

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

**QUARTERLY REPORT**

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Sep-23 RM' 000	PRECEDING YEAR COMPARATIVE QUARTER 30-Sep-22 RM' 000	CURRENT YEAR TO DATE 30-Sep-23 RM' 000	PRECEDING YEAR COMPARATIVE PERIOD 30-Sep-22 RM' 000
Revenue	11,501	8,784	32,487	26,404
Direct Operating Costs	(2,645)	(1,841)	(7,170)	(7,219)
<b>Gross Profit</b>	8,855	6,943	25,317	19,185
Other Income	1,059	15	1,227	1,302
Administrative and General Expenses	(6,531)	(5,665)	(17,987)	(14,532)
Finance Costs	(48)	(8)	(69)	(34)
Gain on disposal of an associate company	-	(0)	-	280
<b>Profit/(Loss) Before Taxation</b>	3,336	1,284	8,488	6,201
Income Tax Expense	(1,103)	(299)	(2,663)	(1,783)
<b>Net Profit/(Loss) After Taxation</b>	2,233	985	5,826	4,418
<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>	2,233	985	5,826	4,418
<b>Profit/(Loss) After Taxation Attributable to :</b>				
Equity holders of the parent	2,233	985	5,826	4,418
Non-controlling interest	-	-	-	-
	2,233	985	5,826	4,418
<b>Total Comprehensive Income Attributable to :</b>				
Equity holders of the parent	2,233	985	5,826	4,418
Non-controlling interest	-	-	-	-
	2,233	985	5,826	4,418
<b>Earning Per Share (sen)</b>				
- Basic	1.10	0.49	2.87	2.18
- Diluted	1.10	0.49	2.87	2.18

(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 SEPTEMBER 2023**

	<b>AS AT 30-Sep-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	13,338	12,487
Investment Properties	26,985	27,004
Investment in an Associate Company	-	-
Right-of-use Assets	2,386	173
Receivables	15,000	56,883
Deferred Tax Assets	1,541	2,000
Other assets	4,568	4,412
	<b>63,818</b>	<b>102,959</b>
<b>Current Assets</b>		
Marketable Securities Held for Trading	3,891	4,315
Receivables	225,228	145,914
Current Tax Assets	-	344
Fixed Deposits with a Licensed Bank	-	-
Cash and Short Term Funds	67,691	104,020
	<b>296,809</b>	<b>254,593</b>
Non-current Asset Held for Sale - Associate Company	-	-
	<b>296,809</b>	<b>254,593</b>
<b>TOTAL ASSETS</b>	<b>360,628</b>	<b>357,552</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	221,940	221,940
Reserves	112,523	106,698
Treasury Shares	(7,459)	(7,459)
	<b>327,004</b>	<b>321,179</b>
<b>Minority Interests</b>	-	-
<b>TOTAL EQUITY</b>	<b>327,004</b>	<b>321,179</b>
<b>Non-Current Liabilities</b>		
Lease Liabilities	2,399	8
Deferred Tax Liabilities	-	-
	<b>2,399</b>	<b>8</b>
<b>Current Liabilities</b>		
Payables	25,507	31,169
Lease Liabilities	1,463	189
Current Tax Liabilities	255	-
Bank Overdraft	4,000	5,007
	<b>31,225</b>	<b>36,365</b>
<b>TOTAL LIABILITIES</b>	<b>33,624</b>	<b>36,373</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>360,628</b>	<b>357,552</b>
<b>Net assets per share (RM)</b>	<b>1.61</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 SEPTEMBER 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>9 months ended 30 September 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	-	-	5,826	-	<b>5,826</b>
Transfer to comprehensive income	-	-	-	-	-
Distribution to owners of the Company : - Dividends	-	-	-	-	-
Balance at 30.9.2023	<u>221,940</u>	<u>2,407</u>	<u>110,116</u>	<u>(7,459)</u>	<u><b>327,004</b></u>
<b>9 months ended 30 September 2022</b>					
Balance at 1.1.2022 As previously stated	221,940	2,131	118,148	(7,459)	<b>334,760</b>
Profit after taxation/Total comprehensive income for the financial period	-	-	4,418	-	<b>4,418</b>
Distribution to owners of the Company : - Dividends	-	-	(20,264)	-	<b>(20,264)</b>
Balance at 30.9.2022	<u>221,940</u>	<u>2,131</u>	<u>102,302</u>	<u>(7,459)</u>	<u><b>318,914</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 SEPTEMBER 2023**

