

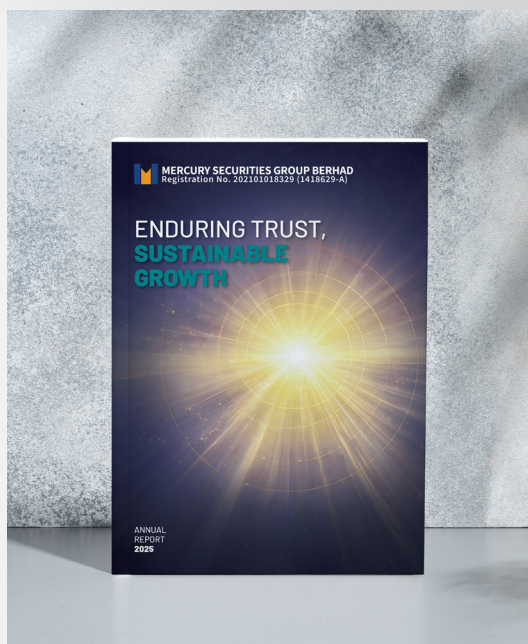


MERCURY SECURITIES GROUP BERHAD
Registration No. 202101018329 (1418629-A)

ENDURING TRUST, **SUSTAINABLE GROWTH**

ANNUAL
REPORT
2025

COVER RATIONALE



A single spark of confidence can travel far when supported by trust that endures over time. From this central point, the cover's radiating burst of light expands outward, symbolising Mercury Securities' role as a catalyst for capital market participation, where trust originates and value creation begins. The layered directional panels sweeping outward mirror progressive momentum and the firm's multidisciplinary brokerage ecosystem advancing in unison. Luminous bokeh accents and fine light trails express precision, transparency, and data-driven decision-making in a rapidly digitising trading environment, illustrating a brokerage evolving responsibly without compromising reliability. Collectively, these elements represent how Mercury Securities safeguards investor interests, scales with prudence, and expands its market influence through governance, integrity and sustainable capital growth.

This report includes certain forward-looking statements concerning future directions, strategies, potential risks or opportunities, and performance. These statements and forecasts are subject to uncertainties as they pertain to future events and may not be definitive. Actual implementation and results could differ due to various risk factors and market uncertainties. The inclusion of forward-looking statements in this report should not be regarded as a representation or a warranty that our plans and objectives will be achieved. Readers should not place undue reliance on these forward-looking statements, and we do not undertake any obligation to publicly update or revise them.

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To view or download softcopy of this Annual Report 2025, please scan the QR code.



BOARD OF DIRECTORS

Dato' Baharon Bin Talib

Independent Non-Executive
Chairman

Chew Sing Guan

Non-Independent Executive
Director/Managing Director

Dato' A. Rahman Bin Safar

Non-Independent
Non-Executive Director

Chan Kim Hing

Independent Non-Executive
Director

Datin Chua Suat Khim

Independent Non-Executive
Director

Himahlini A/P M. Ramalingam @ Yalumallai

Independent Non-Executive
Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chan Kim Hing
Chairman

Datin Chua Suat Khim
Member

**Himahlini A/P M.
Ramalingam @
Yalumallai**
Member

NOMINATION COMMITTEE

**Himahlini A/P M.
Ramalingam @
Yalumallai**
Chairman

Chan Kim Hing
Member

Datin Chua Suat Khim
Member

REMUNERATION COMMITTEE

Datin Chua Suat Khim
Chairman

Chan Kim Hing
Member

**Himahlini A/P M.
Ramalingam @
Yalumallai**
Member

COMPANY SECRETARIES

Tan Bee Hwee
MAICSA 7021024
SSM PC No. 202008001497

Soo Siew Peng
MAICSA 7063110
SSM PC No. 202008001646

EXTERNAL AUDITORS

Grant Thornton Malaysia PLT
201906003682 (LLP0022494-LCA) &
AF 0737
Level 5, Menara BHL,
51, Jalan Sultan Ahmad Shah,
10050 Georgetown, Pulau Pinang
Tel No. : 04-228 7828
Fax No. : 04-227 9828

SPONSOR

Public Investment Bank Berhad
(197401002880 (20027-W))
Level 27, Menara Public Bank 2,
No. 78, Jalan Raja Chulan,
50200 Kuala Lumpur
Tel No. : 03-2036 2800
Fax No. : 03-2036 2860

SOLICITORS

Syed Ibrahim & Co
Skrine
Ben & Partners

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad
CIMB Bank Berhad

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel No. : 03-2783 9191
Fax No. : 03-2783 9111
Email : info.my@vistra.com

HEAD OFFICE

L-7-2, No. 2 Jalan Solaris,
Solaris Mont' Kiara,
50480 Kuala Lumpur
Tel No. : 03-6203 7227
Fax No. : 03-6203 7117
Corporate website:
www.mercurysecurities.com.my

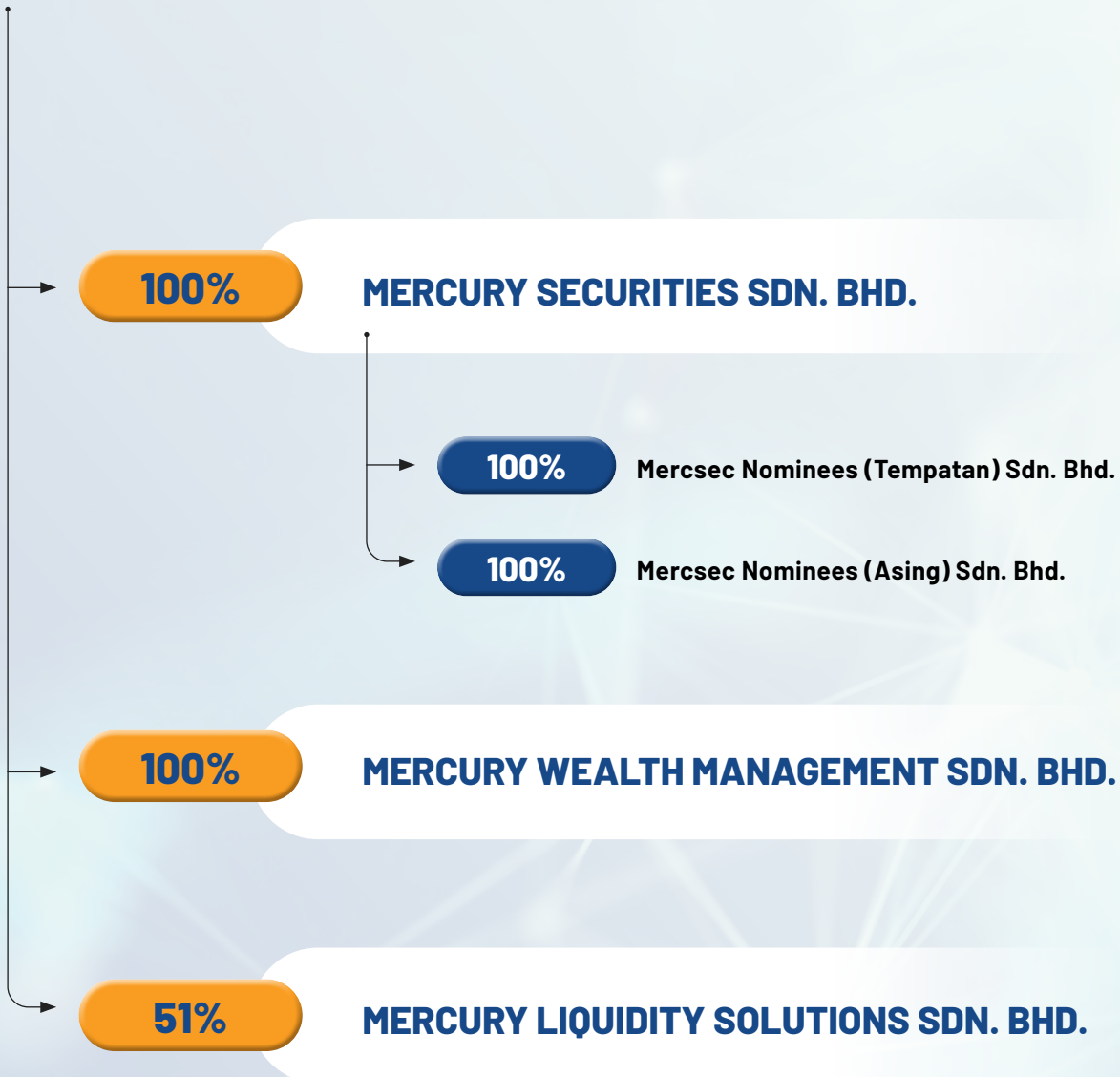
STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia
Securities Berhad**
Stock name : MERSEC
Stock code : 0285

SHARE REGISTRAR

**Tricor Investor & Issuing House
Services Sdn Bhd**
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel No. : 03-2783 9299
Email : is.enquiry@vistra.com

MERCURY SECURITIES GROUP BERHAD Registration No. 202101018329 (1418629-A)



There was no change in the composition of our Group's corporate structure during the financial year ended 31 October 2025.

Directors' Profile

Dato' Baharon Bin Talib

Independent Non-Executive Chairman

Aged	Gender	Nationality
73	Male	Malaysian

Dato' Baharon Bin Talib was appointed to the Board on 8 March 2022 as the Independent Non-Executive Chairman.

He graduated with a Bachelor of Arts (Hons) from University of Malaya in 1975.

In October 1975, he began his career as an Assistant District Officer in Kuala Pilah, Negeri Sembilan where he was tasked to assist the District Officer to administer the office.

In October 1980, he was then posted to State Administrative Secretary Office in Negeri Sembilan as an Assistant Director of the Economic Planning Unit ("EPU") to assist the Director of EPU.

In May 1981, he was transferred to Ministry of Home Affairs as Assistant Secretary of Registration, Immigration and Publication Department. During his tenure as an Assistant Secretary in Ministry of Home Affairs, he was involved in handling matters relating to national registration and immigration.

In August 1985, he was seconded to Immigration Department as a Director of Immigration in Kelantan where he oversaw the issuance of passport, matters related to border and checkpoint.

In February 1998, he was transferred back to the Ministry of Home Affairs as Principal Assistant Secretary of Foreign Worker Task Force where he took on responsibilities to assist to formulate policy for foreign workers.

In June 2003, he was seconded again to Department of Immigration as a Director of Immigration in Sabah.

Between 2006 and 2012, he was Chairman of Koperasi Imigresen Malaysia Berhad.

In 2009, he received Excellence Service Award by Ministry of Home Affairs and in 2010, he retired from government service.

Chew Sing Guan

Non-Independent Executive Director/Managing Director

Aged	Gender	Nationality
76	Male	Malaysian

Chew Sing Guan was appointed to the Board on 18 May 2021 as a Non-Independent Executive Director/Managing Director.

He graduated with a Bachelor of Business Administration in Finance from the University of Hawaii in 1973.

He started his career with Malaysian International Merchant Bankers Berhad in 1973.

In 1975, he joined his family's book publishing business, Sharikat United Book Sdn Bhd, where he was responsible for day-to-day business operations.

From 1982 to 1987, he acquired a substantial interest in Larut Tin Fields Bhd (now known as WCE Holdings Berhad) and Temerloh Rubber Estates Bhd, both listed on the Kuala Lumpur Stock Exchange. During that period, he was appointed as the Managing Director of Larut Tin Fields Berhad, where he was responsible for managing the company's business operations.

In 1983, he was appointed as the director of Hidong Estate PLC, a company listed on the main board of the London Stock Exchange, a position he still holds.

In 1992, after restructuring the financially distressed Seberang Securities Sdn Bhd (now known as Mercury Securities Sdn Bhd ("Mercury")), he emerged as a substantial shareholder and a director of Mercury. Since then, he has been overseeing all aspects of the business of Mercury.

As an active promoter of the Malaysian stockbroking industry, he is currently the President of the Association of Stockbroking Companies Malaysia ("ASCM"), a position which he has assumed for the 14th consecutive term.

He also represents Mercury as a council member in the Malaysian Investment Banking Association.

Mr. Chew is a major shareholder of the Company. He has no other conflict of interest with the Group except for those transactions as disclosed in Note 24 (ii) to the Audited Financial Statements for the financial year ended 31 October 2025.

Dato' A. Rahman Bin Safar

Non-Independent Non-Executive Director

Aged	Gender	Nationality
71	Male	Malaysian

Dato' A. Rahman Bin Safar was appointed to the Board on 18 May 2021 as a Non-Independent Non-Executive Director.

He graduated with a Bachelor of Economics (Hons) from University of Malaya in 1977, Diploma in Accounting from University of Malaya in 1979 and a Master of Business Administration from Universiti Kebangsaan Malaysia in 1990. He has been a member of the Malaysian Institute of Accountants since 1983.

In October 1979, he joined Accountant General's Department of Malaysia as a Treasury Accountant where he was involved in accounting function such as monitoring cash-flow, maintaining financial records and providing financial advice. During his 17 years of tenure in Accountant General's Department of Malaysia, he was placed in various governmental bodies including Finance Division of the Ministry of Finance where he was responsible for developing policies for securities industries including policies in relation to merger and takeover.

In July 1996, he was seconded from the Ministry of Finance to the Ministry of Defence and later in 1996, to Kuala Lumpur International Airport Berhad to serve as a Financial Controller where he was responsible for the financial management, financial accounting and reporting, as well as financial operations of Kuala Lumpur International Airport Berhad.

In January 2001, he joined KLIA Consultancy Services Sdn Bhd as a Vice President under Corporate Services Division where he was responsible for overseeing financial related matters.

In January 2008, he was seconded from KLIA Consultancy Services Sdn Bhd to KLIA Premier Holdings Sdn Bhd to serve as a Vice President under Corporate Services Division, a role he presently holds. He is responsible for overseeing financial related matters of the company.

Dato' A. Rahman is a substantial shareholder of the Company. He is also a director of Enrogetz Sdn Bhd (a major shareholder of the Company).

Chan Kim Hing

Independent Non-Executive Director

Aged	Gender	Nationality
59	Male	Malaysian

Chan Kim Hing was appointed to the Board on 8 March 2022 as an Independent Non-Executive Director. He is also the Chairman of the Audit and Risk Management Committee, and a member of the Nomination Committee and the Remuneration Committee.

He graduated with a Bachelor of Science (Hons) from Monash University, Australia in 1991, majoring in Computer Science and Accounting. He is a member of CPA Australia since 1992 and a fellow member since 2015. He is also a Chartered Accountant member of the Malaysian Institute of Accountants since 1994.

In 1991, he started his career with a reputable public accounting firm in Malaysia, specialising in financial, management, computer risk management and due diligence audits as well as internal control & compliance review, merger & acquisition, restructuring & reorganisation of front & back-office's operation and trading activities, information technology system's automation and migration for companies in Malaysia.

In 1994, he joined M&A Securities Sdn Bhd ("M&A") as an Accountant overseeing the Accounting & Treasury Department. He was promoted to the Executive Director of Operations in 2001 and subsequently to Executive Director cum Head of Operations in 2007 overseeing the Accounting, Treasury, Corporate Finance, Operations and Business Development activities.

He was elected to serve on the Management Committee of the Association of Stockbroking Companies Malaysia from 2009 to 2012.

He left M&A in 2016 to focus on his private interest in Made In Ipoh, which he founded to undertake conservation of heritage buildings, curation and establishment of museum-gallery activities.

He is an Senior Independent Non-Executive Director of Imaspro Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

**Datin Chua Suat Khim**

Independent Non-Executive Director

Aged	Gender	Nationality
67	Female	Malaysian

Datin Chua Suat Khim was appointed to the Board on 8 March 2022 as an Independent Non-Executive Director. She is the Chairman of the Remuneration Committee, and a member of the Audit and Risk Management Committee and the Nomination Committee.

She obtained her Master of Business at The University of Newcastle, Australia in June 2006. She has been a member of Malaysian Institute of Accountants since September 1989 and a fellow member of Chartered Institute of Management Accountants since August 2001. She is also an ASEAN Chartered Professional Accountant since October 2017.

She joined the Institute of Corporate Directors Malaysia as an affiliate member in 2019, obtained the affiliate board-ready status in 2020 and became an ordinary member in August 2022.

Datin Chua has more than 30 years of experience in the operation and management functions in the professional accounting bodies and private education industry particularly in strategic planning, finance reporting, formulation of human resources policies and manpower planning and implementation of management information systems and IT infrastructure.

Datin Chua is an Independent Non-Executive Director of CB Industrial Product Holding Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

**Himahlini A/P M. Ramalingam @ Yalumallai**

Independent Non-Executive Director

Aged	Gender	Nationality
45	Female	Malaysian

Himahlini Ramalingam was appointed to the Board on 8 March 2022 as an Independent Non-Executive Director. She is the Chairman of the Nomination Committee, and a member of the Audit and Risk Management Committee and the Remuneration Committee.

She graduated with a Bachelor of Laws (Hons) from University of Malaya, Malaysia in 2004 and was admitted as an advocate and solicitor of the High Court of Malaya in May 2005.

She is a partner of Messrs Himahlini & Co., where she specialises in corporate and commercial litigation, corporate restructuring, corporate insolvency and defamation.

Additional information on the Directors:

- Family Relationship with Director and/or Major Shareholder**
None of the Directors has any family relationship with any other Director and/or major shareholder of the Company.
- Conflict of Interest/Potential Conflict of Interest**
None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries other than disclosed in the notes to the Audited Financial Statements of this Annual Report.
- Conviction of Offences**
On 10 March 2025, five (5) directors of another listed issuer including Dato' Baharon Bin Talib were publicly reprimanded and each of them was fined RM31,000 by Bursa Malaysia Securities Berhad for breach of Paragraph 16.13(b) of the Main Market Listing Requirements for failure to issue the said listed issuer's annual report within the stipulated deadline as prescribed.

Save for the above, none of the other Directors has been convicted of any offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 October 2025.

- Directorship in Public Company and Listed company**
None of the Directors sit on the board of directors of other listed company and public company, save as disclosed in the respective Directors' Profile of this Annual Report.
- Attendance of Directors**
Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement, Audit and Risk Management Committee Report, Nomination Committee Report and Remuneration Committee Report of this Annual Report.
- Shareholdings**
Details of the Directors' interest in the securities of the Company are set out in the Analysis of Shareholdings of this Annual Report.

