

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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 March 2024
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	QUARTER / YEAR ENDED	
	CURRENT YEAR 31-Mar-24 RM' 000	PRECEDING YEAR COMPARATIVE 31-Mar-23 RM' 000
Revenue	12,813	10,511
Direct Operating Costs	(2,889)	(2,343)
Gross Profit	9,925	8,168
Other Income	106	73
Administrative and General Expenses	(7,380)	(5,651)
Finance Costs	(211)	(7)
Gain on disposal of an associate company	-	-
Profit/(Loss) Before Taxation	2,439	2,583
Income Tax Expense	(991)	(631)
Net Profit/(Loss) After Taxation	1,448	1,952
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	-	-
Income Tax Relating To Other Components Of Comprehensive Income	-	-
Net profit and Total Comprehensive Income For the Financial Period	1,448	1,952
Profit/(Loss) After Taxation Attributable to :		
Equity holders of the parent	1,448	1,952
Non-controlling interest	-	-
	1,448	1,952
Total Comprehensive Income Attributable to :		
Equity holders of the parent	1,448	1,952
Non-controlling interest	-	-
	1,448	1,952
Earning Per Share (sen)		
- Basic	0.71	0.96
- Diluted	0.71	0.96

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Report for the year ended 31 December 2023)

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	AS AT 31-Mar-24 (Unaudited) RM' 000	AS AT 31-Dec-23 (Audited) RM' 000
ASSETS		
Non-Current Assets		
Property and Equipment	3,432	3,359
Investment Properties	26,982	26,984
Right-of-use Assets	2,028	2,290
Receivables	32,000	15,000
Deferred Tax Assets	1,233	1,508
Other assets	4,917	4,794
	<u>70,593</u>	<u>53,935</u>
Current Assets		
Marketable Securities Held for Trading	1,793	4,817
Receivables	256,398	257,173
Current Tax Assets	-	238
Fixed Deposits with a Licensed Bank	-	-
Cash and Short Term Funds	36,782	47,023
	<u>294,973</u>	<u>309,251</u>
Non-current Assets Held for Sale	10,825	10,825
	<u>305,798</u>	<u>320,076</u>
TOTAL ASSETS	<u>376,391</u>	<u>374,011</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	221,940	221,940
Reserves	115,679	114,232
Treasury Shares	(7,459)	(7,459)
	<u>330,160</u>	<u>328,712</u>
Minority Interests	-	-
TOTAL EQUITY	<u>330,160</u>	<u>328,712</u>
Non-Current Liabilities		
Lease Liabilities	1,249	1,397
	<u>1,249</u>	<u>1,397</u>
Current Liabilities		
Payables	36,740	38,530
Lease Liabilities	851	934
Current Tax Liabilities	330	432
Bank Overdraft	7,062	4,005
	<u>44,982</u>	<u>43,901</u>
TOTAL LIABILITIES	<u>46,231</u>	<u>45,299</u>
TOTAL EQUITY AND LIABILITIES	<u>376,391</u>	<u>374,011</u>
Net assets per share (RM)	<u>1.63</u>	<u>1.62</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 31 December 2023)

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Share Capital RM' 000	Non- Distributable Fair Value Reserve RM' 000	Distributable Retained Profits RM' 000	Treasury Shares RM' 000	Total Equity RM' 000
3 months ended 31 March 2024					
Balance at 1.1.2024	221,940	2,623	111,609	(7,459)	328,712
Profit after taxation/Total comprehensive income for the financial period	-	-	1,448	-	1,448
Transfer to comprehensive income	-	-	-	-	(0)
Distribution to owners of the Company : - Dividends	-	-	-	-	-
Balance at 31.3.2024	<u>221,940</u>	<u>2,623</u>	<u>113,056</u>	<u>(7,459)</u>	<u>330,160</u>
3 months ended 31 March 2023					
Balance at 1.1.2023 As previously stated	221,940	2,407	104,290	(7,459)	321,178
Profit after taxation/Total comprehensive income for the financial period	-	-	1,952	-	1,952
Transfer to comprehensive income	-	-	-	-	-
Distribution to owners of the Company : - Dividends	-	-	-	-	(0)
Balance at 31.3.2023	<u>221,940</u>	<u>2,407</u>	<u>106,242</u>	<u>(7,459)</u>	<u>323,130</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 31 December 2023)

