

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

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 30 June 2023  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Jun-23 RM' 000	PRECEDING YEAR COMPARATIVE QUARTER 30-Jun-22 RM' 000	CURRENT YEAR TO DATE 30-Jun-23 RM' 000	PRECEDING YEAR COMPARATIVE PERIOD 30-Jun-22 RM' 000
Revenue	10,476	7,759	20,986	17,620
Direct Operating Costs	(2,182)	(2,138)	(4,525)	(5,378)
<b>Gross Profit</b>	8,294	5,621	16,462	12,242
Other Income	100	433	167	1,288
Administrative and General Expenses	(5,810)	(4,154)	(11,455)	(8,867)
Finance Costs	(14)	(10)	(21)	(26)
Gain on disposal of an associate company	-	-	-	280
<b>Profit/(Loss) Before Taxation</b>	2,570	1,891	5,152	4,916
Income Tax Expense	(930)	(625)	(1,560)	(1,483)
<b>Net Profit/(Loss) After Taxation</b>	1,641	1,265	3,592	3,433
<b>Other Comprehensive Income:</b> <u>Item that will not be reclassified</u> <u>Subsequently to Profit or Loss</u>				
Gain/(loss) on Available For Sale Investments	-	-	-	-
Income Tax Relating To Other Components Of Comprehensive Income	-	-	-	-
<b>Net profit and Total Comprehensive Income For the Financial Period</b>	1,641	1,265	3,592	3,433
<b>Profit/(Loss) After Taxation Attributable to :</b>				
Equity holders of the parent	1,641	1,265	3,592	3,433
Non-controlling interest	-	-	-	-
	1,641	1,265	3,592	3,433
<b>Total Comprehensive Income Attributable to :</b>				
Equity holders of the parent	1,641	1,265	3,592	3,433
Non-controlling interest	-	-	-	-
	1,641	1,265	3,592	3,433
<b>Earning Per Share (sen)</b>				
- Basic	0.81	0.62	1.77	1.69
- Diluted	0.81	0.62	1.77	1.69

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Report for the year ended 31 December 2022)

**APEX EQUITY HOLDINGS BERHAD [ 199001016563 (208232-A ) ]**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	<b>AS AT 30-Jun-23  RM' 000</b>	<b>AS AT 31-Dec-22 (Audited) RM' 000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property and Equipment	13,159	12,487
Investment Properties	26,986	27,004
Investment in an Associate Company	-	-
Loan receivable	-	-
Right-of-use Assets	2,387	173
Receivables	67,664	56,883
Deferred Tax Assets	1,731	2,000
Other assets	5,559	4,412
	<b>117,487</b>	<b>102,959</b>
<b>Current Assets</b>		
Marketable Securities Held for Trading	2,322	4,315
Receivables	171,516	145,914
Current Tax Assets	121	344
Fixed Deposits with a Licensed Bank	-	-
Cash and Short Term Funds	66,519	104,020
	<b>240,478</b>	<b>254,593</b>
Non-current Asset Held for Sale - Associate Company	-	-
	<b>240,478</b>	<b>254,593</b>
<b>TOTAL ASSETS</b>	<b>357,964</b>	<b>357,552</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	221,940	221,940
Reserves	110,289	106,698
Treasury Shares	(7,459)	(7,459)
	<b>324,770</b>	<b>321,179</b>
<b>Minority Interests</b>	-	-
<b>TOTAL EQUITY</b>	<b>324,770</b>	<b>321,179</b>
<b>Non-Current Liabilities</b>		
Lease Liabilities	1,607	8
Deferred Tax Liabilities	-	-
	<b>1,607</b>	<b>8</b>
<b>Current Liabilities</b>		
Payables	25,699	31,169
Lease Liabilities	881	189
Current Tax Liabilities	-	-
Bank Overdraft	5,007	5,007
	<b>31,587</b>	<b>36,365</b>
<b>TOTAL LIABILITIES</b>	<b>33,194</b>	<b>36,373</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>357,964</b>	<b>357,552</b>
<b>Net assets per share (RM)</b>	<b>1.60</b>	<b>1.58</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 31 December 2022)

