

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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 December 2023
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Dec-23 RM' 000	PRECEDING YEAR COMPARATIVE QUARTER 31-Dec-22 RM' 000	CURRENT YEAR TO DATE 31-Dec-23 RM' 000	PRECEDING YEAR COMPARATIVE PERIOD 31-Dec-22 RM' 000
Revenue	13,136	9,539	45,623	35,942
Direct Operating Costs	(2,852)	(2,043)	(10,022)	(9,261)
Gross Profit	10,284	7,496	35,601	26,681
Other Income	821	789	2,047	2,068
Administrative and General Expenses	(8,803)	(7,685)	(26,790)	(22,194)
Finance Costs	(55)	(10)	(123)	(45)
Gain on disposal of an associate company	-	-	-	280
Profit/(Loss) Before Taxation	2,247	589	10,735	6,790
Income Tax Expense	(754)	1,399	(3,417)	(384)
Net Profit/(Loss) After Taxation	1,492	1,988	7,318	6,406
Other Comprehensive Income: <u>Item that will not be reclassified</u> <u>Subsequently to Profit or Loss</u>				
Gain/(loss) on Available For Sale Investments	216	276	216	276
Income Tax Relating To Other Components Of Comprehensive Income	-	-	-	-
Net profit and Total Comprehensive Income For the Financial Period	1,708	2,264	7,534	6,682
Profit/(Loss) After Taxation Attributable to :				
Equity holders of the parent	1,492	1,988	7,318	6,406
Non-controlling interest	-	-	-	-
	1,492	1,988	7,318	6,406
Total Comprehensive Income Attributable to :				
Equity holders of the parent	1,708	2,264	7,534	6,682
Non-controlling interest	-	-	-	-
	1,708	2,264	7,534	6,682
Earning Per Share (sen)				
- Basic	0.74	0.98	3.61	3.16
- Diluted	0.74	0.98	3.61	3.16

(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 31 DECEMBER 2023

	AS AT 31-Dec-23 (Unaudited) RM' 000	AS AT 31-Dec-22 (Audited) RM' 000
ASSETS		
Non-Current Assets		
Property and Equipment	3,359	12,487
Investment Properties	26,984	27,004
Investment in an Associate Company	-	-
Right-of-use Assets	2,290	173
Receivables	15,000	56,883
Deferred Tax Assets	1,510	2,000
Other assets	4,794	4,412
	53,937	102,959
Current Assets		
Marketable Securities Held for Trading	4,817	4,315
Receivables	257,169	145,914
Current Tax Assets	-	344
Fixed Deposits with a Licensed Bank	-	-
Cash and Short Term Funds	47,027	104,020
	309,013	254,593
Non-current Assets Held for Sale	10,825	-
	319,838	254,593
Non-current Asset Held for Sale	-	-
TOTAL ASSETS	373,775	357,552
EQUITY AND LIABILITIES		
Equity		
Share Capital	221,940	221,940
Reserves	114,231	106,698
Treasury Shares	(7,459)	(7,459)
	328,712	321,179
Minority Interests	-	-
TOTAL EQUITY	328,712	321,179
Non-Current Liabilities		
Lease Liabilities	1,273	8
	1,273	8
Current Liabilities		
Payables	38,530	31,169
Lease Liabilities	1,059	189
Current Tax Liabilities	196	-
Bank Overdraft	4,005	5,007
	43,790	36,365
TOTAL LIABILITIES	45,062	36,373
TOTAL EQUITY AND LIABILITIES	373,775	357,552
Net assets per share (RM)	1.62	1.58

(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 31 DECEMBER 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
12 months ended 31 December 2023					
Balance at 1.1.2023	221,940	2,407	104,291	(7,459)	321,179
Profit after taxation/Total comprehensive income for the financial period	-	-	7,318	-	7,318
Transfer to comprehensive income	-	216	-	-	216
Distribution to owners of the Company : - Dividends	-	-	-	-	-
Balance at 31.12.2023	<u>221,940</u>	<u>2,623</u>	<u>111,608</u>	<u>(7,459)</u>	<u>328,712</u>
12 months ended 31 December 2022					
Balance at 1.1.2022 As previously stated	221,940	2,131	118,149	(7,459)	334,761
Profit after taxation/Total comprehensive income for the financial period	-	-	6,406	-	6,406
Transfer to comprehensive income	-	276	-	-	276
Distribution to owners of the Company : - Dividends	-	-	(20,264)	-	(20,264)
Balance at 31.12.2022	<u>221,940</u>	<u>2,407</u>	<u>104,291</u>	<u>(7,459)</u>	<u>321,179</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 31 DECEMBER 2023

