

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0285
COMPANY NAME : MERCURY SECURITIES GROUP BERHAD
FINANCIAL YEAR : October 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") of Mercury Securities Group Berhad ("Company") is primarily responsible for the overall corporate governance, strategic planning for business performance, overseeing the proper conduct of business, risk management and internal control, succession planning of key Management, as well as stakeholders' communication of our Company and subsidiaries ("Group").</p> <p>Our Board sets the strategic directions of our Group, provides oversight of the Management, and sets the appropriate tone at the top, while providing thought leadership and championing good governance and ethical practices throughout our Group.</p> <p>Our Board is guided by the Board Charter which outlines the duties, responsibilities and matters reserved for our Board's approval, amongst others, recommendation of dividends, financial results, changes in Board composition, major acquisition of assets or investments and corporate proposals to ensure that the directions and controls of our Company are firmly in our Board's hands.</p> <p>Our Board, in carrying out its stewardship responsibilities, has delegated certain responsibilities to the Board Committees, which comprised of the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). Each Board Committee operates under clearly defined Terms of Reference. The Chairmen of these Board Committees will report the outcomes of their meetings to our Board for further deliberation and their final decision. Notwithstanding that, the ultimate responsibility for making final decisions on all material matters rests with our entire Board.</p> <p>Our Board Charter and the Terms of Reference of the respective Board Committees are available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>Dato' Baharon Bin Talib was appointed as Independent Non-Executive Chairman of our Company. The profile of our Chairman is disclosed on the Profile of Directors section of our Company's Annual Report 2025, which is available on our Company's website at www.mercurysecurities.com.my/annual-reports/.</p> <p>Our Chairman is responsible for among others, instilling good corporate governance practices, providing leadership and ensuring effectiveness of the Board.</p> <p>Further details of the roles and responsibilities of our Chairman are specified in the Board Charter, which is accessible on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>There is a clear division of responsibilities at the helm of our Company to ensure a balance of authority, power and accountability. The roles and responsibilities of our Chairman and Managing Director (whom has similar duties of a chief executive) are distinct and separate, which not only safeguard the interests of our shareholders and other stakeholders, but also promote accountability and facilitate effective governance within our Company.</p> <p>Presently, our Board is chaired by Dato' Baharon Bin Talib, an Independent Non-Executive Chairman, whereas Mr. Chew Sing Guan, a Non-Independent Executive Director / Managing Director, leads our Group's business and operations. To further reinforce our corporate governance framework, neither our Chairman and Managing Director are members of any Board Committees.</p> <p>The distinct and separate roles and responsibilities of our Chairman and Managing Director are outlined in the Board Charter, which is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>Our Chairman, Dato Baharon Bin Talib is not a member of any Board Committees, i.e. the ARMC, NC and RC. During the financial year under review, our Chairman did not attend and participate in any Board Committees meetings.</p> <p>This structure promotes objectivity in our Board's and Board Committees' deliberations and ensures that there are effective checks and balances, as well as objective review by our Board when observations and recommendations are put forth by the Board Committees.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 31 October 2025 (“FYE 2025”), our Board is supported by two (2) professionally qualified Chartered Secretaries, Tan Bee Hwee (MAICSA 7021024 and SSM Practising Certificate No. 202008001497) and Soo Siew Peng (MAICSA 7063110 and SSM Practising Certificate No. 202008001646), both of whom are associate member of the Malaysian Institute of Chartered Secretaries and Administrators. and are also qualified to act as company secretary under Section 235(2)(a) and Section 241 of the Companies Act 2016.</p> <p>The joint Company Secretaries assist and advise our Board in discharging their duties on matters including corporate governance issues, as well as our Directors’ responsibilities in complying with relevant regulatory requirements and corporate governance practices.</p> <p>The joint Company Secretaries keep our Board informed periodically of new guidelines, directives, and legislation, which include amongst others, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), Malaysian Code on Corporate Governance 2021 and the Companies Act 2016.</p> <p>Our Directors have unrestricted access to the advice and services of our joint Company Secretaries as well as unrestricted access to all information pertaining to our Group’s business and affairs to enable them to discharge their duties.</p> <p>The duties and responsibilities of the Company Secretaries are outlined in the Board Charter, which is available on our Company’s website at www.mercurysecurities.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Board Committees meeting dates are scheduled in advance by the joint Company Secretaries through the preparation of an annual tentative calendar that includes a formal schedule of matters specifically reserved for our Board’s and Board Committees’ attention.</p> <p>To support informed decision-making, relevant information, and materials essential for our Directors’ understanding of the matters to be discussed will be distributed to them prior to the meeting to provide ample time for their review beforehand. Our Board Charter stipulated that the notices of Board meetings shall be issued at least five (5) business days prior to the scheduled meeting, except in situations where shorter notice is unavoidable.</p> <p>Selected members of our Management may be invited to attend the Board and Board Committee meetings to deliver presentations and provide additional insight into matters to be discussed. In addition, professional advisers appointed by our Company in connection with corporate proposals (if any) may also be invited to attend the Board and Board Committees meeting to provide their professional opinion, explain the proposed transaction(s) under deliberation, ensure compliance with regulatory requirements, and clarify any issues raised by our Directors.</p> <p>Upon the conclusion of a meeting, our joint Company Secretaries will ensure that accurate and proper records of the proceedings and resolutions passed are documented. The minutes are then circulated to our Board and Board Committees for confirmation at the next meeting.</p> <p>For matters which require our Board’s decision outside the scheduled Board’s meetings, approvals are obtained by way of circular resolutions along with all the relevant documents and information to enable our Directors to make informed decisions. All circular resolutions approved by our Board are tabled for notation at the next Board meeting.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board has a Board Charter which defines the respective roles and responsibilities of our Board, Board Committees, Chairman, individual Directors, Managing Director and Management, as well as issues and decisions reserved for our Board's approval. Each Board Committee has its own Terms of Reference stating out its respective roles and responsibilities.</p> <p>Further, our Board's roles and responsibilities are also governed and regulated by the Constitution of our Company and relevant laws, rules and regulations, such as the Companies Act 2016 and the Listing Requirements.</p> <p>The Board Charter and Terms of Reference of each Board Committee will be reviewed as and when changes arise and updated in accordance with the needs of our Company and any new regulations that impact the discharge of our Board's and Board Committees' responsibilities.</p> <p>The Board Charter, including the Terms of Reference of each Board Committees is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	: Applied
Explanation on application of the practice	<p>Our Board has established the Directors' Code of Conduct and Ethics ("Directors' Code"), which sets out the standards of conduct expected from our Directors. The Directors' Code emphasises the importance of advocating good corporate behaviour in a professional, honest, accountable, and ethical manner, while always acting in the best interest of our Company.</p> <p>Our Company has also implemented the Employees' Code of Conduct and Ethics ("Employees' Code"), which is readily accessible to all employees. The Employees' Code is built around the following seven (7) core pillars:</p> <ul style="list-style-type: none">▪ Competence;▪ Compliance;▪ Integrity;▪ Consumer Protection;▪ Confidentiality;▪ Objectivity; and▪ Work Environment. <p>Through the Directors' Code and the Employees' Code, our Board sets the tone for professional, compliant and proper ethical behaviour expected of our Board members as well as the employees of our Group.</p> <p>To further foster and maintain a healthy corporate culture that engenders integrity, transparency and fairness, our Company has adopted the following additional policies to support these values:</p> <ul style="list-style-type: none">• Anti-Bribery and Anti-Corruption Policy and Guidelines <p>This policy sets out the framework and responsibilities of our Directors, employees and associated persons (as defined in the said policy) in upholding our Company's zero-tolerance</p>

