



# **MERCURY SECURITIES GROUP BERHAD**

(Registration No. 202101018329 (1418629-A))

(Incorporated in Malaysia)

## **INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025**

**MERCURY SECURITIES GROUP BERHAD**

Registration No. 202101018329 (1418629-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 APRIL 2025<sup>(1)</sup>**

|   | Note | Individual Quarter      |                        | Cumulative Quarters     |                        |
|---|------|-------------------------|------------------------|-------------------------|------------------------|
|   |      | 3-months ended 30 April |                        | 6-months ended 30 April |                        |
|   |      | Unaudited<br>30.4.2025  | Unaudited<br>30.4.2024 | Unaudited<br>30.4.2025  | Unaudited<br>30.4.2024 |
|   |      | RM                      | RM                     | RM                      | RM                     |
| Revenue   | A9   | 9,336,530               | 6,389,641              | 19,447,789              | 14,314,149             |
| Cost of services  |      | (4,167,327)             | (2,494,512)            | (7,544,876)             | (5,438,815)            |
| <b>Gross profit</b>   |      | <b>5,169,203</b>        | <b>3,895,129</b>       | <b>11,902,913</b>       | <b>8,875,334</b>       |
| Other income  |      | 799,920                 | 221,592                | 1,102,997               | 480,632                |
| Net trading gains on<br>financial assets at fair<br>value through profit or<br>loss |      | 251,057                 | 402,754                | 322,617                 | 614,884                |
| Administrative and other<br>operating expenses                                      |      | (2,336,992)             | (1,700,954)            | (5,011,857)             | (3,423,413)            |
| Interest income   |      | 836,437                 | 1,158,683              | 1,692,448               | 2,253,986              |
| Finance costs   |      | (1,567)                 | (4,256)                | (3,587)                 | (9,235)                |
| <b>Profit before tax</b>  | B5   | <b>4,718,058</b>        | <b>3,972,948</b>       | <b>10,005,531</b>       | <b>8,792,188</b>       |
| <b>Income tax expenses</b>  | B6   | <b>(1,150,000)</b>      | <b>(955,000)</b>       | <b>(2,430,000)</b>      | <b>(2,160,800)</b>     |
| <b>Profit after tax</b>   |      | <b>3,568,058</b>        | <b>3,017,948</b>       | <b>7,575,531</b>        | <b>6,631,388</b>       |
| <b>Other comprehensive income, net of income tax</b>                                |      |                         |                        |                         |                        |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>          |      |                         |                        |                         |                        |
| Realisation of revaluation<br>surplus upon depreciation                             |      | (15,612)                | (15,612)               | (31,224)                | (31,224)               |
| Transfer of revaluation<br>surplus to retained earnings                             |      | 15,612                  | 15,612                 | 31,224                  | 31,224                 |
| Fair value adjustment on<br>other investments                                       |      | (64,024)                | -                      | (56,460)                | -                      |
| <b>Total comprehensive income for the financial period</b>                          |      | <b>3,504,034</b>        | <b>3,017,948</b>       | <b>7,519,071</b>        | <b>6,631,388</b>       |

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|  | Note      | Individual Quarter<br>3-months ended 30 April |                              | Cumulative Quarters<br>6-months ended 30 April |                              |
|--|-----------|---|------------------------------|--|------------------------------|
|  |           | Unaudited<br>30.4.2025<br>RM                  | Unaudited<br>30.4.2024<br>RM | Unaudited<br>30.4.2025<br>RM                   | Unaudited<br>30.4.2024<br>RM |
| <b>Profit attributable to:</b>                     |           |   |                              |  |                              |
| Owners of the Company                              |           | 3,581,210                                     | 3,017,948                    | 7,589,635                                      | 6,631,388                    |
| Non-controlling interests                          |           | (13,152)                                      | -                            | (14,104)                                       | -                            |
|  |           | <b>3,568,058</b>                              | <b>3,017,948</b>             | <b>7,575,531</b>                               | <b>6,631,388</b>             |
| <b>Total comprehensive income attributable to:</b> |           |   |                              |  |                              |
| Owners of the Company                              |           | 3,517,186                                     | 3,017,948                    | 7,533,175                                      | 6,631,388                    |
| Non-controlling interests                          |           | (13,152)                                      | -                            | (14,104)                                       | -                            |
|  |           | <b>3,504,034</b>                              | <b>3,017,948</b>             | <b>7,519,071</b>                               | <b>6,631,388</b>             |
| <b>Earnings per share <sup>(2)</sup> (sen)</b>     | <b>B7</b> |   |                              |  |                              |
| - Basic  |           | <b>0.40</b>                                   | <b>0.34</b>                  | <b>0.85</b>                                    | <b>0.74</b>                  |
| - Diluted  |           | <b>0.40</b>                                   | <b>0.34</b>                  | <b>0.85</b>                                    | <b>0.74</b>                  |