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	3 months ended 31-Mar-24 RM' 000	3 months ended 31-Mar-23 RM' 000
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	2,439	2,583
Adjustments for :-		
Depreciation:		
- Property and equipment	259	135
- Investment properties	1	101
- Right-of-use assets	262	84
Loss on disposal of property, plant and equipments	6	-
Loss/(gain) on marketable securities	-	(5)
Impairment of receivables	1,048	1
Dividend income	-	-
Interest expense	211	7
Interest income	(1,216)	(25)
Operating profit before changes before working capital	<u>3,010</u>	<u>2,879</u>
Changes in clearing fund	(123)	(137)
Changes in marketable securities held for trading	3,024	3,227
Changes in receivables	(17,272)	(5,956)
Changes in payables	(1,790)	(11,900)
CASH FROM / (FOR) OPERATIONS	<u>(13,151)</u>	<u>(11,887)</u>
Dividend Income	-	-
Interest income	1,216	1,238
Interest expense	(163)	(7)
Income tax paid	(580)	(444)
NET CASH (FOR) / FROM OPERATING ACTIVITIES	<u>(12,678)</u>	<u>(11,101)</u>
CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES		
Purchase of property, plant & equipment and right-of-use of assets	(339)	(506)
Proceeds from disposal of property, plant and equipment	-	-
NET CASH FROM / (FOR) INVESTING ACTIVITIES	<u>(339)</u>	<u>(506)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	-	-
Interest paid on lease liabilities	(48)	(3)
Repayment of lease liabilities	(233)	(95)
NET CASH FOR FINANCING ACTIVITIES	<u>(282)</u>	<u>(98)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(13,298)	(11,705)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	43,018	99,013
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>29,720</u>	<u>87,308</u>
Cash & Cash Equivalents at end of period comprise :		
Cash, Bank Balances and Deposits	36,782	91,302
Bank Overdrafts	(7,062)	(3,994)
	<u>29,720</u>	<u>87,308</u>

(The Condensed Consolidated Statement of Cashflow should be read in conjunction with the Annual Report for the year ended 31 December 2023)

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

Explanatory Notes to the Quarterly Report – 31 March 2024 (“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 2023.

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 2023, except for the adoption of the following Amendments which are effective for the annual periods beginning on or after 1 January 2024.

(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 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’

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

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 ‘Consolidated Financial Statements’ and MFRS 128 ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’.

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.

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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 March 2024.

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 March 2024.

A6. Dividends Paid

No dividend has been paid during the financial year ended 31 March 2024.

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APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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
- (iv) Money lending

The segment information for the current quarter is as follows:

All figures in RM'000					
Current quarter / financial year ended 31 March 2024	Investment holdings and others	Stock and Securities broking	Property Holding	Money Lending	Total
<u>Revenue</u>					
External	5	10,739	50	2,019	12,813
Inter-Segment	20,821	-	346	-	21,167
Total Revenue	20,826	10,739	396	2,019	33,980
Reportable segment profit/(loss) before tax	18,725	1,931	178	1,605	22,439
Less: intra-group elimination					(20,000)
Consolidated Profit/(Loss) before tax					2,439
Total segment assets	235,221	240,333	40,718	103,812	620,084
Less: intra-group elimination					(243,693)
Group total assets					376,391

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A7. Segment Analysis (cont'd)

The segment information for the preceding quarter is as follows:

All figures in RM'000					
Quarter / financial year ended 31 March 2023	Investment holdings and others	Stock and Securities broking	Property Holding	Money Lending	Total
<u>Revenue</u>					
External	4	8,828	65	1,614	10,511
Inter-Segment	4,265	-	351	-	4,616
Total Revenue	4,269	8,828	416	1,614	15,127
Reportable segment profit/(loss) before tax	2,332	2,157	218	876	5,583
Less: intra-group elimination					(3,000)
Consolidated Profit/(Loss) before tax					2,583
Total segment assets	220,215	232,196	41,809	69,745	563,965
Less: intra-group elimination					(217,475)
Group total assets					346,490

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

A8. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment during the three months ended 31 March 2024. As at 31 March 2024, 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.

In the second quarter of 2024, the Group has become aware of a potential discontinuance of an on-going project awarded to a loan receivable (“Development”) in which the Group had financed an amount of RM23,800,000. The outcome of this Development, which is unascertainable at this juncture, may or may not cause a change in the credit quality of the said loan receivable in the future.

The Group is actively monitoring the matter and shall continuously assess the Development for any financial impact and reporting which will be reflected in the subsequent relevant financial periods, if any.

