

## QUARTERLY REPORT

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

### CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Sep-21 RM' 000	PRECEDING YEAR COMPARATIVE QUARTER 30-Sep-20 RM' 000	CURRENT YEAR TO DATE 30-Sep-21 RM' 000	PRECEDING YEAR COMPARATIVE PERIOD 30-Sep-20 (Restated) RM' 000
<b>Continuing Operations :</b>				
Revenue	48,359	18,393	78,360	40,779
Operating Expenses	(39,600)	(10,908)	(58,115)	(26,362)
Other Operating Income	489	727	3,648	2,862
<b>Profit From Operations</b>	<b>9,248</b>	<b>8,212</b>	<b>23,893</b>	<b>17,279</b>
Finance Costs	(15)	(28)	(52)	(75)
Investing Results	-	-	-	-
Share of Profit of Equity Accounted Associate, Net of Tax	-	(24)	-	(235)
<b>Profit/(Loss) Before Tax</b>	<b>9,233</b>	<b>8,160</b>	<b>23,841</b>	<b>16,969</b>
Taxation	(1,093)	(2,016)	(4,719)	(4,192)
<b>Profit/(Loss) from Continuing Operations</b>	<b>8,140</b>	<b>6,144</b>	<b>19,122</b>	<b>12,777</b>
<b>Other Comprehensive Income:</b>				
Gain/(loss) on Available For Sale Investments	-	-	-	-
Income Tax Relating To Other Components Of Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income For The Period</b>	<b>8,140</b>	<b>6,144</b>	<b>19,122</b>	<b>12,777</b>
<b>Profit Attributable to :</b>				
Equity holders of the parent	8,140	6,144	19,122	12,777
Non-controlling interest	-	-	-	-
	<b>8,140</b>	<b>6,144</b>	<b>19,122</b>	<b>12,777</b>
<b>Total Comprehensive Income Attributable to :</b>				
Equity holders of the parent	8,140	6,144	19,122	12,777
Non-controlling interest	-	-	-	-
	<b>8,140</b>	<b>6,144</b>	<b>19,122</b>	<b>12,777</b>
EPS (sen) : Basic	4.02	3.03	9.44	6.31
: 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 30 SEPTEMBER 2021**

	AS AT 30-Sep-21 RM' 000	AS AT 31-Dec-20 (Audited) RM' 000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property , Plant and Equipment	12,074	12,150
Rights of Use Assets	592	711
Investment Properties	27,095	27,101
Investment in an Associate Company	-	4,904
Other asset	4,041	4,029
	<b>43,802</b>	<b>48,895</b>
<b>Current Assets</b>		
Marketable Securities Held for Trading	502	-
Receivables	123,180	132,418
Fixed Deposits With Financial Institutions	214	208
Cash and Short Term Funds	196,119	154,887
	<b>320,015</b>	<b>287,513</b>
Non-current Asset Held for Sale - Associate Company	4,904	-
Non-current Asset Held for Sale - Development Land	-	30,500
	<b>324,919</b>	<b>318,013</b>
<b>TOTAL ASSETS</b>	<b>368,721</b>	<b>366,908</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	221,940	221,940
Reserves	119,951	104,882
Treasury Shares	(7,459)	(7,459)
	<b>334,432</b>	<b>319,363</b>
<b>Minority Interests</b>	-	-
<b>TOTAL EQUITY</b>	<b>334,432</b>	<b>319,363</b>
<b>Non-Current Liabilities</b>		
Lease Liabilities	321	401
	<b>321</b>	<b>401</b>
<b>Current Liabilities</b>		
Payables	26,832	40,110
Lease Liabilities	323	250
Bank Borrowings	5,003	5,004
Taxation	1,810	1,780
	<b>33,968</b>	<b>47,144</b>
<b>TOTAL LIABILITIES</b>	<b>34,289</b>	<b>47,545</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>368,721</b>	<b>366,908</b>
<b>Net assets per share (RM)</b>	<b>1.65</b>	<b>1.58</b>