	12 months ended 31-Dec-23 RM' 000	12 months ended 31-Dec-22 RM' 000
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	10,735	6,790
Adjustments for :-		
Depreciation:		
- Property and equipment	931	655
- Investment properties	20	7
- Right-of-use assets	723	337
Written off:		
- Property and equipment	495	-
- Investment properties	-	82
- Right-of-use assets	-	108
Gain on disposal of an associate company	-	(280)
Loss on disposal of property, plant and equipments	(2)	(53)
Loss/(gain) on marketable securities	(1,412)	11
Provision for doubtful debt	(12)	-
Dividend income	(107)	(108)
Interest expense	123	45
Interest income	(2,498)	(776)
Net impairment gain on financial assets	-	(489)
Operating profit before changes before working capital	<u>8,998</u>	<u>6,329</u>
Changes in clearing fund	(166)	(91)
Changes in marketable securities held for trading	492	(2,084)
Changes in receivables	(69,372)	(66,241)
Changes in payables	7,621	(11,347)
CASH FROM / (FOR) OPERATIONS	<u>(52,427)</u>	<u>(73,433)</u>
Dividend Income	107	108
Interest income	2,498	776
Interest expense	(19)	(13)
Income tax paid	(2,387)	(3,341)
NET CASH (FOR) / FROM OPERATING ACTIVITIES	<u>(52,229)</u>	<u>(75,903)</u>
CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES		
Purchase of property, plant & equipment and right-of-use of assets	(2,899)	(1,173)
Proceeds from disposal of property, plant and equipment	2	53
Proceeds from disposal of an associate company	-	5,184
Withdrawal/(Additions) of fixed deposits with tenure more than 3 months	-	214
NET CASH FROM / (FOR) INVESTING ACTIVITIES	<u>(2,897)</u>	<u>4,278</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	-	(20,264)
Interest paid on lease liabilities	(103)	(32)
Repayment of lease liabilities	(761)	(362)
NET CASH FOR FINANCING ACTIVITIES	<u>(864)</u>	<u>(20,658)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(55,990)	(92,283)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	99,013	191,296
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>43,023</u>	<u>99,013</u>
Cash & Cash Equivalents at end of period comprise :		
Cash, Bank Balances and Deposits	47,027	104,020
Bank Overdrafts	(4,005)	(5,007)
	<u>43,023</u>	<u>99,013</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 FOURTH QUARTER ENDED 31 DECEMBER 2023**

Explanatory Notes to the Quarterly Report – 31 December 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:

- MFRS 17 ‘Insurance Contracts’
- Amendments to MFRS 17 ‘Insurance Contracts’
- Amendment to MFRS 17 ‘Initial Application of MFRS 17’ and MFRS 9 ‘Comparative Information’
- Amendments to MFRS 101 ‘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’
- Amendments to MFRS 112 ‘International Tax Reform – Pillar Two Model Rules’

(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 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 and MFRS 7 ‘Supplier Finance Arrangements’

Effective for annual reporting periods beginning on or after 1 January 2025

- Amendments to MFRS 121 ‘Lack of Exchangeability’

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 and MFRS 128 ‘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
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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 financial year ended 31 December 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 financial year ended 31 December 2023.

A6. Dividends Paid

No dividend has been paid during the financial year ended 31 December 2023.

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APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2023	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
Revenue					
External	4	11,051	64	2,017	13,136
Inter-Segment	1,361	-	348	-	1,709
Total Revenue	1,365	11,051	412	2,017	14,845
Reportable segment profit/(loss) before tax	(1,953)	3,821	(192)	2,921	4,597
Less: intra-group elimination					(2,350)
Consolidated Profit/(Loss) before tax					2,247
Total segment assets	216,725	259,594	40,579	71,677	588,575
Less: intra-group elimination					(214,800)
Group total assets					373,775

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2022	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
Revenue					
External	12	8,061	52	1,414	9,539
Inter-Segment	3,412	-	365	-	3,777
Total Revenue	3,424	8,061	417	1,414	13,316
Reportable segment profit/(loss) before tax	(403)	2,313	118	261	2,289
Less: intra-group elimination					(1,700)
Consolidated Profit/(Loss) before tax					589
Total segment assets	218,015	244,876	41,745	64,614	569,250
Less: intra-group elimination					(211,698)
Group total assets					357,552