**APEX EQUITY HOLDINGS BERHAD [ 199001016563 (208232-A ) ]  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Share Capital RM'000	Non- Distributable Fair Value Reserve RM'000	Distributable Retained Profits RM'000	Treasury Shares RM'000	Total Equity RM'000
<b>6 months ended 30 June 2023</b>					
Balance at 1.1.2023	221,940	2,407	104,290	(7,459)	<b>321,178</b>
Profit after taxation/Total comprehensive income for the financial period	-	-	3,592	-	<b>3,592</b>
Transfer to comprehensive income	-	-	-	-	-
Distribution to owners of the Company : - Dividends	-	-	-	-	-
Balance at 30.6.2023	<u>221,940</u>	<u>2,407</u>	<u>107,882</u>	<u>(7,459)</u>	<u><b>324,770</b></u>
<b>6 months ended 30 June 2022</b>					
Balance at 1.1.2022 As previously stated	221,940	2,131	118,149	(7,459)	<b>334,761</b>
Profit after taxation/Total comprehensive income for the financial period	-	-	3,433	-	<b>3,433</b>
Distribution to owners of the Company : - Dividends	-	-	(20,264)	-	<b>(20,264)</b>
Balance at 30.6.2022	<u>221,940</u>	<u>2,131</u>	<u>101,318</u>	<u>(7,459)</u>	<u><b>317,931</b></u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 31 December 2022)

**APEX EQUITY HOLDINGS BERHAD [ 199001016563 (208232-A ) ]  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	<b>6 months ended 30-Jun-23 RM' 000</b>	<b>6 months ended 30-Jun-22 RM' 000</b>
<b>CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before tax</b>	5,152	4,916
<b>Adjustments for :-</b>		
Depreciation:		
- Property and equipment	440	289
- Investment properties	18	3
- Right-of-use assets	221	168
Gain on disposal of an associate company	-	(280)
Unrealised (gain)/loss on marketable securities held for trading	109	31
(Reversal)/provision of impairment loss on receivables	-	(497)
Impairment loss of a property	-	191
Provision for doubtful debt	3	-
Interest expense	21	26
Interest income	(1,323)	(1,725)
<b>Operating profit before changes before working capital</b>	<u>4,643</u>	<u>3,121</u>
Changes in clearing fund	(1,146)	(78)
Changes in marketable securities held for trading	1,993	(847)
Changes in receivables	(36,497)	2,557
Changes in payables	(5,470)	(15,066)
<b>CASH FROM / (FOR) OPERATIONS</b>	<u>(36,478)</u>	<u>(10,313)</u>
Dividend Income	-	1
Interest income	1,323	1,725
Interest expense	(19)	(26)
Income tax paid	(1,068)	(2,817)
<b>NET CASH (FOR) / FROM OPERATING ACTIVITIES</b>	<u>(36,242)</u>	<u>(11,429)</u>
<b>CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment and right-of-use of assets	(1,184)	(356)
Proceeds from disposal of an associate company	-	5,184
Withdrawal/(Additions) of fixed deposits with tenure more than 3 months	-	(4)
<b>NET CASH FROM / (FOR) INVESTING ACTIVITIES</b>	<u>(1,184)</u>	<u>4,824</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividends paid	-	(20,264)
Interest paid on lease liabilities	(2)	(16)
Repayment of lease liabilities	(73)	(181)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<u>(74)</u>	<u>(20,461)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(37,501)	(27,066)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	104,020	191,296
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>66,519</u>	<u>164,230</u>

(The Condensed Consolidated Statement of Cashflow should be read in conjunction with the Annual Report for the year ended 31 December 2022)

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]  
NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

Explanatory Notes to the Quarterly Report – 30 June 2023 (“Interim Financial Report”)

**EXPLANATORY NOTES**

This interim financial report is prepared in accordance with the requirements of paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Malaysian Financial Reporting Standard (“MFRS”) 134 – Interim Financial Reporting. The interim financial report is unaudited and should be read in conjunction with the Group’s audited annual financial statements for the financial year ended 31 December 2022.