stance on corruption and bribery. It aligns with the main offences stipulated in the Malaysian Anti-Corruption Commission Act 2009. This policy provides clear guidance on key areas, including:

- Gifts & hospitality;
- Donations & sponsorships;
- Facilitation payments;
- Dealings with business associates and public officials; and
- Business rewards, rebates, commissions, or other incentives.

- Whistleblowing Policy and Procedures

This policy aims at providing a secure and confidential avenue for employees, business associates, customers, or external parties to report any improper conduct, unethical practices, fraud or malpractices by employees, Management or Directors regardless of their position, so that appropriate damage control and remedial actions can be taken effectively.

- Conflict of Interest Policy and Procedures

This policy is intended to ensure that any actual or potential conflict of interest that a Director or Senior Management may have is appropriately dealt with or managed. This policy applies to our Directors and Senior Management of our Group and sets out guidance in identifying conflict of interest situations, disclosure and recusal requirements and the measures to be taken to resolve, eliminate or mitigate conflicts.

- Related Party Transactions Policy and Procedures

This policy sets out the general guidelines and the process for review, approval or ratification and monitoring procedures to be adopted across our Group on handling of related party transactions and recurrent related party transactions of a revenue or trading nature to ensure compliance with the provisions of the Listing Requirements relating to such transactions as well as other regulatory requirements.

This policy requires the conflicted Director to abstain from deliberating and voting of the proposed transaction at Board meeting as well requiring the conflicted Director and person(s) connected to him to abstain from voting on the resolution(s) tabled at a general meeting to seek shareholders' approval of the proposed transaction.

The above policies are reviewed periodically, as and when required, to ensure it remain relevant and reflect the highest standards of professional and ethical behaviour and conduct.