**Notes:**

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 October 2024 ("AFS 2024") and the accompanying explanatory notes attached to this interim financial report.
2. Basic earnings per share ("EPS") is calculated based on the profit attributable to owners of the Company divided by 893,000,000 ordinary shares being the total number of ordinary shares in issue during the current financial quarter and financial-year-to-date. Diluted EPS is equivalent to the basic EPS as the Company does not have any dilutive instruments at the end of the reporting period.

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2025<sup>(1)</sup>**

|   | <b>Unaudited<br/>As at<br/>30.4.2025<br/>RM</b> | <b>Audited<br/>As at<br/>31.10.2024<br/>RM</b> |
|---|---|--|
| <b>ASSETS</b>                                       |   |  |
| <b>Non-current assets</b>                           |   |  |
| Property, plant and equipment                       | 11,653,112                                      | 11,497,435                                     |
| Investment properties                               | 4,650,000                                       | 4,650,000                                      |
| Right-of-use assets                                 | 26,516  | 120,390  |
| Intangible assets                                   | 7,891,722                                       | 7,891,722                                      |
| Other investments                                   | 699,799   | 756,259  |
|   | <b>24,921,149</b>                               | <b>24,915,806</b>                              |
| <b>Current assets</b>                               |   |  |
| Trade and other receivables                         | 106,896,739                                     | 81,496,997                                     |
| Inventories   | 687,113   | 408,511  |
| Other investments                                   | 1,502,592                                       | 1,212,254                                      |
| Deposits and prepayments                            | 4,654,567                                       | 4,550,539                                      |
| Cash and cash equivalents                           | 68,167,205                                      | 85,672,642                                     |
|   | <b>181,908,216</b>                              | <b>173,340,943</b>                             |
| <b>TOTAL ASSETS</b>                                 | <b>206,829,365</b>                              | <b>198,256,749</b>                             |
| <b>EQUITY AND LIABILITIES</b>                       |   |  |
| Share capital                                       | 154,640,574                                     | 154,640,574                                    |
| Merger reserve                                      | (97,008,736)                                    | (97,008,736)                                   |
| Other reserves                                      | 130,053,679                                     | 122,520,504                                    |
| <b>Equity attributable to owners of the Company</b> | <b>187,685,517</b>                              | <b>180,152,342</b>                             |
| Non-controlling interests                           | (25,786)  | (11,682)                                       |
| <b>TOTAL EQUITY</b>                                 | <b>187,659,731</b>                              | <b>180,140,660</b>                             |
| <b>Non-current liabilities</b>                      |   |  |
| Lease liabilities                                   | -   | 44,498   |
| Deferred tax liabilities                            | 934,160   | 934,160  |
|   | <b>934,160</b>                                  | <b>978,658</b>                                 |
| <b>Current liabilities</b>                          |   |  |
| Trade and other payables                            | 15,859,777                                      | 15,460,852                                     |
| Lease liabilities                                   | 34,910  | 95,377   |
| Current tax liabilities                             | 2,340,787                                       | 1,581,202                                      |
|   | <b>18,235,474</b>                               | <b>17,137,431</b>                              |
| <b>TOTAL LIABILITIES</b>                            | <b>19,169,634</b>                               | <b>18,116,089</b>                              |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>206,829,365</b>                              | <b>198,256,749</b>                             |
| <b>Net assets per share <sup>(2)</sup> (sen)</b>    | <b>21.02</b>                                    | <b>20.17</b>                                   |

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2025<sup>(1)</sup> (CONT'D)**

**Notes:**

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the AFS 2024 and the accompanying explanatory notes attached to this interim financial report.
2. Net assets per share is computed based on net assets attributable to owners of the Company divided by 893,000,000 ordinary shares in issue as at 30 April 2025 and 31 October 2024 respectively.