Senior Management Profile

7

Mercury
Securities
Group Berhad
ANNUAL
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Yip Kah Weng

Head/Director of Corporate Finance

Aged	Gender	Nationality
36	Male	Malaysian

Yip Kah Weng is our Head/Director of Corporate Finance. He is primarily responsible for overseeing the Group's corporate finance advisory functions as well as providing advisory services to clients undertaking corporate proposals such as, initial public offering (IPO), secondary fund raising, mergers and acquisitions, privatisation, independent advice and business valuation.

He graduated with a Bachelor of Finance (Hons) from University Utara Malaysia in 2012 (first-class). He is a Chartered Financial Analyst and has been a member of the CFA Institute since October 2018. He also holds a Capital Markets Services Representative's License for advising on corporate finance and is recognised by the Securities Commission Malaysia as a "Qualified Person".

In October 2019, he joined Mercury Securities Sdn Bhd as a Manager of Corporate Finance whereby he gained valuable experience in successfully executing, structuring and originating various types of corporate proposals. Since then, he has progressed to Senior Manager in June 2022, Associate Director in May 2024 and subsequently to Director of Corporate Finance in August 2025. On 1 November 2025, he was promoted to Acting Head/Director of Corporate Finance and in January 2026, he assumed his current position. Prior to joining Mercury Securities Sdn Bhd, he has accumulated a total of 8 years' experience in the provision of corporate finance advisory services with 3 other corporate finance service providers.



Foong Kee Yan

Financial Controller

Aged	Gender	Nationality
69	Male	Malaysian

Foong Kee Yan is our Financial Controller. He is responsible for overseeing and managing the overall financial matters of the Group including accounting, financial reporting, taxation and treasury functions.

He is a member of Malaysian Institute of Accountants since 1984 as well as a fellow member the Association of Chartered Certified Accountants (UK) since 1987.

In September 1992, he joined Mercury Securities Sdn Bhd as the Operation Manager where he was responsible for the daily operations and financial accounting functions.

In June 2005, he was promoted to Senior Manager-Operation where he was mainly responsible for overseeing the daily operations of the principal office and branches, dealing with remisers and supervising the overall credit control functions.

In July 2021, he was assigned to head the Credit and Risk Management Department where he was responsible for supervising the overall credit control and risk management functions of the Group. He assumed his current position since September 2025.

Prior to joining Mercury Securities Sdn Bhd, he gained a total 14 years' experience in external auditing, accounting and finance, financial reporting, company secretarial and treasury functions.



Cheng Yeong Chian

Head of Credit and Risk Management

Aged	Gender	Nationality
40	Female	Malaysian

Cheng Yeong Chian is our Head of Credit and Risk Management. She is responsible for supervising the overall credit control and risk management functions of our Group.

She obtained her LCCI Group Diploma in Cost Accounting from Institute Perkim-Goon, Penang in 2005 and a Bachelor Degree of Science in Business Administration (Actuarial Science and Insurance) from Drake University, USA in 2009.

She started her career with Mercury Securities Sdn Bhd in January 2010 as an Accounts Executive, where she was mainly

responsible for the daily operational works and financial accounting matters relating to trading of foreign securities. Subsequently, she was promoted and assigned to the Credit Control Department to assist the Head of Credit in credit control and risk management functions of the stockbroking operations in November 2014.

In February 2025, she was promoted to the Head of Credit and Risk Management, a position she currently holds.



Vijaya Kumar A/L Muniandy

Head of Dealing

Aged	Gender	Nationality
57	Male	Malaysian

Vijaya Kumar A/L Muniandy is our Head of Dealing. He is responsible for overseeing the trading operation and supervising the execution of trades by other dealers in the team, as well as co-ordinates with local and foreign based institutional clients for orders received.

He obtained the Sijil Tinggi Persekolahan Malaysia in 1988 and he is a holder of the Capital Markets Services Representative's License for dealing in securities.

In August 2007, he joined Mercury Securities Sdn Bhd as a salaried dealer's representative and he was promoted to Head of Dealing in January 2022, a position which he presently holds.

Prior to joining Mercury Securities Sdn Bhd, he has gained a total of 18 years' experience in dealing of securities when he was employed by 2 stockbroking companies as a central buyer and a salaried dealer's representative.

Loke Hooi Pheng

Head of Operations

Aged	Gender	Nationality
66	Male	Malaysian

Loke Hooi Pheng, is our Head of Operations and also a director of Mercury Securities Sdn. Bhd. appointed since 8 November 2005. He is responsible for overseeing the daily operational activities to ensure that all operations comply with the internal policies and procedures as well as relevant laws and regulations of the securities industry.

He graduated from Tunku Abdul Rahman College with a Diploma in Commerce and was an Associate of The Institute of Chartered Secretaries and Administrators.

Prior to joining Mercury Securities Sdn Bhd, he commenced his career in Ipoh as an Audit Assistant with Wong Lee & Co. He subsequently joined Thong & Kay Hian Securities Sdn. Bhd. as an Assistant Secretary on 6 August 1984. He became the Company Secretary and Manager of the Legal & Secretarial Department of Thong & Kay Hian group of companies in 1991 and held the position until 2004.

Heong Ah Fong

Head of IT

Aged	Gender	Nationality
63	Male	Malaysian

Heong Ah Fong is our Head of IT. He is responsible for overseeing the overall functions of our Group's Information Technology Department.

In 1989, he obtained the Diploma in Computer Studies and in 1991, Advanced Diploma in Computer Studies from Informatics Computer School, Singapore. In 2005, he obtained his Master of Information Technology from the University of Newcastle, Australia.

In November 1998, he joined Mercury Securities Sdn Bhd initially as the Information Technology Manager, promoted to Senior Manager of Information Technology Department in September 2008.

In July 2021, he was re-designated to Head of IT of our Group, a position which he presently holds.

Prior to joining Mercury Securities Sdn Bhd, he has gained a total of 14 years' working experience in several capacities in the IT field mainly in technical support, analysis and programming, software development and system support gained from his employment with a software development company specialising in stockbroking solutions and subsequently with 2 stockbroking companies.

Additional Information on the Key Senior Management:

- Family Relationship with Director and/or Major Shareholder**
None of the Key Senior Management has any family relationship with any Director and/or major shareholder of the Company.
- Conflict of Interest/Potential Conflict of Interest**
None of the Key Senior Management has any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries.
- Conviction of Offences**
None of the Key Senior Management has been convicted of any offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 October 2025.
- Directorship in Public Company and Listed Company**
None of the Key Senior Management sit on the board of directors of public company and listed company.

3-Year Group Financial Summary and Highlights

Financial Year Ended 31 October		2025 RM'000	2024 RM'000	2023 RM'000
Financial Results				
Revenue		36,202	32,572	27,405
Gross profit		21,828	19,568	17,864
Profit before tax ("PBT")		19,865	18,760	12,463
Profit after tax attributable to the owners of the Company ("PAT")		14,624	14,039	8,388
Gross profit margin	%	60.29	60.08	65.18
PBT margin	%	54.87	57.60	45.48
PAT margin	%	40.39	43.10	30.61
Effective tax rate ⁽¹⁾	%	26.42	25.23	32.70
Number of shares in issue – weighted average ⁽²⁾		893,000,000	893,000,000	753,981,065
Earnings per share – Basic/Diluted ⁽²⁾	sen	1.64	1.57	1.11
Dividend per share ⁽³⁾	sen	0.5	0.5	-
Dividend payout ratio	%	30.49	31.85	-
Total assets		209,727	198,257	185,473
- Cash and cash equivalents		43,914	85,673	82,504
- Trade and other receivables		132,278	81,497	73,743
Total liabilities		17,721	18,116	14,878
- Bank borrowings		-	-	-
Equity attributable to the owners of the Company		192,024	180,152	170,596
Net assets per share	sen	21.50	20.17	19.10
Current ratio	times	10.93	10.11	11.76
Gearing ratio	times	-	-	-

Notes:

⁽¹⁾ The effective tax rate in the FYE 2023 of 32.70% was higher than the statutory tax rate of 24.00% was due mainly to the one-time non-recurring listing expenses of RM3.93 million not allowable for tax purposes.

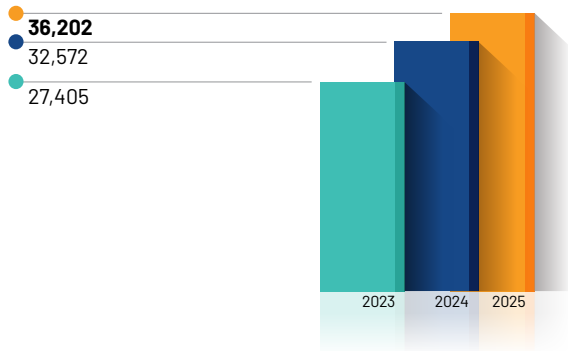
The effective tax rate of 26.42% and 25.23% in the FYE 2025 and FYE 2024 respectively was higher than the statutory tax rate of 24.00% was mainly due to certain expenses not allowable for tax purposes.

⁽²⁾ The weighted average number of issued shares in the FYE 2023 of 753,981,065 ordinary shares was before completion of the issuance of 157,095,700 new ordinary shares in conjunction with the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad on 19 September 2023.

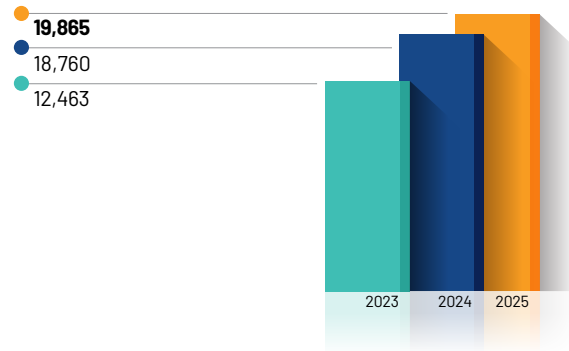
Earnings per share was computed based on the weighted average number of shares in issue during each financial year.

⁽³⁾ Single-tier interim dividend of 0.5 sen per share in respect of the FYE 2025 and FYE 2024 amounting to RM4,465,000 was paid to entitled shareholders on 29 July 2025 and 2 February 2024 respectively.

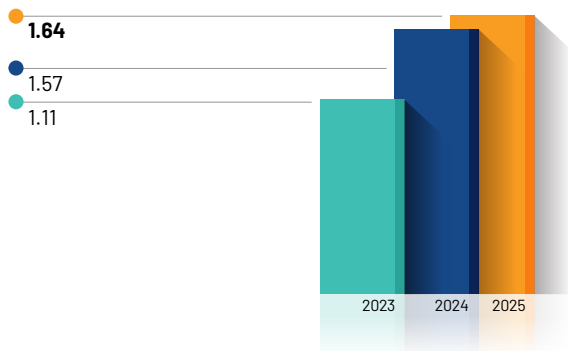
REVENUE (RM'000)



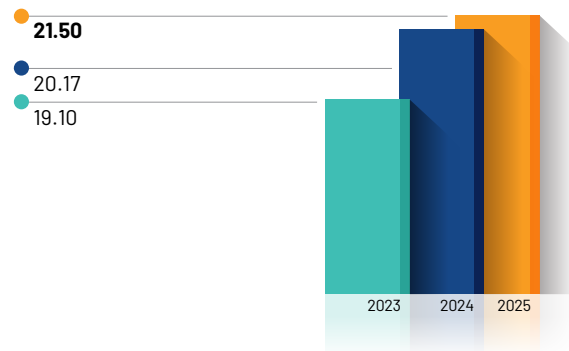
PROFIT BEFORE TAX (RM'000)



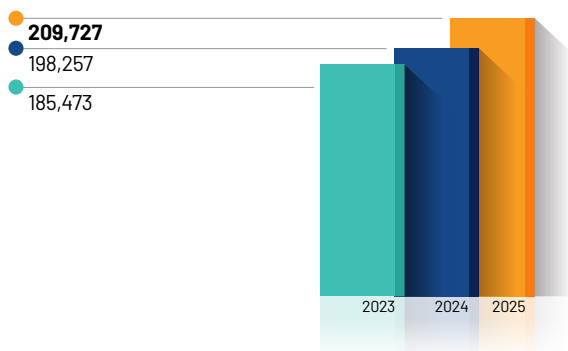
EARNINGS PER SHARE BASIC/DILUTED (SEN)



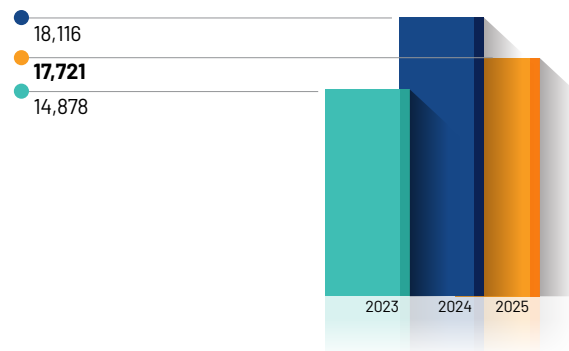
NET ASSETS PER SHARE (SEN)



TOTAL ASSETS (RM'000)



TOTAL LIABILITIES (RM'000)



Chairman's Statement

DEAR VALUED SHAREHOLDERS

On behalf of our Board of Directors ("Board"), I am pleased to present this Annual Report of Mercury Securities Group Berhad ("Company") and its subsidiaries ("Group") for the financial year ended 31 October 2025 ("FYE 2025").



REVIEW OF FINANCIAL PERFORMANCE FOR THE FYE 2025

In the FYE 2025, it was rather a challenging year with ongoing geopolitical tensions notably following the declaration by the US government on 2 April 2025 to increase tariff on its trading partners which unsettled the economies, businesses and capital markets worldwide. Investors reacted negatively with heightened risk aversion and uncertainties for trading of securities in all major bourses including Bursa Malaysia Securities Berhad ("**Bursa Securities**"). Bursa Securities' FBM KLCI retreated from 1,603.98 points at the start of the FYE 2025 to a low of 1,400.59 points on 9 April 2025. Following that, some trade policy had been negotiated and concluded by many countries including Malaysia with the US government which gradually abate the uncertainties and improved business outlook as well as investors' sentiments with the FBM KLCI closing higher at 1,609.15 points at the close of the FYE 2025. However, such unforeseen events adversely impacted trading value and volume of securities traded on Bursa Securities which were lower as compared with the previous year.

Despite that, in the FYE 2025, our Group performed satisfactorily, achieving profit before tax ("**PBT**") of RM19.87 million, an improvement of 5.89% from PBT of RM18.76 million recorded in the FYE 2024. The improved PBT in the FYE 2025 was mainly attributable to the increase in revenue by 11.15% to RM36.20 million coupled with contributions from proprietary trading gains on financial assets of RM1.89 million, interest income of RM3.73 million and other income of RM1.58 million.

Details of the performance review and analysis of financial position of our Group for the FYE 2025 are further discussed in the Management Discussion and Analysis section on pages 15 to 23 of this Annual Report.



ENHANCING CORPORATE GOVERNANCE PRACTICES

Our Group continued to be guided by and aligned our corporate governance practices mainly with the recommendations of the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia as well as the ACE Market Listing Requirements of Bursa Securities. Whilst our Board has laid down a solid foundation on corporate governance for our Group, we are mindful and remain fully committed towards continuously improving our Group's governance policies and practices for the long-term sustainable growth and value creation for our shareholders.

Further insight of our Group's corporate governance policies and practices adopted are set out in the Company's Corporate Governance Report 2025 which is accessible on our Company's website at www.mercurysecurities.com.my as well as the Corporate Governance Overview Statement on pages 46 to 60 of this Annual Report.





DEALING WITH MATERIAL SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

We remain committed and stay determined to consistently bolster our sustainability culture and initiatives across our Group. The Sustainability Statement on pages 24 to 45 of this Annual Report provides a holistic disclosure on our sustainability strategy and initiatives, how we identify, prioritise, review and validate material economic, environmental, social and governance topics to be embedded in the way that we conduct our Group's business and operations to drive and sustain long-term growth as well as create value for all our stakeholders.



INVESTING FOR THE FUTURE

Our Group will stay agile and opportunistic whilst remains committed to a long-term vision, focusing on future growth and expansion to drive value creation. We are focused on implementing appropriate measures to optimise and enhance operational efficiencies through investment in digitalisation initiatives, diversify our product and service offerings, increase our customers' portfolios, developing and retaining talents, improve our core competencies and capabilities in service deliveries and strengthen our market presence, all of which are critical components to support our Group's long-term sustainable growth strategies.



OUTLOOK OF THE MALAYSIAN ECONOMY 2026

The global economy is projected to expand moderately by 3% in 2025 before improving slightly to 3.1% in 2026, supported by resilient labour markets, gradual easing of inflationary pressures and accommodative monetary stance in major advanced economies (IMF, 2025). Growth in advanced economies is expected to stabilise, while emerging markets and developing economies (EMDEs), particularly in Asia, will continue to drive global output, underpinned by robust domestic demand and investment. Nevertheless, downside risks persist, due to heightened geopolitical tensions, volatility in commodity and energy prices, as well as the potential escalation of trade restrictions, which could weigh on global trade and supply chains.

In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System (SSPA), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 (VM2026). In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

(Source: Ministry of Finance - Economy Outlook 2026 dated 10 October 2025)

Given the positive outlook of the global economy in 2026 as well as the Malaysian economy projected to expand between 4% to 4.5% in 2026, our Board anticipates that the trading conditions and corporate activities will remain positive which will augur well for our Group's business in the financial year ending 31 October 2026.



REWARDING OUR LOYAL SHAREHOLDERS

Reflecting our commitment to reward shareholders, on 29 July 2025, our Company paid a single-tier interim dividend of 0.5 sen per share to entitled shareholders, translating to a dividend payout ratio of 30.49% based on earnings per share of 1.64 sen achieved in the FYE 2025. Our Board is mindful and remained committed to continue rewarding our shareholders in the future.



APPRECIATION

I would like to thank my fellow Board members for their patience, invaluable contributions, and guidance as we steered our Group forward. To the management team, all other employees and remisiers of our Group, your hard work, loyalty, unwavering dedication, and commitment have been instrumental and significantly contributed to our Group to where we are today.

Finally, on behalf of the Board and management, I would like to extend my sincere gratitude and appreciation to the Securities Commission Malaysia, Bursa Malaysia Securities Berhad and other relevant authorities for their continuous assistance, valuable guidance, and counsel and to all other stakeholders, including but not limited to our valued shareholders, customers, and business partners for their continued support, confidence, and trust in our Group.