	The above policies are accessible on our Company's website at www.mercurysecurities.com.my/corporate-governance/ .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board acknowledges the importance of lawful and ethical conduct in all our business activities and is committed to upholding the values of transparency, integrity, impartiality, objectivity, accountability and zero tolerance for bribery and corruption when conducting our Group's business and affairs.</p> <p>To reinforce this commitment, our Board has established the Whistleblowing Policy and Procedures aimed at providing a secure and confidential avenue for employees, business associates, customers or external parties to report any improper conduct, unethical practices, fraud or malpractices by employees, Management or Directors regardless of their position, so that appropriate damage control and remedial actions can be taken effectively.</p> <p>The Whistleblowing Policy and Procedures include clear lodgement guidelines is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board recognises the importance of ensuring that our business is viable and sustainable in the long-term and is mindful and committed to deliver long-term sustainable values to our shareholders and other stakeholders.</p> <p>Our Board oversees the Company's approaches to sustainability-related risks and opportunities, ensuring strategic initiatives and measures effectively address material economic, environmental, social and governance ("EESG") topics relevant to our Group. Assisted by the ARMC, our Board ensures that all sustainability strategies and initiatives are not only aligned and embedded with our business objectives but also reflect our core values.</p> <p>To support the sustainability efforts, the Corporate Sustainability Committee ("CSC"), chaired by our Managing Director and comprising of other Senior Management, serves as the main enabler in assisting the ARMC and our Board in driving and implementing our sustainability strategies and initiatives.</p> <p>The CSC is responsible for identifying, prioritising and integrating sustainability considerations into day-to-day operations and ensuring the effective implementation of sustainability strategies and initiatives as approved by our Board.</p> <p>The relevant sustainability matters are discussed in the Sustainability Statement as included in our Annual Report 2025, which is available on our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board recognises that stakeholders' engagement, assessment and feedback are an integral part of our Group's sustainability strategy and initiatives. As such, the stakeholder groups, which are key to our Group's operations and have significant influence over the impacts of our Group's businesses, were identified and engaged on various platforms.</p> <p>Our Company's main channels for engagement and communicating its sustainability strategies, priorities, and targets as well as performance against these targets to internal and external stakeholders is included in the Sustainability Statement of our Annual Report 2025.</p> <p>The Sustainability Statement as included in our Annual Report 2025 which is available on our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>All our Board members have attended and completed the Mandatory Accreditation Programme Part I on corporate governance and director's roles, duties and liabilities as well as the Mandatory Accreditation Programme Part II on sustainability, as prescribed and in compliance with the Listing Requirements.</p> <p>Our Directors are kept apprised of the key EESG matters relevant and specific to our Group through the periodic briefings and updates from the CSC and Management. The ARMC also supports our Board by providing oversight and oversees the implementation of our Group's sustainability agenda by the CSC and Management.</p> <p>Our Directors are also encouraged to attend trainings to gain further insights on matters relating to EESG-related risks and opportunities. The key training programmes attended by each Director during the FYE 2025 are set out in the Corporate Governance Overview Statement of our Annual Report 2025 which is available on our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC assists our Board in conducting annual reviews of the effectiveness of our Board, Board Committees and individual Directors. Together with the RC, the NC also reviews and evaluates the performance of the Senior Management.</p> <p>Having considered the NC’s and RC’s evaluations for the FYE 2025, our Board is satisfied that the Directors and Senior Management possess the necessary skills and expertise, as well as have sufficiently discharged their duties and responsibilities including, in addressing our Group’s material sustainability-related risks and opportunities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: Our Company has formed the CSC, headed by our Managing Director, supported by a Sustainability Co-ordinator and various working groups, including business units and departments. The CSC assists our Board and the ARMC in overseeing the formulation, prioritisation, implementation, and effective management of our Group's sustainability agenda, ensuring alignment with its strategies and initiatives in the day-to-day operations. The roles and responsibilities of our Board, ARMC, CSC and working groups are set out in our Company's Sustainability Governance and Framework available on the Company's website at www.mercurysecurities.com.my/corporate-governance/ .

