

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 December 2020
The figures have not been audited.

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2020

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-----------------------------------|---|-----------------------------------|--|
| | CURRENT YEAR QUARTER 31-Dec-20 | PRECEDING YEAR COMPARATIVE QUARTER 31-Dec-19 | CURRENT YEAR TO DATE 31-Dec-20 | PRECEDING YEAR COMPARATIVE PERIOD 31-Dec-19 (Restated) |
| | RM' 000 | RM' 000 | RM' 000 | RM' 000 |
| Continuing Operations : | | | | |
| Revenue | 16,375 | 8,397 | 57,154 | 33,997 |
| Operating Expenses | (10,252) | (6,623) | (36,614) | (27,237) |
| Other Operating Income | 314 | 755 | 3,176 | 3,161 |
| Profit From Operations | 6,437 | 2,529 | 23,716 | 9,921 |
| Finance Costs | (16) | (23) | (91) | (99) |
| Investing Results | - | - | - | - |
| Share of Profit of Equity Accounted Associate, Net of Tax | (64) | (110) | (299) | (342) |
| Profit/(Loss) Before Tax | 6,357 | 2,396 | 23,326 | 9,480 |
| Taxation | (1,921) | (946) | (6,113) | (3,469) |
| Profit/(Loss) from Continuing Operations | 4,436 | 1,450 | 17,213 | 6,011 |
| 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 | 4,436 | 1,450 | 17,213 | 6,011 |
| Profit Attributable to : | | | | |
| Equity holders of the parent | 4,436 | 1,450 | 17,213 | 6,011 |
| Non-controlling Interest | - | - | - | - |
| | 4,436 | 1,450 | 17,213 | 6,011 |
| Total Comprehensive Income Attributable to : | | | | |
| Equity holders of the parent | 4,436 | 1,450 | 17,213 | 6,011 |
| Non-controlling Interest | - | - | - | - |
| | 4,436 | 1,450 | 17,213 | 6,011 |
| EPS (sen) : Basic | 2.19 | 0.72 | 8.49 | 2.97 |
| : Diluted | - | - | - | - |

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019)

**APEX EQUITY HOLDINGS BERHAD (208232-A)
CONDENSED CONSOLIDATED FINANCIAL POSITION AS AS AT 31 DECEMBER 2020**

| | AS AT 31-Dec-20 RM' 000 | AS AT 31-Dec-19 (Audited) RM' 000 |
|--|-------------------------------|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property , Plant and Equipment | 12,260 | 12,614 |
| Rights of Use Assets | 600 | 959 |
| Investment Properties | 27,100 | 27,109 |
| Inventories * | - | 30,500 |
| Investment in an Associate Company | 4,904 | 5,203 |
| Other asset | 4,029 | 3,993 |
| | <u>48,893</u> | <u>80,378</u> |
| Current Assets | | |
| Inventories * | 30,500 | 0 |
| Receivables | 132,418 | 123,870 |
| Fixed Deposits With Financial Institutions | 208 | 202 |
| Cash and Short Term Funds | 154,888 | 130,220 |
| | <u>318,014</u> | <u>254,292</u> |
| TOTAL ASSETS | <u><u>366,907</u></u> | <u><u>334,670</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Equity Holders of the Parent | | |
| Share Capital | 221,940 | 221,940 |
| Reserves | 104,884 | 87,671 |
| Treasury Shares | (7,459) | (7,459) |
| | <u>319,365</u> | <u>302,152</u> |
| Minority Interests | - | - |
| TOTAL EQUITY | <u>319,365</u> | <u>302,152</u> |
| Non-Current Liabilities | | |
| Lease Liabilities | 477 | 651 |
| | <u>477</u> | <u>651</u> |
| Current Liabilities | | |
| Payables | 40,036 | 26,641 |
| Lease Liabilities | 245 | 229 |
| Bank Borrowings | 5,004 | 4,997 |
| Taxation | 1,780 | - |
| | <u>47,065</u> | <u>31,867</u> |
| TOTAL LIABILITIES | <u>47,542</u> | <u>32,518</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>366,907</u></u> | <u><u>334,670</u></u> |
| Net assets per share (RM) | <u>1.58</u> | <u>1.49</u> |

* Inventories comprise lands held for development

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019)

**APEX EQUITY HOLDINGS BERHAD (208232-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

| | 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 |
|---|----------------------------|---------------------------------|------------------------------------|------------------------------|--|---|---------------------------|
| 12 months ended 31 December 2020 | | | | | | | |
| Balance at beginning of year 2020 | 221,940 | 2,131 | 85,540 | (7,459) | 302,152 | - | 302,152 |
| Total comprehensive income for the period | - | - | 17,213 | - | 17,213 | - | 17,213 |
| Shares buy-back | - | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - | - |
| Balance at end of period 2020 | <u>221,940</u> | <u>2,131</u> | <u>102,753</u> | <u>(7,459)</u> | <u>319,365</u> | <u>-</u> | <u>319,365</u> |
| 12 months ended 31 December 2019 | | | | | | | |
| Balance at beginning of year 2019 As previously stated | 221,940 | - | 85,713 | (7,459) | 300,194 | - | 300,194 |
| Total comprehensive income for the period | - | - | 6,011 | - | 6,011 | - | 6,011 |
| Shares buy-back | - | - | - | - | - | - | - |
| Dividend paid | - | - | (4,053) | - | (4,053) | - | (4,053) |
| Balance at end of period 2019 | <u>221,940</u> | <u>-</u> | <u>87,671</u> | <u>(7,459)</u> | <u>302,152</u> | <u>-</u> | <u>302,152</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 2019)