As we move forward, I have great confidence in our Group's ability to adapt, reinvent and embrace new challenges to tap on emerging opportunities in an informed and prudent manner.

Thank you.

Dato' Baharon Bin Talib

Independent Non-Executive Chairman

On behalf of the Board of Directors, I am pleased to present to our shareholders, the Management Discussion and Analysis (“MD&A”) of Mercury Securities Group Berhad (“Company”) and its subsidiaries (“Group”) for the financial year ended 31 October 2025 (“FYE 2025”).

The following MD&A provides a review of our Group’s business and operations, an analysis of the operating performance and financial condition of our Group for the FYE 2025. The MD&A should be read in conjunction with our Company’s Audited Financial Statements for the FYE 2025 and related notes thereto in pages 87 to 136 of this Annual Report.



CORPORATE PROFILE AND STRUCTURE

Our Company was incorporated in Malaysia under the Companies Act 2016 on 18 May 2021 as a private limited company under the name of Mercury Securities Group Sdn Bhd and was subsequently converted into a public limited company on 28 February 2022. Our Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) since 19 September 2023.

Our Group’s corporate structure has not changed since the last report. Kindly refer to page 3 of this Annual Report for details of our Group’s corporate structure. During the FYE 2025, two (2) subsidiaries namely, Mercury Wealth Management Sdn Bhd and Mercury Liquidity Solutions Sdn Bhd have yet to commence operations.



OVERVIEW OF OUR GROUP’S BUSINESS ACTIVITIES

Stockbroking, Share Margin, Discretionary Financing, Proprietary Trading, Nominees and Custodian Services

Our Company is an investment holding company and via Mercury Securities Sdn Bhd (“**Mercury Securities**”) our wholly-owned subsidiary, is a holder of the Capital Markets and Services License (“**CMSL**”) approved by the Securities Commission Malaysia (“**SC**”) for dealing in securities, advising on corporate finance and investment advice. Mercury Securities is also a Participating Organisation of Bursa Securities, an Authorised Depository Agent of Bursa Malaysia Depository Sdn Bhd, and a Trading Clearing Participant of Bursa Malaysia Securities Clearing Sdn Bhd.

With the CMSL and accreditations, Mercury Securities is licensed to provide a full range of stockbroking and related businesses including the provision of share margin financing services, discretionary financing, proprietary trading, underwriting and placement services, research and investment advisory as well as custodian and nominee services conducted through Mercury Securities’ two (2) wholly-owned subsidiaries, Mercsec Nominees (Tempatan) Sdn Bhd and Mercsec Nominees (Asing) Sdn Bhd.

With a history of more than 33 years in the Malaysian stockbroking scene, Mercury Securities operates from 6 branches strategically located in Penang, Kuala Lumpur, Johor Bahru, Melaka, and Sarikei in Sarawak. For convenience of customers, Mercury Securities also provides online trading platform Mercury *StraightThru* for trading in securities listed on Bursa Securities which is accessible via <https://mst.mercurysecurities.com.my>.

Corporate Finance Advisory Services

Mercury Securities, is a CMSL holder for advising on corporate finance, a Recognised Principal Adviser approved by the SC and Principal Adviser, Sponsor and Approved Adviser accredited by Bursa Securities which enables Mercury Securities to provide a full suite of corporate finance advisory services including initial public offering on the Main Market, ACE Market and LEAP Market of Bursa Securities, secondary fund raising exercises such as rights issue and private placement, take-overs, mergers and acquisitions, independent advice, reverse take-over as well as corporate restructuring undertaken by listed issuers and unlisted companies.



For more information, visit our Company’s website at <https://www.mercurysecurities.com.my>

● Sale of Internationally Minted Gold and Silver Bullion Products

Through Mercury Gold, Mercury Securities offers investors to invest in gold and silver bullion products sourced from international refiners, such as, MKS PAMP, a member of the London Bullion Market Association and from other national mints such as the US Mint or Royal Mint (UK). We offer for sale, both cast and minted bars, with pieces suitable for investment, display or gifting.



For more information of Mercury Gold, visit our website at <https://www.mercurygold.com.my/>

● Fund Management

Our Group via Mercury Wealth Management Sdn Bhd, a wholly-owned subsidiary is expected to commence fund management activities by the second quarter of 2026 subject to fulfilling all conditions imposed by the Securities Commission Malaysia to be granted the CMSL for fund management in relation to portfolio management.

● Overview of the Malaysian Economy in 2025

In 2025, the economy is expected to grow between 4% and 4.8%, underpinned by firm domestic demand. From the demand

perspective, private consumption is anticipated to remain resilient, supported by higher disposable income, favourable labour market conditions, targeted assistance programmes and vibrant tourism activities. Investment momentum will be sustained by the realisation of multi-year projects and strong inflows into high-growth segments such as semiconductors and data centres. From a supply perspective, the services and manufacturing sectors will continue to lead growth. The services sector will be driven by robust tourism activities, dynamic retail trade and increased demand for business-related services. Meanwhile, the manufacturing sector will benefit from growing semiconductor demand due to the expansion of the digital economy and the increasing use of AI edge applications as well as strong performance in domestic-oriented industries.

Monetary policy in 2025 remains focused on supporting economic growth amid global uncertainties, while maintaining domestic price stability. In July 2025, the Overnight Policy Rate (OPR) was lowered from 3.00% to 2.75% as a pre-emptive measure to sustain steady growth, given moderate inflation prospects. The ringgit has demonstrated resilience against the US dollar, underpinned by sound macroeconomic fundamentals, ongoing measures to encourage capital flows and improved investor confidence.

(Source: Ministry of Finance - Economy Outlook 2026 dated 10 October 2025)



Overview of Bursa Securities' Performance in 2025

The key performance indicators of Bursa Securities relevant to our Group's business are illustrated in the table below:

	FYE 2025	FYE 2024
Total trading volume (units' billion)	1,621	2,168
Total trading value (RM' billion)	1,238	1,691
Average daily volume (OMT)(units' billion) ⁽¹⁾	3.00	4.39
Average daily trading volume (DBT)(units' billion) ⁽¹⁾	0.27	0.30
Velocity (per cent) ⁽¹⁾	32	42
FBM KLCI Index (points)		
- At beginning of financial year - 1 November	1,603.98	1,435.33
• High	1,642.33	1,678.80
• Low	1,400.59	1,425.01
- At close of financial year - 31 October	1,609.15	1,601.88
Number of initial public offering ("IPO") ⁽¹⁾	41	35
Total funds raised ⁽¹⁾ :		
• IPOs (RM' million)	4,358.49	6,060.77
• Secondary issues (RM' million)	3,908.21	5,294.85
Market capitalisation as at end of period (RM' billion) ⁽¹⁾	2,015.96	2,044.59

Note:

⁽¹⁾ Source: Bursa Securities' quarterly results for the 9-month financial period ended 30 September 2025.

During the FYE 2025, trading of securities listed on Bursa Securities were spoked with uncertainties and disruptions from external developments, notably, the declaration of the "Liberation Day" announced by the US government on 2 April 2025 to impose higher tariffs on its trading partners.

The FBM KLCI retreated and recorded its low of 1,400.59 points on 9 April 2025 from 1,603.98 points at start of the FYE 2025. Due to these uncertainties which adversely impacted business confidence and investors' sentiments, value and volume of securities traded on Bursa Securities in the FYE 2025 declined substantially relative to the FYE 2024 as illustrated in the above table. As an indicator, average daily volume (OMT) dropped to 3.0 billion units in the first nine (9) months of 2025 from 4.39 billion units previously with trading velocity slowing down to 32% in 2025 from 42% in 2024. The FBM KLCI recovered from its low of 1,400.59 points to close higher at 1,609.15 points on 31 October 2025 following positive developments and agreement on the trade policies with the US government by various countries including Malaysia which abated economic uncertainties whilst improving investors' sentiments. Against such challenging trading conditions, our brokerage fees declined by 7.83% to RM11.39 million in the FYE 2025.

During the FYE 2025, our corporate finance team completed four (4) IPOs, all listed on the ACE Market of Bursa Securities. In addition, our corporate finance team was mandated to advise on several other corporate proposals mainly involving secondary fund raisings, mergers and acquisitions, independent advisory, and other corporate proposals. Consequently, our revenue from advisory fees, underwriting fees and placement fees improved by 7.37% to RM12.06 million in the FYE 2025 as compared to the FYE 2024.



REVIEW OF OUR GROUP'S FINANCIAL RESULTS FOR THE FYE 2025

The financial results and key performance indicators of our Group for the FYE 2025 are illustrated in the table below:

	← Audited →	
	FYE 2025 RM	FYE 2024 RM
Revenue	36,201,942	32,571,617
Gross profit	21,827,890	19,567,768
Other income	1,575,702	1,924,711
Trading gains on financial assets at fair value through profit or loss (" Proprietary Trading Gains ")	1,888,413	1,071,026
Interest income	3,732,539	4,360,004
Administrative and other operating expenses	(9,154,840)	(8,147,918)
Finance costs	(4,463)	(15,533)
Profit before tax (" PBT ")	19,865,241	18,760,058
Income tax expenses	(5,247,898)	(4,732,300)
Profit after tax (" PAT ") attributable to the owners of the Company	14,623,558	14,039,489
Gross profit margin	60.29%	60.08%
PBT margin	54.87%	57.60%
PAT margin	40.39%	43.10%
Effective tax rate	26.42%	25.23%
Basic/diluted earnings per share (sen)	1.64	1.57
Dividend per share (sen)	0.5	0.5



REVIEW OF OUR FINANCIAL PERFORMANCE IN THE FYE 2025

Our Group's revenue continued to grow and increased by 11.15% to RM36.20 million in the FYE 2025 from revenue of RM32.57 million recorded in the FYE 2024. Gross profit improved to RM21.83 million in the FYE 2025, an increase of 11.55% from RM19.57 million achieved in the FYE 2024.

Despite the lower brokerage fees in the FYE 2025, the improved revenue and gross profit were mainly contributed from increased revenue from other revenue components of the Stockbroking Segment. During the FYE 2025, our Group recorded higher margin income from more share margin facilities accommodated

and utilised by clients as well as higher underwriting fees and placement fees. In the FYE 2025, our corporate finance team completed and successfully listed four (4) companies on the ACE Market of Bursa Securities (FYE 2024: two (2) companies listed on the ACE Market).

Gross profit margin improved marginally by 0.21% to 60.29% in the FYE 2025 from 60.08% achieved in the FYE 2024. The marginal improvement in gross profit margin in the FYE 2025 was mainly attributable to higher revenue recorded in the FYE 2025.

In the FYE 2025, our Group recorded PBT of RM19.87 million, an increase of 5.89% as compared to the PBT of RM18.76 million in the FYE 2024 mainly attributable to higher gross profit by RM2.26 million and higher Proprietary Trading Gains by RM0.82 million but was partially offset by higher administrative and other operating expenses, which increased by RM1.01 million and lower interest income by RM0.63 million as well as lower other income by RM0.35 million. The decline in interest income by RM0.63 million to RM3.73 million in the FYE 2025 was mainly due to more funds deployed to finance share margin facilities which earn a better return relative to the interest earned from short placement of funds. However, PBT margin declined marginally by 2.73% to 54.87% in the FYE 2025 from 57.60% achieved in the FYE 2024.

Our Group achieved PAT attributable to the owners of the Company of RM14.62 million in the FYE 2025, an improvement by 4.16% from RM14.04 million in the FYE 2024 mainly due to improved PBT by RM1.11 million in the FYE 2025. Despite the higher PAT in the FYE 2025, PAT margin declined marginally by 2.71% to 40.39% mainly due to higher income tax expenses which increased by 10.90% to RM5.25 million due to reversal of deferred tax assets and certain expenses not deductible for tax purposes.



REVIEW OF OUR GROUP'S FINANCIAL POSITION AS AT 31 OCTOBER 2025

Total Assets

As at 31 October 2025, our Group's total assets stood at RM209.73 million, an increase of RM11.47 million from RM198.26 million as at 31 October 2024. Non-current assets increased marginally by RM1.55 million to RM26.47 million whilst current assets increased by RM9.92 million to RM183.26 million as at 31 October 2025.

The increase in total assets was mainly attributable to the following:

- (i) property, plant and equipment increased by RM6.40 million was mainly due to the reclassification of the investment property of RM4.80 million as it was not rented to third parties but currently being used to house our Butterworth Branch which was relocated from a rented office in the FYE 2025 as well as recognition of surplus on revaluation of the five (5) properties owned by the Group of RM1.79 million conducted by two (2) professional property valuers;
- (ii) trade and other receivables increased by RM50.78 million to RM132.28 million as at 31 October 2025 mainly due to increase in share margin receivables from more share margin facilities accommodated and utilised by clients, financed from internally generated funds as well as outstanding purchases by clients which were still within the T+2 fixed delivery settlement system rules of Bursa Malaysia Securities Clearing Sdn Bhd;

- (iii) deposits and prepayments increased marginally by RM0.04 million to RM4.59 million as at 31 October 2025 mainly due to higher equity margin deposit placed with Bursa Malaysia Securities Clearing Sdn Bhd in accordance with its equity margining rules; and

- (iv) cash and cash equivalents decreased by RM41.76 million to RM43.91 million as at 31 October 2025 mainly due to more internally generated funds deployed to finance the share margin receivables as well as RM4.47 million used to pay the single-tier interim dividend of 0.5 sen per share on 29 July 2025.

Total Liabilities

As at 31 October 2025, our Group's total liabilities stood at RM17.72 million, a marginal decrease of RM0.39 million from RM18.12 million as at 31 October 2024. Current liabilities declined by RM0.37 million whilst non-current liabilities decreased marginally by RM0.03 million as at 31 October 2024.

The decrease in total liabilities was mainly attributable to the following:

- (i) trade and other payables dropped by RM0.80 million to RM14.66 million as at 31 October 2025 mainly due to lower amount due to clients pending settlement of sale proceeds which were still within the T+2 fixed delivery settlement system rules of Bursa Malaysia Securities Clearing Sdn Bhd;
- (ii) current tax liabilities increased by RM0.52 million due to higher provision for tax from the higher PBT recorded of RM19.87 million in the FYE 2025; and
- (iii) deferred tax liabilities increased marginally by RM0.02 million to RM0.95 million due mainly to the tax effects of the revaluation surplus of RM1.79 million on the five (5) properties owned by our Group.

Total Equity

During the FYE 2025, our Company did not issue, cancel, repurchase, resale or repay any debts and equity securities. Our issued share capital as at 31 October 2025 remained unchanged at RM154.64 million comprising 893,000,000 ordinary shares.

As at 31 October 2025, total equity attributable to the owners of the Company stood at RM192.02 million, an increase of RM11.87 million from RM180.15 million as at 31 October 2024. The increase was mainly due to total PAT of RM14.62 million achieved in the FYE 2025, increase in revaluation reserves by RM1.79 million offset by the payment of a single-tier interim dividend of 0.5 sen per share amounting to RM4.47 million on 29 July 2025.

Retained earnings which are distributable to the owners of the Company increased by RM10.22 million to RM130.54 million as at 31 October 2025 from RM120.32 million as at 31 October 2024 mainly attributable to total PAT of RM14.62 million recorded in the FYE 2025 net of the single-tier interim dividend of RM4.47 million paid on 29 July 2025.

Current Ratio

Our Group's current ratio stood at 10.93 times as at 31 October 2025, which reflects our strong liquidity position with current assets of RM183.26 million comprising mainly of cash and cash equivalents of RM43.91 million and trade and other receivables of RM132.28 million against current liabilities of RM16.77 million.

Gearing

During the FYE 2025, our Group has zero bank borrowings. Our working capital and other funding requirements were sourced mainly from our shareholders' funds and other internally generated funds from the operations during the financial year.

Net Assets per Share

Net assets per share increased by 1.33 sen to 21.50 sen as at 31 October 2025 from 20.17 sen as at 31 October 2024 mainly due to the earnings per share of 1.64 sen recorded in the FYE 2025.

Dividend

During the FYE 2025, the Company paid a single-tier interim dividend of 0.5 sen per share amounting to RM4.47 million to entitled shareholders on 29 July 2025 (FYE 2024: 0.5 sen per share). The dividend of 0.5 sen per share represent a payout ratio of 30.49% based on the earnings per share of 1.64 sen achieved in the FYE 2025.



ANTICIPATED OR KNOWN RISKS AND MITIGATING MEASURES

As our Group pursues its strategy to improve performance for sustained growth to deliver long-term value to our shareholders, several anticipated or known risks have been identified and mitigating measures implemented by our Group are set out in the table below:

Risk category	Potential impact	Mitigating measures
Regulatory non-compliance risk	Risk of loss or imposition of penalties, fines, or other liabilities arising from breaches of applicable laws, regulations, or contractual obligations.	<ul style="list-style-type: none"> Monitoring of regulatory requirements and landscape changes. Implement revised policies and procedures as well as compliance programs to ensure adherence to regulatory requirements.
Economic, regulatory, and political risk	Risk of loss in the event of any unfavourable changes in the economic, regulatory, and political environment that have an adverse impact on our Group.	<ul style="list-style-type: none"> Continuously monitor the development of international and domestic economic, regulatory, and political conditions. Review and align business strategies to address new challenges faced. Implement or revise policies and procedures to address additional regulatory requirements.

Risk category	Potential impact	Mitigating measures
Credit risk	Risk of loss due to failure by clients/counterparties to fulfil their financial or contractual obligations.	<ul style="list-style-type: none"> • Credit risk management policies and procedures. • Counterparty limits for dealers, remisiers and clients. • Credit and securities concentration limits. • Risk acceptance criteria and credit authorisation policies and procedures. • Close monitoring of clients under watch list. • Periodic review of conduct of clients' accounts.
Market risk	Risk of loss arising from volatile changes in market variables such as interest rates, foreign exchange rates and securities prices.	<ul style="list-style-type: none"> • Market risk management policies. • Risk measurement/valuation tools. • Single securities and single client limit. • Timely mark-to-market stress testing.
Liquidity risk	Risk of loss due to our Group's inability to meet financial obligations when due or when attempting to liquidate securities held as collaterals due to market disruptions and/or illiquid market situations.	<ul style="list-style-type: none"> • Liquidity risk management policies. • Single security limit and price capping of securities. • Liquidity stress testing and simulations. • Contingency funding plan. • Monitoring and reporting of significant buy positions. • Complying with regulatory requirements such as Capital Adequacy Ratio imposed by relevant authorities.
Technology and cybersecurity risk	Risk of loss from the usage of Information Technology platforms, systems, applications, and infrastructure.	<ul style="list-style-type: none"> • Continuously strengthen cyber security defences, including network segmentation, and security tools or mechanisms. • Implementation of detective, protective, response and recovery cyber security controls. • Periodic testing of cyber security controls or defences e.g. penetration testing.
Human Capital	Risk of loss due to disruptions to business operations, business know-how/expertise caused by key personnel leaving which may impact clients' relationships due to delay in replacement as well as additional time and costs associated with the recruitment and training of new replacement staff.	<ul style="list-style-type: none"> • Implement attractive remuneration packages, awards, performance and incentives scheme to retain staff and key personnel. • Foster a conducive working environment encompassing safe and clean workplace, offer counselling sessions, etc. • Inculcate a multi-tasking culture and the concept of "mentor and mentee" where experienced staff guide and mentor less experienced staff. • Ensure proper handing over is completed prior to any personnel leaving the organisation. • Undertake continuous reviews of employees' benefits to ensure these are commensurate with market trends. • Proactively conduct employees' engagement activities such as get-togethers, dinners, and team-building sessions.