	<b>9 months ended 30-Sep-23 RM' 000</b>	<b>9 months ended 30-Sep-22 RM' 000</b>
<b>CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before tax</b>	8,488	6,201
<b>Adjustments for :-</b>		
Depreciation:		
- Property and equipment	682	289
- Investment properties	19	3
- Right-of-use assets	468	168
Gain on disposal of an associate company	-	(280)
Loss on disposal of property, plant and equipments	457	
Unrealised (gain)/loss on marketable securities held for trading	(126)	-
(Reversal)/provision of impairment loss on receivables	-	(55)
Impairment loss of a property	-	191
Provision for doubtful debt	2	-
Dividend income	(106)	-
Interest expense	69	34
Interest income	(1,918)	(1,725)
<b>Operating profit before changes before working capital</b>	<u>8,035</u>	<u>4,826</u>
Changes in clearing fund	(156)	(78)
Changes in marketable securities held for trading	550	(847)
Changes in receivables	(37,431)	2,557
Changes in payables	(5,662)	(15,066)
<b>CASH FROM / (FOR) OPERATIONS</b>	<u>(34,663)</u>	<u>(8,608)</u>
Dividend Income	106	1
Interest income	1,918	1,725
Interest expense	(11)	(26)
Income tax paid	(1,605)	(2,817)
<b>NET CASH (FOR) / FROM OPERATING ACTIVITIES</b>	<u>(34,256)</u>	<u>(9,725)</u>
<b>CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment and right-of-use of assets	(1,605)	(356)
Proceeds from disposal of property, plant and equipment	-	-
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>(1,605)</u>	<u>4,824</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividends paid	-	(20,264)
Interest paid on lease liabilities	(57)	(16)
Repayment of lease liabilities	(411)	(181)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<u>(468)</u>	<u>(20,461)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(36,329)	(25,362)
<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>67,691</u>	<u>165,934</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 THIRD QUARTER ENDED 30 SEPTEMBER 2023**

Explanatory Notes to the Quarterly Report – 30 September 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.

**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 THIRD QUARTER ENDED 30 SEPTEMBER 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 nine months ended 30 September 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 nine months ended 30 September 2023.

**A6. Dividends Paid**

No dividend has been paid during the nine months ended 30 September 2023.

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**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2023	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
<b><u>Revenue</u></b>					
External	14	9,912	63	1,512	11,501
Inter-Segment	1,305	-	351	-	1,656
<b>Total Revenue</b>	<b>1,319</b>	<b>9,912</b>	<b>414</b>	<b>1,512</b>	<b>13,157</b>
Reportable segment profit/(loss) before tax	(793)	3,241	111	777	3,336
Less: intra-group elimination					-
<b>Consolidated Profit/(Loss) before tax</b>					<b>3,336</b>
Total segment assets	218,990	249,288	38,967	70,454	577,699
Less: intra-group elimination					(217,071)
<b>Group total assets</b>					<b>360,628</b>

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2022	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
<b>Revenue</b>					
External	11	7,243	71	1,459	8,784
Inter-Segment	974	-	346	-	1,320
<b>Total Revenue</b>	<b>985</b>	<b>7,243</b>	<b>417</b>	<b>1,459</b>	<b>10,104</b>
Reportable segment profit/(loss) before tax	(1,491)	1,099	180	1,496	1,284
Less: intra-group elimination					-
<b>Consolidated Profit/(Loss) before tax</b>					<b>1,284</b>
Total segment assets	219,390	239,996	42,892	63,157	565,435
Less: intra-group elimination					(210,724)
<b>Group total assets</b>					<b>354,711</b>