**APEX EQUITY HOLDINGS BERHAD (208232-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2020**

| | 12 months ended 31-Dec-20 RM' 000 | 12 months ended 31-Dec-19 RM' 000 |
|--|--|--|
| Net Profit/(Loss) before tax | 23,326 | 9,480 |
| Adjustments for :- | | |
| Non-cash items | 947 | 1,232 |
| Non-operating items (which are investing/financing) | (12,482) | (13,992) |
| Operating profit before changes in working capital | <u>11,791</u> | <u>(3,280)</u> |
| Changes in working capital | | |
| Net change in current assets | (8,617) | 31,758 |
| Net change in current liabilities | 13,219 | (19,251) |
| Dividend Income | 196 | 98 |
| Interest income | 12,377 | 13,993 |
| Interest expense | (91) | (99) |
| Income tax paid | (4,864) | (4,053) |
| Tax refund | 683 | 1,058 |
| Net cash flows from operating activities | <u>24,694</u> | <u>20,224</u> |
| Investing Activities | | |
| Purchase of property, plant & equipment | (25) | (67) |
| Withdrawal/(placement) of fixed deposits | (7) | (7) |
| Net cash in investing activities | <u>(32)</u> | <u>(74)</u> |
| Financing Activities | | |
| Dividends paid | - | (4,053) |
| Net cash used in financing activities | <u>-</u> | <u>(4,053)</u> |
| Net change in Cash & Cash Equivalents | 24,662 | 16,097 |
| Cash & Cash Equivalents at beginning of period | 125,222 | 109,125 |
| Cash & Cash Equivalents at end of period | <u>149,884</u> | <u>125,222</u> |
| Cash & Cash Equivalents at end of period comprise : | | |
| Cash, Bank Balances and Deposits | 154,888 | 130,219 |
| Bank Overdrafts | (5,004) | (4,997) |
| | <u>149,884</u> | <u>125,222</u> |

(The Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019)

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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 2019.

2. Condensed Financial Statements

This set of interim financial statements has been prepared on a condensed basis and should be read in conjunction with the most recent annual financial statement for the year ended 31 December 2019.

3. Audit Report

The Audit Report of the Company's preceding annual financial statements for the year ended 31 December 2019 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 December 2020.

As at 31 December 2020, the total shares bought back in the previous years and held as treasury shares amounted to 10,923,118 shares, were financed by internally generated funds.

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.

APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020

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:

| Year ended 31 Dec 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 | 56,513 | 619 | 0 | 0 | 22 | 57,154 |
| Inter-segment revenue | 0 | 1,384 | 0 | 3,117 | 0 | 4,501 |
| Reportable segment profit/(loss) | 22,135 | 1,809 | 836 | (1,177) | 22 | 23,625 |
| Share of loss of an associate | | | | | | (299) |
| | | | | | | <u>23,326</u> |
| Total segment assets | 242,948 | 42,597 | 74,996 | 244,769 | 377 | 605,687 |
| Less: elimination | | | | | | (238,780) |
| Group total | | | | | | <u>366,907</u> |

APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020

| Year ended 31 Dec 2019 | 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 | 33,000 | 776 | 178 | 0 | 44 | 33,998 |
| Inter-segment revenue | 0 | 1,386 | 0 | 6,113 | 0 | 7,499 |
| Reportable segment profit/(loss) | 10,244 | 737 | 844 | (2,049) | 45 | 9,821 |
| Share of loss of an associate | | | | | | (341) |
| | | | | | | <u>9,480</u> |
| Total segment assets | 216,008 | 41,409 | 70,862 | 239,746 | 360 | 568,385 |
| Less: elimination | | | | | | (233,715) |
| Group total | | | | | | <u>334,670</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.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

14. Related Party Transactions

The related party transaction during the year ended 31 December 2020:

| | |
|---|---------|
| | RM'000 |
| Securities transactions by persons related to major shareholders | 409,043 |
| Brokerage on securities transactions by persons related to major shareholders | 429 |

The Group's key management personnel compensation for the year ended 31 December 2020 is as follows:

| Type of compensation | Directors and key management personnel |
|------------------------------|--|
| | RM'000 |
| Short-term employee benefits | 1,389 |
| Post-employment benefit | 106 |

Additional information required by the Bursa Malaysia Securities Bhd Listing Requirements

15. Review of Group Results

The Group's results for the current financial year ended 31 December 2020 registered higher revenue of RM57.15 million as compared to RM34.00 million in the corresponding period due to higher brokerage income. Profit before tax increased by 146% to RM23.33 million as compared to RM9.48 million in the corresponding period. The performance analysis of various active segments is set out below:

| | | |
|---|---|--|
| Stock and futures broking | : | Profit before tax increased 116% to RM22.14 million as compared to RM10.24 million in the corresponding period due to higher brokerage income. |
| Building management and property investment | : | Profit before tax increased 145% to RM1.81 million from RM0.74 million in the corresponding period due to lower operating expenses and RM0.79 million gains on disposal of a property. |
| Money lending/property development | : | Profit before tax decreased 1% to RM0.83 million from RM0.84 million in the corresponding period due to lower interest income. |
| Investment holding | : | Loss before tax decreased 42% to RM1.18 million from RM2.05 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 lower revenue and pre-tax profit of RM16.38 million and RM6.36 million respectively for the current quarter as compared to RM18.39 million and RM8.16 million respectively in the preceding quarter. The decrease was mainly due to lower brokerage income.

APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020

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-Dec-2020 RM'000 | 31-Dec-2020 RM'000 |
| Current year tax expense | 1,921 | 6,148 |
| Previous years under/(over) provision | - | (35) |
| Deferred tax | - | - |
| | <u>1,921</u> | <u>6,113</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 15.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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 followings:-

- (i) Proposed merger of businesses of the Company ("Apex") and Mercury Securities via the transfer by Mercury Securities to Apex 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, to be satisfied as follows:
 - (a) RM22.00 million via cash within 3 market days from the unconditional Date;
 - (b) the issuance of 100,000,000 new ordinary shares in the Company (Apex Shares) at an issue price of RM0.92 per share (Consideration Shares) to Mercury Securities within 10 market days from the unconditional Date. The issue price is arrived at after taking into consideration the 5-day volume weighted average market (VWAM) price of the Company up to the market day preceding the date of the Head of Agreement of RM0.9112; The issue price of RM0.92 represents a premium of approximately 0.97% over the 5-day VWAMP of Apex Shares up to and including 20 September 2018 of RM0.9112 each. The Consideration Shares represent approximately 31% of the total enlarged issued share capital of the Company (after net of treasury shares and after completion of the Proposed Private Placement (as defined below); and
 - (c) RM26.00 million via cash within 10 market days from the Unconditional Date