Risk category	Potential impact	Mitigating measures
Operational risk	Risk of loss arising from failures in processes, people, and systems or from external events.	<ul style="list-style-type: none"> • Conduct robust risk assessments at corporate and department levels. • Implement a comprehensive Business Continuity Plan (“BCP”). • Periodic review of BCP to ensure resilience of the critical business functions and technology operations. • Set up incident response measures. • Establish and review policies and procedures according to regulatory guidelines and standards to ensure relevancy, adequacy and efficacy.
Strategic risk	Risk of loss arising from adopting wrong business strategies, failure to properly execute business strategies effectively, or failure to effectively respond to changes in the industry and other external environment factors.	<ul style="list-style-type: none"> • Regularly monitor competition, geopolitical and macroeconomic risks. • Track and deliberate on changes in business performance criteria, with proactive actions taken to mitigate adverse changes. • Management of potential market disruptors and economic or investment trends. • Continued engagements with business partners. • Innovation in product and service offerings.
Reputational risk	Risk of loss arising from negative perception by clients, counterparties, shareholders, and other relevant key stakeholders.	<ul style="list-style-type: none"> • Directors’ Code of Conduct and Ethics. • Employees’ Code of Conduct and Ethics. • Anti-Bribery and Anti-Corruption Policy and Guidelines. • Whistleblowing Policy and Procedures. • Client profiling, due diligence, risk rating, and monitoring. • Managing investors and other stakeholders’ relations. • Adopt sound corporate governance practices.
Competition	Risk of loss of client, market share and/or lower margins.	<ul style="list-style-type: none"> • Respond proactively to clients’ needs and improve service deliveries. • Expand suite of product and service offerings. • Incentivise dealers, remisiers and staff to improve client’s retention and satisfaction. • Intensify marketing and sales efforts and enhance quality of research materials and investment advice. • Stay agile and be responsive to developments in the market place.

Our Management will continuously stay vigilant to identify, assess as well as implement appropriate and effective action plans to monitor and mitigate all emerging risks to safeguard our Group’s business and assets for our long-term sustainable growth and creating shareholders’ value.



KEY INITIATIVES PLANNED FOR THE FINANCIAL YEAR ENDING 31 OCTOBER 2026

Our Group will stay focus on driving revenue growth whilst continuing to optimise operating costs as well as to capatilise on opportunities for the long-term growth of our Group supported by the following key initiatives planned for the financial year ending 31 October 2026:

- 1 scaling fee-based activities by introducing more products and services to meet the evolving needs of customers;
- 2 focusing on origination efforts to increase the number of mandates for corporate finance advisory services as well as to execute and complete the existing pipeline of mandates within customers' delivery expectations;
- 3 intensifying marketing efforts targeting high net worth and institutional clients to use our stockbroking services;
- 4 continue to scale the share margin financing portfolio based on prudent and acceptable credit criteria whilst closely monitoring the outstanding balances and collateral value to prevent occurrence of any credit deterioration;
- 5 increasing the proprietary trading teams for trading in securities listed on Bursa Securities to tap opportunities from price volatility of liquid quoted securities;
- 6 expanding and retaining the talent pool, enhancing employees' learning and development programmes; and
- 7 continue to improve cyber security resilience and enhancing digitalisation initiatives to improve service deliveries and operational effectiveness and efficiencies in our stockbroking operations.

Yours sincerely

CHEW SING GUAN
Managing Director

Sustainability Statement

INTRODUCTION

Our Board of Directors (“Board”) is pleased to present this Sustainability Statement (“Statement”) for the financial year ended 31 October 2025. This Statement provides an overview of our approach towards managing our economic, environmental, social and governance (“EESG”) issues, goals, and performances that are relevant and material to our business and stakeholders. This Statement also outlines our progress in integrating sustainability into our strategies, business practices, products, and services as we continue to navigate, innovate, and stay agile in the marketplace to remain competitive and capitalise on opportunities for the long-term sustainable growth of our Group and create value for our stakeholders as well as the society at large.

REPORTING SCOPE AND BOUNDARIES

The scope of this Statement covers our Company and three (3) operating and active subsidiaries, namely, Mercury Securities Sdn Bhd, Mercsec Nominees (Tempatan) Sdn Bhd and Mercsec Nominees (Asing) Sdn Bhd (collectively, the “Group”). This Statement excludes two (2) subsidiaries, namely, Mercury Wealth Management Sdn Bhd and Mercury Liquidity Solutions Sdn Bhd as these two (2) subsidiaries have yet to commence operations during the financial year ended 31 October 2025 (“FYE 2025”).

REPORTING FRAMEWORK AND STANDARD

In preparing this Statement, our Group has drawn upon insights and references from the:

- (i) ACE Market Listing Requirements and Sustainability Reporting Guide and Toolkits (3rd Edition) of Bursa Malaysia Securities Berhad (“Bursa Securities”); and
- (ii) Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia (“MCCG”).

In the upcoming years, our Group will focus on improving data collection (in particular on waste management and greenhouse gas (GHG) emissions), establishing performance targets and reporting processes including to align the reporting with the International Financial Reporting Standards-S1 General Requirements for Sustainability-related Financial Disclosures (“IFRS S1”) and S2 -Climate-related Disclosures (“IFRS S2”) and other standards issued by the International Sustainability Standards Board.

REPORTING PERIOD

This Statement covers the period from 1 November 2024 to 31 October 2025 unless specified otherwise.

ASSURANCE STATEMENT

The information in this Statement has been validated to verify the accuracy and integrity of the data disclosed as prepared by the Management having ensured this Statement’s relevance to our Group’s business and operations as well as material EESG issues are covered.

This Statement has also been reviewed and approved by our Board following assurance on the accuracy and validity of the data disclosed herein from our Group’s internal audit. We will consider obtaining external assurance for this Statement in the future years.

FORWARD-LOOKING STATEMENTS

This Statement includes forward-looking statements intended to provide stakeholders with insights into our perspectives and plans for the future. These forward-looking statements are not guarantees or definitive predictions of our Group’s future performance. Therefore, readers are advised to interpret them with caution and avoid placing undue reliance on them.

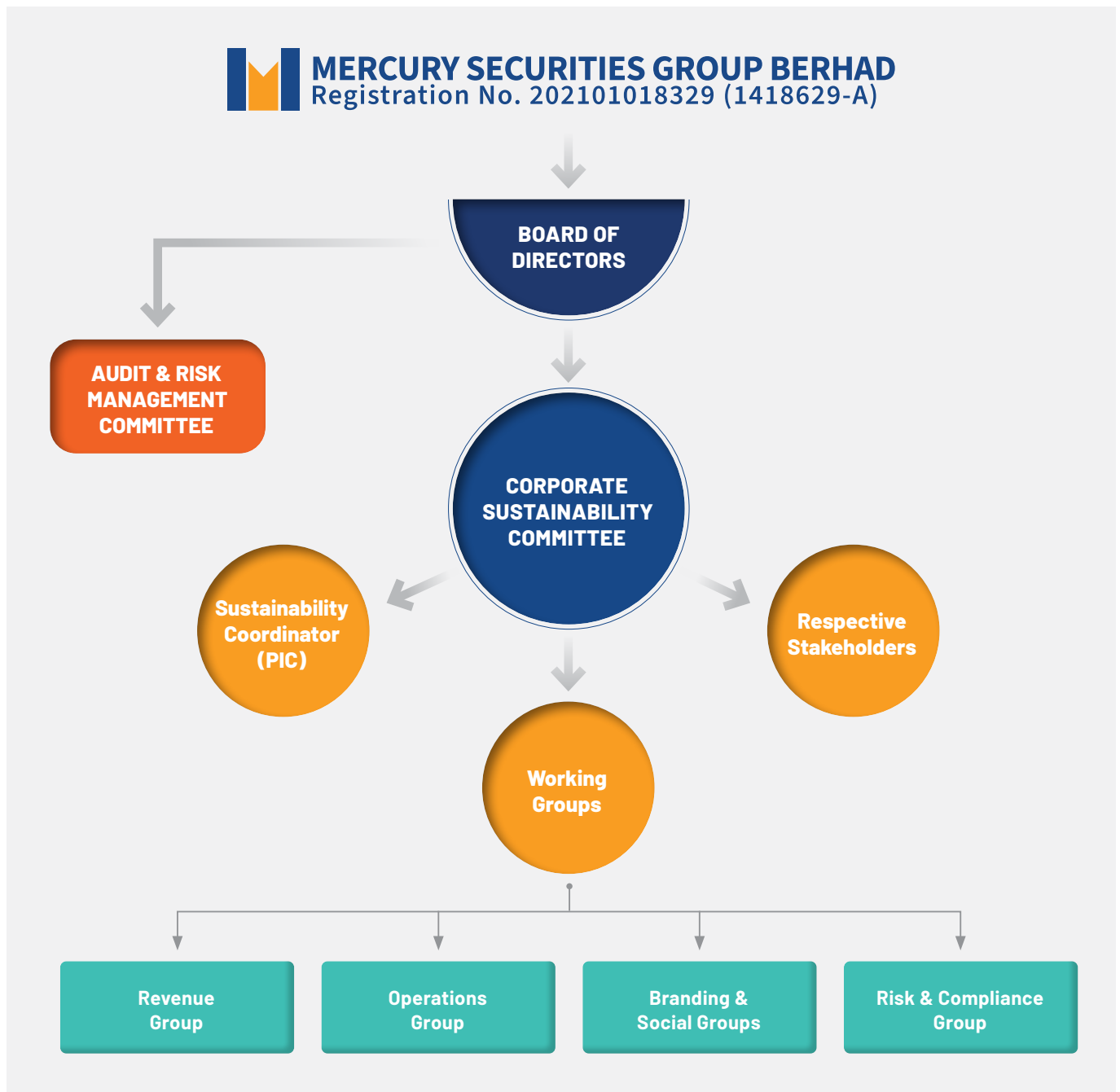
FEEDBACK

We welcome our stakeholders to provide feedback, comments, or views to us pertaining to this Statement and the issues covered which may be sent to: mercurykl@mersec.com.my.

■ SUSTAINABILITY GOVERNANCE STRUCTURE

To embed sustainability throughout the organisation, our Board believes in adopting a tone from the top approach. Our sustainability governance is led by our Board who is responsible for considering material EESG matters in our Group’s business strategies in order to deliver long-term sustainable value to our shareholders and other stakeholders.

Our Group’s sustainability governance structure is essential for effectively implementing sustainability initiatives throughout our Group’s business and operations. Our Board has established a clear and definitive governance structure to guide these efforts, ensuring clarity in roles and responsibilities to execute sustainability practices effectively. The sustainability governance structure and respective roles and responsibilities are illustrated in the diagram and table below:



Governance Structure	Roles and Responsibilities
Board	Responsible for and provides oversight for our Group's overall sustainability strategy and agenda.
Audit and Risk Management Committee ("ARMC")	<ul style="list-style-type: none"> • Supports our Board in its oversight of our Group's sustainability matters in conjunction with other relevant Board Committees. • Provides guidance and strategic directions on sustainability issues including providing directions to the Corporate Sustainability Committee with a focus on engagement with stakeholders, materiality matters, setting performance targets, measuring outcome of action implemented and sustainability reporting matters.
Corporate Sustainability Committee ("CSC")	<ul style="list-style-type: none"> • Set and drive our Group's sustainability strategy and sustainability reporting requirements. • Assess EESG and/or climate-related risks and opportunities to ensure its alignment, relevance, and effectiveness in supporting our Group's strategic directions, business, and operations. • Ensure that identified and prioritised material EESG factors are monitored on an ongoing basis and appropriately managed. • Continuously identify, prioritise, review, and validate EESG factors relevant to the Group with the view to enhance the materiality factors, metrics, and performance targets to measure issues that are material to our Group's business and operations. • Review the outcomes against performance targets and recommend initiatives to enhance the measurement and achievement of the performance targets. • Continuously strengthen the approaches on sustainability in terms of strategy, governance, engagement with stakeholders, prioritisation of materiality of EESG factors.
Working Groups	<ul style="list-style-type: none"> • Drive performance against identified and prioritised material EESG factors through the setting and measurement of performance targets. • Identify, prioritise, review, and validate material EESG factors impacting our Group aligned to our Group's four (4) sustainability priorities: <ul style="list-style-type: none"> - Sustainable economic growth; - Responsible environmental stewardship; - Empowering peoples and communities; and - Good governance. • Recommend milestone and timeline, deliverables, and outcome of initiatives to the CSC. • Monitor and track departmental or business units' initiatives aligning to sustainability matters against performance targets. • Assemble input and collation of data from common indicators from the relevant departments and functions of the overall operational management of sustainability matters. • Engage with internal and external stakeholders on sustainability matters.

Our Board strives to continuously be equipped with the necessary knowledge regarding the management of sustainability-related risks and opportunities. Our Board is also cognisant of ensuring that the required competencies in relation to sustainability are periodically assessed to strengthen Board leadership and oversight of our Group's overall sustainability strategy.

POLICIES AND PROCEDURES

In our Group’s journey towards embedding sustainability in our business and daily operations whilst considering the interests of stakeholders and business growth, the following key policies and procedures had been approved by our Board for adoption to guide and drive our sustainability agenda:

- Board Charter;
- Terms of Reference of the Audit and Risk Management Committee;
- Terms of Reference of the Nomination Committee;
- Terms of Reference of the Remuneration Committee;
- Sustainability Governance Framework;
- Enterprise Risk Management Policy & Procedures;
- Directors’ Code of Conduct and Ethics;
- Employees’ Code of Conduct and Ethics;
- Employees’ Handbook;
- Conflict of Interest Policy (Directors and Senior Management);
- Directors and Senior Management Remuneration Policy;
- Related Party Transactions Policy and Procedures;
- Anti-Bribery and Anti-Corruption Policy and Guidelines;
- Whistleblowing Policy and Procedures;
- Fit and Proper Policy and Procedures;
- Internal Audit Charter;
- External Auditors Assessment Policy;
- Learning and Development Policy;
- Code of Business Ethics (Suppliers and Business Associates);
- Data Security and Privacy Policy;
- Environmental Policy;
- Human Rights and Labour Standards Policy;
- Occupational Safety and Health Policy; and
- Supply Chain Policy.

CORPORATE MEMBERSHIP AND ASSOCIATION

Over the years, we contributed to the development of economic, environmental, social and governance sustainability matters individually and collectively via business associations. We are a corporate member of the following associations:

- Association of Stockbroking Companies Malaysia (“**ASCM**”)
- Malaysian Investment Banking Association (“**MIBA**”)

Currently, our Managing Director, Mr. Chew Sing Guan is the President of ASCM and a council member of MIBA. In addition, certain other Senior Management members sit and participate in various special interest committee of ASCM and MIBA. Our collaborations with industry associations have created a platform for consultation and discussion among members on shared interests of the financial services industry.

SUSTAINABILITY STRATEGY

Our Group aspires to create a positive economic, environmental, social, and governance impact on our stakeholders by embedding responsible and sustainable business practices in everything we do to build a sustainable future for all.

To meet the needs and aspirations of various stakeholder groups, our Company has identified four (4) core pillars of our sustainability strategy execution to anchor our Group’s purposes and values, and a robust sustainability strategy driver.

Pillar	What it means to us
1. Sustainable Economic Growth	Integrate EESG factors into our business decisions and value chain and manage EESG related risks and opportunities as we innovate to build a sustainable future.
2. Responsible Environmental Stewardship	Promote climate positive culture within the organisation and relevant external stakeholders to attain a low carbon economy.
3. Empowering People and Communities	Create a positive impact on our employees, customers, business associates, as well as communities in need.
4. Good Governance	Lead a responsible business underpinned by a robust compliance culture and high levels of ethical standards.

STAKEHOLDERS' ENGAGEMENT

Our Group acknowledges the need for regular communications with our key stakeholder groups in a timely and effective manner is essential to our Group's sustainability execution. Stakeholders' perspectives are important to our business strategies and approaches. Interaction with stakeholders enables our Group to identify, prioritise, address, and align material matters and concerns on our Group's business strategies and practices towards addressing material sustainability-related risk and opportunities.

We aim to maintain constructive channels of communication with all our key stakeholder groups regularly through both formal and informal channels. The frequency of engagement with our stakeholders varies, based on their specific group with different levels of influence and dependence on our Group's business and operations. These interactions enable us to identify relevant material issues and provide insights into emerging opportunities and risks as well as allowing us to effectively address the specific needs and expectations of each stakeholder group whilst ensuring compliance and fostering strong relationships.