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

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

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

All figures in RM'000					
Nine months ended 30 September 2023	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
<b>Revenue</b>					
External	29	27,405	193	4,860	32,487
Inter-Segment	6,882	-	1,053	-	7,935
<b>Total Revenue</b>	<b>6,911</b>	<b>27,405</b>	<b>1,246</b>	<b>4,860</b>	<b>40,422</b>
Reportable segment profit/(loss) before tax	705	7,671	483	2,629	11,488
Less: intra-group elimination					(3,000)
<b>Consolidated Profit/(Loss) before tax</b>					<b>8,488</b>
Total segment assets	218,990	249,288	38,967	70,454	577,699
Less: intra-group elimination					(217,071)
<b>Group total assets</b>					<b>360,628</b>

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

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

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

All figures in RM'000					
Nine months ended 30 September 2022	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
<b>Revenue</b>					
External	24	24,677	244	1,459	26,404
Inter-Segment	4,424	-	1,031	-	5,455
<b>Total Revenue</b>	<b>4,448</b>	<b>24,677</b>	<b>1,275</b>	<b>1,459</b>	<b>31,859</b>
Reportable segment profit/(loss) before tax	1,151	5,593	347	2,110	9,201
Less: intra-group elimination					(3,000)
<b>Consolidated Profit/(Loss) before tax</b>					<b>6,201</b>
Total segment assets	219,390	239,996	42,892	63,157	565,435
Less: intra-group elimination					(210,724)
<b>Group total assets</b>					<b>354,711</b>

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

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

There were no revaluations of property, plant and equipment during the nine months ended 30 September 2023. As at 30 September 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 B8 and the event below, there were no other material events subsequent to the end of the financial period up to the date of this report.

On 15 November 2023, Apex Development Sdn. Bhd., a wholly-owned subsidiary of the Group entered into a Sale and Purchase Agreement (“SPA”) with New Era Edu Sdn. Bhd. to dispose 0.4737 hektar freehold land in Kajang, Negeri Selangor together with One (1) unit of Eleven (11) Storey Commercial Building known as “Menara Apex” bearing postal address of No. 1, Jalan Semenyih, Kajang, 43000 Selangor (collectively referred to as “the Property”) for a total sales consideration of RM55.0 million. The proposed disposal is expected to be completed within six (6) months from the date of the SPA, subject to further extension as mutually agreed.

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

There were no changes in the composition of the Group during the nine months ended 30 September 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 nine months ended 30 September 2023 are set out below:

	All figures in RM'000			
	Quarter ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
Advances:				
- to a subsidiary	-	(6,000)	(7,000)	(6,000)
- from a subsidiary	1,160	100	1,160	100
Repayment of advances:				
- from a subsidiary	1,556	19,520	2,056	20,420
- to a subsidiary	(3,060)	-	(3,060)	-

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

**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.

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 September 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			
Nine months ended 30 September 2023									
<b>Financial Assets</b>									
At FVPL: Marketable securities held for trading	3,891	-	-	-	-	-	3,891	3,891	
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 THIRD QUARTER ENDED 30 SEPTEMBER 2023**