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC reviewed the composition of our Board and Board Committees, as well as the tenure of the Independent Non-Executive Directors after the FYE 2025, in line with its TOR and best practices of corporate governance. Each of the Independent Non-Executive Director was also evaluated to ensure compliance with the "independence" requirements stipulated in the Listing Requirements.</p> <p>Our Board concurred with the NC's evaluation that the Directors possess the necessary skills, expertise, and competence, have allocated sufficient time and attention to our Company's affairs as well as carried out their fiduciary duties professionally.</p> <p>With regards to the annual re-election of retiring Directors, the NC assessed the retiring Directors based on their contributions, attendance, participation in meetings, industry and business knowledge, skills, expertise, time commitment, fit and proper criteria.</p> <p>In accordance with Clause 76(3) of our Company's Constitution, one third (1/3) of the Directors, or the number nearest to but not less than one-third (1/3), are required to retire by rotation at every Annual General Meeting. Datin Chua Suat Khim and Ms. Himahlini A/P M. Ramalingam @ Yalumalai are scheduled for re-election pursuant to Clause 76(3) of our Company's Constitution at the forthcoming Annual General Meeting, to be held on 31 March 2026. The retiring Directors have abstained from all deliberations and decisions in relation to their own eligibility to stand for re-election and will continue to do so at the forthcoming Annual General Meeting.</p> <p>Our Board unanimously supports the re-election of the abovenamed retiring Directors and recommends that shareholders vote in favour of their re-election at the forthcoming Company's Annual General Meeting. The information of the retiring Directors standing for re-election is set out in the Profile of Directors in the Company's Annual Report 2025 available on our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>In the FYE 2025 and up to the date of this Report, our Board consists of six (6) Directors comprising:</p> <ul style="list-style-type: none">(i) one (1) Independent Non-Executive Chairman - Dato' Baharon Bin Talib;(ii) three (3) Independent Non-Executive Directors - Datin Chua Suat Khim, Mr. Chan Kim Hing and Ms. Himahlini A/P M. Ramalingam @ Yalumallai;(iii) one (1) Non-Independent Non-Executive Director - Dato' A. Rahman Bin Safar; and(iv) one (1) Non-Independent Executive Director - Mr. Chew Sing Guan (Managing Director). <p>Our Board composition complies with the Listing Requirements, which stipulates that at least one-third (1/3) of the Board must be Independent Non-Executive Directors.</p> <p>Furthermore, our Board is made up of a majority of Independent Directors which is in line with Practice 5.2 of the Malaysian Code on Corporate Governance 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	Our Board Charter consists of a provision that limits the tenure of an Independent Director to a cumulative term of nine (9) years, in line with the recommendation of Practice 5.3 of the Malaysian Code on Corporate Governance 2021. As at the date of this Report, the tenure of all our four (4) Independent Non-Executive Directors does not exceed the cumulative term of nine (9) years.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for making recommendations to our Board for the appointment of new Directors and Senior Management. All nominations to our Board shall first be assessed and considered by the NC. The NC will take into account, among others, the required mix of skills, experience, character, competency, integrity, time commitment, and fit and proper criteria before recommending a candidate to our Board for consideration and approval.</p> <p>Our Board has adopted the Fit and Proper Policy and Procedures in line with Rule 15.01A of the Listing Requirements to ensure among others, that the persons being considered for appointment or retiring Directors being considered for re-appointment, fulfil the fit and proper criteria as required in this policy. Details of this policy is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p> <p>The NC will meet with the shortlisted candidates to assess their suitability before formally considering and recommending them for appointment to our Board and where applicable, to the Board Committees. Based on the NC's recommendation, our Board will then evaluate and decide on the appointment of the proposed candidates as additional Directors or to replace any Director who resigns or retires from our Board and Board Committees.</p> <p>Our Board Charter requires that at least 30% of our Board members to be women. During the FYE 2025 and up to the date of this Report, our Board has two (2) women Directors, Datin Chua Suat Khim and Ms. Himahlini A/P M. Ramalingam @ Yalumallai out of a total of six (6) Directors, achieving the female gender representation of at least 30%, as recommended by Practice 5.9 of the Malaysian Code on Corporate Governance 2021.</p> <p>However, our Company does not have a formal diversity policy regarding cultural background, age and gender for Senior Management presently.</p>