We wish to notify users of these interim financial report that several changes have been made to the header title, layout and order of presentation. These changes are designed to improve the interim financial report’s clarity as well as ease of reference and do not affect the financial data.

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of Preparation and Group Accounting Policies**

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 31 December 2022, except for the adoption of the following Amendments which are effective for the annual periods beginning on or after 1 January 2023.

**(a) New accounting pronouncements**

(i) Accounting pronouncements adopted for this interim financial report that do not have a material impact on the Group are set out below:

- Amendments to MFRS 101 ‘Classification of Liabilities as Current or Non-Current’
- Amendments to MFRS 101 and MFRS Practice Statement 2 ‘Disclosure of accounting policies’
- Amendments to MFRS 108 ‘Definition of accounting estimates’
- Amendments to MFRS 112 ‘Deferred tax related to assets and liabilities arising from a single transaction’

**(b) Accounting pronouncements that are not yet effective are set out below:**

Effective for annual reporting periods beginning on or after 1 January 2024

- Amendments to MFRS 7 ‘Supplier Finance Arrangements’
- Amendments to MFRS 16 ‘Lease liability in a sale and leaseback’
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’
- Amendments to MFRS 101 ‘Non-current liabilities with covenants’
- Amendments to MFRS 107 ‘Supplier Finance Arrangements’

Accounting pronouncement where the effective date has been deferred to a date to be determined by the Malaysian Accounting Standards Board is set out below:

- Amendments to MFRS 10 ‘Consolidated financial statements’
- MFRS 128 ‘Investments in associates and joint ventures - sale or contribution of assets between an investor and its associate or joint venture’.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]  
NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**A2. Seasonal or Cyclical Factors**

The Group's business operations are not subject to any seasonal or cyclical factors. However, its business is influenced largely by the stock market velocity and any retail market cycles and sentiments that may affect its trading volumes and revenue.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no other unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the six months ended 30 June 2023.

**A4. Material Changes in Estimates**

There have been no significant changes made in estimates of amounts reported in prior financial years.

**A5. Debt and Equity Securities**

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities during the six months ended 30 June 2023.

**A6. Dividends Paid**

No dividend has been paid during the six months ended 30 June 2023.

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**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**A7. Segment Analysis**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided. The Group's operating segments are as follows:

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

The segment information for the current quarter is as follows:

All figures in RM'000					
Current quarter ended 30 June 2023	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total

**Revenue**

External	13	8,664	65	1,734	10,476
Inter-Segment	1,311	-	351	-	1,662
<b>Total Revenue</b>	<b>1,324</b>	<b>8,664</b>	<b>416</b>	<b>1,734</b>	<b>12,138</b>
Reportable segment profit/(loss) before tax	(835)	2,274	154	977	2,570
Less: intra-group elimination					-
<b>Consolidated Profit/(Loss) before tax</b>					<b>2,570</b>
Total segment assets	221,593	244,417	41,878	71,054	578,942
Less: intra-group elimination					(220,978)
<b>Group total assets</b>					<b>357,964</b>

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**A7. Segment Analysis (cont'd)**

The segment information for the preceding quarter is as follows:

All figures in RM'000					
Preceding year quarter ended 30 June 2022	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending*	Total
<b>Revenue</b>					
External	8	7,681	70	-	7,759
Inter-Segment	3,248	-	346	-	3,594
<b>Total Revenue</b>	<b>3,256</b>	<b>7,681</b>	<b>416</b>	<b>-</b>	<b>11,353</b>
Reportable segment profit/(loss) before tax	3,008	1,582	301	-	4,891
Less: intra-group elimination					(3,000)
<b>Consolidated Profit/(Loss) before tax</b>					<b>1,891</b>
Total segment assets	220,493	259,322	99,566	-	579,381
Less: intra-group elimination					(228,633)
<b>Group total assets</b>					<b>350,748</b>



**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**A7. Segment Analysis (cont'd)**

The segment information for the year-to-date six months period is as follows:

All figures in RM'000					
Six months ended 30 June 2023	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
<b>Revenue</b>					
External	17	17,492	129	3,348	20,986
Inter-Segment	5,576	-	703	-	6,279
<b>Total Revenue</b>	<b>5,593</b>	<b>17,492</b>	<b>832</b>	<b>3,348</b>	<b>27,265</b>
Reportable segment profit/(loss) before tax	1,497	4,431	372	1,852	8,152
Less: intra-group elimination					(3,000)
<b>Consolidated Profit/(Loss) before tax</b>					<b>5,152</b>
Total segment assets	221,593	244,417	41,878	71,054	578,942
Less: intra-group elimination					(220,978)
<b>Group total assets</b>					<b>357,964</b>

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**A7. Segment Analysis (cont'd)**

The segment information for the preceding year-to-date six months period is as follows:

All figures in RM'000					
Six months ended 30 June 2022	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending*	Total
<b>Revenue</b>					
External	13	17,434	173	-	17,620
Inter-Segment	3,449	-	685	-	4,134
<b>Total Revenue</b>	<b>3,462</b>	<b>17,434</b>	<b>858</b>	<b>-</b>	<b>21,754</b>
Reportable segment profit/(loss) before tax	2,642	4,494	780	-	7,916
Less: intra-group elimination					(3,000)
<b>Consolidated Profit/(Loss) before tax</b>					<b>4,916</b>
Total segment assets	220,493	259,322	99,566	-	579,381
Less: intra-group elimination					(228,633)
<b>Group total assets</b>					<b>350,748</b>

\* Temporarily cease operations

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]  
NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**A8. Valuation of Property, Plant and Equipment**

There were no revaluations of property, plant and equipment during the six months ended 30 June 2023. As at 30 June 2023, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.

**A9. Material Events Subsequent to Reporting Quarter**

Save for those disclosed in note B23, there were no other material events subsequent to the end of the financial period up to the date of this report.

**A10. Changes in Composition of the Group**

There were no changes in the composition of the Group during the six months ended 30 June 2023.

**A11. Contingent Liabilities or Contingent Assets**

There were no contingent assets and contingent liabilities as at the date of this condensed consolidated interim financial report.

**A12. Significant Related Party Transaction**

Significant related party transactions within the Group for the six months ended 30 June 2023 are set out below:

	All figures in RM'000			
	Quarter ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Advances:				
- to a subsidiary	(2,000)	-	(7,000)	-
Repayment of advances:				
- from a subsidiary	500	100	500	900

**A13. Fair Value Information**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**A13. Fair Value Information (cont'd)**

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the as at 30 June 2023:

All figures in RM'000									
	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount	
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3			
Six months ended 30 June 2023									
<b>Financial Assets</b>									
At FVPL: Marketable securities held for trading	2,322	-	-	-	-	-	2,322	2,322	
At FVOCI: Other Assets: - Unquoted shares in Malaysia	-	-	3,069	-	-	-	3,069	3,069	
Twelve months ended 31 December 2022									
<b>Financial Assets</b>									
At FVPL: Marketable securities held for trading	4,315	-	-	-	-	-	4,315	4,315	
At FVOCI: Other Assets: - Unquoted shares in Malaysia	-	-	3,069	-	-	-	3,069	3,069	

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2022. There was no transfer between level 1 and level 2 during the financial period.

The fair value of loan receivables that carry fixed interest rate approximated its carrying amount as the impact of discounting is not material.

There were no transfers between Level 2 and Level 3 during the current financial period and previous financial year for the Group.

At the close of this interim financial period, the movement in the valuation of other assets which is classified as Level 3, if any, is expected to be insignificant to the Group.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]  
NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Group Results**