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

A7. Segment Analysis (cont'd)

The segment information for the current financial year is as follows:

All figures in RM'000					
Financial year ended 31 December 2023	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
Revenue					
External	34	38,456	256	6,877	45,623
Inter-Segment	8,243	-	1,401	-	9,644
Total Revenue	8,277	38,456	1,657	6,877	55,267
Reportable segment profit/(loss) before tax	(1,248)	11,492	291	5,550	16,085
Less: intra-group elimination					(5,350)
Consolidated Profit/(Loss) before tax					10,735
Total segment assets	216,725	259,594	40,579	71,677	588,575
Less: intra-group elimination					(214,800)
Group total assets					373,775

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

A7. Segment Analysis (cont'd)

The segment information for the preceding financial year is as follows:

All figures in RM'000					
Financial year ended 31 December 2022	Investment holdings and others	Stock and Securities broking	Property Holding & Property Development	Moneylending	Total
Revenue					
External	36	32,738	295	2,873	35,942
Inter-Segment	7,836	-	1,396	-	9,232
Total Revenue	7,872	32,738	1,691	2,873	45,174
Reportable segment profit/(loss) before tax	747	7,907	465	2,371	11,490
Less: intra-group elimination					(4,700)
Consolidated Profit/(Loss) before tax					6,790
Total segment assets	218,015	244,876	41,745	64,614	569,250
Less: intra-group elimination					(211,698)
Group total assets					357,552

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

A8. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment during the twelve months ended 31 December 2023. As at 31 December 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.

A10. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 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 financial year ended 31 December 2023 are set out below:

	All figures in RM'000			
	Quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Advances:				
- to a subsidiary	(300)	(5,000)	(7,300)	(11,000)
- from a subsidiary	360	-	1,520	100
Repayment of advances:				
- from a subsidiary	1,350	5,500	3,406	25,920
- to a subsidiary	(660)	-	(3,720)	-

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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			
12 months ended 31 December 2023									
Financial Assets									
At FVPL: Marketable securities held for trading	4,817	-	-	-	-	-	4,817	4,817	
At FVOCI: Other Assets: - Unquoted shares in Malaysia	-	-	3,285	-	-	-	3,285	3,285	
12 months ended 31 December 2022									
Financial Assets									
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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December		% +/(-)	Year ended 31 December		% +/(-)	
2023	2022		2023	2022		
Segment revenue:						
Stock and securities broking	11,051	8,061	37.1	38,456	32,738	17.5
Property holding and development	412	417	(1.2)	1,657	1,691	(2.0)
Moneylending	2,017	1,414	42.6	6,877	2,873	>100
Investment holdings and others	1,365	3,424	(60.1)	8,277	7,872	5.1
(-) Elimination	(1,709)	(3,777)	(54.8)	(9,644)	(9,232)	4.5
	13,136	9,539	37.7	45,623	35,942	26.9
Segment results:						
Stock and securities broking	3,821	2,313	65.2	11,492	7,907	45.3
Property holding and development	(192)	118	(>100)	291	465	(37.4)
Moneylending	2,921	261	>100	5,550	2,371	>100
Investment holdings and others	(1,953)	(403)	(>100)	(1,248)	747	(>100)
(-) Elimination	(2,350)	(1,700)	17.6	(5,350)	(4,700)	13.8
	2,247	589	>100	10,735	6,790	58.1

Quarter ended 31 December 2023 (“Q4 2023”) compared with quarter ended 31 December 2022 (“Q4 2022”)

Overall revenue for the Group increased by 37.7% to RM13.1 million in Q4 2023 (Q4 2022: RM9.5 million).

Consequently, this has resulted higher profit before tax (“PBT”) of RM2.25 million in Q4 2023 (Q4 2022: RM0.59 million), representing an increase of RM1.66 million.

The operating analysis is explained in the respective business segments.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

B1. Review of Group Results (Cont'd)

Quarter ended 31 December 2023 ("Q4 2023") compared with quarter ended 31 December 2022 ("Q4 2022")(Cont'd)

The operating segment analysis are as follows:

i. Stock and securities broking

Overall revenue for this segment increased by 37.1% to RM11.05 million in Q4 2023 (Q4 2022: RM8.06 million), mainly due to the following:

- a) Increase in margin and other interest income arising from better margin utilisation and fixed deposit rates, resulting an increase in revenue of 38.6% to RM4.70 million in Q4 2023 (Q4 2022: RM3.39 million); and
- b) Increase in brokerage income by 36.4% to RM5.61 million in Q4 2023 (Q4 2022: RM4.11 million) due to higher volume and value of stockbroking activities.