**(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 30 SEPTEMBER 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
<b>9 months ended 30 September 2021</b>							
Balance at beginning of year 2021	221,940	2,131	102,750	(7,459)	319,362	-	319,362
Total comprehensive income for the period	-	-	19,122	-	19,122	-	19,122
Shares buy-back	-	-	-	-	-	-	-
Dividend paid	-	-	(4,052)	-	(4,052)	-	(4,052)
Balance at end of period 2021	<u>221,940</u>	<u>2,131</u>	<u>117,820</u>	<u>(7,459)</u>	<u>334,432</u>	<u>-</u>	<u>334,432</u>
<b>9 months ended 30 September 2020</b>							
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	-	-	12,777	-	12,777	-	12,777
Shares buy-back	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Balance at end of period 2020	<u>221,940</u>	<u>2,131</u>	<u>98,317</u>	<u>(7,459)</u>	<u>314,929</u>	<u>-</u>	<u>314,929</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 [ 19901016563 (208232-A )]  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	<b>9 months ended 30-Sep-21 RM' 000</b>	<b>9 months ended 30-Sep-20 RM' 000</b>
<b>Net Profit/(Loss) before tax</b>	23,841	16,969
<b>Adjustments for :-</b>		
Non-cash items	(1,550)	722
Non-operating items (which are investing/financing)	(9,918)	(9,222)
<b>Operating profit before changes in working capital</b>	<u>12,373</u>	<u>8,469</u>
<b>Changes in working capital</b>		
Net change in current assets	41,125	6,413
Net change in current liabilities	(13,284)	(4,252)
Dividend Income	197	196
Interest income	9,773	9,101
Interest expense	(52)	(75)
Income tax paid	(4,688)	(3,166)
<b>Net cash flows from operating activities</b>	<u>45,444</u>	<u>16,686</u>
<b>Investing Activities</b>		
Purchase of property, plant & equipment	(154)	(4)
Withdrawal/(placement) of fixed deposits	(6)	(7)
<b>Net cash in investing activities</b>	<u>(160)</u>	<u>(11)</u>
<b>Financing Activities</b>		
Dividends paid	(4,052)	-
<b>Net cash used in financing activities</b>	<u>(4,052)</u>	<u>-</u>
<b>Net change in Cash &amp; Cash Equivalents</b>	41,232	16,675
<b>Cash &amp; Cash Equivalents at beginning of period</b>	149,884	125,223
<b>Cash &amp; Cash Equivalents at end of period</b>	<u>191,116</u>	<u>141,898</u>
<b>Cash &amp; Cash Equivalents at end of period comprise :</b>		
Cash,Bank Balances and Deposits	196,119	150,001
Bank Overdrafts	(5,003)	(8,103)
	<u>191,116</u>	<u>141,898</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 30 SEPTEMBER 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. Debt and Equity Securities**

There have been no issuance, cancellations, repurchase, resale and repayments of debt and equity securities during the 9 months ended 30 September 2021.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

**8. Dividends Paid**

The Company had paid:

- (i) 1<sup>st</sup> 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; and
- (ii) 2<sup>nd</sup> interim single tier dividend of 1 sen per share amounting to RM2,026,402 on 30 September 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 Sep 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	28	40,925	37,407	-	78,360
Inter-segment revenue	233	0	1,025	-	1,258
Reportable segment profit/(loss)	41	18,077	5,723	-	23,841
Total segment assets	240,013	250,647	120,633	-	611,293
Less: elimination					(242,572)
Group total					368,721

\* Temporarily cease operations

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

Quarter ended 30 Sep 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	22	40,253	504	-	40,779
Inter-segment revenue	117	0	1,037	-	1,154
Reportable segment profit/(loss)	(786)	15,737	2,253	-	17,204
Share of loss of an associate	-	(235)	-	-	(235)
					16,969
Total segment assets	240,639	228,247	113,727	-	582,613
Less: elimination					(235,419)
Group total					347,194

**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.

**14. Related Party Transaction**

There were no significant transactions with related party during the 9 months ended 30 September 2021.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

**Additional information required by the Bursa Malaysia Securities Bhd Listing Requirements**

**15. Review of Group Results**

The Group's results for the current 9 months ended 30 September 2021 registered higher revenue of RM78.36 million as compared to RM40.78 million in the corresponding period due to revenue of RM37 million derived from disposal of development land. Profit before tax increased 40.48% to RM23.84 million as compared to RM16.97 million in the corresponding period. The performance analysis of various active segments is set out below:

Stock and futures broking : Profit before tax increased 15% to RM18.08 million as compared to RM15.74 million in the corresponding period due to reversal of impairment loss on doubtful debts of RM1.81m.

Property holding and property development : Profit before tax increased 154% to RM5.72 million from RM2.25 million in the corresponding period due to higher gain on disposal of land of RM4.42 million as compared to RM0.79 million recorded in the corresponding period.

Investment holding and others : Recorded a profit before tax of RM0.04 million as compared to a loss before tax of RM0.79 million in the corresponding period due to lower expenses and interest income of RM0.32 million from the deposit placed for the proposed merger.

**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 higher revenue of RM48.36 million in the current quarter as compared to RM13.54 million in the preceding quarter due to revenue from disposal of development land of RM37 million. Consequently, profit before tax increased to RM9.23 million as compared to RM7.84 million in the preceding quarter due to gain of RM4.42 million from disposal of development land.

**17. Prospect**

With the gradual reopening of Malaysia's economy as many states enter Phase 4 of National Recovery Plan, which is in tandem with the nation achieving its Covid-19 vaccination threshold, it is expected that Malaysian equities will stage uptrend through 4<sup>th</sup> quarter of 2021.