The Company will fund part of the cash portion mentioned above by proposing to issue 20,000,000 Apex Shares ("Placement Shares") at an issue price of RM0.94 ("Proposed Private Placement"). The Placement Shares represent approximately 10% of the existing issued share capital of Apex (net of treasury shares)

Conditions Precedent

The Agreement shall be conditional upon the following being fulfilled within 4 months from the date of the Agreement (or such later date as may be mutually agreed between the Parties) ("Unconditional Date"):-

- (a) the approval of the shareholders of Apex for the Proposed Merger and Proposed Private Placement and Mercury Securities for the Proposed Merger being obtained;
- (b) the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Consideration Shares and Placement Shares being obtained;
- (c) the approval of the Securities Commission Malaysia ("SC") being obtained for :-
 - (i) the change of controller of Apex under the SC's Licensing Handbook pursuant to the Proposed Merger;
 - (ii) the variation of the licences/permits currently held by the relevant Apex's group of companies in order to carry out their respective businesses; and
 - (iii) the assignment/transfer of the relevant licences/permits/accreditation currently held by Mercury Securities and/or the representatives/officers of Mercury Securities in order to carry out the Business;

APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020

- (d) Apex and Mercury Securities being satisfied with the respective results of the legal, operational and financial due diligence carried out in accordance with such parameters as may be mutually agreed between the Parties;
- (e) the vesting order from the High Court in Malaya pursuant to the Capital Markets and Services Act 2007 ("CMSA") and such other applicable statutes and regulations to give effect to the transfer of the Business together with the Business Assets and the Business Liabilities in accordance with the Agreement being obtained by the Parties; and
- (f) such other conditions precedent as may be necessary to effect and complete the Proposed Merger being obtained.

In the event any regulatory authorities impose any conditions to their approval, such conditions must be mutually acceptable by the Parties before the relevant conditions precedent are deemed to be satisfied.

The Parties shall have the right to mutually waive in writing the requirement to comply with or otherwise obtain any of the conditions precedent mentioned above.

The Proposed Merger is inter-conditional with the Proposed Private Placement.

The Company had obtained all necessary approvals as mentioned above except for the vesting order (which was obtained on 1 July 2019 but subsequently been set aside by the High Court on 11 July 2019) pending the outcome of material legal suits (OS 345 and Appeal 1551) as mentioned in item 24.

- (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.

The 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 is pending fulfillment of conditions precedent.

22. Group Borrowings

The Group's borrowings and debt securities as at 31 December 2020: -

| | RM'000 |
|------------------------------------|--------------|
| Bank Overdraft | 5,004 |
| Revolving Credit | 0 |
| Total short term borrowings | 5,004 |
| Long term bank loan | 0 |
| Total group borrowings | 5,004 |

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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) Originating Summons filed by Concrete Parade Sdn Bhd (WA-24NCC-56-02/2019) ("OS 56")

The Company ("**Apex**"), had on 25 February 2019 been served with an Originating Summons in the High Court of Kuala Lumpur at Wilayah Persekutuan Kuala Lumpur along with 15 others including JF Apex Securities Berhad ("**JF Apex**"), a wholly-owned subsidiary of Apex, the Board of Directors of Apex, Mercury Securities Sdn Bhd and 7 individuals ("**Placees**") (jointly referred to as "**Defendants**") by Concrete Parade Sdn Bhd ("**Plaintiff**"), a shareholder of the Company.

The Plaintiff in OS 56 sought the following reliefs: -

Share Buy-Back

1. A declaration that the Board of Directors of Apex had managed and conducted the affairs of the Company and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfair and prejudicial to the interest of the Plaintiff as a member of the Company;
2. A declaration that all share buy-back transactions carried out by the Company are null and void;
3. A declaration that one Kuala Lumpur High Court Originating Summons No. WA-24NCC-382-07/2018 and the Order dated 30 August 2018 obtained therein are invalid and/or illegal and in consequence thereof, an order that the said Order dated 30 August 2018 be set aside;
4. An order that the Current Directors be required to reverse all share buy-back transactions carried out by the Company and to return the said shares to the original holders or to deal with the said shares in such manner as directed by the Court;
5. An order that the Current Defendants are liable, jointly and/or severally, for cost and expenses incurred for reversing all share buy-back transactions carried out by the Company;
6. An injunction to restrain the Company from holding any general meeting of shareholders pending the completion of the exercise as set out in prayers 2 to 5;

Proposed Merger

7. A declaration that the Heads of Agreement entered into between the Company and Mercury Securities on 21 September 2018 ("**HOA**") is illegal and/or unlawful and null and void;

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

8. A declaration that the Business Merger Agreement entered into between the Company, JF Apex and Mercury Securities on 18 December 2018 ("BMA") is illegal and/or unlawful and null and void;
9. Consequential to prayers 7 and 8, an order that the HOA and BMA be set aside;

Proposed Private Placement

10. A declaration that the subscription agreements entered into between the Company with the Placees respectively on 18 December 2018 ("Subscription Agreement") are illegal and/or unlawful and null and void; and
11. Consequential to prayer 10, an order that the Subscription Agreements be set aside;
12. The costs and costs occasioned by the Originating Summons herein be borne by the Board of Apex, Placees and Mercury Securities, jointly and/or severally, and paid to the Plaintiff on an indemnity basis or on any basis deemed fit and proper by the Honorable Court;
- 13 Liberty to apply; and
14. Such further order or relief as the Honorable Court shall deem fit and proper.

The High Court had on 15 May 2019 heard an application by the Plaintiff to convert OS 56 into a Writ action and dismissed the application with costs. OS 56 was heard on 5 July 2019 and 31 July 2019.