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 APRIL 2025<sup>(1)</sup>**

|  | Share<br>Capital<br>RM | Merger<br>Reserve<br>RM | Revaluation<br>Reserve<br>RM | Fair Value<br>Reserve<br>RM | Distributable<br>Retained<br>Profits<br>RM | Total<br>RM        | Non-<br>Controlling<br>Interests<br>RM | Total<br>Equity<br>RM |
|--|------------------------|-------------------------|------------------------------|-----------------------------|--|--------------------|--|-----------------------|
| <b>Balance as at</b>   |                        |                         |                              |                             |  |                    |  |                       |
| <b>1 November 2024</b>   | 154,640,574            | (97,008,736)            | 2,300,390                    | (95,905)                    | 120,316,019                                | 180,152,342        | (11,682)                               | 180,140,660           |
| Profit for the financial<br>period   | -                      | -                       | -                            | -                           | 7,589,635                                  | 7,589,635          | (14,104)                               | 7,575,531             |
| Other comprehensive<br>income for the financial<br>period, net of income tax | -                      | -                       | (31,224)                     | (56,460)                    | 31,224                                     | (56,460)           | -                                      | (56,460)              |
| <b>Balance as at</b>   |                        |                         |                              |                             |  |                    |  |                       |
| <b>30 April 2025</b>   | <b>154,640,574</b>     | <b>(97,008,736)</b>     | <b>2,269,166</b>             | <b>(152,365)</b>            | <b>127,936,878</b>                         | <b>187,685,517</b> | <b>(25,786)</b>                        | <b>187,659,731</b>    |

**Note:**

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the AFS 2024 and the accompanying explanatory notes attached to this interim financial report.

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 APRIL 2025<sup>(1)</sup>**

|  | <b>Unaudited<br/>30.4.2025<br/>RM</b> | <b>Unaudited<br/>30.4.2024<br/>RM</b> |
|--|---------------------------------------|---------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                       |                                       |
| Profit before tax  | 10,005,531                            | 8,792,188                             |
| Adjustments for:-  |                                       |                                       |
| Accretion of lease interest  | 3,587                                 | 9,235                                 |
| Net trading gains on financial assets at fair value through profit or loss               | -                                     | (614,884)                             |
| Depreciation of  |                                       |                                       |
| - property, plant and equipment  | 333,344                               | 313,571                               |
| - right-of-use assets  | 93,874                                | 93,873                                |
| Dividend income  | (19,514)                              | (2,347)                               |
| Interest income  | (1,692,448)                           | (2,253,986)                           |
| Gain on disposal of property, plant and equipment  | (20,483)                              | -                                     |
| <b>Operating profit before working capital changes</b>                                   | <b>8,703,891</b>                      | <b>6,337,650</b>                      |
| Increase in trade and other receivables  | (25,399,742)                          | (13,808,810)                          |
| Increase in deposits and prepayments   | (104,028)                             | (1,165,938)                           |
| Increase in inventories  | (278,602)                             | -                                     |
| Increase in trade and other payables   | 398,925                               | 2,844,209                             |
| <b>Cash used in operations</b>   | <b>(16,679,556)</b>                   | <b>(5,792,889)</b>                    |
| Income tax paid  | (1,670,415)                           | (1,531,916)                           |
| <b>Net cash used in operating activities</b>   | <b>(18,349,971)</b>                   | <b>(7,324,805)</b>                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                                       |                                       |
| Interest received  | 1,692,448                             | 2,253,986                             |
| Dividends received   | 19,514                                | 2,347                                 |
| Purchase of property, plant and equipment  | (489,038)                             | (83,151)                              |
| Proceeds from disposal of other investments carried at fair value through profit or loss | -                                     | 1,316,002                             |
| Net purchase of other investments  | (290,338)                             | -                                     |
| Proceeds from disposal of property, plant and equipment                                  | 20,500                                | -                                     |
| <b>Net cash from investing activities</b>  | <b>953,086</b>                        | <b>3,489,184</b>                      |