The Group envisages that the outlook for stockbroking industry would be positive amid improved investor sentiment on expectation that corporate earnings will continue to strengthen in the coming quarters.

**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.



**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

19. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Comparative Quarter	Current Year To date	Preceding Year Comparative Period
	30-Sep-2021	30-Sep-2020	30-Sep-2021	30-Sep-2020
	RM'000	RM'000	RM'000	RM'000
Current year tax expense	1,093	2,051	4,739	4,227
Previous years under/(over) provision	-	(35)	(20)	(35)
	<b>1,093</b>	<b>2,016</b>	<b>4,719</b>	<b>4,192</b>

The effective tax rate for the 9 months ended 30 September 2021 is lower than the statutory income tax rate due to utilisation of unabsorbed business losses carried forward from previous financial years.

20. **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 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.

21. **Group Borrowings**

The Group's borrowings as at 30 September 2021: -

	RM'000
Bank Overdraft - Secured	5,003
<b>Total short term borrowings</b>	<b>5,003</b>

22. **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.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

**23. 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) Federal Court Civil Application No. 08(f)-399-09/2021(W)

On 17 September 2021, the Company had filed an application for leave to appeal to the Federal Court ("**Leave Application**") against the entire decision of the Court of Appeal which allowed Appeal 1551 (as disclosed in Noted (B) below).

The Leave Application is fixed for hearing on 28 February 2022.

(B) 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 an oppression suit vide Kuala Lumpur High Court Originating Summons No. WA-24NCC-56-02/2019 ("OS 56") against amongst others, the Company and JF Apex seeking amongst others a declaration that the Head of Agreement and the Business Merger Agreement ("BMA") related to the Proposed Merger\*, as illegal and/or unlawful and/or null and void.

On 7 August 2019, the High Court dismissed OS 56. Concrete Parade subsequently appealed to the Court of Appeal against the dismissal of OS 56 vide Appeal 1551.

On 20 November 2019, Concrete Parade obtained an order from the Court of Appeal to stay the proceedings in OS 345 as disclosed in Note (C) below, pending the disposal of Appeal 1551. The hearing of Appeal 1551 finally concluded on 18 February 2021.

On 16 April 2021, the Company announced that Mercury Securities Sdn Bhd ("Mercury") had vide its letter dated 15 April 2021 informed the Company that it was not seeking a further extension of the Conditions Fulfilment 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 had lapsed, and the Proposed Merger has been discontinued.

In light that the BMA had lapsed, the Company had through its solicitors informed Court of Appeal of this development.

On 18 August 2021, the Court of Appeal allowed Appeal 1551 with costs.

*\* Proposed Merger -*

*Proposed merger of businesses of the Company and Mercury for a consideration of RM140m.*

(C) Kuala Lumpur High Court Originating Summons No. WA-24NCC-345-06/2019 ("**OS 345**")

JF Apex and Mercury, filed OS 345 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 OS 345.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]  
NOTES TO THE FINANCIAL STATEMENTS  
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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. OS 345 was however not dismissed.

On 30 April 2021, Pinerains's application for assessment of damages was allowed with nominal damages of RM5,000. No cost was awarded to Pinerains. Pinerains had on 25 May 2021 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 had been stayed pending the disposal of Appeal 1551.

In light that the BMA had lapsed and the Proposed Merger has been discontinued on 7 September 2021, OS 345 was withdrawn with costs of RM5,000.00 awarded to Concrete Parade and Pinerains respectively.

(D) Court of Appeal Civil Appeal No. W-02(IM)/(NCC)-1089-05/2021 ("**Appeal 1089**")

Appeal 1089 is fixed for hearing on 5 January 2022.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-2021 RM'000	Preceding Year Comparative Quarter 30-Sep-2020 RM'000	Current Year To Date 30-Sep-2021 RM'000	Preceding Year Comparative Period 30-Sep-2020 RM'000
- Interest expenses	(15)	(28)	(52)	(75)
- Depreciation	(162)	(137)	(449)	(447)
- Dividend income	197	196	197	196
- Change in fair value of marketable securities	37	-	97	-
- Gain/(loss) on marketable securities	149	14	896	15
- Gain on disposal of land	4,422	-	4,422	792
- Interest income	3,304	2,963	9,772	9,101
- (Provision)/Write-back of impairment loss for receivables	(55)	112	1,806	84
- Foreign exchange gain/(loss)	*	(3)	15	13

\* less than RM1,000

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

25. **Earnings per Share**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-2021	Preceding Year Comparative Quarter 30-Sep-2020	Current Year To Date 30-Sep-2021	Preceding Year Comparative Period 30-Sep-2020
Net profit/(loss) attributable to equity holders of the parent (RM'000)	8,140	6,144	19,122	12,777
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)	4.02	3.03	9.44	6.31

26. **Dividends**

The Board has approved and declared a third 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.