

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 June 2022
 The figures have not been audited.

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Jun-22 RM' 000	PRECEDING YEAR COMPARATIVE QUARTER 30-Jun-21 RM' 000	CURRENT YEAR TO DATE 30-Jun-22 RM' 000	PRECEDING YEAR COMPARATIVE PERIOD 30-Jun-21 RM' 000
Continuing Operations :				
Revenue	7,759	13,537	17,620	30,001
Operating Expenses	(6,291)	(8,370)	(14,245)	(18,515)
Other Operating Income	153	2,688	1,287	3,159
Profit From Operations	1,621	7,855	4,662	14,645
Finance Costs	(10)	(16)	(26)	(37)
Gain on disposal of an associate company	-	-	280	-
Profit/(Loss) Before Tax	1,611	7,839	4,916	14,608
Taxation	(625)	(1,918)	(1,483)	(3,626)
Net Profit for the Financial Period	986	5,921	3,433	10,982
Net profit and Total Comprehensive Income For the Financial Period	986	5,921	3,433	10,982
Profit Attributable to :				
Equity holders of the parent	986	5,921	3,433	10,982
Non-controlling interest	-	-	-	-
	986	5,921	3,433	10,982
Total Comprehensive Income Attributable to :				
Equity holders of the parent	986	5,921	3,433	10,982
Non-controlling interest	-	-	-	-
	986	5,921	3,433	10,982
EPS (s : Basic : Diluted	0.49 -	2.92 -	1.69 -	5.42 -

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021)

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
CONDENSED CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2022

	AS AT 30-Jun-22 RM' 000	AS AT 31-Dec-21 (Audited) RM' 000
ASSETS		
Non-Current Assets		
Property , Plant and Equipment	12,038	11,969
Investment Properties	27,006	27,093
Rights of Use Assets	341	618
Other asset	4,123	4,045
	<u>43,508</u>	<u>43,725</u>
Current Assets		
Marketable Securities Held for Trading	3,088	2,242
Receivables	134,698	136,067
Fixed Deposits With Financial Institutions	218	214
Cash and Short Term Funds	169,236	196,305
	<u>307,240</u>	<u>334,828</u>
Non-current Asset Held for Sale - Associate Company	-	4,904
	<u>307,240</u>	<u>339,732</u>
TOTAL ASSETS	<u>350,748</u>	<u>383,457</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	221,940	221,940
Reserves	103,449	120,280
Treasury Shares	(7,459)	(7,459)
	<u>317,930</u>	<u>334,761</u>
Minority Interests	-	-
TOTAL EQUITY	<u>317,930</u>	<u>334,761</u>
Non-Current Liabilities		
Lease Liabilities	42	197
	<u>42</u>	<u>197</u>
Current Liabilities		
Payables	27,430	42,516
Lease Liabilities	339	362
Taxation	-	613
Bank Borrowings	5,007	5,008
	<u>32,776</u>	<u>48,499</u>
TOTAL LIABILITIES	<u>32,818</u>	<u>48,696</u>
TOTAL EQUITY AND LIABILITIES	<u>350,748</u>	<u>383,457</u>
Net assets per share (RM)	<u>1.57</u>	<u>1.65</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021)

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022

	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 2022							
Balance at beginning of year 2022	221,940	2,131	118,149	(7,459)	334,761	-	334,761
Total comprehensive income for the period	-	-	3,433	-	3,433	-	3,433
Dividend paid	-	-	(20,264)	-	(20,264)	-	(20,264)
Balance at end of period 2022	<u>221,940</u>	<u>2,131</u>	<u>101,318</u>	<u>(7,459)</u>	<u>317,930</u>	<u>-</u>	<u>317,930</u>
6 months ended 30 June 2021							
Balance at beginning of year 2021 As previously stated	221,940	2,131	102,750	(7,459)	319,362	-	319,362
Total comprehensive income for the period	-	-	10,982	-	10,982	-	10,982
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>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021)