Consequently, PBT increased by 65.2% or RM1.51 million to RM3.82 million in the Q4 2023 (Q4 2022: RM2.31 million).

ii. Property holding and development

Overall revenue for this segment dropped slightly to RM0.41 million in Q4 2023 (Q4 2022: RM0.42 million).

Consequently, this segment has recorded a loss before tax of RM0.19 million in Q4 2023 (Q4 2022: PBT of RM0.12 million), due to higher expenses incurred for management fees, arising from building maintenance and upkeep services in Q4 2023.

iii. Moneylending

Revenue for this segment increased by 42.6% to RM2.02 million in Q4 2023 (Q4 2022: RM1.41 million).

Consequently, this segment has resulted higher PBT of RM2.92 million in Q4 2023 (Q4 2022: RM0.26 million), mainly due to lesser management fees charged for Q4 2023.

iv. Investment holdings and others

Overall revenue for this segment, decreased by 60.1% to RM1.37 million in Q4 2023 (Q4 2022: RM3.42 million) mainly due to:

- a) Lower management fees charged to its wholly owned subsidiaries for shared service function for Q4 2023; but offset with
- b) Slightly higher dividend income of RM2.0 million for Q4 2023 (Q4 2022: RM1.7 million).

Consequently, this segment has recorded higher loss before tax of RM1.95 million in Q4 2023 (Q4 2022: RM0.40 million) mainly due to higher operating expenditures.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

B1. Review of Group Results (Cont'd)

Financial year ended 31 December 2023 (“FY2023”) compared with financial year ended 31 December 2022 (“FY2022”)

Overall revenue registered for FY2023 was higher by 26.9% to RM45.62 million (FY2022: RM35.94 million).

Consequently, PBT has increased by 58.1% to RM10.74 million in FY2023 (FY2022: RM6.79 million).

The operating segment analysis are as follows:

i. Stock and securities broking

Overall revenue for this segment increased by 17.5% to RM38.46 million in FY2023 (FY2022: RM32.74 million) mainly due to the following:

- a) Higher margin and other interest income by 30.6% of RM16.69 million (FY2022: RM12.78 million); and
- b) Higher brokerage income driven by higher trading volume, by 7.9% of RM19.13 million (FY2022: RM17.72 million).

Consequently, PBT increased by 45.3% to RM11.49 million in FY2023 (FY2022: RM7.91 million).

ii. Property holding and development

Overall revenue for this segment registered slightly lower revenue, down by 2.0% to RM1.66 million in FY2023 (FY2022: RM1.69 million).

Consequently, PBT decreased by 37.4% to RM0.29 million in FY2023 (FY2022: RM0.47 million) mainly due to higher expenses recognised.

iii. Moneylending

Overall revenue for this segment increased more than 100% to RM6.88 million in FY2023 (FY2022: RM2.87 million) due to full year recognition of revenue (FY2022: activated starting July'22 onwards).

Consequently, this segment has resulted a PBT of RM5.55 million in FY2023 (FY2022: RM2.37 million).

iv. Investment holdings and others

Overall revenue for this segment increased by 5.1% to RM8.28 million in FY2023 (FY2022: RM7.87 million) mainly due to higher dividend income of RM5.0 million in FY2023 (FY2022: RM4.7 million).

However, this segment has registered loss before tax of RM1.25 million in FY2023 (FY2022: PBT of RM0.75 million), mainly due to full year's operating expenditures ie payroll costs incurred (FY2022: from July'22 onwards).

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
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B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter

	Current Quarter 31-Dec-2023	Preceding Quarter 30-Sep-2023	Change	
	RM'000	RM'000	RM'000	%
Revenue	13,136	11,501	1,635	14.2
Profit before tax	2,247	3,336	(1,089)	(32.6)

The Group recorded higher quarterly revenue by 14.2% in Q4 2023 as compared to Q3 2023, mainly due to the following:

- i. Stock and securities broking activities increased by 11.5% to RM11.05 million (Q3 2023: RM9.91 million), mainly due to:
 - a. Higher volume in stockbroking activities leading to better brokerage income of RM5.61 million (Q3 2023: RM4.88 million); and
 - b. Better margin and interest income of RM4.70 million (Q3 2023: RM4.36 million)

The Group recorded lower PBT of RM2.25 million in Q4 2023, decreased by 32.6% from the preceding quarter (Q3 2023: RM3.34 million), mainly due to the higher operating expenditures.