A10. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 March 2024.

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 March 2024 are set out below:

	All figures in RM'000	
	Quarter / year ended 31 March	
	2024	2023
Advances:		
- to a subsidiary	(3,400)	(5,000)
- from a subsidiary	-	-

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**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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 March 2024:

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			
3 months ended 31 March 2024									
Financial Assets									
At FVPL: Marketable securities held for trading	1,793	-	-	-	-	-	1,793	1,793	
At FVOCI: Other Assets: - Unquoted shares in Malaysia	-	-	3,285	-	-	-	3,285	3,285	
3 months ended 31 March 2023									
Financial Assets									
At FVPL: Marketable securities held for trading	1,088	-	-	-	-	-	1,088	1,088	
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 2023. 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 FIRST QUARTER ENDED 31 MARCH 2024**

**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 / Year ended 31 March		% + / (-)
2024	2023	

Segment revenue:

Stock and securities broking	10,739	8,828	21.7
Property holding	396	416	(4.8)
Money lending	2,019	1,614	25.1
Investment holdings and others	20,826	4,269	>100
(-) Elimination	(21,167)	(4,616)	>100
	12,813	10,511	21.9

Segment results:

Stock and securities broking	1,931	2,157	(10.5)
Property holding	178	218	(18.3)
Money lending	1,605	876	83.2
Investment holdings and others	18,725	2,332	>100
(-) Elimination	(20,000)	(3,000)	>100
	2,439	2,583	(5.6)

Quarter / year ended 31 March 2024 (“Q1 2024”) compared with quarter / year ended 31 March 2023 (“Q1 2023”)

Overall revenue for the Group increased by 21.9% to RM12.8 million in Q1 2024 (Q1 2023: RM10.5 million).

The Group has recorded lower profit before tax (“PBT”) of RM2.44 million in Q1 2024 (Q1 2023: RM2.58 million), decrease by RM0.14 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 FIRST QUARTER ENDED 31 MARCH 2024**

B1. Review of Group Results (Cont'd)

Quarter / year ended 31 March 2024 (“Q1 2024”) compared with quarter / year ended 31 March 2023 (“Q1 2023”)(Cont'd)

The operating segment analysis are as follows:

i. Stock and securities broking

Overall revenue for this segment increased by 21.7% to RM10.74 million in Q1 2024 (Q1 2023: RM8.83 million), mainly due to the following:

- a) Increase in margin and other interest income arising from better margin utilisation and interest rates, resulting an increase in revenue of 16.3% to RM4.25 million in Q1 2024 (Q1 2023: RM3.66 million); and
- b) Increase in brokerage income by 27.7% to RM5.79 million in Q1 2024 (Q1 2023: RM4.54 million) due to higher volume and value of stockbroking activities.

PBT for this segment decreased by 10.5% or RM0.23 million to RM1.93 million in the Q1 2024 (Q1 2023: RM2.16 million) mainly due to higher operating expenditures.

ii. Property holding

Overall revenue for this segment dropped slightly to RM0.40 million in Q1 2024 (Q1 2023: RM0.42 million).

Consequently, this segment has recorded lower profit before tax of RM0.18 million in Q1 2024 (Q1 2023: RM0.22 million).

iii. Money lending

Revenue for this segment increased by 25.1% to RM2.02 million in Q1 2024 (Q1 2023: RM1.61 million) due to higher interest income generated.

Consequently, this segment has resulted higher PBT of RM1.61 million in Q1 2024 (Q1 2023: RM0.88 million), furthermore lower operating expenses incurred to-date.

iv. Investment holdings and others

Overall revenue for this segment, increased to RM20.83 million in Q1 2024 (Q1 2023: RM4.27 million) mainly due to higher dividend income received of RM20.0 million in Q1 2024 (Q1 2023: RM3.00 million).

Consequently, this segment has recorded higher profit before tax of RM18.73 million in Q1 2024 (Q1 2023: RM2.33 million) .

APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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

	Current Quarter 31-Mar-2024	Preceding Quarter 31-Dec- 2023	Change	
	RM'000	RM'000	RM'000	%
Revenue	12,813	13,136	(323)	(2.5)
Profit before tax	2,439	2,247	192	8.5

The Group recorded lower quarterly revenue by 2.5% in Q1 2024 as compared to Q4 2023, mainly due to the following:

- i. Stock and securities broking activities decreased by 2.8% to RM10.74 million (Q4 2023: RM11.05 million), mainly due to:
 - a. Lower margin and interest income of RM4.25 million (Q4 2023: RM4.70 million); but slightly offset with
 - b. Higher volume in stockbroking activities leading to better brokerage income of RM5.79 million (Q4 2023: RM5.61 million).