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 APRIL 2025<sup>(1)</sup> (CONT'D)**

|   | <b>Unaudited<br/>30.4.2025<br/>RM</b> | <b>Unaudited<br/>30.4.2024<br/>RM</b> |
|---|---------------------------------------|---------------------------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |                                       |                                       |
| Repayment of lease liabilities  | (108,552)                             | (108,552)                             |
| Dividends paid  | -                                     | (4,465,000)                           |
| <b>Net cash used in financing activities</b>                            | <b>(108,552)</b>                      | <b>(4,573,552)</b>                    |
| <b>NET DECREASE IN CASH AND CASH<br/>EQUIVALENTS</b>                    | <b>(17,505,437)</b>                   | <b>(8,409,173)</b>                    |
| Cash and cash equivalents at beginning of the<br>financial period       | 85,672,642                            | 82,503,757                            |
| <b>CASH AND CASH EQUIVALENTS AT THE END<br/>OF THE FINANCIAL PERIOD</b> | <b>68,167,205</b>                     | <b>74,094,584</b>                     |

**Note:**

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the AFS 2024 and the accompanying explanatory notes attached to this interim financial report.

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025****NOTES TO THE INTERIM FINANCIAL REPORT****FOR THE SECOND QUARTER ENDED 30 APRIL 2025****A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT****A1. BASIS OF PREPARATION**

This interim financial report of the Company and its subsidiaries (collectively, the “**Group**”) is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”), Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the AFS 2024 and the accompanying explanatory notes attached to this interim financial report.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 October 2024.

As at the date of authorisation of this interim financial report, the following Standards were issued by the MASB but not yet effective and have not been adopted by the Group:

| <b>MFRSs, Amendments to MFRSs and IC Interpretations</b>  | <b>Effective for financial periods beginning on or</b> |
|---|--|
| Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability  | 1 January 2025   |
| Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments  | 1 January 2026   |
| Annual Improvements to MFRS Accounting Standards – Volume 11  | 1 January 2026   |
| Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity   | 1 January 2026   |
| MFRS 18 Presentation and Disclosure in Financial Statements   | 1 January 2027   |
| MFRS 19 Subsidiaries without Public Accountability: Disclosures   | 1 January 2027   |
| Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined by the MASB                           |

The initial application of the above Standards is not expected to have any material impact to the consolidated financial statements of the Group upon their first adoption.

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**FOR THE SECOND QUARTER ENDED 30 APRIL 2025**

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**A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (CONT’D)**

**A3. AUDITORS’ REPORT OF PRECEDING ANNUAL AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the Group for the financial year ended 31 October 2024 was not subject to any qualification.

**A4. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group were not significantly affected by any seasonal or cyclical trend during the current financial quarter and financial year-to-date.

**A5. MATERIAL UNUSUAL ITEMS**

There were no material unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in accounting estimates that have a material effect to the Group in the current financial quarter and financial year-to-date.

**A7. DEBT AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter and financial year-to-date.

**A8. DIVIDEND PAID**

There was no dividend paid during the current financial quarter and financial year-to-date.

In the previous corresponding period, the Company had on 26 December 2023 declared a single tier interim dividend of 0.5 sen per ordinary share amounting to RM4,465,000 in respect of the financial year ended 31 October 2024 which was paid on 2 February 2024.

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The Group’s revenue is segmented as follows:

|                                 | <b>Individual Quarter</b>      |                  | <b>Cumulative Quarters</b>     |                   |
|---------------------------------|--------------------------------|------------------|--------------------------------|-------------------|
|                                 | <b>3-months ended 30 April</b> |                  | <b>6-months ended 30 April</b> |                   |
|                                 | <b>Unaudited</b>               | <b>Unaudited</b> | <b>Unaudited</b>               | <b>Unaudited</b>  |
|                                 | <b>30.4.2025</b>               | <b>30.4.2024</b> | <b>30.4.2025</b>               | <b>30.4.2024</b>  |
|                                 | <b>RM</b>                      | <b>RM</b>        | <b>RM</b>                      | <b>RM</b>         |
| <b><u>Business segments</u></b> |                                |                  |                                |                   |
| Stockbroking <sup>(1)</sup>     | 6,911,505                      | 4,628,641        | 15,539,870                     | 10,464,649        |
| Corporate finance               | 2,425,025                      | 1,761,000        | 3,907,919                      | 3,849,500         |
| <b>Total</b>                    | <b>9,336,530</b>               | <b>6,389,641</b> | <b>19,447,789</b>              | <b>14,314,149</b> |

**Note:**

1. Revenue from the Stockbroking Segment comprises revenue from brokerage fees, margin income, commodities trading, nominee fees, underwriting fees and placement fees.