On 7 August 2019, the High Court dismissed OS 56 with costs. The Company and JF Apex were awarded costs of RM75,000.00, whereas the other 14 Defendants including Mercury Securities Sdn Bhd were awarded costs of RM340,000.00 in total.

Concrete Parade applied for a stay of execution of the costs awarded totaling RM415,000 to the 16 defendants. This application was heard on 10 September 2019 and was dismissed with costs. The Company and JF Apex were awarded costs of RM 5,000.

(B) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-1551-08/2019 ("Appeal 1551")

Concrete Parade had on 13 August 2019 filed an appeal against the dismissal of OS56.

On 8 November 2019, the Company was served with an unsealed copy of Concrete Parade's Notice of Motion for an interim order to restrain JF Apex and Mercury Securities Sdn Bhd from:

- (a) proceeding with Kuala Lumpur High Court Originating Summons No. WA-24NCC-345-06/2019 ("OS 345")
- (b) commencing and/or filing further action for a vesting order pursuant to and/or giving effect to the Business Merger Agreement dated 18 December 2018

pending the disposal of Appeal 1551.

Concrete Parade's application for an interim order was fixed for hearing on 20 November 2019, 9.00 a.m.

On 20 November 2019, the Court of Appeal had allowed Concrete Parade's Notice of Motion to restrain JF Apex and Mercury Securities Sdn Bhd from:

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

- (a) proceeding with OS 345; and/or
- (b) commencing and/or filing further action for a vesting order pursuant to and/or giving effect to the Business Merger Agreement dated 18 December 2018

pending the disposal of Appeal 1551.

Appeal 1551 was heard by the Court of Appeal on 3 December 2019 and was subsequently fixed for continued hearing on 16 January 2020.

However, the continued hearing of Appeal 1551 on 16 January 2020 was vacated by the Court of Appeal as priority was given to another case. Appeal 1551 was then re-fixed for continued hearing on 11 February 2020.

The continued hearing on 11 February 2020 was vacated by the Court of Appeal on the application of Concrete Parade as its lead counsel was engaged in another matter at the Federal Court on the same date.

Appeal 1551 was then fixed for continued hearing on 7 April 2020.

The Court of Appeal vacated the hearing fixed on 7 April 2020 due to the Movement Control Order 2020 ("MCO") made under the Prevention and Control of Infectious Diseases Act 1998.

The continued hearing of Appeal 1551 proceeded on 12 August 2020.

The Court had fixed 4 December 2020 for the continued hearing of Appeal 1551. However, due to the imposition of Conditional Movement Control Order by the Government of Malaysia, the hearing date of 4 December 2020 was vacated.

Appeal 1551 had fixed for continued hearing on 18 February 2021.

The continued hearing of Appeal 1551 proceeded on 18 February 2021, and was completed. The Court has reserved the decision of Appeal 1551 to 1 April 2021.

(C) Originating Summons filed by Apex against 18 parties (WA-24NCC-264-05/2019) ("PAC Suit")

Apex and JF Apex had filed, among others, an originating summons against the Defendants named below:-

- (1) Lim Siew Kim;
- (2) Lim Beng Guan;
- (3) Malcom Fernandez;
- (4) Chan T'Shiao Li;
- (5) Amy Kwan Bee Lian;
- (6) Ong Yeong Yeong;
- (7) Marcus Chan Jau Chwen;
- (8) Jit Singh A/L Santok Singh, Dr.;
- (9) Othman Bin Haron Dato';
- (10) Quintin Jeyaraj Vello;
- (11) Tee Lay Peng;
- (12) Fun Sheung Development Limited;
- (13) Yenson Investments Limited;
- (14) Pinerains Sdn. Bhd.;
- (15) Cergas Megah (M) Sdn. Bhd.;
- (16) Concrete Parade Sdn. Bhd.;

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

- (17) Joymap Bridge Sdn. Bhd.; and
- (18) ZJ Advisory Sdn. Bhd.

The Company and JF Apex sought for, among others, the following reliefs:

As regards the Company:

1. a declaration that the Company is a "person aggrieved" within the meaning of section 360(1)(d) of the Capital Markets and Services Act 2007 ("CMSA") whether by reason of one or more of the following:
 - 1.1 the alleged contravention of sections 218(1) and/or 218(2) and/or 218(3) of the CMSA by the 1st to 17th Defendants or any combination of them; and/or
 - 1.2 the alleged contravention of section 60(7) and section 64(1) of the CMSA and/or Rule 4.02(8) and 4.02(9) of the Licensing Handbook SC-GL/2007 (R6-2018) when the 12th and 13th Defendants had failed to inform JF Apex of their indirect shareholding and/or deemed interest in JF Apex; and/or
 - 1.3 the alleged contravention of section 64(1)(h)(iv) and (v) and section 72(2)(a)(i) of the CMSA by the 18th Defendant;
2. Further to paragraph 1 above, pending the conclusion of an investigation/inquiry by the Securities Commission of the matters raised in a complaint lodged by the Company on 17.7.2012 and in an update complaint by the Company and JF Apex on 25.4.2019 with the Securities Commission and until such time where the Securities Commission shall make a decision whether or not to exercise any of the powers it may have under section 220 or any other section(s) of the CMSA, that pursuant to section 360(1)(d) of the CMSA, the following orders:
 - 2.1 an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from any further contravention of sections 218(1) and/or 218(2) and/or 218(3) of the CMSA;
 - 2.2 an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from acquiring disposing and/or dealing with, whether by encumbering, assigning, or declaring any trust over any shares and/or securities of the Company held in the name of such Defendant, as the case may be;
 - 2.3 an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from requisitioning any general meeting of the Company for any reason whatsoever;
 - 2.4 an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from giving any notice to convene any general meeting and/or adjourned general meeting of the Company;
 - 2.5 an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from exercising any of their voting or other rights at any general meeting, or otherwise, of the Company;