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2022

	6 months ended 30-Jun-22 RM' 000	6 months ended 30-Jun-21 RM' 000
Net Profit/(Loss) before tax	4,916	14,608
Adjustments for :-		
Non-cash items		
- Depreciation	459	369
- Gain on disposal of an associate company	(280)	-
- Unrealised (gain)/loss on marketable securities held for trading	31	(60)
- (Reversal)/provision of impairment loss on receivables	(497)	(1,861)
- Impairment loss of a property	191	-
Non-operating items (which are investing/financing)	(6,727)	(6,432)
Operating profit before changes in working capital	<u>(1,907)</u>	<u>6,624</u>
Changes in working capital		
Net change in current assets	1,632	5,985
Net change in current liabilities	(15,263)	(9,016)
Dividend Income	1	-
Interest income	6,753	6,469
Interest expense	(26)	(37)
Income tax paid	(2,817)	(2,352)
Net cash flows from operating activities	<u>(11,627)</u>	<u>7,673</u>
Investing Activities		
Purchase of property, plant & equipment	(356)	(146)
Proceeds from disposal of an associate company	5,184	-
Withdrawal/(placement) of fixed deposits	(4)	(6)
Net cash in investing activities	<u>4,824</u>	<u>(152)</u>
Financing Activities		
Dividends paid	(20,264)	(2,026)
Net cash used in financing activities	<u>(20,264)</u>	<u>(2,026)</u>
Net change in Cash & Cash Equivalents	(27,067)	5,495
Cash & Cash Equivalents at beginning of period	191,296	149,884
Cash & Cash Equivalents at end of period	<u>164,229</u>	<u>155,379</u>
Cash & Cash Equivalents at end of period comprise :		
Cash, Bank Balances and Deposits	169,236	155,379
Bank Overdrafts	(5,007)	-
	<u>164,229</u>	<u>155,379</u>
	-	-

(The Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021)

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2022**

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 2021.

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 2021.

3. Audit Report

The Audit Report of the Company’s preceding Annual Financial Statements for the year ended 31 December 2021 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 6 months ended 30 June 2022.

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2022

8. Dividends Paid

Dividends paid by the Company since the end of previous financial year were as follows:-

- (i) 4th interim single tier dividend of 1 sen per share amounting to RM2,026,402 on 6 April 2022 in respect of the financial year ended 31 December 2021; and
- (ii) a special single tier dividend of 9 sen per share amounting to RM18,237,600 on 6 April 2022 in respect of the financial year ended 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:

Period ended 30 Jun 2022	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	13	17,434	173	-	17,620
Inter-segment revenue	449	0	685	-	1,134
Reportable segment profit/(loss)	(358)	4,494	780	-	4,916
Total segment assets	220,493	259,322	99,566	-	579,381
Less: elimination					(228,633)
Group total					350,748

* Temporarily cease operations

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2022

Period 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

10. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

11. Material Events Subsequent to Reporting Quarter

There were no material events subsequent to the end of the current quarter.

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, other than as follows:

- (i) On 23 March 2021, JF Apex Securities Berhad, a subsidiary of the Company has entered into Share Sale Agreement with certain third parties (who are acting together as purchasers) for the proposed disposal of its entire 43% equity interest representing 10,105,000 issued and fully paid-up ordinary shares in its associate, Astute Fund Management Berhad ("AFMB") (formerly known as Apex Investment Services Berhad), for a cash consideration of RM5,183,865.

AFMB has ceased as an associate company of the Group upon completion of disposal on 9 March 2022.

13. Contingent Liabilities or Contingent Assets

There were no contingent assets and contingent liabilities as at the date of this condensed consolidated interim financial report other than contingent liabilities as disclosed in the Note 23.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2022**

14. Related Party Transaction

There were no significant transactions with related party during the 6 months ended 30 June 2022.

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 2022 registered lower revenue of RM17.62 million as compared to RM30.00 million in the corresponding period due to lower brokerage income on lower securities transactions. Consequently, profit before tax decreased 66% to RM4.92 million as compared to RM14.61 million in the corresponding period. The performance analysis of various active segments is set out below:

Stock and futures broking : Profit before tax decreased 68% to RM4.49 million as compared to RM13.83 million in the corresponding period due to lower brokerage income on lower securities transactions and lower reversal of impairment loss on doubtful debts of RM0.50 million (2021: RM1.86 million).

Lower securities transactions was due to waning of investor confidence and risk appetite to invest in shares as FBM KLCI fell 7.87% on June 2022, closing at 1,444.22 as compared to 1,567.53 recorded on 31 December 2021.

In addition, global stock market suffered worst selloff from investors. For first half 2022, S&P 500 plunged 20.6% and Dow Jones Industrial Average losing over 15%.

Property holding and property development : Profit before tax increased 20% to RM0.78 million from RM0.65 million in the corresponding period due to higher interest income.