	Our Board is of the opinion that it is important to recruit and retain the best available talent, regardless of cultural background, age and gender, to maximise the effectiveness of our Senior Management, who are equipped with the requisite skills, knowledge, experience, and character to meet our Group's needs and circumstances.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC adheres to a formal and transparent procedure for identifying, assessing, considering and recommending the appointment of new Directors. Prospective candidates are identified from various sources, including independent sources as stated in the NC's Terms of Reference, which is accessible at our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p> <p>The NC seeks suitable candidates from diverse professional and business backgrounds who have the character, qualifications, experience, integrity, competence, and time commitment to effectively discharge the role as a Director. In the case of an Independent Non-Executive Director, the "independence" of the candidate will also be one of the key considerations by the NC.</p> <p>The NC evaluates the suitability of each candidate and thereafter recommends to our Board. The final decision on the appointment of new Director(s) solely lies with our Board as a whole.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC has assessed the retiring Directors, Datin Chua Suat Khim and Ms. Himahlini A/P M. Ramalingam @ Yalumallai, who are seeking for re-election at the forthcoming Company's Annual General Meeting. The profiles of the retiring Directors, including details of their qualifications, work experience, directorships in other public companies and listed issuers, as well as any actual and potential conflicts of interest are disclosed in our Annual Report 2025. Details of the retiring Directors' attendance at the Board and Board Committees' meetings are available in the Corporate Governance Overview Statement, whilst their shareholdings in our Company's ordinary shares are disclosed in the Analysis of Shareholdings section of our Annual Report 2025.</p> <p>Our Board's statement and justification to support the re-election of the retiring Directors are set out in the explanatory notes accompanying the Notice of Annual General Meeting as enclosed in our Annual Report 2025.</p> <p>Should there be any casual appointment of new Director(s) during the financial year, the following information of the newly appointed Director(s) will be disclosed in the announcement for the new appointment submitted to Bursa Malaysia Securities Berhad:</p> <ul style="list-style-type: none">(i) age and nationality;(ii) directorate;(iii) qualifications;(iv) working experience and occupation,(v) directorship in other public companies and listed issuers;(vi) family relationship with any other director and/or major shareholder of the Company;(vii) conflict of interest with the Company; and(viii) interest in the securities of the Company and its subsidiaries.
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	All the three (3) members of the NC are Independent Non-Executive Directors with Ms. Himahlini A/P M. Ramalingam @ Yalumallai acting as the Chairman.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>Our Board has two (2) women Directors, Datin Chua Suat Khim and Ms. Himahlini A/P M. Ramalingam @ Yalumalai, both are Independent Non-Executive Directors, representing over 30% of our existing Board composition comprising six (6) Directors.</p> <p>This gender composition of our Board is in line with Practice 5.9 of the Malaysian Code on Corporate Governance 2021 and our Board Charter.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As outlined in our Board Charter, our Company has adopted a policy on gender diversity requiring at least 30% of our Directors to be women. Our Board has two (2) women Directors, Datin Chua Suat Khim and Ms. Himahlini A/P M. Ramalingam @ Yalumallai, both are Independent Non-Executive Directors, representing over 30% of our existing Board composition comprising six (6) Directors.</p> <p>However, our Board has not formalised specific gender diversity policies, targets, or measures to be taken for the Senior Management team to meet those targets.</p> <p>Notwithstanding this, our Company at all times, practices non-discrimination in the selection of Senior Management members, ensuring inclusivity irrespective of factors such as age, gender, ethnicity or religion, educational and cultural background.</p> <p>Our Board believes that fostering an inclusive culture will enable our Company to leverage differences in perspective, knowledge, skills, track records and experience in achieving a sustainable and balanced development. All appointments of Senior Management members have been and will be based on objective criteria, merit and also due regard for diversity in experience, skill set, age and cultural background.</p> <p>Whilst acknowledging the recommendations of the Malaysian Code on Corporate Governance 2021 on gender diversity at the Senior Management level, our Board collectively believes that adopting a formal gender diversity policy for Senior Management is not necessary at this time, as our Group is committed to providing fair and equal opportunities, fostering diversity and nurturing a diverse talent pool within our Group. Moving forward, the NC and our Board will continue to prioritise gender diversity in future selection processes and will endeavour to increase female representation in the Senior Management team.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>During the FYE 2025, an annual evaluation was conducted to assess the performance and effectiveness of our Board, each Board Committee, and each individual Director. This internally facilitated process involved circulation of evaluation forms to all Board members, covering self-evaluation and peer evaluation. The duly completed evaluation forms were collated and the results were reviewed and analysed by the NC.</p> <p>The NC concluded that our Board and Board Committees were effective as a whole, with the required mix of skills and knowledge, size, composition, experience, core competencies and other qualities necessary for effective governance. The NC was also satisfied that each Director has the character, experience, integrity, competence, and time commitment to discharge their respective roles effectively.</p> <p>The NC subsequently reported its findings to our Board. Based on the evaluation, our Board is satisfied with the overall performance of the Board, the Board Committees and individual Directors.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board has in place policies and procedures to determine the remuneration of Directors and Senior Management and these are reflected in the Terms of Reference of the RC and the Remuneration Policy for Directors and Senior Management which are available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p> <p>The RC reviews and recommends the remuneration of our Directors and Senior Management to our Board. The RC may seek external advice from relevant experts relating to compensation and other work-related matters, as and when deemed necessary. The respective Board members shall abstain from all voting and discussions pertaining to their remuneration.