The table below summarises our key stakeholder groups, the channels of communication we used to engage and frequency of engagement with them:

Stakeholder Group	Area of Interest/ Concern	Engagement Channel	Our Response	Frequency
Shareholders and Investors	<ul style="list-style-type: none"> Business performance Business strategies and directions Regulatory compliance Corporate governance Risk management Corporate announcement Dividend policy 	<ul style="list-style-type: none"> Quarterly financial reports Annual report Announcement on Bursa Securities Press release Information on our Company's website: www.mercurysecurities.com.my General meeting 	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Adopt practices recommended in the MCCG and Listing Requirements Data Security and Privacy Policy Anti-Bribery and Anti-Corruption Policy and Guidelines Whistleblowing Policy and Procedures Directors' Code of Conduct and Ethics 	<ul style="list-style-type: none"> As and when needed On-going Quarterly Annually
Customers	<ul style="list-style-type: none"> Quality of customer service and delivery Sound advice, acceptable solutions, and timely execution of corporate finance mandates Online trading platform Equity research coverage, quality, and accessibility 	<ul style="list-style-type: none"> Regular meetings Customers' feedback Improve customers' experience for online trading Equity research accessible online via: www.mercurysecurities.com.my Customers' complaint management Skill development for representatives and employees servicing customers 	<ul style="list-style-type: none"> Compliance with relevant laws and regulations Data Security and Privacy Policy Customers' satisfaction and quality of products offered and services rendered Continuous training and development to improve service deliveries and operational effectiveness Business Continuity Plan and periodic readiness testing 	<ul style="list-style-type: none"> As and when needed On-going

Stakeholder Group	Area of Interest/ Concern	Engagement Channel	Our Response	Frequency
Employees	<ul style="list-style-type: none"> • Compensation, welfare, and benefits • Career development and upskilling opportunities • Conducive and safe working environment • Career progression opportunities • Business growth and strategic direction • Work-life balance 	<ul style="list-style-type: none"> • Induction and orientation courses • Learning and development programs • Meetings and discussions • Assess employees' abilities • Performance evaluation and reward • Social and sports events 	<ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption Policy and Guidelines • Employees' Code of Conduct and Ethics • Whistleblowing Policy and Procedures • Compliance with relevant labour laws and practices • Remuneration and benefits package • Recruiting and promoting employees solely based on merits • Observing safety and health practices in the workplace 	<ul style="list-style-type: none"> • As and when needed • On-going • Annually
Business partners/ suppliers	<ul style="list-style-type: none"> • Remisiers' competencies and capabilities • Business conduct, integrity, and ethics • Suppliers' integrity and competencies • Product and service quality and reliability • Transparent, efficient procurement processes and payment terms 	<ul style="list-style-type: none"> • Engagement with remisiers and communication of new policies and procedures • Transparent procurement process including selection of suppliers • Suppliers' evaluation, quotation and negotiations 	<ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption Policy and Guidelines • Whistleblowing Policy and Procedures • Effective supply chain management • Practicing fair selection of suppliers • Engaging continuously with suppliers for long term business relations • Supply Chain Policy 	<ul style="list-style-type: none"> • As and when needed • On-going
Government and regulatory authorities	<ul style="list-style-type: none"> • Regulatory compliance with applicable laws, rules, and regulations • Corporate governance • Accurate disclosures and timely reporting 	<ul style="list-style-type: none"> • Participations in regulatory events, briefings, and industry consultation • Advice from experts e.g. lawyers, tax consultants, external auditors, corporate advisers and valuer 	<ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption Policy and Guidelines • Employees' Code of Conduct and Ethics • Whistleblowing Policy and Procedures • Conflict of Interest Policy • Related Party Transactions Policy and Procedures • Data Security and Privacy Policy • Compliance and internal audit functions 	<ul style="list-style-type: none"> • As and when needed • On-going
Communities	<ul style="list-style-type: none"> • Job opportunities • Community development and support • Social contributions • Climate changes 	<ul style="list-style-type: none"> • Social media • Corporate website www.mercurysecurities.com.my • Community engagement programme • Sponsorships • Events and roadshows 	<ul style="list-style-type: none"> • Energy, water and waste management and conservation • Supporting local communities through charity events and activities • Providing job opportunities for local community, including undergraduates and fresh graduates 	<ul style="list-style-type: none"> • As and when needed • On-going

WHAT IS MATERIAL TO US

We are cognisant that material sustainability-related risks and opportunities can directly and indirectly impact our ability to create long-term value for our stakeholders. A materiality assessment process is essential for the systematic identification, prioritisation, review, and validation of each sustainability topic that is most important based on the level of impact and influence to our Group as well as to our stakeholders. Our approach encompassed gathering insights from both internal and external stakeholders which involved engaging with, among others, our customers, regulatory authorities, investors, suppliers and business partners, employees, and communities.

The diagram below summarises our four-phase materiality assessment process:



Notes to above diagram:

- (i) **Financial Materiality** - Significant impacts on our Group's prospects including its financial performance, financial position, and cash flows.
- (ii) **Impact Materiality** - Significant impacts caused by our Group on the environment, people, and community.

MATERIAL TOPICS

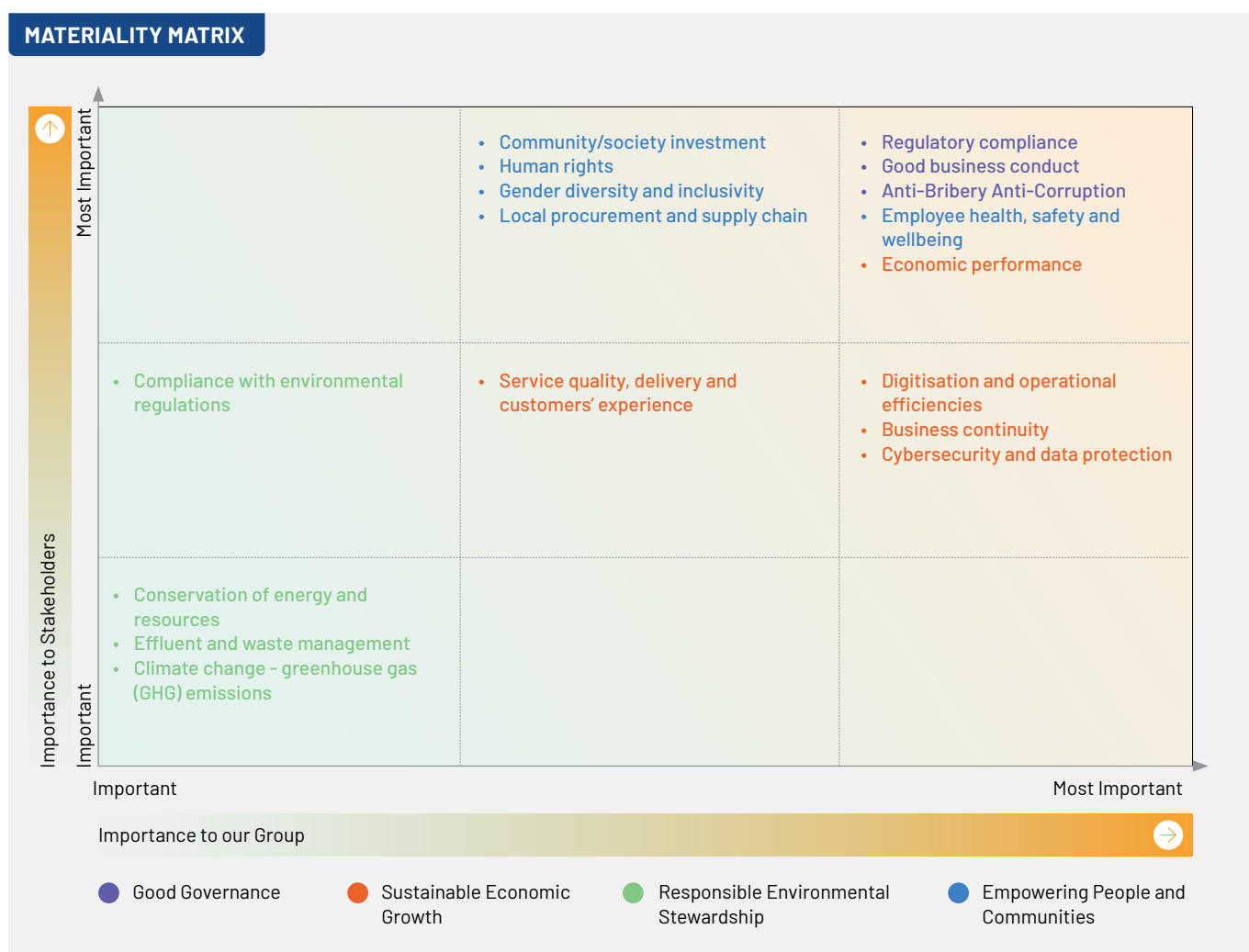
In the FYE 2025, through our materiality assessment process, we concluded seventeen (17) material topics align with our strategic priorities and stakeholders' expectations. These seventeen (17) materials topics have been categorised within our four (4) sustainability core pillars and are further described in the table below:

Material Topic	Description
Sustainable Economic Growth 	
Economic performance	Generating sustainable economic value and creating wealth for stakeholders to ensure our Group's long-term sustainability.
Service quality, delivery, and customers' experience	Satisfied customers will improve retention as well as to facilitate acquisition of new customers.
Digitisation and operational efficiencies	Facilitate improvement in operational productivity, traceability, and data privacy.
Business continuity	Foster trust and confidence of customers to trade in securities with minimal disruption.
Cybersecurity and data protection	Build trust and confidence between our Group, customers, and the public, fosters transparency and promotes accountability in data security and handling practices.
Responsible Environmental Stewardship 	
Conservation of energy and resources	Responsible management of natural resources and energy to minimise waste, reduce environmental impact, and ensure sustainability for the future.
Effluent and waste management	Minimise environmental harm, conserve resources, and promote a cleaner and healthier environment.
Climate change – greenhouse gas (GHG) emissions	Reduce greenhouse gas emissions to prevent severe climate change.
Compliance with environmental regulations	Adhering to legal requirements for protecting the environment, conserving resources, and promoting sustainability.
Empowering People and Communities 	
Community/society investment	Create positive impact for communities in need through targeted social investments.
Gender diversity and inclusivity	Providing equal treatment to all employees regardless of gender while maintaining a diverse and inclusive workforce to improve productivity.
Employee health, safety, and wellbeing	Creating a conducive working environment through continuous employee engagement, promotion of employee welfare and benefits, as well as protection of human rights, health, safety, and wellbeing.
Human rights	Treating employees with dignity, providing safe conditions, fair wages, and equal opportunities. Upholding fundamental freedoms and non-discrimination for an inclusive and equitable society.
Local procurement and supply chain	Create jobs and economic growth within local communities, fostering sustainable economic development, local procurement aligns with the goals of responsible consumption and production.
Good Governance 	
Regulatory compliance	Conduct of business in compliance with relevant guidelines, rules and regulations will mitigate regulatory risks and enhance the reputation in the market place.
Good business conduct	Conduct of business ethically and professionally will foster trust and confidence by customers, regulators, shareholders, and other stakeholders.
Anti-bribery anti-corruption	Promoting ethical business and transparency by avoiding all forms of corruption such as bribery to mitigate and eliminate exposures to corporate and personal liabilities.

PRIORISATION OF MATERIAL TOPICS

The materiality assessment process generates the materiality matrix, a visual representation of our Group’s priorities. Each material sustainability topic reflects the concerns and interests of our stakeholders as well as its importance to our Group’s business and operations.

The significance of the seventeen (17) material topics to our Group as well as our stakeholders arising from the materiality assessment process is depicted in the diagram below:



MANAGEMENT APPROACH FOR MATERIAL TOPICS

Our Focus Area: Sustainable Economic Growth



Why It Matters

Our Group’s business strategy, investments, and performance directly contribute to national economic growth. We recognise the direct influence of our activities create opportunities for shareholders, employees, suppliers, government (in the form of tax contribution) and the local community. Our economic performance holds the potential to significantly influence investors’ confidence in our Company and contribution to the prosperity of our stakeholders as well as the nation.

Hence, we aim to generate sustainable economic value and creating wealth for our shareholders and other stakeholders to ensure our Group’s long-term sustainability.

Material Matter: Economic Performance**Our Financial Performance in the FYE 2025**

In the FYE 2025, our Group recorded profit before tax (“PBT”) of RM19.87 million, an improvement of 5.89% from PBT of RM18.76 million recorded in the FYE 2024. The improved PBT was mainly attributable to an increase in revenue by 11.15% to RM36.20 million in the FYE 2025 coupled with contributions from other income of RM1.58 million, proprietary trading gains on financial assets of RM1.89 million and interest income of RM3.73 million.

In the FYE 2025, our Company paid a single-tier interim dividend of 0.5 sen per share totaling RM4,465,000 to our entitled shareholders on 29 July 2025 (FYE 2024: single-tier dividend of 0.5 sen paid on 2 February 2024).

Our Economic Performance in the FYE 2025

Our economic performance is set out in the table below:

	FYE 2025 RM'000	FYE 2024 RM'000
Economic Value Generated		
Operating revenue	36,202	32,572
Other income	7,197	7,356
Total income	43,399	39,928
Economic Value Distributed		
Shareholders	4,465	4,465
Employees	14,307	11,195
Taxes	5,248	4,732
Business and operations	23,533	21,167
Community investment	43	18
Retained earnings	130,537	120,316

Material Matter: Service Quality, Delivery, and Customers' Experience

In a competitive marketplace where service quality, delivery and customers' experience are expected by customers who have many choices to use various other service providers to meet their objectives and needs. Hence, we aim to provide service excellence as part of our strategy to enable our Group to retain and grow our customers' base as satisfied customers will improve retention as well as to facilitate acquisition of new customers.

We have implemented policies and procedures to cover all key processes to provide service quality and deliveries for our main core revenue drivers, namely provision of stockbroking, share margin financing and advising on corporate finance. In addition, we constantly train and remind our employees as well as remisers of the importance of service quality and deliveries that meet customers' expectations as well as enhancing our online trading platform to enhance customers' experience.

Any complaints from customers are directed to our Complaint Officer to investigate the allegation or complaint made. The outcome of the investigation will be escalated to the Senior Management or our Board depending on the nature of the allegation or complaint for appropriate measures to be taken which include disciplinary action or improving process flows.

Our Performance

In the FYE 2025, our Group's revenue increased by 11.15% to RM36.20 million from RM32.57 million in the FYE 2024.

The improvement in our Group's revenue in the FYE 2025 is a testament that customers were satisfied with our service quality, delivery, and experience. The number of substantiated complaints on this material topic is as follows:

	FYE 2025	FYE 2024
Number of substantiated complaints concerning service quality, delivery and customers' experience	0	1

Material Matter: Digitisation and Operational Efficiencies

In the era of finance centred on digitalisation leveraging on new technologies, it is vital that we continue to reimagine and reshape our products and offerings, to meet the demands and expectations of our customers and the market. As we move forward, we will continue to tap into data-driven insights around customers, as well as business behaviours and needs to guide decision-making and our processes.

To remain competitive, we will constantly upgrade our IT infrastructure and equip our employees with the digital skills necessary to adapt our business practices, collaborations, and interactions with customers, suppliers, and other stakeholders.

Our Performance

We had continuously enhanced our online trading platform to improve the experience of our stockbroking customers to trade in securities listed on Bursa Securities which can also be accessed via Android and IOS devices as well as enabling new customers to open trading accounts with us without the need for face-to-face presence. We are performing users' acceptance testing for the implementation of a foreign share trading online platform to enable our customers to directly input their trades when trading in securities listed on selected foreign stock exchanges.

Material Matter: Cybersecurity and Data Protection

Our business operations require us to manage a huge amount of information and data every day. As such, we continually strive to safeguard and protect the privacy of our customers' data by ensuring our IT systems (including front, middle and back-office systems, and online trading platform), networks, applications, and data are adequately protected against cyber threats and malfunctions.

We abide by the Malaysian Personal Data Protection Act 2010, safeguarding the private data of our customers, employees, and business partners. We have implemented robust privacy and security measures, ensuring secure data handling both within and outside our systems whereby all users are accountable for their actions to prevent unauthorised access. Access to all sensitive information is protected by access controls and policy as well as robust password controls to ensure it is not improperly disclosed, modified, or rendered. In our day-to-day operations, we place a strong emphasis on implementing internal mitigative measures, such as antivirus installation, endpoint protection, firewall and antivirus protection, periodic cyberattack drill simulation and detection of malicious network traffic or malware exploits.

Our Performance

We have implemented measures to improve our cybersecurity resilience including implementing multi-factor authentication security measures for customers' access to our online trading platform subsequent to the financial year. We used a third-party service provider to conduct penetration testing and the outcome was satisfactory with no major concerns in our cybersecurity risk management.

We have received no reports of major cybersecurity violations or breaches of customer privacy and loss of customer's data as set out in the table below:

	FYE 2025	FYE 2024
Reports of major cybersecurity violations	0	0
Number of substantiated complaints concerning breaches of customer privacy and loss of customer's data	0	0

We will continue to upgrade our IT infrastructure to prevent security breaches and continuously educate our employees and customers on data handling, data security and privacy.

Our Focus Area: Good Governance



Why It Matters

We recognise that integrity, transparency, and ethical commitments are essential to sustaining our business and enhancing shareholders' value. Our Board and Senior Management strive to cultivate a positive corporate culture that promotes ethical, professional, and corporate governance behavior across all levels of our Group.

To support good corporate governance practices, our Board has implemented key policies such as:

- Conflict of Interest Policy;
- Fit and Proper Policy and Procedures;
- Related Party Transactions Policy and Procedures;
- Directors' Code of Conduct and Ethics
- Employees' Code of Conduct and Ethics;
- Code of Business Ethics (Suppliers and Business Associates);
- Anti-Bribery and Anti-Corruption Policy and Guidelines; and
- Whistleblowing Policy and Procedures.

These policies help ensure that we operate in line with our core values and principles. Further details on our governance practices can be found in the Corporate Governance Overview Statement of this Annual Report and the Corporate Governance Report 2025 which is accessible on our Company's website at www.mercurysecurities.com.my/corporate-governance/ as well as via Bursa Securities' website at <https://www.bursamalaysia.com/>.

Our performance

- All related party transactions were deliberated by the ARMC and thereafter by our Board to determine that such transactions are conducted at arm's length basis and on normal commercial terms which are not detrimental to the minority shareholders. The conflicted person has abstained from deliberation during the ARMC and Board meetings and these transactions were adequately disclosed in the unaudited quarterly financial reports as well as in this Annual Report.
- All new employees and remisers recruited in the FYE 2025 had completed the in-house courses on anti-money laundering, anti-bribery anti-corruption as well as the assessment tests as part of their onboarding process.
- Our Directors and Senior Management members completed the Conflict of Interest Declaration with no material findings save for the related party transactions as disclosed above.

	FYE 2025	FYE 2024
Number of substantiated complaints on breaches of key policies as aforementioned	0	0

Material Matter: Regulatory Compliance

We believe that conducting our business in compliance with relevant guidelines, rules and regulations will mitigate regulatory risks and enhance our reputation in the market place. A strong compliance culture is pivotal for our Group's growth. One of the key priorities in our approach to building sound governance is fostering a compliance culture that empowers our employees to be professional, while upholding high standards of integrity and vigilance in detecting financial irregularities.