Investment holding and others : Recorded a loss before tax of RM0.36 million as compared to a profit of RM0.13 million in the corresponding period due to higher expenses and absent of interest income of RM0.32 million from the deposit placed for the proposed merger (which was discontinued on 15 April 2021) as recorded in the corresponding period.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2022**

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

	Current Quarter	Preceding Quarter	Change	
	30-Jun-2022	31-Mar-2022	RM'000	%
	RM'000	RM'000	RM'000	
Revenue	7,759	9,861	(2,102)	(21.3)
Profit before tax	1,611	3,025	(1,414)	(46.7)

The Group recorded lower revenue of RM7.76 million in the current quarter as compared to RM9.86 million in the preceding quarter due to lower brokerage income on lower securities transaction. Consequently, profit before tax decreased 47% to RM1.61 million as compared to RM3.03 million in the preceding quarter.

17. Prospect

The war in Ukraine and the de-coupling of Russia from major economies are expected to cause disruptions and slow down the global economy and generate high inflationary risks.

Malaysia's growth will probably be adversely affected by the external conditions, despite the higher market prices for some of its exports, such as crude oil and palm oil.

The Malaysian equity market has been subdued for the past quarters due to weak sentiment and this trend is expected to continue into the next quarter.

Amidst the adverse business environment, the Group envisages a challenging outlook for the quarter ahead. Nevertheless, the Group is cautiously optimistic that the stockbroking business to remain profitable.

The Group has embarked on internal restructuring and reactivating certain business activities which were previously inactive. With the ongoing restructuring exercise and revival of some of the business activities, the Group is hopeful that this will bring positive results in the future.

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 JUNE 2022

19. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Comparative Quarter	Current Year To date	Preceding Year Comparative Period
	30-Jun-2022	30-Jun-2021	30-Jun-2022	30-Jun-2021
	RM'000	RM'000	RM'000	RM'000
Current year tax expense	632	1,938	1,490	3,646
Previous years under/(over) provision	(7)	(20)	(7)	(20)
	625	1,918	1,483	3,626

The effective tax rate for the 6 months ended 30 June 2022 is higher than the statutory income tax rate due to certain expenses are not allow for tax.

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.

21. **Group Borrowings**

The Group's borrowings as at 30 June 2022: -

	RM'000
Bank Overdraft - Secured	5,007
Total short term borrowings	5,007

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.

23. **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, other than as follows:

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

On 17 September 2021, the Company 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 originally fixed for hearing on 10 May 2022 was vacated by the Federal Court due to the reorganization of cases.

The Federal Court has now fixed the Leave Application for hearing on 10 August 2022.

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 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 Heads 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. The hearing of Appeal 1551 concluded on 18 February 2021 with decision reserved to 18 August 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 Fulfillment Period for the BMA which had been mutually extended for 10 times for a period of more than 2 years. As a result, the BMA 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.

On 7 February 2022, the Company obtained an order from the Court of Appeal to stay part of the Court of Appeal of 18 August 2021 where the Company need not sell the treasury shares held by it pending the disposal of its application for leave to appeal to the Federal Court, as disclosed in (A) above.

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

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2022

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-2022 RM'000	Preceding Year Comparative Quarter 30-Jun-2021 RM'000	Current Year To Date 30-Jun-2022 RM'000	Preceding Year Comparative Period 30-Jun-2021 RM'000
- Interest expenses	(10)	(16)	(26)	(37)
- Depreciation	(231)	(193)	(459)	(369)
- Dividend income	*	-	*	-
- Change in fair value of marketable securities	(61)	66	(31)	60
- Gain on disposal of an associate company	-	-	280	-
- Gain/(loss) on marketable securities	387	166	133	747
- Interest income	3,308	3,395	6,753	6,468
- (Provision)/Write-back of impairment loss for receivables	40	1,921	497	1,861
- Foreign exchange gain/(loss)	9	(6)	35	15
- Impairment loss on an investment property	(191)	-	(191)	-

** less than RM1,000*

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE FINANCIAL STATEMENTS
FOR FINANCIAL QUARTER ENDED 30 JUNE 2022

25. **Earnings per Share**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-2022	Preceding Year Comparative Quarter 30-Jun-2021	Current Year To Date 30-Jun-2022	Preceding Year Comparative Period 30-Jun-2021
Net profit/(loss) attributable to equity holders of the parent (RM'000)	986	5,921	3,433	10,982
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)	0.49	2.92	1.69	5.42

26. **Dividends**

The Board of Directors does not recommend payment of dividend in respect of the financial period ended 30 June 2022.