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

3. an order that the 1st to 17th Defendants do jointly and severally take steps to comply with Part III, Division I, Subdivision 7, and more specifically, sections 137 and 138 of the Companies Act, 2016 or the corresponding provisions of the Companies Act, 1965, as the case may be;
4. an order that the 1st to 17th Defendants or any of them, be restrained from taking out any proceedings against the Company and/or JF Apex without leave of this Honourable Court;

As regards the Company, in the alternative

5. in the alternative to paragraphs 1 to 4 above, a declaration that:
 - 5.1 the 1st and 12th to 17th Defendants are persons acting in concert for the purpose of exercising control over the Company; and/or
 - 5.2 1st to 17th Defendants have acted in concert for the purpose of exercising control over the Company;
6. further to paragraph 5 above, either of the following:
 - 6.1 an order directing the Securities Commission to exercise such powers as it may have under the CMSA against the 1st to 17th Defendants; or
 - 6.2 an order directing the 1st to 17th Defendants to apply for an exemption from the requirements of the CMSA, Code and/or TOM Rules, as the case may be;
or
7. further to paragraph 1 to 6 above, any one or more of the orders that may be made under section 360(1)(A) to (P) of the CMSA;

As regards JF Apex

8. a declaration that the JF Apex is a "person aggrieved" within the meaning of section 360(1)(d) of the CMSA by reason of the alleged contravention of section 218(1) and/or 218(2) and/or 218(3) of the CMSA by the Defendants or any combination of them;
9. a declaration that JF Apex is a "person aggrieved" within the meaning of section 360(1)(d) of the CMSA by reason of the alleged contravention of section 60(7) and section 64(1) of the CMSA and/or Rule 4.02(8) and 4.02(9) of the Licensing Handbook SC-GL/2007 (R6-2018) when the 12th and 13th Defendants had failed to inform JF Apex of their indirect shareholding in the JF Apex;
10. further to paragraph 9 above, an order that the 3rd, 10th, 11th, 12th and 13th Defendants do disclose to JF Apex the identity of the ultimate beneficial shareholder of the 12th and 13th Defendants;

As regards the 18th Defendant, ZJ Advisory Sdn Bhd

11. an order that the 18th Defendant does not:
 - 11.1 act for or otherwise advise or provide advisory services to the 1st to 17th Defendants;
 - 11.2 make available any servant, agent and/or representative to the 1st to 17th

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

Defendants for the purpose of attending any general meeting of the Company, whether as observer, invitee, proxy or corporate representative as the case may be;

- 11.3 make available any servant, agent and/or representative to the 1st to 17th Defendants to plan, organize or conduct any general meeting of the Company;
12. any other order that this Honourable Court shall consider necessary or proper to grant, in the circumstances; and
13. costs; and
14. liberty for any party herein to apply.

The Company and JF Apex had on 30 May 2019 filed an application pursuant to Order 29 Rule 1, Rule 2 of the Rules Of Court 2012 and/or inherent jurisdiction of the Court (subject to undertaking from the Company and JF Apex to pay damages as the Court deems fit if the Court finds that the Defendants have suffered any loss as a result of an order being made pending the full and final determination and disposal of the originating summons filed) for the following reliefs:

- (a) that pursuant to Section 360(1)(d) of the Capital Market and Services Act 2007 ("CMSA"), the following orders:
 - (i) an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from any further contravention of Section 218(1) and/or 218(2) and/or 218(3) of the CMSA;
 - (ii) an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from acquiring disposing and/or dealing with, whether by encumbering, assigning, or declaring any trust over any shares and/or securities of the Company held in the name of such Defendant, as the case may be;
 - (iii) an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from requisitioning any general meeting of the Company for any reason whatsoever;
 - (iv) an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from giving any notice to convene any general meeting and/or adjourned general meeting of the Company;
 - (v) an order that the 1st to 17th Defendants, whether by their servants, agents, representatives and/or any person acting in concert with them, be jointly and severally restrained from exercising any of their voting or other rights at any general meeting, or otherwise, of the Company;
- (b) an order that the 1st to 17th Defendants, be restrained from taking out any proceedings against the Company and/or JF Apex without leave of the Court;
- (c) any other order that the Court shall consider necessary or proper to grant, in the circumstances

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

- (d) costs;
- (e) liberty for any party herein to apply

All 18 Defendants filed an application to strike out the PAC Suit. The Court had on 1 November 2019 allowed the Defendants' striking out application and struck out the PAC Suit. A total cost of RM230,000.00 were awarded to all 18 Defendants.

The Company and JF Apex had filed the following appeals to the Court of Appeal:

- (a) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-2224-12/2019 Apex Equity Holdings Berhad and JF Apex Securities Berhad v. Othman Bin Haron Dato' and Joymap Bridge Sdn Bhd ("Appeal 2224");
- (b) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-2225-12/2019 Apex Equity Holdings Berhad and JF Apex Securities Berhad v. Fun Sheung Development Limited and Yenson Investments Limited ("Appeal 2225");
- (c) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-2226-12/2019 Apex Equity Holdings Berhad and JF Apex Securities Berhad v. Lim Beng Guan, Jit Singh A/L Santok Singh, Dr. and Concrete Parade Sdn Bhd ("Appeal 2226");
- (d) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-2227-12/2019 Apex Equity Holdings Berhad and JF Apex Securities Berhad v. Malcolm Fernandez, Amy Kwan Bee Lian, Ong Yeong Yeong, Quintin Jeyaraj Vello and Tee Lay Peng ("Appeal 2227");
- (e) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-2228-12/2019 Apex Equity Holdings Berhad and JF Apex Securities Berhad v. Lim Siew Kim, Marcus Chan Jau Chwen, Pinerains Sdn Bhd and Cergas Megah (M) Sdn Bhd ("Appeal 2228"); and
- (f) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-2229-12/2019 Apex Equity Holdings Berhad and JF Apex Securities Berhad v. Chan T'Shiao Li ("Appeal 2229").

(collectively referred to as "Appeals")

The Appeals were fixed for hearing on 11 September 2020.