	Quarter ended 30 June			Six months ended 30 June		
	2023	2022	% +/(-)	2023	2022	% +/(-)
<b>Segment revenue:</b>						
Stock and securities broking	<b>8,664</b>	7,681	12.8	<b>17,492</b>	17,434	0.3
Property holding and development	<b>416</b>	416	-	<b>832</b>	858	(3.0)
Moneylending	<b>1,734</b>	-	100	<b>3,348</b>	-	100
Investment holdings and others	<b>1,324</b>	3,256	(59.3)	<b>5,593</b>	3,462	61.6
(-) Elimination	<b>(1,662)</b>	(3,594)	(53.8)	<b>(6,279)</b>	(4,134)	51.9
	<b>10,476</b>	7,759	35.0	<b>20,986</b>	17,620	19.1
<b>Segment results:</b>						
Stock and securities broking	<b>2,274</b>	1,582	43.7	<b>4,431</b>	4,494	(1.4)
Property holding and development	<b>154</b>	301	(48.8)	<b>372</b>	780	(52.3)
Moneylending	<b>977</b>	-	100	<b>1,852</b>	-	100
Investment holdings and others	<b>(835)</b>	3,008	(>100)	<b>1,497</b>	2,642	(43.3)
(-) Elimination	<b>-</b>	(3,000)	100	<b>(3,000)</b>	(3,000)	-
	<b>2,570</b>	1,891	35.9	<b>5,152</b>	4,916	4.8

**Quarter ended 30 June 2023 (Q2 2023) compared with quarter ended 30 June 2022 (Q2 2022)**

Overall revenue for the Group increased by 35.0% from RM7.76 million in Q2 2022 to RM10.48 million in Q2 2023 despite the weaker market condition where the Average Daily Trading Value (ADV) traded on Bursa Malaysia for Q2 2023 has dropped by 16% to RM1.78bil as compared to RM2.13bil in Q2 2022. The higher revenue was mainly due to:

- i. Loan interest income from the moneylending operations which contribute RM1.73 million, following the reactivation of its' operations in Q3 2022 (Q2 2022 – nil); and
- ii. Stock and securities broking activities increased by 12.8% to RM8.66 million (Q2 2022: RM7.68 million).

Consequently, this has resulted higher profit before tax ("PBT") of RM2.57 million in Q2 2023 compared to RM1.89 million in Q2 2022, representing an increase of RM0.68 million or 35.9%.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]  
NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**B1. Review of Group Results (Cont'd)**

**Quarter ended 30 June 2023 (“Q2 2023”) compared with quarter ended 30 June 2022 (“Q2 2022”)(Cont'd)**

The operating segment analysis are as follows:

**i. Stock and securities broking**

Overall revenue for this segment increased by 12.8% to RM8.66 million in Q2 2023 from RM7.68 million in Q2 2022 mainly due to the following:

- i. Increase in margin interest income by 30.9% to RM3.98 million in Q2 2023 from RM3.04 million in Q2 2022; but offset against
- ii. Slight decrease in brokerage income by 0.2% to RM4.10 million in Q2 2023 from RM4.11 million in Q2 2022.

Consequently, PBT increased by 43.7% to RM2.27 million in the Q2 2023 against RM1.58 million in Q2 2022.

**ii. Property holding and development**

Overall revenue for this segment registered a consistent revenue of RM0.42 million, same as Q2 2022.

Having said that, PBT declined by 48.8% due to higher expenses incurred in Q2 2023 for building maintenance and upkeep services as compared to Q2 2022.

**iii. Moneylending**

Revenue for this segment contributed RM1.73 million in Q2 2023 (Q2 2022: RM nil) following the reactivation of its' operations in Q3 2022.

Consequently, this segment has resulted a PBT of RM0.98 million in Q3 2023 (2022: RM nil).

**iv. Investment holdings and others**

Overall revenue for this segment, before consolidation elimination, decreased by 59.3% to RM1.32 million in Q2 2023 compared to RM3.26 million in Q2 2022 mainly due to:

- i. Management fees of RM1.14 million charged to its wholly owned subsidiaries for shared service function (Q2 2022: RM nil); but offset against
- ii. Timing difference of dividend income received amounting to RM3.0 million in Q2 2022.

This segment has recorded a loss before tax of RM0.84 million in Q2 2023 compared to PBT of RM3.01 million in Q2 2022. This decrease is mainly due to a decrease in revenue as explained earlier and higher payroll expenses incurred as a result of having several functions moved to the holding company as shared service centre to serve the entire Group.

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**B1. Review of Group Results (Cont'd)**

**Six months ended 30 June 2023 (“YTD 2023”) compared with six months ended 30 June 2022 (“YTD 2022”)**

Overall revenue registered for YTD 2023 was higher by 19.1% in the preceding YTD figures mainly due to:

- i. Loan interest income from money lending operations of RM3.35 million (2022: RM nil); and
- ii. Stock and securities broking activities of RM17.49 million in YTD 2023 compared to RM17.43 million in YTD 2022.