**A10. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current financial quarter.

**A11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no material contingent liabilities or contingent assets to be disclosed as at 30 April 2025.

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Save as disclosed below, there were no other significant related party transactions during the current financial quarter and financial year-to-date:

|   | <b>Individual Quarter</b>      |                  | <b>Cumulative Quarters</b>     |                  |
|---|--------------------------------|------------------|--------------------------------|------------------|
|   | <b>3-months ended 30 April</b> |                  | <b>6-months ended 30 April</b> |                  |
|   | <b>Unaudited</b>               | <b>Unaudited</b> | <b>Unaudited</b>               | <b>Unaudited</b> |
|   | <b>30.4.2025</b>               | <b>30.4.2024</b> | <b>30.4.2025</b>               | <b>30.4.2024</b> |
|   | <b>RM</b>                      | <b>RM</b>        | <b>RM</b>                      | <b>RM</b>        |
| Rental expenses paid to a related party for a branch office                       | 19,500                         | 19,500           | 39,000                         | 39,000           |
| Rental income received from a related party                                       | 1,500                          | 1,500            | 3,000                          | 3,000            |
| Brokerage fees received from execution of trades on behalf of a major shareholder | -                              | -                | -                              | 366              |

**A13. MATERIAL CAPITAL COMMITMENTS**

|   | <b>Unaudited</b> | <b>Unaudited</b> |
|---|------------------|------------------|
|   | <b>30.4.2025</b> | <b>30.4.2024</b> |
|   | <b>RM</b>        | <b>RM</b>        |
| <b>Contracted but not provided for:</b> |                  |                  |
| Renovation                              | 90,400           | -                |

**A14. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL QUARTER**

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2025****NOTES TO THE INTERIM FINANCIAL REPORT****FOR THE SECOND QUARTER ENDED 30 APRIL 2025****B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS****B1. REVIEW OF PERFORMANCE**

The Group's performance for the current financial quarter and the financial year-to-date ended 30 April 2025 are set out in the tabled:

|                                    | <b>Individual Quarter</b>      |                  | <b>Cumulative Quarters</b>     |                   |
|------------------------------------|--------------------------------|------------------|--------------------------------|-------------------|
|                                    | <b>3-months ended 30 April</b> |                  | <b>6-months ended 30 April</b> |                   |
|                                    | <b>Unaudited</b>               | <b>Unaudited</b> | <b>Unaudited</b>               | <b>Unaudited</b>  |
|                                    | <b>30.4.2025</b>               | <b>30.4.2024</b> | <b>30.4.2025</b>               | <b>30.4.2024</b>  |
|                                    | <b>RM</b>                      | <b>RM</b>        | <b>RM</b>                      | <b>RM</b>         |
| <b>Revenue</b>                     |                                |                  |                                |                   |
| Stockbroking segment               | 6,911,505                      | 4,628,641        | 15,539,870                     | 10,464,649        |
| Corporate finance segment          | 2,425,025                      | 1,761,000        | 3,907,919                      | 3,849,500         |
| <b>Total revenue</b>               | <b>9,336,530</b>               | <b>6,389,641</b> | <b>19,447,789</b>              | <b>14,314,149</b> |
| Gross profit                       | 5,169,203                      | 3,895,129        | 11,902,913                     | 8,875,334         |
| Profit before tax (" <b>PBT</b> ") | 4,718,058                      | 3,972,948        | 10,005,531                     | 8,792,188         |
| Gross profit margin (%)            | 55.37                          | 60.96            | 61.20                          | 62.00             |
| PBT margin (%)                     | 50.53                          | 62.18            | 51.45                          | 61.42             |

Review of performance in the current financial quarter ("Q2 2025") and cumulative financial quarters ("Q1 & Q2 2025") as compared to the corresponding financial quarter ("Q2 2024") and cumulative financial quarters of last financial year ("Q1 & Q2 2024")

**COMMENTARIES****Q2 2025 vs Q2 2024**

For Q2 2025, the Group recorded total revenue of RM9.34 million, reflecting an increase of RM2.95 million or 46.12% compared to RM6.39 million in Q2 2024. The increase was mainly from stronger contributions by the Stockbroking Segment, which posted a revenue growth of RM2.28 million or 49.32%, alongside the Corporate Finance Segment, which registered an increase of RM0.66 million or 37.71%.