On 11 September 2020, the Court of Appeal had dismissed the Appeals with costs of RM10,000.00 awarded to the Respondent(s) in each appeal. The Court of Appeal was of view that whilst Apex Equity and JF Apex were aggrieved parties in an ordinary sense, they were not however deemed to be a "person aggrieved" within the meaning of section 360(1) of the Capital Market Service Act, 2007.

The Company and JF Apex had filed the Notices of Motions for leave to appeal to the Federal Court against the decision of the Courts of Appeal in dismissing the Appeals on 11 September 2020:-

- (a) Federal Court Civil Application No. 08(f)-302-10/2020(W)
Apex Equity Holdings Berhad & Anor v. Othman Bin Haron Dato' & Anor;
- (c) Federal Court Civil Application No. 08(f)-303-10/2020(W)
Apex Equity Holdings Berhad & Anor v. Fun Sheung Development Limited & Anor;
- (d) Federal Court Civil Application No. 08(f)-304-10/2020(W)
Apex Equity Holdings Berhad & Anor v. Lim Beng Guan & 2 Ors;

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

- (e) Federal Court Civil Application No. 08(f)-305-10/2020(W)
Apex Equity Holdings Berhad & Anor v. Malcom Fernandez & 4 Ors;
- (f) Federal Court Civil Application No. 08(f)-306-10/2020(W)
Apex Equity Holdings Berhad & Anor v. Lim Siew Kim & 3 Ors; and
- (g) Federal Court Civil Application No. 08(f)-307-10/2020(W)
Apex Equity Holdings Berhad & Anor v. Chan T'Shiao Li

(collectively referred to as "Leave Applications")

The Leave Applications are fixed for hearing on 26 February 2021.

(D) Writ Of Summons - Kuala Lumpur High Court Suit No. WA-22NCC-378-07/2019
Pinerains Sdn Bhd v Apex Equity Holdings Berhad & 6 Ors ("Suit 378")

- 1 Pinerains Sdn Bhd ("Plaintiff") a shareholder of the Company, commenced a legal action against the Company, JF Apex Securities Berhad ("JF Apex"), Alliance Investment Bank Berhad ("Alliance") and the existing directors of the Company ("Defendants").
2. The Plaintiff sought for the following orders:
 - (i) declaration that the resolution in respect of the proposed merger between JF Apex and Mercury Securities Sdn Bhd and the resolution in respect of a private placement passed at the Extraordinary General Meeting on 19 June 2019 be invalidated and/or annulled and/or set aside;
 - (ii) damages to be assessed by the proper officer of the Court;
 - (iii) costs; and
 - (iv) further and other relief as the Court deems just and fair.
3. The Plaintiff had also filed an application for interim injunction against the Defendants to restrain the implementation of the proposed merger between JF Apex and Mercury Securities Sdn Bhd and the private placement pending determination of this matter at full trial. This application was fixed for hearing on 15 July 2019 at 4 pm.

The Plaintiff had filed an application to transfer this suit to the High Court NCC 6 hearing Originating Summons No. WA-24NCC-56-02/2019 (OS56). The application was allowed by the High Court NCC4 on 31 July 2019 ("Transfer Order").

Subsequent to the Transfer Order, the Court hearing OS 56 fixed 15 August 2019 for further case management pending the filing and exchange of affidavits for various interlocutory applications including but not limited to the following:

- (a) Pinerains' application for an interim injunction;
- (b) the Company's and JF Apex's application for fortification of Pinerains' undertaking as to damages; the Company's and JF Apex's application to stay the Transfer Order and all proceedings in suit pending disposal of the Company's and JF Apex's appeal to the Court of Appeal ("Stay Application");
- (c) applications by certain directors of the Company for stay of proceedings; and
- (d) an application to intervene in this suit by Mohd. Johari, a shareholder of the Company.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

The Company's and JF Apex's Stay Application was withdrawn on 15 August 2019.

The Company's and JF Apex's appeal was withdrawn formally on 18 September 2019 with no order as to costs.

Pinerains' application to intervene the Kuala Lumpur High Court Suit No. WA-24NCC-345-06/2019 was allowed by the Court upon Pinerains' undertaking to discontinue Suit 378.

Pinerains had formally withdrawn Suit 378 on 30 August 2019.

(E) Originating Summons filed by Concrete Parade Sdn Bhd against ACE Investment Bank Ltd (AEHB & JFAS Intervened) (OS 316, "ACE Suit")

Intervener Proceedings

1. The Company and JF Apex Securities Berhad ("JF Apex") had filed an intervener application at the High Court of Malaya at Kuala Lumpur on 17 June 2019 to be made parties to an originating summons filed by Concrete Parade Sdn. Bhd. ("Plaintiff") on 12 June 2019 against ACE Investment Bank Limited ("ACE Investment"), a major shareholder of the Company (Originating Summons").

2. The Originating Summons by the Plaintiff sought to, among others, restrain ACE Investment from voting or exercising any of the rights attached to its shares pending the Defendant's compliance with the directions given by the Securities Commission. However, the Court had at the hearing today (18 June 2019) dismissed that prayer.

3. ACE Investment is therefore not restrained from voting or exercising any of the rights attached to its shares.

The Originating Summons

4. The Company and JF Apex were served on 18 June 2019 with a sealed amended Originating Summons ("Enclosure 7") for the following reliefs:

- (a) A declaration that the Defendant has breached and continues to be in breach of Chapter 4.02 (4B) and (8) of the Licensing Handbook issued on 28 September 2017 and revised on 1 August 2018 and has caused JF Apex to commit an offence under the Capital Markets and Services Act 2007;
- (b) A declaration that by reason of the failure of JF Apex to obtain the prior approval of the Securities Commission of a change in its controller, that the registration of the Defendant as the holder of 50,683,509 ordinary share in the Company is invalid and ineffectual;
- (c) An order that pursuant to the direction given by the Securities Commission vide their letters dated 21 February 2019 and 25 February 2019, the Defendant is to dispose of its shareholding in the Company as a result of the aforesaid breach;
- (d) An order restraining the Defendant from voting or exercising any of the rights attached to its shares pending the Defendant's compliance with the directions given by the Securities Commission;
- (e) The costs herein be borne by the Defendant, and paid to the Plaintiff, and

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

- (f) Such further order or relief as the Honourable Court shall deem fit and proper. 5. The Court has fixed a further hearing date on 24 July 2019 to hear the prayers described in paragraphs 4(a), (b), (c), (e) and (f).