B3. Prospect

Malaysia's gross domestic product (GDP) expanded 3.3% year-on-year during the July-September period (Q3 2023), according to the Bank Negara and the Department of Statistics. This lifted the prospects of 2023 GDP growth towards the projected 4.0% growth for 2023. Growth was mainly propelled by improved household spending from improvements in the labour market.

Moving into 2024, the Group expect brighter prospects ahead for 2024, supported by GDP growth between 4-5%, on the back of the solid domestic demand and prospects of recovery in exports. On the financial capital markets, trading activities may remain vibrant in line with Bursa Malaysia's aim to facilitate a total of 42 IPOs (24 are in the pipeline) for 2024 against 33 IPOs in 2023.

Looking ahead, the Group remains proactively in strengthening its position by broadening products range and services tailored to market demands. While market conditions are expected to remain challenging, the Group holds a cautiously optimistic outlook over the foreseeable future and will continue to navigate through uncertainties in bid to ensure resiliency in our core businesses.

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

	All figures in RM'000			
	Quarter ended 31-Dec		Year ended 31-Dec	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
a) Income Tax				
Current year tax expense	707	601	2,914	2,363
Previous years under/(over) provision	20	-	13	21
	728	601	2,927	2,384
b) Deferred Tax				
Relating to origination and reversal of temporary differences arising from unutilised business loss	27	(2,000)	490	(2,000)
Tax expense/(credit) for the financial year	754	(1,399)	3,417	384

The Group's effective tax rate for the current quarter and year ended 31 December 2023 is higher than the statutory income tax rate mainly due to expenses not deductible for tax purposes and non-recognition of deferred tax asset.

B6. Status of Corporate Proposals

The corporate proposals announced but not completed as at 27 February 2024 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.

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 31 December 2023 :-

	RM'000
Bank Overdraft - Secured	4,005
Total short-term borrowings	4,005

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B8. Material Litigation

There was no material litigation since the last annual balance sheet date till 21 February 2024, 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”).

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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 Federal Court granted leave to the Company to appeal to the Federal Court and the Federal Court had on 8 May 2023, 1 August 2023 and 2 August 2023 heard the appeal. The matter is now pending for a decision. To date, there is no date fixed for the decision from the Federal Court.

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 Apex Securities Berhad (“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 sought 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.

Pursuant to the Consent Judgement recorded at the High Court for the Writ of Summons and Statement of Claim on 23 November 2023, the Judicial Review Application filed by ASB against SC has been successfully withdrawn on 7 December 2023. SC had, vide a letter issued to ASB dated 7 December 2023, withdrawn all additional conditions and reporting requirements imposed on ASB earlier with immediate effect.

Accordingly, both parties have jointly executed a Notice of Discontinuance which has been filed to the High Court and the matter has been concluded accordingly.

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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.

A Consent Judgement ("CJ") entered between the SC, the Company and ASB had been recorded at the High Court on 23 November 2023. the material litigation against the Company, and ASB and Parties is hereby concluded. Accordingly, the respective Notices of Discontinuance had been filed in the High Court.

B9. Dividends

The Board of Directors does not recommend payment of dividend in respect of the financial period ended 31 December 2023.

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B10. Earnings per Share

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

	Quarter ended 31-Dec		Year ended 31-Dec	
	2023	2022	2023	2022
Net profit/(loss) attributable to equity holders of the parent (RM'000)	1,492	1,988	7,318	6,406
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)	0.74	0.98	3.61	3.16

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:

	All figures in RM'000			
	Quarter ended 31-Dec		Year ended 31-Dec	
	2023	2022	2023	2022
- Interest expenses	(55)	(11)	(123)	(45)
- Depreciation	(506)	(299)	(1,675)	(998)
- Dividend income	1	207	107	108
- Gain on disposal of an associate company	-	-	-	280
- Gain/(loss) on marketable securities	567	192	1,402	332
- Interest income	580	113	2,498	776
- Provision/(write-back) of impairment loss for receivables	-	434	3	489
- Provision/(reversal) of diminution in marketable securities	116	34	(10)	11
- Foreign exchange gain/(loss)	25	(8)	62	61
- Impairment loss on an investment property	-	191	-	-
- Write-off on an investment property	-	(191)	-	(191)

[End of Interim Financial Report]