To mitigate regulatory risks, we shall ensure continued compliance with the following key regulatory requirements when conducting our Group's business activities:

- Capital Markets and Services Act 2007;
- Licensing Handbook and various guidelines issued by the Securities Commission Malaysia;
- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001;
- Rules of Bursa Malaysia Securities Berhad;
- Rules of Bursa Malaysia Depository Sdn Bhd;
- Rules of Bursa Malaysia Securities Clearing Sdn Bhd;
- Companies Act 2016; and
- Malaysian Anti-Corruption Commission Act 2009.

Further details on our governance practices can be found in the Corporate Governance Overview Statement of this Annual Report and the Corporate Governance Report 2025 accessible on our Company's website at www.mercurysecurities.com.my/corporate-governance/ and via Bursa Securities' website at <https://www.bursamalaysia.com/>.

Our Performance

We continued to require all new employees and remisiers joining our Group to complete the anti-money laundering course and assessment test as part of their onboarding process.

Number of employees and remisiers who have received training on anti-money laundering

	FYE 2025	FYE 2024
Senior Management	5	3
Middle Management	10	12
Executive	54	39
Remisiers	23	17

Our Group recorded no significant non-compliance in applicable regulatory requirements resulting in material financial loss in the FYE 2025 and FYE 2024.

Material Matter: Good Business Conduct

We believe that conduct of business ethically and professionally will foster trust and confidence by customers, regulators, shareholders, and other stakeholders.

Our Board has implemented relevant policies and procedures as described under the material matter 'Regulatory Compliance' above including Directors' Code of Conduct and Ethics and Employees' Code of Conduct and Ethics to guide our business conduct.

Our Performance

We did not receive any substantiated complaints on any unethical and non-professional business conduct concerning our employees and business associates from our customers and other stakeholders in the FYE 2025 and FYE 2024.

Material Matter: Anti-Bribery Anti-Corruption

We believe in promoting ethical business and transparency by avoiding all forms of corruption such as bribery to mitigate and eliminate exposures to corporate and personal liabilities as well as upholding our reputation and securing trust and confidence in the market place.

Our Performance

We continued to require all new employees and remisiers joining our Group to complete the anti-bribery and anti-corruption course and assessment test as part of their onboarding process to reinforce our Group's commitment to zero tolerance against all form of bribery and corruption.

Number of employees and remisiers who have received training on anti-bribery and anti-corruption

	FYE 2025	FYE 2024
Senior Management	5	3
Middle Management	10	12
Executive	54	39
Remisiers	23	17

Corruption Risk Assessment and Substantiated Incident on Corruption

Percentage of operations assessed for corruption related risks	100%	100%
Confirmed incidents of corruption and action taken	0	0

Our Focus Area: Empowering People and Communities**Why It Matters**

We believe that our people are at their best when they feel a sense of belonging and are adequately supported by the organisation. We are committed to empowering our people to build their knowledge and expertise in an inclusive and healthy environment while extending our support in contributing to the growth and resilience of our communities in need through targeted social investments.

Material Matter: Community/Society Investment

As education plays a pivotal role in the socio-economic development of communities, we are dedicated to equipping youths with the necessary skills and knowledge to succeed. We provide training opportunities for undergraduates and fresh graduates through internship and management trainee programs as well as we participated to hire fresh graduates under the Capital Market Graduate Leadership programme promoted by the Securities Commission Malaysia.

Our Performance

	FYE 2025		FYE 2024	
	No.	RM	No.	RM
Number of undergraduates and fresh graduates benefitting from internship and management trainee programmes and total cost incurred	13	43,400	11	18,100

We will strive to increase the intake of undergraduates and fresh graduates for internship and management trainee programmes in the coming years to assist and prepare them to face the challenges in the market place.

Material Matter: Gender Diversity and Inclusivity

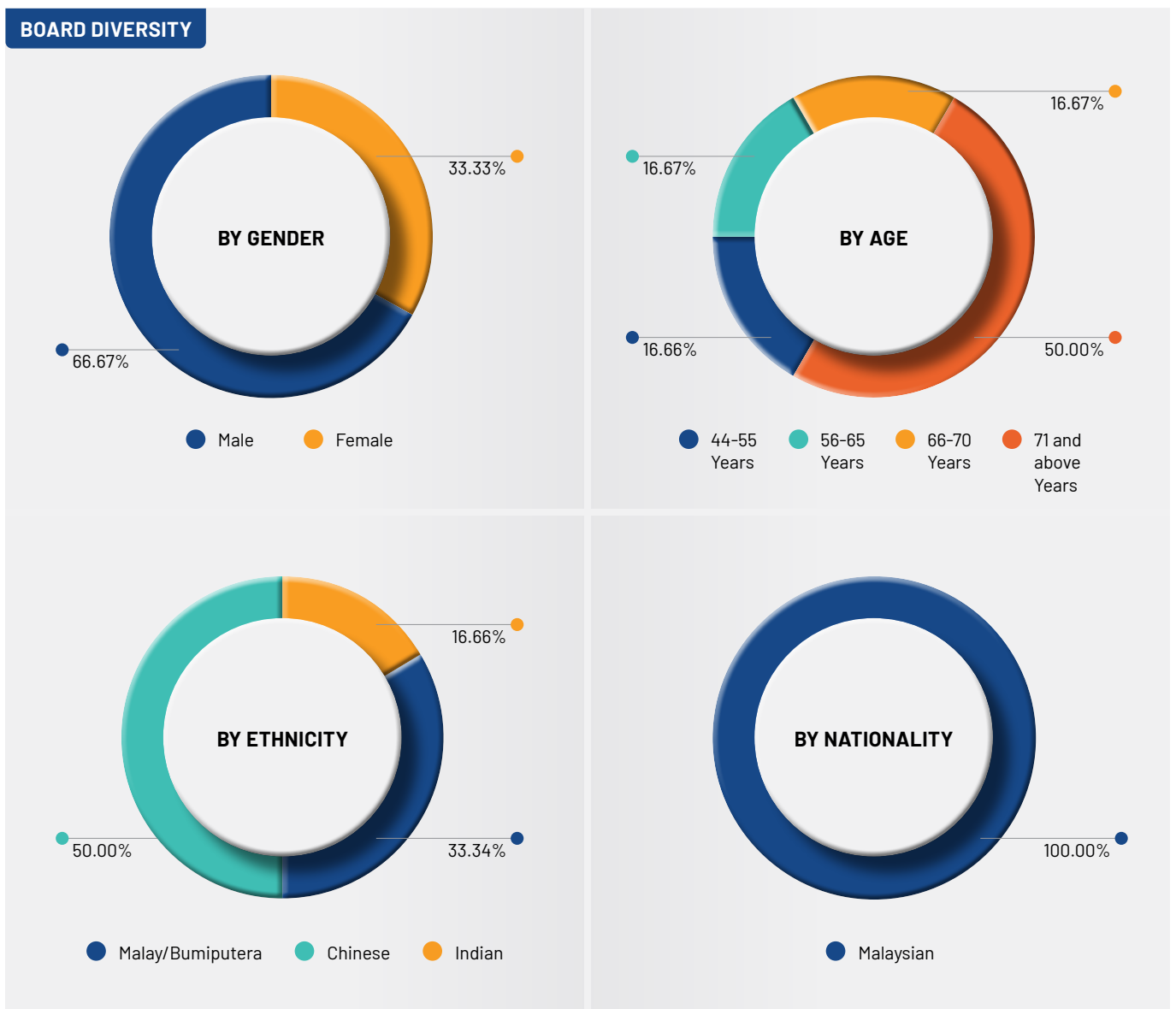
Embracing diversity and inclusion enables us to attract a wider pool of talent, as well as to encourage new ideas and perspectives that help enhance our business. We aim to give our employees equal opportunities to succeed professionally, regardless of their age, gender, ethnicity, and background. We strive to maintain a healthy gender-balanced workforce through our focus on inclusivity that allows each individual to thrive in their careers.

Our Performance

Board Diversity

In the FYE 2025 and FYE 2024, our Board composition comprises of at least 30% women directors in compliance with Practice 5.9 of the MCGG.

Our performance on Board diversity in the FYE 2025 is set out the diagrams below:



In the FYE 2025 and FYE 2024, our performance on employees' diversity is set out the table below:

EMPLOYEES DIVERSITY

	FYE 2025		FYE 2024	
	Total Number	Percentage (%)	Total Number	Percentage (%)
Employee Breakdown by Gender (Permanent & Full Time Employee)				
Male	51	56.67	59	59.60
Female	39	43.33	40	40.40
Total	90	100.00	99	100.00
Employee Breakdown by Gender and Management Categories				
Senior Management - Male	9	90.00	10	90.91
Senior Management - Female	1	10.00	1	9.09
Middle Management - Male	4	44.44	11	64.71
Middle Management - Female	5	55.56	6	35.29
Executive - Male	38	55.07	38	55.07
Executive - Female	31	44.93	31	44.93
Non-Executive - Male	1	50.00	1	50.00
Non-Executive - Female	1	50.00	1	50.00
Employee Breakdown by Age and Management Categories				
Senior Management - < 30	-	-	-	-
Senior Management - 30 - 50	5	5.56	4	4.04
Senior Management - > 50	5	5.56	7	7.07
Middle Management - < 30	1	1.11	-	-
Middle Management - 30 - 50	4	4.44	14	14.14
Middle Management - > 50	4	4.44	3	3.03
Executive - < 30	14	15.56	15	15.15
Executive - 30 - 50	32	35.56	36	36.36
Executive - > 50	23	25.55	18	18.19
Non-Executive - < 30	1	1.11	1	1.01
Non-Executive - 30 - 50	-	-	-	-
Non-Executive - > 50	1	1.11	1	1.01

	FYE 2025		FYE 2024	
	Total Number	Percentage (%)	Total Number	Percentage (%)
Employee Breakdown by Ethnicity and Management Categories				
Senior Management - Malay/Bumiputera	-	-	-	-
Senior Management - Chinese	9	10.00	10	10.10
Senior Management - Indian	1	1.11	1	1.01
Senior Management - Others	-	-	-	-
Middle Management - Malay/Bumiputera	1	1.11	3	3.03
Middle Management - Chinese	7	7.78	13	13.13
Middle Management - Indian	1	1.11	1	1.01
Middle Management - Others	-	-	-	-
Executive - Malay/Bumiputera	22	24.44	21	21.21
Executive - Chinese	41	45.56	44	44.45
Executive - Indian	6	6.67	4	4.04
Executive - Others	-	-	-	-
Non-Executive - Malay/Bumiputera	2	2.22	2	2.02
Non-Executive - Chinese	-	-	-	-
Non-Executive - Indian	-	-	-	-
Non-Executive - Others	-	-	-	-
Employees Breakdown by Nationality				
Malaysian	90	100.00	99	100.00
Non-Malaysian	-	-	-	-
Total Number of New Employee Hires				
By Gender				
Male	11	78.57	10	76.92
Female	3	21.43	3	23.08
By Age				
< 30	7	50.00	7	53.85
30 - 50	5	35.71	5	38.46
> 50	2	14.29	1	7.69

	FYE 2025		FYE 2024	
	Total Number	Percentage (%)	Total Number	Percentage (%)
Total Number of Employee Turnover				
By Gender				
Male	18	78.26	8	66.66
Female	5	21.74	4	33.34
By Age				
< 30	10	43.48	7	58.33
30 - 50	12	52.17	4	33.33
> 50	1	4.35	1	8.34

Material Matter: Employee Health, Safety, and Wellbeing

We believe that the health, safety, and wellbeing of our employees are essential to our long-term success, as it is not only beneficial to our employees, but also to our business, promoting productivity, engagement, and overall satisfaction. We remain committed to creating a safe and healthy working environment culture as we continue to promote physical and emotional wellness for all our employees.

Our Performance

We are committed to exercising precaution to ensure we provide a conducive, safe and healthy work environment. We are in compliance with the Occupational Health and Safety Act 1994 as we make our best efforts to protect our workforce. We empower employees to take responsibility for their own safety and the safety of others.

Our Group did not experience any major work-related fatalities by our employees and there was no lost time incident rate in the FYE 2025 and FYE 2024.

Material Matter: Human Rights

We are committed to upholding human rights, fair labour practices, and promoting diversity, equity, and inclusion within our workforce. Through ongoing training programmes and awareness initiatives, we actively create a workplace that respects and supports these principles.

Our Performance

We ensure our human resource operations are in full compliance with the applicable employment and labour laws and regulations of Malaysia, including adhering to the set minimum wage and benefits. Our commitment to these standards is reflected in our Group’s Code of Conduct and Ethics and Employees’ Handbook.

In addition to basic salary and performance bonus, we provide the following benefits to our employees:

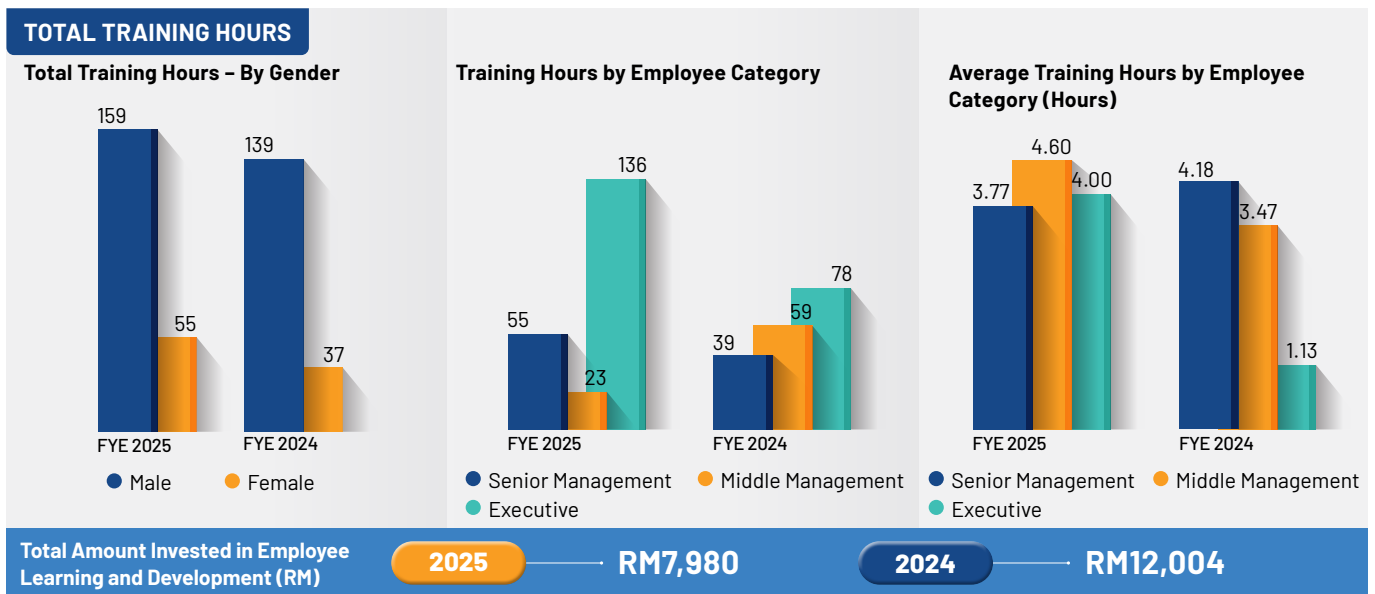
Benefits Provided to Employees

General Benefits	Contributions to Employees Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance Scheme (EIS)
Healthcare	Medical benefits, hospitalisation and surgical insurance scheme and personal accident insurance scheme
Allowance	Business travel claims, food, car park, mobile phone and shift allowance
Leave	Annual leave, public holidays, medical leave, hospitalisation leave, compassionate leave, paternal/maternity leave, and marriage leave

Our policies ensure that all employees are well-informed about their rights and responsibilities, and that they contribute to a culture of respect and inclusion. As we move forward, we remain dedicated to continuously improving our practices, ensuring that our workplace is not only compliance with labour standards but also a place where fairness and equality thrive for everyone.

We recorded zero human rights violations, which reflects our commitment to fostering an environment free from discrimination or unfair practices in the FYE 2025 and FYE 2024.

We remain mindful to provide learning and development opportunities to our employees to enable them to be upskilled and be ready to step-up for succession and promotion opportunities. Our performance in the FYE 2025 and FYE 2024 relating to learning and development courses provided by external trainers is set out in the table below:



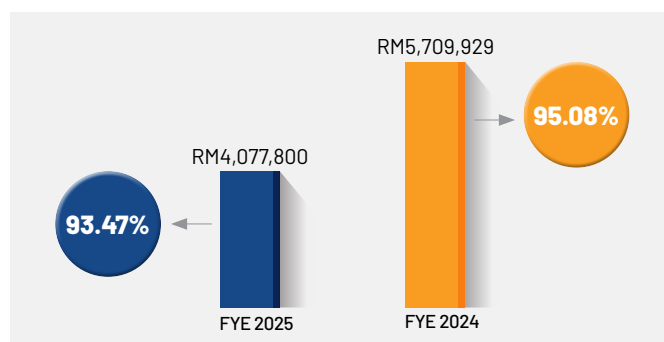
Material Matter: Local Procurement and Supply Chain

We strive to create jobs and economic growth within local communities, fostering sustainable economic development, local procurement aligns with the goals of responsible consumption and production. We are committed to ensuring that our procurement practices are fair and transparent in order to engage the most reliable and responsible suppliers and service providers. We adhere to our zero tolerance for corruption when dealing with suppliers and service providers.

Our operations have generated benefits throughout the supply chain, positively impacting local communities and supporting industries. We have created numerous skilled jobs and made significant investments within the supply chain, leading to long-term indirect economic effects. We prioritise procuring products and services from local suppliers and providing business opportunities to small and medium enterprises (SME) suppliers and service providers.

Our Performance

The RM value and percentage of our total costs and expenses procured from local suppliers/service providers were as follows:



Our Focus Area: Responsible Environment Stewardship



Our Group's nature of operations in the financial services industry does not have significant impact on the environment. However, we consider the direct and indirect impact of our business on the environment and manage our ecological footprint as we grow. We endeavour to play our part in inculcating a culture of conservation and to reduce consumption of energy and water as well as proper handling of waste across our business operations, including adhering to all applicable laws, regulations and standards related to environmental protection.

Notwithstanding, we strive to promote climate positive culture within our Group and relevant external stakeholders to attain a low carbon economy.