On 18 June 2019, the High Court heard arguments on the Plaintiff's prayer to restrain ACE Investment from voting or exercising any of the rights attached to its shares pending the ACE Investment's compliance with the directions given by the Securities Commission. The High Court dismissed this prayer with costs. The Plaintiff then appealed to the Court of Appeal against the dismissal of this prayer ("Appeal 1258")

The Plaintiff applied to stay the proceedings in OS 316 pending the disposal of Appeal 1258 ("Stay Application"). On 6 September 2019, the High Court dismissed the Plaintiff's Stay Application. The Company and JF Apex were awarded costs of RM5,000.

The High Court had fixed the remaining prayers of OS 316 for hearing on 12 September 2019. On 21 October 2019, the High Court dismissed the remaining prayers of OS 316. Costs of RM 15,000 was awarded to the Company and JF Apex. The Plaintiff then appealed to the Court of Appeal against the dismissal of the remaining prayers of OS 316 ("Appeal 1994").

(F) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-1258-07/2019 ("Appeal 1258")

This is Concrete Parade's appeal against the dismissal of its prayer to restrain ACE Investment from voting or exercising any of the rights attached to its shares pending the ACE Investment's compliance with the directions given by the Securities Commission

Concrete Parade had on 10 July 2019 served on the Company and JF Apex with the sealed Notice of Appeal and an unsealed Notice of Motion wherein the Concrete Parade had applied for an interim order to amongst others, restrain the effect and/or implementation of 2 resolutions passed during the EGM on 19.06.2019 @ 8.45 am ("Application for an Interim Order").

On 11 September 2019, the Court of Appeal dismissed Concrete Parade's Application for an Interim Order.

On 4 December 2019, Appeal 1258 was struck out by the Court of Appeal. The Company and JF Apex were awarded costs of RM3,000.

(G) Court of Appeal Civil Appeal No. W-02(NCC)(A)-1994-11/2019 ("Appeal 1994")

On 8 November 2019, the Company was served with Concrete Parade's Notice of Appeal ("Appeal 1994") wherein Concrete Parade is appealing against the dismissal of the remaining prayers of OS316.

On 13 November 2019, the Company was served with the sealed copy of Concrete Parade's Notice of Motion to restrain ACE Investment Bank Limited from voting or exercising any of the rights attached to its shares in the Company pending the disposal of Appeal 1994. The Notice of Motion was fixed for hearing on 15 November 2019.

On 15 November 2019, the Court of Appeal dismissed the Notice of Motion and awarded costs of RM 3,000 to the Company and JF Apex.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

Appeal 1994 was initially fixed for hearing on 15 May 2020. However, on 13 May 2020, the Court of Appeal vacated the hearing date of 15 May 2020 as priority was given to another appeal filed on a certificate of urgency.

The Court of Appeal fixed 14 October 2020 for the hearing of Appeal 1994.

Due to the Conditional Movement Control Order, the Court of Appeal vacated the hearing of Appeal 1994 fixed on 14 October 2020. Appeal 1994 was subsequently fixed for hearing on 12 January 2021.

The Court of Appeal on 12 January 2021, allowed Concrete Parade to withdraw Appeal 1994 and awarded costs of RM15,000.00 to the Company and JF Apex collectively.

(H) Originating Summons filed by Pinerains Sdn Bhd against AEHB ("OS 359")

Pinerains *vide* OS 359 sought for the documents relating to the voting that took place during the EGM (resolutions passed for Proposed Merger & Proposed Private Placement).

The Company filed a striking out application against the Pinerains' claim on 31 July 2019.

Both OS 359 and the Company's striking out application were fixed for hearing on 23 September 2019.

On 23 September 2019, the High Court dismissed OS 359 and awarded costs of RM 10,000 to the Company. The High Court had also dismissed the Company's striking out application and awarded costs of RM 5,000 to Pinerains.

(I) Originating Summons No. WA-24NCC-345-06/2019 ("OS 345")

Concrete Parade's and Pinerains' Applications to set aside the Vesting Order dated 1 July 2019 which was obtained by Mercury Securities Sdn Bhd and JF Apex Securities Berhad pursuant to the resolution approving the proposed merger.

The Court held as follows-

- (a) Pinerains' Application (as described in announcement dated 11 July 2019) was dismissed with costs;
- (b) Concrete Parade's Application (as described in announcement dated 11 July 2019) was allowed by the Court in respect of prayers 1 and 2 with costs:
 - (i) Concrete Parade has been allowed to intervene and be named as Respondent in OS 345;
 - (ii) The Court has set aside the Vesting Order obtained under OS 345;
 - (iii) The Court has ordered OS 345 (vesting order application) to be transferred to and heard before the Judge hearing Kuala Lumpur High Court Originating Summons No. WA-24NCC-56-06/2016 ("OS 56")

In the circumstances, the joint application for the vesting order by Mercury Securities Sdn Bhd & JF Apex shall be dealt with by the Judge hearing OS 56.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

JF Apex had received an application filed by Pinerains to intervene and stay the proceedings of OS 345 pending the disposal of Kuala Lumpur High Court Suit No. WA-22NCC-378-07/2019. This application was fixed for hearing on 20 August 2019.

Pinerains' application to intervene in OS 345 was allowed by the Court upon Pinerains' undertaking to discontinue Kuala Lumpur High Court Suit No. WA-22NCC-378-07/2019. Pinerains had also withdrawn their application to stay proceedings of OS 345.

Pinerains had filed a counterclaim against the following parties ("Counterclaim"):

- (a) Mercury Securities Sdn Bhd;
- (b) JF Apex Securities Berhad;
- (c) The Company;
- (d) Alliance Investment Bank Berhad;
- (e) Azizan Bin Abd Rahman;
- (f) Lee Cheow Fui;
- (g) Chithra a/p Ganesalingam; and
- (h) Chong Chee Meng.