</p> <p>The remuneration structure for the Executive Director does not include Directors' fees and meeting allowances from our Company and the remuneration package comprises salaries, other emoluments, bonuses, and benefits-in-kind. The Executive Director is excluded from deliberations regarding his own remuneration, which is reviewed and approved by our Board, based on the RC's recommendations.</p> <p>Non-Executive Directors are compensated with Directors' fees and meeting allowances, which are not linked to our Group's financial results. The determination of Directors' fees shall be a matter for our Board as a whole, which subsequently recommends the payment of the Directors' fees and other benefits payable to Non-Executive Directors to our shareholders for approval at each Annual General Meeting of our Company in accordance with Section 230(1) of the Companies Act 2016. Directors who are also shareholders will abstain from voting on resolutions tabled at the Annual General Meeting to approve their respective remuneration.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The RC, which comprises three (3) Independent Non-Executive Directors, is responsible for setting the framework and making recommendations to our Board on matters concerning the general remuneration policy of our Directors and Senior Management. The RC's Terms of Reference which deals with its authority and duties as well as the Remuneration Policy for Directors and Senior Management are available on our Company's website at www.mercurysecurities.com.my/corporate-governance/ .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The remuneration of our Directors, paid and payable by our Company and the Group for the FYE 2025, is disclosed on a named basis in the attached table and is also disclosed in the Corporate Governance Overview Statement included in our Annual Report 2025.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Baharon Bin Talib	Independent Director	96	3	-	-	-	-	99	-	-	-	-	-	-	-
2	Chew Sing Guan	Executive Director	-	-	-	-	-	-	-	-	-	300	-	15.5	0.9	316.4
3	Dato' A. Rahman Bin Safar	Non-Executive Non-Independent Director	48	3	-	-	-	-	51	24	-	-	-	-	-	24
4	Chan Kim Hing	Independent Director	48	3	-	-	-	-	51	-	-	-	-	-	-	-
5	Datin Chua Suat Khim	Independent Director	48	3	-	-	-	-	51	-	-	-	-	-	-	-
6	Himahlini A/P M. Ramalingam @ Yalumallai	Independent Director	48	3	-	-	-	-	51	-	-	-	-	-	-	-
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
----	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Our Board acknowledges the disclosure requirement for the top five (5) Senior Management's remuneration on a named basis and in bands of RM50,000.00. However, our Board has considered the matter and maintains the view that such disclosure is not in the best interest of our Company/Group due to the highly confidential and sensitive nature of this information, and concerns over potential key talent poaching given the competitive nature of the industry.</p> <p>The remuneration of the top five (5) Senior Management comprises a combination of salary, allowances, bonus and benefits in-kind and are determined in a similar manner as other management employees of our Group. The basis of determination has been consistently applied and is based on individual performance, skills, responsibilities, competencies and the overall performance of our Group as well as compared against other companies operating in similar industry. Based on the above, our Board is of the view that the disclosure of the remuneration of top five (5) Senior Management on a named basis with specific remuneration components would not be in the best interest of our Group due to confidentiality concerns.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The disclosure of the remuneration of key management personnel of our Group on an aggregate basis is disclosed under Note 24 (iii) of the Audited Financial Statements for the FYE 2025 included in our Annual Report 2025.
Timeframe	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>In line with Practice 1.4 of the Malaysian Code on Corporate Governance 2021, the Chairman of our Board, Dato' Baharon Bin Talib, an Independent Non-Executive Chairman, is not a member of any Board Committees.</p> <p>The ARMC is chaired by Mr. Chan Kim Hing, an Independent Non-Executive Director and he is a member of the Malaysian Institute of Accountants. The ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>With the segregation of the position of the Chairman of our Board and Chairman of the ARMC being held by different individuals, our Board is able to objectively deliberate and review the findings and recommendations of the ARMC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The current three (3) members of the ARMC are not former partners of the external audit firm of our Company.</p> <p>Our Company has in place a policy in line with Practice 9.2 of the Malaysian Code on Corporate Governance 2021 wherein a former key audit partner of the external audit firm of our Company needs to observe a cooling-off period of at least three (3) years before being considered for appointment as a member of the ARMC.</p> <p>The Terms of Reference of the ARMC, including the requirement to observe a cooling-off period of at least three (3) years by a former key audit partner of our Company's external audit firm and/or affiliate firm, is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC has been delegated by our Board to assess the suitability, objectivity, and independence of Grant Thornton Malaysia PLT, our Company's External Auditors, in accordance with our Company's External Auditors Assessment Policy. The ARMC's assessment of our Company's External Auditors encompasses the following key areas:</p> <ul style="list-style-type: none">• competence, audit quality and resource capacity of the External Auditors in relation to the audit;• independence, objectivity and professional scepticism; and• nature and extent of the non-audit fees rendered and the appropriateness of the level of fees. <p>Before the commencement of the audit for the FYE 2025, the ARMC reviewed and deliberated with the External Auditors on their Audit Planning Memorandum, which covers the key audit risk areas, approach, emphasis, and timeline. The ARMC has also monitored and assessed the performance of and independence of the External Auditors and is satisfied that the External Auditors have remained objective and independent throughout their engagement.</p> <p>The ARMC also noted the External Auditors' independence checks and confirmation procedures carried out within their firm, including the absence of any conflict of interest in rendering non-audit services to our Group presently. In line with the relevant professional standards, the ARMC has obtained written assurance from the External Auditors affirming their independence throughout the audit engagement.</p> <p>Being satisfied with the External Auditors' performance, timeliness, technical competency, objectivity, and independence relating to their conduct of the audit of our Group for the FYE 2025, the ARMC has recommended to our Board for the reappointment of Grant Thornton Malaysia PLT as the Company's External Auditors for the financial year ending 31 October 2026 at the forthcoming Annual General Meeting.</p>