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

**B1. Review of Group Results**

All figures in RM'000						
Quarter ended 30 September		% +/(-)	Nine months ended 30 September		% +/(-)	
2023	2022		2023	2022		
<b>Segment revenue:</b>						
Stock and securities broking	<b>9,912</b>	7,243	36.9	<b>27,405</b>	24,677	11.1
Property holding and development	<b>414</b>	417	(0.7)	<b>1,246</b>	1,275	(2.3)
Moneylending	<b>1,512</b>	1,459	3.6	<b>4,860</b>	1,459	>100
Investment holdings and others	<b>1,319</b>	985	33.9	<b>6,911</b>	4,448	55.4
(-) Elimination	<b>(1,656)</b>	(1,320)	25.5	<b>(7,935)</b>	(5,455)	45.6
	<b>11,501</b>	8,784	30.9	<b>32,487</b>	26,404	23.0
<b>Segment results:</b>						
Stock and securities broking	<b>3,241</b>	1,099	>100	<b>7,671</b>	5,593	37.2
Property holding and development	<b>111</b>	180	(38.4)	<b>483</b>	347	39.2
Moneylending	<b>777</b>	1,496	(48.1)	<b>2,629</b>	2,110	24.6
Investment holdings and others	<b>(793)</b>	(1,491)	46.9	<b>705</b>	1,151	(38.7)
(-) Elimination	-	-	-	<b>(3,000)</b>	(3,000)	-
	<b>3,336</b>	1,284	>100	<b>8,488</b>	6,201	36.9

**Quarter ended 30 September 2023 (“Q3 2023”) compared with quarter ended 30 September 2022 (“Q3 2022”)**

Overall revenue for the Group increased by 30.9% from RM8.78 million in Q3 2022 to RM11.5 million in Q3 2023. Q3 2023 saw an improved investor participation with only a slight decreased by 4% where the Average Daily Trading Value (ADV) traded on Bursa Malaysia for Q3 2023 was RM2.02 billion compared to RM2.11 billion in Q3 2022. The higher revenue was mainly due to:

- i. Stock and securities broking activities increased by 36.9% to RM9.91 million mainly due to better brokerage performance and margin utilisation which led to higher interest income earned (Q3 2022: RM7.24 million); and
- ii. Loan interest income from the moneylending operations which increased by 3.6% to RM1.51 million, following the reactivation of its' operations in Q3 2022 (Q3 2022: RM1.46 million).

Consequently, this has resulted higher profit before tax (“PBT”) of RM3.34 million in Q3 2023 compared to RM1.28 million in Q3 2022, representing an increase of RM2.05 million.

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

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

**Quarter ended 30 September 2023 ("Q3 2023") compared with quarter ended 30 September 2022 ("Q3 2022")(Cont'd)**

The operating segment analysis are as follows:

**i. Stock and securities broking**

Overall revenue for this segment increased by 36.9% to RM9.91 million in Q3 2023 from RM7.24 million in Q3 2022 mainly due to the following:

- i. Increase in margin and interest income by 33.7% to RM4.36 million in Q3 2023 from RM3.26 million in Q3 2022; and
- ii. Increase in brokerage income by 44.4% to RM4.88 million in Q3 2023 from RM3.38 million in Q3 2022.

Consequently, PBT increased by RM2.14 million to RM3.24 million in the Q3 2023 against RM1.10 million in Q3 2022.

**ii. Property holding and development**

Overall revenue for this segment registered a slightly lower revenue of RM0.41 million in Q3 2023 compared to RM0.42 million in Q3 2022.

Consequently, this segment has recorded a lower PBT by 38.4% of RM0.11 million in Q3 2023 compared to RM0.18 million in Q3 2022, due to higher expenses incurred for building maintenance and upkeep services in Q3 2023.

**iii. Moneylending**

Revenue for this segment increased by 3.6% to RM1.51 million in Q3 2023 compared to RM1.46 million in Q3 2022.

Having said that, this segment has resulted a lower PBT of RM0.78 million in Q3 2023 compared to RM1.50 million in Q3 2022, mainly due to higher operating expenditures arising from intercompany management fees for providing, amongst others, shared services function in Q3 2023 while for the year 2022, management fees charges only started in Q4 2022.

**iv. Investment holdings and others**

Overall revenue for this segment, before consolidation elimination, increased by 33.9% to RM1.32 million in Q3 2023 compared to RM0.99 million in Q3 2022 mainly due to:

- i. Management fees of RM1.14 million charged to its wholly owned subsidiaries for shared service function (Q3 2022: RM0.97 million); and
- ii. Interest income of RM0.45 million (Q3 2022: nil)

Consequently, this segment has recorded a lower loss before tax of RM0.79 million in Q3 2023 compared to RM1.49 million in Q3 2022. This is mainly due to an increase in revenue as explained above.