Pinerains is claiming the following:

- (i) a declaration that the following resolutions passed at the Extraordinary General Meeting held on 19 June 2019 be invalidated and/or annulled and/or set aside:
 - (1) resolution in respect of the proposed merger between JF Apex and Mercury Securities Sdn Bhd; and
 - (2) resolution in respect of the proposed private placement;
- (ii) damages to be assessed by the Court;
- (iii) costs; and
- (iv) further and other relief as the Court deems just and fair.

The hearing for OS 345 including the Counterclaim was fixed for hearing on 13 September 2019.

On 18 September 2019, the High Court allowed Pinerains' counterclaim against the Company and JF Apex with costs of RM100,000.00 and held that the resolution in respect of the Proposed Merger is to be set aside as the High Court was of view that shareholders' circular dated 3 June 2019 was not clear in describing as to whether the term "Assets" (being the subject matter of the Proposed Merger) includes also immovable property.

Following the High Court's decision, the resolution for the Proposed Private Placement would also be of no effects as both resolutions for the Proposed Merger and Proposed Private Placement were inter-conditional.

The High Court had fixed 4 October 2019 for:

- (a) the case management of the application for Vesting Order by JF Apex and Mercury Securities;
- (b) the continued hearing of Concrete Parade's application to stay the proceedings of OS 345.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

The Court had on 4 October 2019 dismissed Concrete Parade's application to stay the proceedings of OS 345, with costs of RM5,000.00 awarded to JF Apex and Mercury Securities.

Following the approval of the resolution on the proposed merger obtained from the shareholders during the EGM on 18.11.2019, OS 345 was fixed for hearing on 20 November 2019 at 3pm.

However, in view of the decision of the Court of Appeal in Civil Appeal No. W-02(IM)/(NCC)-1551-08/2019 on the morning of 20 November 2019 which in effects stays all proceedings in OS 345 pending the disposal of Appeal 1551, the hearing of OS 345 which was fixed on 20 November 2019 has been adjourned.

OS 345 was fixed for further case management on 22 June 2020.

The Court had on 22 June 2020 vacated the case management for OS 345 and Pinerains' application for assessment of damages. The Court had further fixed OS 345 for case managements on 18 September 2020.

Pinerains' Notice of Application for assessment of damages

The Company was served with Pinerains' Notice of Application for assessment of damages in respect of the Court's decision on 18 September 2019 ("Application")

The Application was initially fixed for hearing on 11 February 2020. However, on 17 January 2020, the High Court vacated the hearing fixed on 11 February 2020. The Application was fixed for case management on 18 September 2020.

The Court had on 18 September 2020, fixed the case management for OS345 and hearing of Pinerains' application for assessment of damages on 18 November 2020.

Pinerains' Notice of Application for Directions

The Company was served with the Pinerains' sealed Notice of Application (Application for Directions) on 13 November 2019. Pinerains' application for directions was fixed for hearing on 15 November 2019.

The Court had dismissed Pinerains' Notice of Application with regard to the prayer to seek an adjournment of the EGM scheduled on 18 November 2019. with costs of RM10,000.00 awarded to the Company.

The Court had directed that an independent scrutineer be appointed to attend and act as scrutineer at the EGM. Parties had selected Mr Steven Thiruneelakadan, failing him another partner of the firm M/s Steven Thiru & Sudhar Partnership.

Pinerains appealed to the Court of Appeal against part of the High Court decision which dismissed its prayer to adjourn the EGM scheduled on 18 November 2019 ("Appeal 2349").

The Court had vacated the case management of OS 345 and hearing for Pinerains' application of damages on 18 November 2020 due to Conditional Movement Control Order imposed by the Government of Malaysia.

The Court had fixed case management for OS 345 and hearing of Pinerains application for assessment of damages on 7 April 2021.

**APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

(J) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-2349-12/2019 ("Appeal 2349")

On 16 December 2019, the Company was served with Pinerains' sealed Notice of Appeal.

Appeal 2349 was fixed for case management on 26 February 2020.

Appeal 2349 was fixed for further case management on 9 September 2020 and fixed for hearing on 24 September 2020.

The Court of appeal had fixed 17 September 2020 for further case management of Appeal 2349 pending Pinerains' application to the Court seeking for an adjournment of the hearing fixed on 24 September 2020.

Pinerains' application for an adjournment was refused by the Court of Appeal on 11 September 2020.

Appeal 2349 was heard on 24 September 2020 and the Court of Appeal reserved decision to 25 September 2020. Appeal 2349 was dismissed with costs of RM10,000.00 awarded to the Company.

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

| | Current quarter 31 Dec 2020 | YTD 31 Dec 2020 |
|--|--------------------------------|--------------------|
| | RM'000 | RM'000 |
| - Interest expenses | (16) | (91) |
| - Depreciation | (132) | (579) |
| - Dividend income | - | 196 |
| - Gain/(loss) on marketable securities | 1 | 16 |
| - Gain on disposal of property | - | 792 |
| - Interest income | 3,276 | 12,377 |
| - (Provision)/Write-back of impairment loss for receivables | 13 | 97 |
| - Foreign exchange gain/(loss) | 8 | 21 |

APEX EQUITY HOLDINGS BERHAD (208232-A)
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 31 DECEMBER 2020

26. Earnings per Share

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

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|--|---|
| | Current Year Quarter 31-Dec-2020 | Preceding Year Comparative Quarter 31-Dec-2019 | Current Year To Date 31-Dec-2020 | Preceding Year Comparative Period 31-Dec-2019 |
| Net profit/(loss) attributable to equity holders of the parent (RM'000) | 4,436 | 1,450 | 17,213 | 6,011 |
| 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) | 2.19 | 0.72 | 8.49 | 2.97 |

27. Dividends

No dividend has been declared during the period.

BY ORDER OF THE BOARD
SECRETARY
25 February 2021