
Group total					335,315

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 for the year ended 31 December 2020.

11. Material Events Subsequent to Reporting Quarter

There were no material events subsequent to the end of the current quarter that have not been reflected in the QCFS.

12. Changes in Composition of the Group

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

13. Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the Previous Annual Financial Statements for the year ended 31 December 2020.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2021**

14. Related Party Transactions

The related party transaction during the 6 months ended 30 June 2021:

	RM'000
Securities transactions by persons related to major shareholders	261,358
Brokerage on securities transactions by persons related to major shareholders	286

The Group's key management personnel compensation for the 6 months ended 30 June 2021 is as follows:

Type of compensation	Directors and key management personnel
	RM'000
Short-term benefits (including salary and director fee)	579
Post-employment benefit	53

Additional information required by the Bursa Malaysia Securities Bhd Listing Requirements

15. Review of Group Results

The Group's results for the current 6 months ended 30 June 2021 registered higher revenue of RM30.00 million as compared to RM22.39 million in the corresponding period due to higher brokerage and interest income. Profit before tax increased 66% to RM14.61 million as compared to RM8.81 million in the corresponding period. The performance analysis of various active segments is set out below:

- Stock and futures broking : Profit before tax increased 80% to RM13.83 million as compared to RM7.68 million in the corresponding period due to higher brokerage and interest income and reversal of impairment loss on doubtful debts of RM1.86m.
- Property holding and property development : Profit before tax decreased 64% to RM0.65 million from RM1.77 million in the corresponding period due to lower rental income and the absence of a gain on disposal of property of RM0.79 million recorded in the corresponding period.
- Investment holding and others : Recorded a profit before tax of RM0.13 million as compared to a loss before tax of RM0.43 million in the corresponding period due to lower expenses and interest income of RM0.32 million from the deposit placed for the proposed merger, which was discontinued on 15 April 2021.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
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FOR FINANCIAL QUARTER ENDED 30 JUNE 2021**

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 lower revenue of RM13.54 million in the current quarter as compared to RM16.46 million in the preceding quarter due to lower brokerage income. However, profit before tax increased to RM7.84 million as compared to RM6.77 million in the preceding quarter due to reversal of impairment loss on doubtful debts of RM1.92 million.

17. Prospect

The growth of the Malaysian GDP for the second half of 2021 is envisaged to be 0% (source: Fitch Solutions), as the daily Covid-19 infections have not come down despite prolonged lockdowns which had adversely affected the broad economy.

The Board, however, envisages that the outlook for stockbroking industry remains positive but the volume of transactions may decrease due to slowdown in retail securities trading and investment activities amid current challenging economic conditions.

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
	30-Jun-2021	30-Jun-2021
	RM'000	RM'000
Current year tax expense	1,938	3,646
Previous years under/(over) provision	(20)	(20)
Deferred tax	-	-
	<u>1,918</u>	<u>3,626</u>

The effective tax rate for the financial period is higher than the statutory income tax rate due to certain expenses incurred were not tax deductible.

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.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2021**

21. Status of Corporate Proposals

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

- (i) 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.

All the Conditions Precedents pertaining to this disposal have been fulfilled. The balance purchase consideration should be received within the next three months.

- (ii) 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.

This is pending regulatory approval.

22. Group Borrowings

There were no Group borrowings and debt securities as at 30 June 2021.

23. Off Balance Sheet Financial Instruments

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

24. Material Litigation

There was no new 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.

The Court had on 18 August 2021 allowed Concrete Parade's Appeal with costs. The Company has yet to receive the draft Order in respect of Appeal 1551. The Company shall make a further announcement once it has been served with the sealed Order.

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(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. Pinerains had on 25 May2021 filed an appeal via Court of Appeal No. W-02(IM)/(NCC)-1089-05/2021 (“**Appeal 1089**”) against the decision of the High Court.

The hearing of OS345 has been stayed pending the disposal of Appeal 1551. OS345 is now fixed for further case management on 23 August 2021.

(C) Appeal No. W-02(IM)/(NCC)-1089-05/2021 (“Appeal 1089”)

Appeal 1089 is fixed for case management on 9 September 2021..

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

	Current quarter 30 June 2021	Current Year-to-date 30 Jun 2021
	RM’000	RM’000
- Interest expenses	(16)	(37)
- Depreciation	(153)	(287)
- Change in fair value of marketable securities	66	60
- Gain/(loss) on marketable securities	166	747
- Interest income	3,395	6,468
- (Provision)/Write-back of impairment loss for receivables	1,921	1,861
- Foreign exchange gain/(loss)	(6)	15

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
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26. Earnings per Share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-2021	Preceding Year Comparative Quarter 30-Jun-2020	Current Year To Date 30-Jun-2021	Preceding Year Comparative Period 30-Jun-2020
Net profit/(loss) attributable to equity holders of the parent (RM'000)	5,921	4,472	10,982	6,633
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)	2.92	2.21	5.42	3.27

27. Dividends

The Board has approved and declared a second 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.