	The External Auditors Assessment Policy is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/ .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	Our ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC comprises of members with financial literacy, diverse professional experience in finance, accounting, taxation, general management, strategic planning, law, as well as risk management and internal control.</p> <p>The Chairman of the ARMC, Mr. Chan Kim Hing, graduated with a Bachelor of Science (Hons) from Monash University, Australia and has been a member of the Malaysian Institute of Accountants ("MIA") since December 1994 and a fellow member of CPA Australia since June 2015.</p> <p>Datin Chua Suat Khim, a member of the ARMC, has been a member of the MIA since September 1989, a fellow member of the Chartered Institute of Management Accountants and ASEAN Chartered Professional Accountants since August 2001 and October 2017 respectively. She also holds a Master of Business from The University of Newcastle, Australia.</p> <p>Ms. Himahlini A/P M. Ramalingam @ Yalumalai, a member of the ARMC graduated with a Bachelor of Law (Hons) from University of Malaya. In May 2005, she was admitted as an advocate and solicitor of the High Court of Malaya. She specialises in corporate and commercial litigation, corporate restructuring, corporate insolvency and defamation.</p> <p>Besides periodic updates from the Management on new operating guidelines prescribed by relevant authorities, members of the ARMC are also updated on changes and developments in the Companies Act 2016 and the Listing Requirements by the Company Secretary, whilst new Accounting Standards and Interpretations pronounced by the Malaysian Accounting Standards Board (MASB) are presented by the External Auditors</p>