Consequently, PBT has increased slightly by 4.8% to RM5.15 million in YTD 2023 as compared to RM4.92 million in YTD 2022, after eliminating RM3.0 million of dividend income respectively.

The operating segment analysis are as follows:

**i. Stock and securities broking**

Overall revenue for this segment increased slightly by 0.3% to RM17.49 million in YTD 2023 from RM17.43 million in YTD 2022 mainly due to the following:

- a) Higher margin interest income by 24.6% of RM7.64 mil (2022: RM6.13 mil); offset against
- b) Lower brokerage income by 15.6% of RM8.63 mil (2022: RM10.23 mil).

PBT decreased by a marginal 1.4% to RM4.43 million in YTD 2023 against RM4.49 million in YTD 2022.

**ii. Property holding and development**

Overall revenue for this segment registered slightly lower revenue by 3.0% to RM0.83 million in YTD 2023 compared to RM0.86 million in YTD 2022.

Subsequently, PBT declined by 52.3% due to higher expenses incurred for building maintenance and upkeep services in YTD 2023 as compared to YTD 2022.

**iii. Moneylending**

Following the reactivation of the money lending operations in Q3 2022, this segment has contributed a revenue of RM3.35 mil, whereas there was none in YTD 2022.

Consequently, this segment has resulted a PBT of RM1.85 million (2022: RM nil).

**iv. Investment holdings and others**

Overall revenue for this segment, before consolidation elimination, increased by 61.6% to RM5.59 million in YTD 2023 compared to RM3.46 million in YTD 2022 mainly due to the management fees of RM2.29 million charged to its wholly owned subsidiaries for shared service function (YTD 2022: RM nil).

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**B1. Review of Group Results (Cont'd)**

**Six months ended 30 June 2023 (“YTD 2023”) compared with six months ended 30 June 2022 (“YTD 2022”)(Cont'd)**

**iv. Investment holdings and others**

This segment has registered lower PBT by 43.3% to RM1.50 million in YTD 2023 compared to RM2.64 million in YTD 2022, mainly due to higher operating expenditures, i.e. payroll costs arising from group restructuring effort to streamline and centralised certain functions as shared service to serve the entire Group effective from Q3 2022.

**B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter**

	Current Quarter 30-Jun-2023	Preceding Quarter 31-Mar-2023	Change	
	RM'000	RM'000	RM'000	%
Revenue	10,476	10,511	(35)	(0.33)
Profit before tax	2,570	2,583	(13)	(0.50)

There were no material changes in profit for the current quarter as compared to the results of the preceding quarter.

**B3. Prospect**

In light of the more subdued economic growth outlook and investor sentiment, the Group anticipates a challenging landscape for the Malaysian stock market in Q3 2023. The recent initiative by the Malaysian Government and capital market regulators to reduce the stamp duty rate for shares traded on Bursa Malaysia from 0.15% to 0.1% of the contract value (subject to a maximum cap of RM1,000 per contract), which take effect July 2023 onwards, is seen to be a positive step to stimulate the market and enhance its attractiveness, however the actual impact of this initiative remains to be ascertained.

Nevertheless, the Group is taking reasonable steps to ensure that the Group remains resilient amidst these challenges. The focus is on expanding our product and service offerings and refining our existing business strategies to ensure that the Group's business model is able to withstand the prevailing uncertainties.

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee for the year.



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**B5. Taxation**

	Quarter ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income Tax				
Current year tax expense	660	632	1,290	1,490
Previous years under/(over) provision	-	(7)	-	(7)
Deferred tax	270	-	270	-
	<u>930</u>	<u>625</u>	<u>1,560</u>	<u>1,483</u>

The Group's effective tax rate for the current quarter and six months ended 30 June 2023 is higher than the statutory income tax rate mainly due to expenses not deductible for tax purposes.