Gross profit for Q2 2025 increased by RM1.27 million or 32.71%, amounting to RM5.17 million compared to RM3.90 million in Q2 2024. The gross profit margin decreased from 60.96% in Q2 2024 to 55.37% in Q2 2025.

PBT rose by RM0.75 million or 18.75% to RM4.72 million in Q2 2025 as compared to PBT of RM3.97 million recorded in Q2 2024.

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For the cumulative 6-month period ended 30 April 2025, total revenue reached RM19.45 million, an increase of RM5.13 million or 35.86% from RM14.31 million in the corresponding period of the previous financial year. This growth primarily stemmed from the Stockbroking Segment, which generated an additional RM5.08 million or an increase of 48.50% in revenue mainly from margin income, placement fees and underwriting fees.

For the 6-months period ended 30 April 2025, gross profit grew to RM 11.90 million, an increase of 34.11%, from RM 8.88 million in the previous corresponding period.

For 6-months period ended 30 April 2025, PBT increased by RM1.21 million or 13.80%, reaching RM10.01 million as compared to PBT of RM8.79 million in the previous corresponding period.

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER**

|                         | <b>Individual Quarter</b>             |                                       | <b>Variance</b> |
|-------------------------|---------------------------------------|---------------------------------------|-----------------|
|                         | <b>Unaudited<br/>30.4.2025<br/>RM</b> | <b>Unaudited<br/>31.1.2025<br/>RM</b> |                 |
| Revenue                 | 9,336,530                             | 10,111,259                            | (774,729)       |
| Gross profit            | 5,169,203                             | 6,733,710                             | (1,564,507)     |
| PBT                     | 4,718,058                             | 5,287,473                             | (569,415)       |
| Gross profit margin (%) | 55.37                                 | 66.60                                 | (11.23)         |
| PBT margin (%)          | 50.53                                 | 52.29                                 | (1.76)          |

**COMMENTARIES**

For Q2 2025, the Group recorded revenue of RM9.34 million, reflecting a decline of RM0.77 million or 7.66% compared to RM10.11 million in the immediate preceding quarter. The reduction stemmed primarily from lower contribution by the Stockbroking Segment.

Gross profit registered at RM5.17 million in Q2 2025, down RM1.56 million or 23.23% from RM6.73 million in the immediate preceding quarter, while the gross profit margin decreased to 55.37% from 66.60%.

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**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS (CONT'D)**

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER (CONT'D)**

**COMMENTARIES (CONT'D)**

In the current quarter (Q2 2025), PBT decreased by RM0.57 million or 10.77% to RM4.72 from RM5.29 million in the immediate preceding quarter, while PBT margin decreased from 52.29% to 50.53%.

**B3. PROSPECTS OF THE GROUP**

Malaysia's economy began 2025 on a stronger footing than many had anticipated, recording 4.4% year-on-year GDP growth in Q1, underpinned by resilient domestic demand, firm investment activity, and a temporary export surge driven by front-loaded shipments to the United States. This growth recovery from the prior quarter's contraction highlights the economy's structural strength, though challenges remain on the horizon.

In another development, Bank Negara Malaysia (BNM) is likely to revise Malaysia's GDP projection for 2025 to be lower than the official 4.5% to 5.5% target set in March but do not expect it to be lower than 4%. The central bank cites uncertainty in global trade, softening external demand, and volatile commodity markets as key reasons for the adjustment. Yet, BNM also emphasized that Malaysia's domestic fundamentals remain solid, with consumer spending, services, infrastructure projects, and tourism driving sustained growth. Official forecast revision will be released in 1–2 months, awaiting better clarity on global trade developments (esp. U.S.-China). BNM are cautious about downgrading growth too sharply; risks are present but underlying domestic demand remains resilient.