Material Matter: Conservation of Energy and Resources

We strive for responsible management of natural resources and energy to minimise waste, reduce environmental impact, and ensure sustainability for the future.

Our Performance

Electricity and Water Management

Our Group is mindful that energy management is essential for combating climate change and for lowering our Group's overall environmental footprint. The electricity supply is from the local supply and our Group aims to minimise electricity usage in all offices by implementing the following energy saving efforts:

- A lighting schedule across key areas in all office to switch off lights during certain hours of least use.
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency including installing energy saving LED light bulbs.
- Educate staff to switch off lights, air conditioning or other electrical appliances in the office and pantry when not in use.

Our electricity consumption, all from Tenaga Nasional Berhad's supply is as follows:

	FYE 2025	FYE 2024
- Value	RM160,472	RM205,354
- Usage (kilowatts)	301,308	391,532

During the FYE 2025, our Group recorded a 21.86% reduction in electricity charges, primarily due to the relocation of the Butterworth Branch from the rented office to our own building in May 2025 whereby new energy saving air conditioners and lightings are installed as well as more efforts demonstrated by employees to conserve electricity consumption. Moving forward, our Group will continue to monitor the electricity usage and consume electricity more efficiently.

Our water consumption, all from municipal water supply is as follows:

	FYE 2025	FYE 2024
- Value	RM3,244	RM3,260
- Volume (megalitres)	1.31	1.33

During the FYE 2025, water consumption reduced marginally by 0.02 megalitres as a result more conservation efforts.

Material Matter: Effluent and Waste Management

We strive to minimise environmental harm, conserve resources, and promote a cleaner and healthier environment.

Waste Management

Our Group's business activities and operations do not generate hazardous waste. However, our Group acknowledges that the environmental impact of paper usage is significant. Our Group's approach to waste management is to avoid unnecessary plastics and paper consumption and waste generation, where possible and appropriate, to reduce wastage. We promote the use of e-statements, e-contract notes, paperless environment, and recycling papers in the work place to reduce the use of paper for communication purposes both internally and externally. Our Group will look at ways to reduce paper consumption including the following paper management:

- Avoiding printing and photocopying and emphasising on paperless via electronic mode. In addition to this, practice of double-sided printing or reducing the size to have the best economical usage of papers.
- Reusing – by printing on the other side of the printed papers.
- Recycle – recycle the used and shredded papers by having proper recycling bins.

All employees are encouraged to go paperless in carrying out their daily work and only print physical copies of documents as necessary (double-sided and in black and white, if practicable). Additionally, we have adopted the practice of circulating e-meeting papers whereby documents and files are transmitted via soft copies.

Recyclable materials such as paper are separately identified and are disposed to recycle paper collectors instead of mixing it with other non-recyclable waste for disposal.

Material Matter: Climate Change - Greenhouse Gas (GHG) Emissions

We shall endeavour to contribute to reduction of greenhouse gas emissions from our operations to prevent severe climate change with the aim towards meeting Malaysia's commitment of net zero GHG emissions by 2050.

We are committed to responsibly manage our direct and indirect GHG emissions from our business activities. We derived our Scope 1 GHG emissions from fuel consumption data of group-owned vehicles, while our Scope 2 GHG emissions calculation is based on purchased electricity consumption throughout our Group's offices.

Our Performance

	FYE 2025	FYE 2024
Scope 1 direct GHG emissions	15.37 mtCO₂e	14.59 mtCO ₂ e
Scope 2 indirect GHG emissions	233.21 mtCO₂e	303.04 mtCO ₂ e

Note:

Scope 1 and Scope 2 GHG emissions factors were sourced from the User Guide-SEDG Greenhouse Gas Emissions (GHG) Calculator.

In the coming years, we will consider disclosing our Scope 3 GHG emissions which will mainly encompass waste generated from operations, business travel and employee commuting to offices using their own motor vehicle and public transport.

Material Matter: Compliance with Environmental Regulations

We strive to adhere to legal requirements for protecting the environment, conserving resources, and promoting sustainability.

Our Group's operations are conducted in compliance with the regulations and standards established by the Department of Environment, Malaysia to ensure responsible handling of material and waste management in the FYE 2025 and FYE 2024.

Corporate Governance Overview Statement

Our Board of Directors (“Board”) recognises the significance of adopting the corporate governance practices set out in the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia (“MCCG”) as well as the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”). Our Board remains committed to upholding sound corporate governance practices and to continuously strengthening them across our Company and subsidiaries (“Group”), for long-term sustainability of our Group’s business activities to foster growth and continuously safeguard and enhance shareholders’ value as well as other stakeholders’ interests.

This Corporate Governance Overview Statement (“**CG Statement**”) is also presented in compliance with Rule 15.25(1) of the Listing Requirements.

This CG Statement provides an overview of the application by our Group of the corporate governance practices recommended in the MCCG throughout the financial year ended 31 October 2025 (“**FYE 2025**”) with reference to the following three (3) principles set out in the MCCG:



Full details of our Group’s application of each corporate governance practice recommended in the MCCG are disclosed in our Corporate Governance Report 2025. Shareholders are advised to read this CG Statement together with the Corporate Governance Report 2025, which is available on our Company’s website at www.mercurysecurities.com.my/annual-reports/ and through our Company’s announcement published on Bursa Securities’ website.

Principle A Board Leadership and Effectiveness

PART I - BOARD RESPONSIBILITIES

1.1 Functions of our Board

Our Board is primarily responsible for, amongst others, the overall corporate governance, strategic plans and directions to ensure continued sustainability and long-term success of our Group’s business, overseeing the proper conduct of business, risk management and internal control, succession planning of key Management and fostering effective stakeholders’ communications.

Our Board sets the strategic directions of our Group, provides oversight of the Management, and sets the appropriate tone at the top, whilst providing thought leadership and championing good governance and ethical practices throughout our Group.

1.2 Board Charter

As recommended in Practice 2.1 of the MCCG, our Board has formalised and adopted the Board Charter which sets out its functions, authority, roles and responsibilities as well as the various internal processes and principles governing our Board.

The Board Charter provides a clear delineation of relevant matters and applicable limits, including those matters reserved for our Board's approval and those delegated to the Board Committees, the Managing Director and the Management. This delineation ensures that all parties involved understand their respective roles and responsibilities, thus promoting effective decision-making, robust risk management, sustainability practices, ethical and responsible business conduct as well as regulatory compliance.

The Board Charter would be reviewed as and when necessary to ensure that it remains aligned with our Board's objectives and responsibilities as well as with the latest changes to the Listing Requirements, the MCCG and other regulatory requirements ensuring that the Board Charter remains relevant and up-to-date.

The Board Charter is published on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

1.3 Board Committees

Our Board has established and delegated certain specific responsibilities to the following three (3) Board Committees:

- Audit and Risk Management Committee ("**ARMC**");
- Nomination Committee ("**NC**"); and
- Remuneration Committee ("**RC**")

Each Board Committee operates in accordance with its respective Terms of Reference as approved by our Board. These Board Committees are authorised by our Board to deal with and to deliberate on matters delegated to them within their respective Terms of Reference. The Chairman of the respective Board Committees will report to our Board on their proceedings, deliberations together with their recommendations to our Board for further deliberation and ultimate decision making.

The Terms of Reference of the three (3) Board Committees will be reviewed periodically and are available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

1.4 Chairman is an Independent Non-Executive Director and not a Member of any Board Committees

Our Board is chaired by Dato' Baharon Bin Talib, an Independent Non-Executive Chairman and he is responsible for providing leadership to our Board, ensuring our Board fulfils its stewardship and fiduciary responsibilities, facilitating effective decision-making within our Board as well as upholding good conduct and best practices during shareholders' general meetings.

As recommended in Practice 1.4 of the MCCG, our Chairman is not a member of any Board Committees. Our Board acknowledges that having the same person assuming the positions of Chairman of our Board, and Chairman of each Board Committees gives rise to the risk of self-review and may impair the objectivity of our Board when deliberating on the observations and recommendations put forth by the respective Board Committees.

1.5 Separation of Positions of Chairman and Managing Director

As recommended in Practice 1.3 of the MCCG, Dato' Baharon Bin Talib is our Chairman whilst Mr. Chew Sing Guan is our Managing Director. This separation of these two (2) positions ensures that there is a balance of power and authority to promote accountability and prevent unfettered powers in decision making.

The duties and responsibilities of our Chairman and Managing Director are set out in the Board Charter which is accessible in our Company's website at www.mercurysecurities.com.my/corporate-governance/.

1.6 Qualified and Competent Company Secretary

Our Board is supported by two (2) qualified and experienced Company Secretaries, who are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 and they are also registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.

The Company Secretaries provide advisory services, particularly on applicable governance best practices, corporate administration and Board practices and processes to facilitate overall compliance with the Listing Requirements, the MCG, Companies Act 2016 and other applicable laws and regulations. The Company Secretaries' roles includes, facilitating compliance and ensuring the smooth functioning of our Board.

Our Board and each Director have direct access to the professional advice and services of the Company Secretaries to assist them in performing their duties and discharging their responsibilities effectively.

Further details of the duties and responsibilities of the Company Secretaries are set out in the Board Charter which is accessible in our Company's website at www.mercurysecurities.com.my/corporate-governance/.

1.7 Access and Dissemination of Information

All Directors of our Company have the same right of access to all information within our Group and may seek the advice of the Management on matters under discussion or request further information on our Group's business activities and matters tabled for their consideration. In addition, our Board, to objectively and effectively discharge their duties and responsibilities, has unrestricted and timely access to the advice and services of the Company Secretaries and, if deemed necessary, other independent professionals at the expense of our Company in the discharge of their duties and responsibilities.

1.8 Meeting of Board and Board Committees

To facilitate time management by our Directors, an annual meeting calendar is prepared in advance of each new financial year by the Company Secretaries. The calendar provides our Directors with scheduled dates for meetings of our Board and Board Committees as well as the Company's annual general meeting ("AGM"). The closed periods for dealings in our Company's securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of our Group's unaudited quarterly financial results were also furnished by the Company Secretaries for their guidance.

Notices of Board and Board Committees meetings, together with the meeting papers are generally furnished to the members of our Board and Board Committees, at least five (5) business days prior to the dates of meetings. This is to accord sufficient time for our Directors to peruse and review the Board papers and to seek any clarification or further details that they may need from the Management or to consult independent advisers (if necessary), to facilitate and enable them to make an informed decision during the meetings.

The deliberations and conclusions of matters discussed in our Board and Board Committees meetings are duly recorded in the minutes of meetings by the Company Secretaries. The draft minutes are circulated to our Board and Board Committees members for review within a reasonable timeframe after the meetings and the minutes will be confirmed at the next Board and Board Committees meeting.

For urgent matters which require our Board's decision outside the scheduled Board's meetings, approvals are obtained from our Board 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 will be tabled for notation at the next Board meeting.

All the records of proceedings and resolutions passed are maintained at the registered office of our Company.

1.9 Reinforcing Good Business Conduct and Ethics

Our Board promotes a culture of integrity by encouraging employees throughout the Group to uphold the highest standards of good business conduct and ethics. To support this commitment and mitigate potential risks, our Board had approved and put in place the following policies:

(i) Code of Conduct and Ethics

Our Board has adopted the Directors' Code of Conduct and Ethics as well as the Employees' Code of Conduct and Ethics (collectively referred as "**Codes**").

The Codes set out the general principles and guidance regarding ethical behavior and professional conduct for the Directors, Management and employees of our Group to observe. These principles address the duties and obligations during their appointments, inter-alia, including the expectation of conducting themselves with professionalism and trustworthiness from the Directors, Management and employees of our Group.

The Codes are published on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

(ii) Whistleblowing Policy and Procedures ("Whistleblowing Policy")

Our Board recognises whistleblowing as an important mechanism in the prevention and detection of improper conduct, bribery or corruption in the conduct within our Group's activities by the Directors, Management and employees of our Group.

The Whistleblowing Policy provides an avenue for employees and other stakeholders to report any misconduct, breaches or suspected breaches of any law or regulation, including business principles and our Group's standard operating policies and guidelines, in a safe and confidential manner.

The Whistleblowing Policy including how to make a report by any complainant is published on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

(iii) Anti-Bribery and Anti-Corruption Policy and Guidelines ("ABAC Policy")

In line with the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**"), our Board has implemented the ABAC Policy to promote a culture of integrity and transparency in all our Group's activities and to demonstrate our Company's commitment against all forms of bribery and corruption.

The ABAC Policy adheres to the Listing Requirements and the Guidelines on Adequate Procedures issued pursuant to Section 17A (5) of the MACC Act. It outlines the responsibilities of our Company, and all individuals/persons who work for/with our Group, in observing and upholding our Group's position on zero tolerance of bribery and corruption. The ABAC Policy provides key anti-bribery and anti-corruption principles that apply to all interactions with our Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management and remediation of bribery and corruption related risks.

The ABAC Policy including instructions how to make a report by any complainant is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

(iv) Fit and Proper Policy and Procedures

In line with Rule 15.01A of the Listing Requirements, our Board has implemented the Fit and Proper Policy and Procedures which serves as a guide for the NC and our Board in their review and assessment of potential candidates for Board's appointment as well as the retiring Directors who are seeking re-election at the Company's AGM.

This policy serves to ensure that the person to be appointed or re-elected as a Director possesses the necessary character, integrity, experience and competence as well as the ability to discharge and provide the appropriate commitment, participation and contribution to our Board and the Group.

The Fit and Proper Policy and Procedures is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

(v) Conflict of Interest Policy (“COI Policy”)

Our Board has implemented the COI Policy to ensure that our Directors and Senior Management act responsibly and objectively always in the best interests of our Group and are free from any personal, financial, non-financial or other conflicts that may compromise their judgment or impartiality in making decisions or judgement that could undermine the interests of our Group.

The COI Policy is available on our Company’s website at www.mercurysecurities.com.my/corporate-governance/.

(vi) Related Party Transactions Policy and Procedures (“RPT Policy”)

Our Board has implemented the RPT Policy, amongst others, to ensure that:

- (a) related party transactions (“RPT”) and recurrent related party transactions of a trading or revenue nature (“RRPT”) when undertaken by our Group are conducted at arm’s length basis and on normal commercial terms which are not more favourable to the related party(ies) than those generally available to the public and are not on terms that are detrimental to the non-interested shareholders of our Company; and
- (b) approval has been obtained from the non-interested shareholders at a general meeting for the RPT and RRPT in compliance with the Listing Requirements, when required.

The RPT Policy is available on our Company’s website at www.mercurysecurities.com.my/corporate-governance/.

1.10 Sustainability Governance

Our Board recognises the importance of sustainable business practices in creating long-term value for all stakeholders and believes that conducting our Group’s activities in a responsible manner is closely linked to achieving operational excellence and fostering value creation.

Our Board oversees the Company’s approaches to sustainability, ensuring strategic initiatives and measures effectively address material economic, environmental, social and governance (“EESG”) related risks and opportunities. Our Board has delegated to the ARMC, certain responsibilities to drive our Group’s sustainability initiatives whilst operational execution of the EESG related risks and opportunities, falls within the purview of the Corporate Sustainability Committee as well as the Management.

A comprehensive account of our Group’s sustainability efforts can be found in the Sustainability Statement included in pages 24 to 45 of this Annual Report.

PART II - BOARD COMPOSITION**2.1 Board Members**

Our Directors in office throughout the FYE 2025 and up to the date of this CG Statement are as follows:

No.	Name of Director	Designation
1	Dato’ Baharon Bin Talib	Independent Non-Executive Chairman
2	Mr. Chew Sing Guan	Non-Independent Executive Director/Managing Director
3	Dato’ A. Rahman Bin Safar	Non-Independent Non-Executive Director
4	Mr. Chan Kim Hing	Independent Non-Executive Director
5	Datin Chua Suat Khim	Independent Non-Executive Director
6	Ms. Himahlini A/P M. Ramalingam @ Yalumallai	Independent Non-Executive Director

Throughout the FYE 2025, our Board composition is in compliance with:

- Practice 5.2 of the MCCG, which requires that at least half of our Board members comprising Independent Non-Executive Director; and
- Practice 5.9 of the MCCG, which requires that at least 30% women Directors in our Board.

Collectively, our Directors have diverse backgrounds and experiences in various fields. They bring with them a wide range of knowledge, capabilities, competencies, managerial and business skills to direct and drive our Group's business activities effectively. Our Board's composition with a majority of Independent Non-Executive Directors also enables independent and objective judgement as well as provide an effective oversight, check and balance to safeguard the interests of the minority shareholders. The profiles of our Directors are detailed in pages 4 to 6 of this Annual Report.

2.2 New Candidate for Board Appointment

The appointment of new Board member will be conducted through a formal and transparent selection process. New candidate will be considered and evaluated by the NC. After evaluation, the NC will recommend the suitable candidate for final consideration and approval by our Board.

In making the recommendation to our Board for final decision, the NC will consider and nominate a suitable candidate based on the objective criteria, which include amongst others:

- skills, knowledge, expertise, and experience;
- professionalism and integrity;
- fit and proper assessment;
- time commitment to the Company based on the number of directorships held; and
- fulfil "independent" criteria stipulated in the Listing Requirements for the position of Independent Director.

In identifying for and shortlisting of suitable candidate, the NC does not rely solely on recommendations from existing Board members, Management and major shareholders. If necessary, the NC will also identify potential candidate from independent sources such as the Institute of Corporate Directors Malaysia.

During the FYE 2025, there was no new appointment of Board member.

The roles and responsibilities of the NC is detailed in its Terms of Reference, which is accessible on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

2.3 Gender Diversity of Board and Senior Management

As encapsulated in the Board Charter, our Company has a gender diversity policy at the Board level in compliance with Practice 5.9 of the MCCG whereby the Board members shall comprise of at least 30% women Directors. Throughout the FYE 2025 and up to the date of this CG Statement, our Board comprises one third (1/3) composition of women Directors namely, Datin Chua Suat Khim and Ms. Himahlini A/P M. Ramalingam @ Yalumalai out of six (6) Directors on our Board.

Whilst acknowledging the recommendation of the MCCG 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 provide fair and equal opportunities, fostering diversity and nurturing a diverse talent pool within our Group.

Our Company adheres to a non-discriminatory approach with regards to gender in selection of candidate for employment. The evaluation of the suitability of candidates is always based on the candidates' competencies, skills, character, integrity, performance, knowledge, and experience, all aimed at adding value and expertise to the Senior Management team.