**B6. 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.

**B7. Group Borrowings**

The Group's borrowings as at 30 June 2023 : -

	RM'000
Bank Overdraft - Secured	5,007
<b>Total short-term borrowings</b>	<b>5,007</b>

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**B8. Material Litigation**

There was no material litigation since the last annual balance sheet date till 22 May 2023, being the date not earlier than 7 days from the date of announcement of this interim financial 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. ORIGINATING SUMMONS (“OS56”) / COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCC)-1551-08/2019 (“APPEAL 1551”) / FEDERAL COURT CIVIL APPLICATION NO. 08(F)-399-09/2021(W) (“APPEAL 80”)**

On 21 September 2018, the Company entered into a Heads of Agreement (“HOA”) with Mercury Securities Sdn. Bhd. (“Mercury”) and subsequently on 18 December 2018 signed a Business Merger Agreement (“BMA”) with Mercury for the proposed merger of businesses of Apex Securities Berhad, formerly known as JF Apex Securities Berhad (“ASB”), a wholly-owned subsidiary of the Company and Mercury via the transfer by Mercury to ASB of its stockbroking, corporate advisory and other related businesses together with the requisite business assets and business liabilities for a consideration of RM140 million (“the Proposed Merger”).

Subsequently, the Company received the necessary approvals from the relevant authorities and shareholders of the Company.

On 25 February 2019, Concrete Parade Sdn. Bhd. (“Concrete Parade”), a corporate shareholder of the Company filed an oppression suit vide OS56 against amongst others, the Company and ASB to declare that the HOA and the BMA related to the Proposed Merger, as illegal and/or unlawful and/or null and void.

On 7 August 2019, the High Court dismissed OS56. Concrete Parade subsequently appealed to the Court of Appeal against the dismissal of OS56 vide Appeal 1551. The hearing of Appeal 1551 concluded on 18 February 2021 with decision reserved to 18 August 2021.

Meanwhile, 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 over 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 the Court of Appeal of this development.

Despite that, on 18 August 2021, the Court of Appeal allowed Appeal 1551 with costs. Effectively, it requires the Company and its directors to sell the Company’s treasury shares in the open market within a period of six months from the date of Court of Appeal’s Order.

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.

On 7 February 2022, the Company obtained an order from the Court of Appeal to stay part of the Court of Appeal’s order issued on pending the disposal of its application for leave to appeal to the Federal Court.

On 10 August 2022, the Federal Court unanimously allowed the Leave Application by the Company with costs in the cause.

On 21 October 2022, the Company filed a Notice of Motion in the Federal Court to remove the 5th, 8th - 14th Respondents as parties in the matter (“the Amendment Application”).

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]  
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**B8. Material Litigation (Cont'd)**

**A. ORIGINATING SUMMONS (“OS56”) / COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCC)-1551-08/2019 (“APPEAL 1551”) / FEDERAL COURT CIVIL APPLICATION NO. 08(F)-399-09/2021(W) (“APPEAL 80”)(CONT'D)**

During the hearing of the Amendment Application on 2 February 2023, the Federal Court allowed the Company’s Notice of Motion. As such, the 5th, 8th - 14th Respondents are no longer parties in Appeal.

The Notice of Appeal i.e. the overall appeal by the Company and ASB has been heard on 8 May 2023.

The Federal Court has continued hearing the case and all parties have concluded their respective oral submissions today. As at 2 August 2023, the Court has reserved their decision to a date which will be notified by the Federal Court Registry at a later date.

**B. KUALA LUMPUR HIGH COURT APPLICATION FOR JUDICIAL REVIEW NO.: WA-25-540-10/2022**

ASB filed an Application to seek Leave for Judicial Review dated 19 October 2022 (the “Application for JR”) against the Securities Commission Malaysia (“SC”) in respect of the additional conditions imposed by the SC on ASB pursuant to Section 62 Capital Markets and Services Act 2007 (the “Impugned Decision”).

The Application for JR seeks a declaration from the High Court that the Impugned Decision be declared null and void, the Impugned Decision and its incidental and related decision be quashed, an order to compel SC to lift and/or remove the Impugned Decision and its incidental and related decision and a prohibition order to restrain and/or prohibit SC from acting on and/or enforce the Impugned Decision.