Key concern in its economic outlook is uncertainty, not just the tariffs themselves. While the U.S.-China tensions are real, their impact on Malaysia remains limited for now, with possible upside from trade diversion. The narrative of "economic doom" is overblown — external demand is softer, but Malaysia's diversified export base and ongoing reforms provide resilience.

BNM has chosen to maintain the Overnight Policy Rate (OPR) at 3.00%, asserting a neutral and data-dependent monetary policy stance. The central bank also reduced the Statutory Reserve Requirement (SRR) from 2% to 1% in mid-May—a move framed as an operational liquidity measure, not a signal of monetary easing. These policy decisions reflect BNM's strategy of supporting economic momentum while guarding against inflationary risks and external volatility.

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**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS (CONT'D)**

**B3. PROSPECTS OF THE GROUP (CONT'D)**

In this environment, Malaysia presents itself not as a broadly undervalued market, but as a market of selective opportunity. With macro conditions in flux, sectors like electrical & electronics (E&E), furniture, rubber gloves, tourism, consumer goods, infrastructure, and financial services offer pockets of upside driven by trade diversion, resilient domestic demand, and policy support.

*(Source: Bank Negara Malaysia: Selective Opportunities Amid Global Uncertainty dated 25 March 2025)*

With the current U.S-China global trade policy tensions, the Board will remain vigilant and is cautiously optimistic that the trading conditions and corporate activities will not materially affect the Group's performance in the current financial year.

**B4. PROFIT FORECAST**

The Group did not issue any profit estimate, forecast, projection or internal targets in any public document.

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LISTING REQUIREMENTS (CONT'D)****B5. PROFIT BEFORE TAX**

|  | <b>Individual Quarter</b>      |                  | <b>Cumulative Quarters</b>     |                  |
|--|--------------------------------|------------------|--------------------------------|------------------|
|  | <b>3-months ended 30 April</b> |                  | <b>6-months ended 30 April</b> |                  |
|  | <b>Unaudited</b>               | <b>Unaudited</b> | <b>Unaudited</b>               | <b>Unaudited</b> |
|  | <b>30.4.2025</b>               | <b>30.4.2024</b> | <b>30.4.2025</b>               | <b>30.4.2024</b> |
|  | <b>RM</b>                      | <b>RM</b>        | <b>RM</b>                      | <b>RM</b>        |
| <b>Profit before tax is arrived at after charging:</b> |                                |                  |                                |                  |
| Depreciation   |                                |                  |                                |                  |
| - property, plant and equipment                        | 169,731                        | 157,232          | 333,344                        | 313,571          |
| - right-of-use assets                                  | 46,937                         | 46,937           | 93,874                         | 93,873           |
| <b>and crediting:</b>                                  |                                |                  |                                |                  |
| Dividend income  | 15,541                         | 2,054            | 19,514                         | 2,347            |
| Interest income  | 836,437                        | 1,158,683        | 1,692,448                      | 2,253,986        |
| Realised gain on foreign exchange                      | 143,838                        | 31,236           | 182,163                        | 104,248          |
| Rental income  | 9,000                          | 34,500           | 23,200                         | 79,500           |

Save as disclosed above, the other disclosure items pursuant to Rule 16 of Appendix 9B of the Listing Requirements are not applicable.

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LISTING REQUIREMENTS (CONT'D)****B6. INCOME TAX EXPENSES**

|                        | <b>Individual Quarter</b>      |                  | <b>Cumulative Quarters</b>     |                  |
|------------------------|--------------------------------|------------------|--------------------------------|------------------|
|                        | <b>3-months ended 30 April</b> |                  | <b>6-months ended 30 April</b> |                  |
|                        | <b>Unaudited</b>               | <b>Unaudited</b> | <b>Unaudited</b>               | <b>Unaudited</b> |
|                        | <b>30.4.2025</b>               | <b>30.4.2024</b> | <b>30.4.2025</b>               | <b>30.4.2024</b> |
|                        | <b>RM</b>                      | <b>RM</b>        | <b>RM</b>                      | <b>RM</b>        |
| Current tax expenses   | 1,150,000                      | 955,000          | 2,430,000                      | 2,160,800        |
| Deferred tax expenses  | -                              | -                | -                              | -                |
|                        | <b>1,150,000</b>               | <b>955,000</b>   | <b>2,430,000</b>               | <b>2,160,800</b> |
|                        |                                |                  |                                |                  |
| Effective tax rate (%) | 24.37                          | 24.04            | 24.29                          | 24.58            |

The effective tax rate of 24.37% for current financial quarter and 24.29% of the financial year-to-date are slightly higher than the statutory tax rate of 24.00% due to certain expenses not deductible for tax purposes.