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

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

**Nine months ended 30 September 2023 (“YTD 2023”) compared with nine months ended 30 September 2022 (“YTD 2022”)**

Overall revenue registered for YTD 2023 was higher by 23.0% to RM32.49 million in YTD 2023 compared to RM26.40 million in the preceding YTD figures mainly due to:

- i. Loan interest income from money lending operations of RM4.86 million compared to RM1.46 million in YTD 2022; and
- ii. Stock and securities broking activities of RM27.41 million in YTD 2023 compared to RM24.68 million in YTD 2022.

Consequently, PBT has increased by 36.9% to RM8.49 million in YTD 2023 as compared to RM6.20 million in YTD 2022.

The operating segment analysis are as follows:

**i. Stock and securities broking**

Overall revenue for this segment increased slightly by 11.1% to RM27.41 million in YTD 2023 from RM24.68 million in YTD 2022 mainly due to the following:

- a) Higher margin and interest income by 27.7% of RM11.99 mil (YTD 2022: RM9.39 mil); offset against
- b) A slightly lower brokerage income by 0.7% of RM13.52 mil (YTD 2022: RM13.61 mil).

PBT increased by 37.2% to RM7.67 million in YTD 2023 against RM5.59 million in YTD 2022.

**ii. Property holding and development**

Overall revenue for this segment registered slightly lower revenue by 2.3% to RM1.25 million in YTD 2023 compared to RM1.28 million in YTD 2022.

PBT increased by 39.2% to RM0.48 million in YTD 2023 compared to RM0.35 million in YTD 2022 mainly due to lower expenses recognised.

**iii. Moneylending**

Following the reactivation of the money lending operations in Q3 2022, this segment has contributed a revenue of RM4.86 million in YTD 2023 compared to RM1.46 million in YTD 2022.

Consequently, this segment has resulted a PBT of RM2.63 million in YTD 2023 compared to RM2.11 million in YTD 2022.

**iv. Investment holdings and others**

Overall revenue for this segment, before consolidation elimination, increased by 55.4% to RM6.91 million in YTD 2023 compared to RM4.45 million in YTD 2022 mainly due to the management fees of RM3.43 million charged to its wholly owned subsidiaries for shared service function (YTD 2022: RM0.97 million).

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

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

**Nine months ended 30 September 2023 (“YTD 2023”) compared with nine months ended 30 September 2022 (“YTD 2022”)(Cont'd)**

**iv. Investment holdings and others**

This segment has registered lower PBT by 38.7% to RM0.71 million in YTD 2023 compared to RM1.15 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.

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

	Current Quarter	Preceding Quarter	Change	
	30-Sep-2023	30-Jun-2023	RM'000	%
Revenue	11,501	10,476	1,025	9.8
Profit before tax	3,336	2,570	766	29.8

The Group recorded higher quarterly revenue by 9.8% in Q3 2023 as compared to Q2 2023, mainly due to the following:

- i. Stock and securities broking activities increased by 14.4% to RM9.91 million (Q2 2023: RM8.66 million), mainly due to:
  - a. Better brokerage income of RM4.88 million (Q2 2023: RM4.10 million); and
  - b. Margin and interest income of RM4.36 million (Q2 2023: RM3.98 million)

The Group recorded a PBT of RM3.34 million in Q3 2023 increased by 29.8% from the preceding quarter (Q2 2023: RM2.57 million), mainly due to better stock and securities broking performance of RM3.24 million (Q2 2023: RM2.27 million) from higher margin services as explained above.

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

**B3. Prospect**

In the latest October 2023 World Economic Outlook report, the International Monetary Fund (IMF) revised Malaysia's projected economic growth for 2023 from 4.5% to 4.0%. Similarly, the World Bank adjusted its estimate from 4.3% to 3.9% growth in October, citing a notable decline in external demand. The release of Q3 GDP at 3.3% YoY growth also suggests that Malaysia is on track to achieve at least 4% GDP growth in 2023.