	<p>during the annual Audit Planning Memorandum meeting and from time to time.</p> <p>The training programmes attended by each member of the ARMC are detailed in the Corporate Governance Overview Report included in our Annual Report 2025, which is accessible on our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board acknowledges its overall responsibility for the Group’s risk management and internal control system, including reviewing its adequacy and effectiveness in line with our Group’s strategies and business objectives.</p> <p>Our Board is assisted by the ARMC in reviewing the adequacy and effectiveness of these systems, supported by the internal audit and compliance functions undertaken by our in-house teams. Our Board has formalised its commitment to internal audit governance through the adoption of the Internal Audit Charter. Further details of the Internal Audit Charter are available on our Company’s website at www.mercurysecurities.com.my/corporate-governance/.</p> <p>Continuous reviews are carried out by our Group’s internal audit and compliance functions, whilst the Risk Management Committee and the Management are primarily responsible to identify, evaluate, monitor and manage significant risks affecting our Group’s business and operations to ensure the adequacy and effectiveness of the processes and controls implemented to mitigate significant risks. Significant findings and recommendations for improvements from the internal audit and compliance functions are reported to the ARMC on a quarterly basis or as and when necessary.</p> <p>Details on our Group’s risk management and internal control framework and practices are set out in the Statement on Risk Management and Internal Control included in our Company’s Annual Report 2025, which is accessible on our Company’s website at www.mercurysecurities.com.my/annual-reports/.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The features of our Company’s risk management and internal control framework, as well as the adequacy and effectiveness of this framework are as disclosed in the Statement on Risk Management and Internal Control included in our Annual Report 2025, which is accessible at our Company’s website at www.mercurysecurities.com.my/annual-reports/ .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The ARMC is established to assist our Board in overseeing, amongst others, the risk management and internal control framework of our Group. The ARMC supports our Board in risk governance by identifying, evaluating, monitoring and managing key business risks to safeguard the shareholders' interests and assets of our Group.</p> <p>The ARMC comprises all three (3) Independent Non-Executive Directors and the composition is tabulated as follows:</p> <p><u>Chairman:</u></p> <ul style="list-style-type: none">• Mr. Chan Kim Hing <p><u>Members:</u></p> <ul style="list-style-type: none">• Datin Chua Suat Khim• Ms. Himahlini A/P M. Ramalingam @ Yalumallai <p>The Terms of Reference of the ARMC is available for reference which is accessible on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p> <p>Details of our Group's risk management framework and policies are outlined in the Statement on Risk Management and Internal Control included in our Annual Report 2025, accessible at our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board has delegated the responsibility of monitoring and reviewing the adequacy and effectiveness of our Group's internal audit function to the ARMC.</p> <p>The internal audit function is handled independently by an in-house Internal Audit Department, which operates separately and is independent from our Group's operational and trading activities.</p> <p>The principal role of the internal audit function is to undertake independent, regular and systematic reviews to provide reasonable assurance on the adequacy, effectiveness and integrity of the risk management, internal control and governance systems of our Group. The annual internal audit plan is tabled by the Head of Internal Audit for review and approval by the ARMC.</p> <p>The internal audit function reports directly to the ARMC, with the Head of Internal Audit having unfettered access to the ARMC and our Board.</p> <p>Our Board has adopted the Internal Audit Charter that amongst others, defines and establishes the mission, objectives, scope of work, status, authority, accountability and responsibilities of the internal audit function of our Group. The Internal Audit Charter is accessible on our Company's website at www.mercurysecurities.com.my/corporate-governance/.</p> <p>The activities of the Internal Audit Department during the FYE 2025 are set out in the Audit and Risk Management Committee Report as included in our Annual Report 2025, accessible on our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is performed in-house by the Internal Audit Department. The internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The internal audit function reports directly to the ARMC and the Head of Internal Audit has unfettered access to the ARMC and our Board.</p> <p>The Internal Audit Department is headed by Mr. Alex Yong Ann Peng, who holds a Bachelor's degree with honours in Mathematics with Economics. He is a member of The Institute of Internal Auditors Malaysia with more than 11 years of experience in internal auditing.</p> <p>The primary role of the Internal Audit Department is to provide the ARMC with independent and objective reports on the adequacy and effectiveness of the risk management and internal control systems, as well as the extent of compliance with established policies, procedures, and relevant statutory and regulatory requirements within our Group. In carrying out its functions, the Head of Internal Audit adheres to the standards promulgated by The Institute of Internal Auditors Malaysia.</p> <p>In accordance with the Terms of Reference, the ARMC conducted an annual assessment of the Head of Internal Audit's performance in the FYE 2025. The ARMC is satisfied with the competency and experience of the Head of Internal Audit in discharging his role and responsibilities.</p> <p>The activities of the Internal Audit Department during the FYE 2025 are set out in the Audit and Risk Management Committee Report as included in our Annual Report 2025, accessible on our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board recognises the importance of being transparent and accountable to our shareholders and other stakeholders and has used various communication channels to ensure our Board and Senior Management continuously provide comprehensive, timely and relevant information to our shareholders, investors, and the general public.</p> <p>The primary channels through which our Company mainly communicates with our shareholders and other stakeholders include the following:</p> <ul style="list-style-type: none">(i) announcements of unaudited quarterly financial results and other periodical or relevant announcements to Bursa Malaysia Securities Berhad;(ii) circulars and annual reports;(iii) general meetings of shareholders;(iv) periodic meetings and briefings with investors, analysts, and fund managers, where appropriate; and(v) Company's website at www.mercurysecurities.com.my where stakeholders can access corporate information such as Board Charter, TORs of the Board Committees, Board's policies, press releases, financial information, Company's announcements and other information. <p>The above channels of communication will facilitate to enhance stakeholders' understanding of the business and operations of our Group and to enable them to make informed investment decisions.</p> <p>To maintain transparency and effectively address concerns, stakeholders can direct their queries and concerns to our Company's electronic mail: mercurykl@mersec.com.my.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice period given for the Company's Fourth (4th) Annual General Meeting in 2025 was more than 28 days, where the notice was circulated to the shareholders on 27 February 2025 and the Fourth (4th) Annual General Meeting was held on 30 April 2025.</p> <p>The notice for the forthcoming Fifth (5th) Annual General Meeting to shareholders is dated 27 February 2026, which provides more than 28 days' notice to shareholders, for the holding of our Company's Fifth (5th) Annual General Meeting, scheduled to be held on 31 March 2026.</p> <p>The Notice of 5th Annual General Meeting, Proxy Form and the Administrative Guide are available at our Company's website at www.mercurysecurities.com.my/annual-reports/.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All the Directors of our Company, including the Chairman of the ARMC, NC and RC, had attended the Fourth (4th) Annual General Meeting held on 30 April 2025 to engage directly with shareholders and respond to any questions addressed to them.</p> <p>The forthcoming Fifth (5th) Annual General Meeting is scheduled to be held on 31 March 2026. All Directors are committed to comply with Practice 13.2 of the Malaysian Code on Corporate Governance 2021 at the forthcoming Fifth (5th) Annual General Meeting to be held on 31 March 2026 whereby all Directors shall endeavour to attend the Fifth (5th) Annual General Meeting.</p> <p>In addition, certain members of the Senior Management, representative(s) of our External Auditors (Grant Thornton Malaysia PLT), Sponsor (Public Investment Bank Berhad), solicitors, as appropriate will be present at the Fifth (5th) Annual General Meeting to supplement discussions and provide greater clarity and context where necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The forthcoming Fifth (5th) Annual General Meeting will be held physically. Our Company believes that physical meetings provide a more effective and interactive platform for communicating and engaging with shareholders and to facilitate the participation of shareholders and/or proxy holders who may be less familiar with, or lack access to technology.</p> <p>General Meetings will be held at accessible locations within the Klang Valley to facilitate shareholders’ participation. Shareholders who are unable to attend General Meetings of our Company may, in accordance with the Company’s Constitution, appoint their respective proxies or the Chairman of the meeting to vote on their behalf.</p> <p>In line with best practices, our Company has adopted electronic voting for the conduct of polls on all the resolutions set out in the Agenda of the Fifth (5th) Annual General Meeting and has also provided an electronic lodgement channel for shareholders to submit proxy forms electronically.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>During the Fourth (4th) Annual General Meeting held on 30 April 2025, all the Directors, the Chairman of our Board, Board Committees members, certain Senior Management members as well as the External Auditors were present to provide responses to the questions posed by shareholders or proxy holders.</p> <p>Throughout the Fourth (4th) Annual General Meeting, shareholders were given ample opportunity to pose their questions and our Chairman ensured that all the questions posed were answered.</p> <p>All our Directors, the Chairman of our Board, and the Board Committees members as well as certain Senior Management, will be present at the forthcoming Fifth (5th) Annual General Meeting to be held on 31 March 2026, to address any questions from the shareholders and proxy holders.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Our Company is mindful of the requirement to circulate the minutes of the general meeting to shareholders no later than 30 business days after the date appointed for the general meeting. The minutes of the Fourth (4 th) Annual General Meeting along with the summary of key matters discussed were uploaded on our Company's website at www.mercurysecurities.com.my/company-announcements/ , within 30 business days from the date of Fourth (4 th) Annual General Meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

Click or tap here to enter text.