**B7. BASIC/DILUTED EARNINGS PER SHARE**

The basic EPS and diluted EPS for the current quarter and financial year-to-date and the corresponding quarter and financial year-to-date is computed as follows:

|  | <b>Individual Quarter</b>      |                  | <b>Cumulative Quarters</b>     |                  |
|--|--------------------------------|------------------|--------------------------------|------------------|
|  | <b>3-months ended 30 April</b> |                  | <b>6-months ended 30 April</b> |                  |
|  | <b>Unaudited</b>               | <b>Unaudited</b> | <b>Unaudited</b>               | <b>Unaudited</b> |
|  | <b>30.4.2025</b>               | <b>30.4.2024</b> | <b>30.4.2025</b>               | <b>30.4.2024</b> |
|  | <b>RM</b>                      | <b>RM</b>        | <b>RM</b>                      | <b>RM</b>        |
| Profit attributable to owners of the Company | 3,581,210                      | 3,017,948        | 7,589,635                      | 6,631,388        |
| Weighted average number of ordinary shares   | 893,000,000                    | 893,000,000      | 893,000,000                    | 893,000,000      |
| Basic/diluted EPS (sen)                      | 0.40                           | 0.34             | 0.85                           | 0.74             |

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There were no corporate proposals announced by the Company but not completed as at the date of this interim financial report.

**B9. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“IPO”)**

The utilisation of proceeds as disclosed below should be read in conjunction with the Prospectus of the Company dated 28 August 2023. As at 30 April 2025, the status of utilisation of the gross proceeds of RM39.27 million raised from our IPO are as follows:

| <b><u>Details of use of proceeds</u></b>   | <b><u>Proposed<br/>Utilisation<br/>(RM'000)</u></b> | <b><u>Amount<br/>Utilised<br/>(RM'000)</u></b> | <b><u>Balance<br/>Unutilised<br/>(RM'000)</u></b> <sup>(1)</sup> | <b><u>Estimated<br/>timeframe for<br/>use from the<br/>date of listing</u></b> |
|--|---|--|--|--|
| Margin financing facility services   | 26,860  | 26,860   | -  | Within 24 months   |
| Enhancement of digitalisation<br>programme and marketing<br>activities for the stockbroking<br>business and operations of the<br>Group | 2,880   | 968  | 1,912  | Within 18 months <sup>(1)</sup>  |
| Working capital  | 4,634   | 4,634  | -  | Within 12 months   |
| Listing expenses   | 4,900   | 4,900  | -  | Within 3 months  |
| <b>Total</b>   | <b>39,274</b>                                       | <b>37,362</b>                                  | <b>1,912</b>   |  |

**Note:**

1. Pending its intended utilisation, the unutilised balance of RM1.91 million raised from our IPO was placed with financial institutions on a repo basis to earn interest income. On 17 March 2025, the Board had resolved to extend the timeframe for the utilisation of RM1.91 million by another 12 months from 18 March 2025 to 18 March 2026.

**B10. GROUP BORROWINGS AND DEBTS SECURITIES**

As at the date of this interim financial report, there were no borrowings and the Group has not issued any debts securities.

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**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS (CONT'D)**

**B11. MATERIAL LITIGATION**

There was no litigation or arbitration which has a material effect on the financial position and performance of the Group as at the date of this interim financial report.

**B12. DIVIDEND**

The Board of Directors has on 26 June 2025 declared an interim dividend of 0.5 sen per ordinary share for the financial year ending 31 October 2025. The dividend will be paid on 29 July 2025 to the shareholders whose names appear in the Record of Depositors on 15 July 2025.

**B13. AUTHORISE FOR ISSUE**

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Directors on 26 June 2025.

**BY ORDER OF THE BOARD**

**MERCURY SECURITIES GROUP BERHAD**

**26 JUNE 2025**