Despite the slowdown of the economy, there remains a positive outlook in the market with the introduction of key initiatives such as the New Industrial Master Plan (NIMP), the National Energy Transition Roadmap (NETR), and the announcement that unlisted shares sold through an IPO will not be subject to capital gains tax, as outlined in the Belanjawan 2024. These measures are expected to be the catalyst for higher trading activities in the coming months.

Notwithstanding the challenges posed by the current economic landscape, the Group is proactively strengthening its position by broadening its range of products and services and ensuring the resilience of its business models to effectively navigate uncertainties. Taking into account these strategic efforts and catalysts in the market, barring any unforeseen circumstances, the Group maintains a cautiously optimistic outlook for its performance throughout the remainder of the financial year.

**B4. Profit Forecast or Profit Guarantee**

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

**B5. Taxation**

	All figures in RM'000			
	Quarter ended 30-Sep		Nine months ended 30-Sep	
	2023	2022	2023	2022
Income Tax				
Current year tax expense	877	271	2,206	1,762
Previous years under/(over) provision	31	28	(6)	21
Deferred tax	195	-	463	-
	1,103	299	2,663	1,783

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

**B6. Status of Corporate Proposals**

The corporate proposals announced but not completed as at 28 November 2023 is as per below event.

On 15 November 2023, Apex Development Sdn. Bhd., a wholly-owned subsidiary of the Group entered into a Sale and Purchase Agreement ("SPA") with New Era Edu Sdn. Bhd. to dispose 0.4737 hektar freehold land in Kajang, Negeri Selangor together with One (1) unit of Eleven (11) Storey Commercial Building known as "Menara Apex" bearing postal address of No. 1, Jalan Semenyih, Kajang, 43000 Selangor (collectively referred to as "the Property") for a total sales consideration of RM55.0 million.

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

**B6. Status of Corporate Proposals (Cont'd)**

The proposed disposal is expected to be completed within six (6) months from the date of the SPA, subject to further extension as mutually agreed.

**B7. Group Borrowings**

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

	RM'000
Bank Overdraft - Secured	4,000
<b>Total short-term borrowings</b>	<b>4,000</b>

**B8. Material Litigation**

There was no material litigation since the last annual balance sheet date till 23 November 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.

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

**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)**

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”).

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. 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.

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

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

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

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.

On 21 November 2023, the hearing of the stay application had been vacated and the High Court has fixed a case management on 7 December 2023 pending an intended settlement between the Respondent, the Company and the Applicant which is in its final stage.

**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.

A Consent Judgement ("CJ") entered between the SC, the Company and ASB had been recorded at the High Court on 23 November 2023. Upon filing of the CJ, the material litigation against the Company and ASB is hereby concluded.

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

**B9. Dividends**

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

**B10. Earnings per Share**

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

	Quarter ended 30-Sep		Nine months ended 30-Sep	
	2023	2022	2023	2022
Net profit/(loss) attributable to equity holders of the parent (RM'000)	2,233	985	5,826	4,418
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)	1.10	0.49	2.87	2.18

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

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

	All figures in RM'000			
	Quarter ended 30-Sep		Nine months ended 30-Sep	
	2023	2022	2023	2022
- Interest expenses	(48)	(8)	(69)	(34)
- Depreciation	(518)	(240)	(1,169)	(699)
- Dividend income	99	99	106	99
- Gain on disposal of an associate company	-	-	-	280
- Gain/(loss) on marketable securities	1,072	7	835	140
- Interest income	595	942	1,918	2,699
- Provision/(reversal) of diminution in marketable securities	26	8	(83)	(23)
- (Provision)/Write-back of impairment loss for receivables	(1)	(442)	(2)	55
- Foreign exchange gain/(loss)	83	34	38	69
- Impairment loss on an investment property	-	-	-	(191)

\* less than RM1,000

[End of Interim Financial Report]