Pending the disposal of the Application for JR, ASB seeks a stay order from the Court in respect of the Impugned Decision and its incidental and related decision.

The above-mentioned application for leave has been heard on 22 June 2023. After hearing the submissions and considering all cause papers of parties including the affidavits and written submissions, the Learned High Court Judge allowed the Applicant’s Leave Application as the Learned High Court Judge had agreed with the submissions put forth by the Applicant’s counsels and further the Court found that the leave application by the Applicant is not frivolous and has merits.

The Applicant had sought for a stay of the additional conditions imposed and, in this respect, the Learned High Court Judge has given directions on the filing of affidavits and written legal submissions by both parties.

The High Court has also fixed 19 October 2023 for the hearing of the stay application.

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**B8. Material Litigation (Cont'd)**

**C. KUALA LUMPUR HIGH COURT CIVIL SUIT NO. WA-22NCC-620-11/2022**

The SC had on 30 November 2022 filed a Writ of Summons and Statement of Claim dated 29 November 2022 against, inter alia, the Company to seek declaratory and specific reliefs from the High Court.

The reliefs sought include a declaration that ASB had contravened securities laws by having the Company's former substantial shareholder, ACE Holdings Bhd through ACE Credit (M) Sdn. Bhd. ("ACE") as the controller of ASB when ACE is not fit and proper, the removal of certain members of the Board of Directors and Senior Management of the Company and injunctive reliefs which include ACE to restrain from causing the appointment of the members of the Board of Directors and any management personnel of the Company.

The Company and ASB have filed its Statements of Defence on 26 January 2023. The Company and ASB, together with the relevant members of the Board of Directors and Senior Management have subsequently filed an application to strike out the case.

During the Case Management hearing on 27 June 2023, the legal counsel acting for ACE ("Defendant 3"), now an unrelated party to the Company, informed the Kuala Lumpur High Court ("High Court") that Defendant 3 had filed a judicial management application earlier. In that connection, all proceedings in relation to this suit are by law stayed pending an order for leave.

The High Court has fixed the date of the next Case Management on 7 September 2023 for Defendant 3 to update the High Court on the status of their judicial management proceedings.

The Company strongly believes that in the event that the reliefs sought by the SC are granted by the High Court, ASB's operations and financial position shall not be materially affected. This is because ASB being a Capital Markets Services License ("CMSL") holder, also has its own Board of Directors and management to independently manage its affairs whilst the removal of the abovementioned board members and Senior Management is limited to the personnel of the Company.

**B9. Dividends**

The Board of Directors does not recommend payment of dividend in respect of the financial period ended 30 June 2023.

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**B10. Earnings per Share**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-June-2023	Preceding Year Comparative Quarter 30-June-2022	Current Year To Date 30-June-2023	Preceding Year Comparative Period 30-June-2022
Net profit/(loss) attributable to equity holders of the parent (RM'000)	1,641	1,265	3,592	3,433
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)	0.81	0.62	1.77	1.69

Diluted earnings per share:

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

**B11. Audit Report**

The Audit Report of the Company's preceding Annual Financial Statements for the year ended 31 December 2022 was not subjected to any qualification.

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**B12. Profit before tax is arrived at after (charging)/crediting:**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-June-2023 RM'000	Preceding Year Comparative Quarter 30-June-2022 RM'000	Current Year To Date 30-June-2023 RM'000	Preceding Year Comparative Period 30-June-2022 RM'000
- Interest expenses	(14)	(10)	(21)	(26)
- Depreciation	(332)	(231)	(651)	(459)
- Dividend income	1	*	8	*
- Gain on disposal of an associate company	-	-	-	280
- Gain/(loss) on marketable securities	(242)	387	(237)	133
- Interest income	5,725	3,308	11,008	6,753
- Provision/(reversal) of diminution in marketable securities	(114)	(63)	(109)	(31)
- (Provision)/Write-back of impairment loss for receivables	(2)	40	(3)	497
- Foreign exchange gain/(loss)	42	9	45	35
- Impairment loss on an investment property	-	(191)	-	(191)

\* less than RM1,000

[End of Interim Financial Report]