The Group recorded higher PBT of RM2.44 million in Q1 2024, increased by 8.5% from the preceding quarter (Q4 2023: RM2.25 million), mainly due to the lower operating expenditures.

B3. Prospects

Malaysia's gross domestic product (GDP) grew at a rate of 4.2% in the first quarter of 2024, an increase from 2.9% growth in the preceding quarter as the economy was bolstered by strong private expenditure and a positive turnaround in exports.

The growth was higher than the 3.9% year-on-year increase put forward in an advance estimate by the National Statistics Department as well as in a Bloomberg survey of economists.

In its outlook, Bank Negara said growth in 2024 will be driven by resilient domestic expenditure with additional support from the recovery in external demand.

Moving into 2H 2024, the Group expect brighter prospects ahead for 2024 and remain proactively in strengthening its position by broadening products range and services tailored to market demands. Barring unforeseen circumstances, the Group are cautiously optimistic of the Group's performance for the remaining financial year.

B4. Profit Forecast or Profit Guarantee

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

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

B5. Taxation

	All figures in RM'000	
	Quarter / year ended 31-Mar	
	2024	2023
	RM'000	RM'000
a) Income Tax		
Current year tax expense	753	631
Previous years under/(over) provision	-	-
	<u>753</u>	<u>631</u>
b) Deferred Tax		
Relating to origination and reversal of temporary differences arising from unutilised business loss	238	-
Tax expense/(credit) for the financial year	<u>991</u>	<u>631</u>

The Group's effective tax rate for the current quarter and year ended 31 March 2024 is higher than the statutory income tax rate mainly due to expenses not deductible for tax purposes and deferred tax assets not recognised for losses incurred by the Company.

B6. Status of Corporate Proposals

The corporate proposals announced but not completed as at 27 May 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 Unconditional date, which is the date where all conditions precedent of the SPA are being fulfilled, subject to further extension as mutually agreed.

B7. Group Borrowings

The Group's borrowings as at 31 March 2024 : -

	RM'000
Bank Overdraft - Secured	7,062
Total short-term borrowings	7,062

**APEX EQUITY HOLDINGS BERHAD [199001016563 (208232-A)]
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

B8. Material Litigation

There was no material litigation since the last annual balance sheet date till 20 May 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.

On 26 March 2024, the Federal Court has overturned the Court of Appeal’s decision issued on 18 August 2021. Therefore, the decision of the High Court is upheld and reinstated. The Federal Court ruled that there was no oppression and ordered the Respondent to pay costs of RM150,000.00 to the Company and ASB respectively. The Federal Court also ruled that the costs that were paid by the Company and ASB in High Court and Court of Appeal be refunded back to the Company and ASB. As such, the above matter has been concluded accordingly.

B9. Dividends

The Board of Directors does not recommend payment of dividend in respect of the financial period ended 31 March 2024.

B10. Earnings per Share

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

	Quarter / year ended 31-Mar	
	2024	2023
Net profit/(loss) attributable to equity holders of the parent (RM'000)	1,448	1,952
No. of ordinary shares in issued ('000)	213,563	213,563
Less: treasury shares ('000)	(10,923)	(10,923)
Adjusted number of ordinary shares ('000)	202,640	202,640
Basic earnings per share (Sen)	0.71	0.96

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.

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B11. Audit Report

The Audit Report of the Company's preceding Annual Financial Statements for the year ended 31 December 2023 was subjected to qualified opinion.

Kindly refer to note A9 and the Group's financial statement for the year ended 31 December 2023 for more detail on the auditors' report as well as the relevant announcement to Bursa relating to the Audit for more details.

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

	All figures in RM'000	
	Quarter / year ended 31-Mar	
	2024	2023
- Interest expense	(211)	(7)
- Depreciation	(523)	(319)
- Dividend income	-	7
- Gain/(loss) on marketable securities	(422)	5
- Interest income	1,216	1,238
- Provision/(reversal) of diminution in marketable securities	107	-
- Impairment of receivables	1,048	1
- Foreign exchange gain/(loss)	17	(3)

[End of Interim Financial Report]