Notwithstanding that our Company does not set any specific target for gender diversity at the Senior Management level, our Company will continuously strive to have a gender-balance team.

2.4 Tenure of Independent Non-Executive Directors

Our Board Charter stipulates that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended under Practice 5.3 of the MCCG. However, upon completion of the nine (9) years, the Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Director and subject to annual shareholders' approval through a two-tier voting process in accordance with the recommended practice of the MCCG.

None of our Company's four (4) existing Independent Non-Executive Directors has exceeded the tenure of a cumulative term of nine (9) years.

2.5 Board Committees

The Board Committees are set up to manage specific tasks for which our Board is still ultimately responsible within clearly defined Terms of Reference. This structure ensures that our Board members can deploy their time more efficiently while the Board Committees are entrusted with the authority to deliberate and address specific issues within their respective Terms of Reference which are available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

Our Board has established three (3) Board Committees and the membership of each Board Committee throughout the FYE 2025 and up to the date of this CG Statement is set out in the table below:

Name of Director	ARMC	NC	RC
Mr. Chan Kim Hing (Independent Non-Executive Director)	Chairman	Member	Member
Datin Chua Suat Khim (Independent Non-Executive Director)	Member	Member	Chairman
Ms. Himahlini A/P M. Ramalingam @ Yalumallai (Independent Non-Executive Director)	Member	Chairman	Member

The activities conducted by these three (3) Board Committees during the FYE 2025 are contained in the Audit and Risk Management Committee Report, Nomination Committee Report and Remuneration Committee Report included in this Annual Report.

2.6 Board Process for Re-appointment of Retiring Directors

In accordance with our Company's Constitution, one third (1/3) of our Directors for the time being shall retire at the AGM provided always that all Directors, shall retire from office at least once in every three (3) years. Additionally, our Company's Constitution requires that Director(s) appointed to fill a casual vacancy or as an addition to our Board shall hold office only until the conclusion of the next AGM.

In assessing the eligibility of retiring Directors for re-election, the NC considers various factors including their competencies, commitment, contribution, performance and their ability to act in the best interests of our Company. Based on the NC's recommendations, our Board will deliberate and make recommendations concerning the re-election, and continuation in office of the retiring Director(s) for shareholders' approval at the forthcoming AGM.

In addition to the annual evaluation conducted on each individual Director, the NC and our Board (save for the retiring Directors) have also reviewed the suitability as well as fit and proper criteria of the Directors retiring pursuant to Clause 76(3) of our Company's Constitution. Being eligible, the following Directors are seeking re-election and our Board recommends that shareholders approve their re-election at the forthcoming AGM:

No.	Name of Director	Directorship
1	Datin Chua Suat Khim	Independent Non-Executive Director
2	Ms. Himahlini A/P M. Ramalingam @ Yalumallai	Independent Non-Executive Director

2.7 Annual Evaluation of the Directors, Board and Board Committees as a whole

Our Board has, through the NC, has undertaken a formal and objective annual evaluation to assess the effectiveness of our Board and Board Committees as a whole and the contribution of each Director, including fulfillment of the “independence” criteria for Independent Non-Executive Directors as stipulated in the Listing Requirements.

The assessment of our Board and Board Committees is performed through a Board review whilst the assessment of the individual Directors is performed on a peer-review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by our Directors are deliberated at the NC meeting and thereafter the NC’s Chairman will report the results and deliberation to our Board for consideration and further action if required.

In evaluating the performance of Non-Executive Directors, the assessment also comprises amongst others, their attendance at meetings, adequate preparation for discussions, regular contributions, personal input and other advice or comments on issues deliberated at Board or Board Committee meetings.

In evaluating the performance of our Managing Director, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, compliance, business acumen or increase shareholders’ value, succession planning and personal input to the role.

Subsequent to the FYE 2025, the NC and our Board carried out the annual assessment of our Board and Board Committees as a whole as well as the individual Director’s performance with the outcome deemed satisfactory by our Board.

2.8 Attendance of Board and Board Committees’ Meetings

Our Board schedules at least five (5) meetings in a financial year to, amongst others, deliberate and approve key matters, including our Group’s unaudited quarterly financial results, annual audited financial statements, and this Annual Report. Additional meetings will be convened to address urgent proposals or critical matters where necessary.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2025 are as follows:

Name of Director	Board	ARMC	NC	RC
Dato’ Baharon Bin Talib	5/5	-	-	-
Mr. Chew Sing Guan	5/5	-	-	-
Dato’ A. Rahman Bin Safar	5/5	-	-	-
Mr. Chan Kim Hing	5/5	5/5	1/1	1/1
Datin Chua Suat Khim	5/5	5/5	1/1	1/1
Ms. Himahlini A/P M. Ramalingam @ Yalumalai	5/5	4/5	1/1	1/1

Based on the attendance by the Directors who held office during the FYE 2025, our Board is satisfied with the level of time commitment towards fulfilling their roles and responsibilities as Directors of our Company.

2.9 Directors' Training

Our Board acknowledges the importance of continuous training and education for the Directors to ensure they possess the necessary skills and knowledge to discharge their duties and responsibilities with the utmost effectiveness.

All Directors have completed Part I and Part II of the Mandatory Accreditation Programme stipulated under Rule 15.08 and Guidance Note 10 of the Listing Requirements. During the FYE 2025 and up to the date of this CG Statement, our Directors have attended the following training programmes to enhance their skills and knowledge:

Name of Director	Date	Programme
Dato' Baharon Bin Talib	11 August 2025	The Chairperson's Circle at Bursa Malaysia
Mr. Chew Sing Guan	26 March 2025	Webinar on "Empowering Stock Market Professionals with Today's AI for the Capital Markets of Tomorrow"
	24 May 2025	Understanding Start-up Company Values
Dato' A. Rahman Bin Safar	4 February 2025	RPQT Guidelines in Malaysia
	29 April 2025	Property Development in Malaysia KPKT Guidelines
	12 June 2025	E-invoicing Implementation - UBS
	14 July 2025	The roles of Accountant in Engineering success
	11 November 2025	The role of Finance Disciplines in Implementation of Mega Project - KLIA Experience
Mr. Chan Kim Hing	27 May 2025	E-invoicing workshop - SL Software Solutions
	28 August 2025	Road to IPO-Listing on Bursa Malaysia Securities Berhad
Datin Chua Suat Khim	13 March 2025	Navigating 2024/2025 Transfer Pricing Changes in Malaysia and Singapore
	10 April 2025	Reserved Matters for Shareholders
	16 April 2025	The Future of Corporate Reporting: Embracing IFRS S1 & S2 and the continued relevance of Integrated Thinking and Reporting
	19 May 2025	Strategic Leadership in the Age of AI and RPA: Driving Purpose and Innovation
	22 May 2025	Ethics in Sustainability Reporting
	26-27 May 2025	MIA International Accountants Conference 2025
	30 June 2025	Sales Tax Amendments & Service Tax Expansion
	2 July 2025	Broadening the Base: The New Landscape of Sales and Service Tax
	4 July 2025	From vulnerable to vigilant: is your organisation cyber ready
	28 July 2025	Strategic oversight in strategy implementation: getting execution right at the board level
	21 August 2025	Reverse Governance: What if the Algorithm Assessment the Board
	29 September 2025	Audit Committee Conference 2025
	30 September 2025	Bringing AI Technology to Bear
23 October 2025	Raising the Bar: Strengthening Board Audit Committee Oversight	

Name of Director	Date	Programme
Ms. Himahlini A/P M. Ramalingan @ Yalumalai	21 January 2025	Spotlight on Fraud: Key Trends and Challenges in 2025
	23 January 2025	Talk on Limited Liability Partnership
	22-23 February 2025	Advocacy Training Course
	24-25 May 2025	Advocacy Training Course
	6 June 2025	Update on E-Invoicing and Recent Developments in Tax
	25 November 2025	Audit Oversight Board's Conversation with Audit Committee

In addition to the above training programmes, our Directors have continuously kept themselves abreast of the relevant changes and developments in the Listing Requirements, Companies Act 2016, other regulatory requirements, and accounting standards through the periodic updates from the Company Secretaries, as well as briefings by the External Auditors and Management respectively.

PART III – REMUNERATION

3.1 Remuneration Policy

Our Board had established the Remuneration Policy for Directors and Senior Management which serves as a guidance to:

- determine the level of remuneration of Directors and Senior Management;
- attract, retain, and reward high performing, experienced and qualified Directors and Senior Management by providing remuneration commensurate with their responsibilities and contributions, and being competitive within the industry; and
- encourage value creation for our Company by aligning the interests of Directors and Senior Management with the long-term interests of shareholders.

The RC assists our Board in implementing the remuneration policy, which includes reviewing and recommending the proposed remuneration packages of Directors of our Company and Group.

Our Board will determine the remuneration package of the Managing Director, taking into consideration the recommendation of the RC. The remuneration package for our Managing Director is structured in such a way that it links rewards to both corporate and individual performance.

Independent Non-Executive Directors of our Company will be paid a basic fee as ordinary remuneration based on their responsibilities in our Board and Board Committees, their attendance and/or special skills and expertise they bring to our Board and Board Committees. The fee shall be fixed in sum and not based on a commission on or percentage of profits or turnover. Apart from Directors' fees, all Non-Executive Directors are entitled to meeting allowances for attending Board and Board Committee meetings.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

The Remuneration Policy for Directors and Senior Management is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

3.2 Remuneration of Directors

The Directors' remuneration of our Company and Group basis for the FYE 2025 are as follows:

	Directors' fees	Salary	Bonus	Contributions to EPF, Socso and EIS	Meeting Allowances	Benefits-in-kind	Total
	← RM →						
Company							
Non-Executive Director							
Dato' Baharon Bin Talib	96,000	-	-	-	3,000	-	99,000
Dato' A. Rahman Bin Safar	48,000	-	-	-	3,000	-	51,000
Mr. Chan Kim Hing	48,000	-	-	-	3,000	-	51,000
Datin Chua Suat Khim	48,000	-	-	-	3,000	-	51,000
Ms. Himahlini A/P M. Ramalingam @ Yalumalai	48,000	-	-	-	3,000	-	51,000
Group							
Executive Director							
Mr. Chew Sing Guan	-	300,000	-	893	-	15,500	316,393
Non-Executive Director							
Dato' A. Rahman Bin Safar	24,000	-	-	-	-	-	24,000

Pursuant to Section 230 of the Companies Act 2016, the fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. The relevant resolutions in relation to the Directors' fees and benefits payable to the Non-Executive Directors will be tabled to the shareholders for approval at the forthcoming 5th AGM.

3.3 Remuneration of Senior Management

Our Board has determined that disclosing the Senior Management's remuneration components including salary, bonus, benefits in-kind and other emoluments on a named basis in bands of RM50,000.00, would not be in the best interest of our Company/ Group due to the security, highly confidential and sensitive nature of this information, and concerns over potential key talent poaching given the competitive nature of the financial services industry. Notwithstanding, the aggregated remuneration on an unnamed basis of our Group's key senior management personnel is disclosed in Note 24 (iii) to the Audited Financial Statements in this Annual Report.

Our Board will ensure the remuneration for the Senior Management personnel commensurate with their responsibilities, experience and performance in order to retain and motivate them to continue to contribute positively to our Group's performance.



Effective Audit and Risk Management

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE

4.1 Effective and Independent Audit and Risk Management Committee

The ARMC is relied upon by our Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, risk management and internal control, sustainability governance, internal audit and compliance functions, review of related party transaction and/or recurrent related party transaction of a revenue or trading nature as well as to review of conflict of interest situations of our Directors and Senior Management.

The ARMC is chaired by Mr. Chan Kim Hing, whereas our Board is chaired by Dato' Baharon Bin Talib, both are Independent Non-Executive Directors in compliance with Practice 9.1 of the MCGG. The positions of Board Chairman and ARMC Chairman are assumed by different individuals to ensure that our Board's review of the ARMC's findings and recommendations are not impaired but objectively deliberated.

The members and chairman of the ARMC complies with Rules 15.09 and 15.10 of the Listing Requirements and the recommended practices of the MCGG whereby all the three (3) ARMC members are Independent Non-Executive Directors with two (2) members, Mr. Chan Kim Hing and Datin Chua Suat Khim, being member of the Malaysian Institute of Accountants (MIA).

The term of office and performance of the ARMC and its members are reviewed by the NC annually to determine whether the ARMC and its members have carried out their duties in accordance with its Terms of Reference which is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

4.2 Suitability, Objectivity and Independence of External Auditors

Our Company has established a transparent and appropriate relationship with our Company's External Auditors, Grant Thornton Malaysia PLT, which has been accorded the authority to communicate directly with our Board. The External Auditors in turn are able to highlight matters which require the attention of our Board to the ARMC, particularly on compliance with the Malaysian Financial Reporting Standards promulgated by the Malaysian Accounting Standards Board, IFRS Accounting Standards, Companies Act 2016, financial reporting requirements, system of risk management and internal control and other related regulatory requirements.

The ARMC has been delegated by our Board to assess the suitability, objectivity, and independence of Grant Thornton Malaysia PLT, in accordance with our Company's External Auditors Assessment Policy. This assessment of the External Auditors encompasses the following key areas:

- competence, audit quality and resource capacity in relation to the audit;
- independence, objectivity and professional scepticism; and
- nature and extent of the non-audit services rendered and the appropriateness of the level of fees where applicable.

The ARMC's review of the nature and extent of non-audit services rendered by the External Auditors is to ensure that the provision of these services does not compromise their independence and objectivity.

The ARMC had received assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the By-Laws of the Malaysian Institute of Accountants and the firm's independence and ethical policy as set out in its Transparency Report 2024 issued on 30 April 2025 as well as all other relevant professional and regulatory requirements.

Based on the annual assessment, the ARMC is satisfied with the suitability, objectivity and independence of the External Auditors, Grant Thornton Malaysia PLT. Accordingly, based on the recommendation of the ARMC, our Board had recommended their re-appointment as our Company's External Auditors for the financial year ending 31 October 2026 to the shareholders for approval at the forthcoming AGM.

The External Auditors Assessment Policy is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

Our Board acknowledges its overall responsibilities and has put in place a structured risk management and internal control framework within our Group as an ongoing process for identifying, assessing, monitoring, and managing significant risks affecting the achievement of our Group's business objectives as well as compliance with applicable rules, directives, laws, and regulations of relevant authorities such as the Securities Commission Malaysia and Bursa Securities.

The risk management and internal control framework are designed to manage our Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals, and objectives of our Group and provides reasonable assurance against material misstatement of financial information and records or against financial losses or fraud.

Details of our Group's risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control on pages 67 to 72 of this Annual Report.

5.2 Internal Audit Function

Our Group has an in-house internal audit function that is independent of the activities and operations it audits to ensure its objectivity. The internal audit team reports directly to the ARMC and have unfettered access to the ARMC and our Board.

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 and internal control system, and governance of our Group to safeguard, amongst others, our Group's assets and resources and ensuring compliance with applicable regulatory requirements. The internal audit team makes recommendations in its reports to the ARMC and our Board on the effectiveness and adequacy of our Group's risk management and internal control system.

The ARMC reviews and approves the annual internal audit plan to ensure there is risk alignment as well as adequate scope and coverage of the business activities being audited. Additionally, the ARMC ensures that adequate resources are in place to facilitate the discharge of duties by the internal audit function.

Details of the areas audited and activities undertaken by the internal audit team are set out in the Audit and Risk Management Committee Report on pages 61 to 64 of this Annual Report.

Our Board has established and approved the Internal Audit Charter which serves to define and establish the mission, objectives, scope of work, status, authority, accountability, and responsibilities of our Group's internal audit function. The Internal Audit Charter is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.



Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PART I – ENGAGEMENT WITH STAKEHOLDERS

6.1 Ongoing Engagement and Communication with Stakeholders

Our Board recognises the importance of providing effective communication platforms to provide accurate, timely, transparent, and valuable insights on our Group's performance and financial position to shareholders and other stakeholders. As such, our Board shall consistently ensure prompt and timely dissemination of information to shareholders and other stakeholders, for them to make informed investment decisions, while being mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Unaudited quarterly financial results, Annual Report, Corporate Governance Report and other announcements serve as primary means of dissemination of information for keeping shareholders abreast of our Group's business performance, progress and developments. Our Company's corporate website, www.mercurysecurities.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and other Board's policies, announcements, news and events relating to our Group.

Our Company's general meetings remain an important informative platform for our shareholders to engage directly with the Directors. Shareholders are encouraged to attend the general meetings, where they will be given sufficient time and opportunity to participate in the proceedings, raise concerns on the resolutions being tabled, the financial performance and operations of our Group and to communicate their views and expectations relating to our Group as well as the resolutions tabled for their approval at general meetings. All Directors and Senior Management will attend and actively participate at our Company's general meetings and are available to provide meaningful responses to any questions or concerns addressed to them.

6.2 Corporate Disclosure Policy

Our Board believes that a robust and interactive stakeholder engagement and management are important components of sound corporate governance and promotes a better appreciation of our Company's and Group's long-term strategies and vision.

Our Board is committed to provide effective communication to shareholders and investing public regarding the business, operations, and financial performance of our Group and where necessary, that information filed with regulators is in accordance with the Listing Requirements and all other applicable legal and regulatory requirements.

Our Board also observes the Corporate Disclosure Guide issued by Bursa Securities which is calibrated in line with the disclosure requirements as stipulated in the Listing Requirements, and setting out the protocols for disclosing material information to shareholders and investing public.

The Stakeholders Communication Policy is available on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

PART II - CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The AGM remains as the principal forum for engaging with our shareholders, providing them the opportunity to seek clarification on our Group's financial performance, businesses and other information contained in this Annual Report.

In line with Practice 13.1 of the MCGG, the notice convening the Fifth AGM ("**5th AGM**") of our Company was issued to the shareholders at least 28 days prior to the meeting date, which is scheduled for 31 March 2026. This ensures shareholders have sufficient time to prepare themselves to attend the 5th AGM or to appoint a proxy or proxies to attend, speak and vote on their behalf.

In addition, our Company included explanatory notes to the ordinary and special business of the 5th AGM, to facilitate shareholders' full understanding and evaluation of issues involved in the proposed resolutions.

Our Board believes that the participation of shareholders in our Company's general meeting is the more appropriate platform where shareholders' views, queries and concerns may be conveyed to our Board for clarification. At the AGM and any other general meetings, shareholders are encouraged to participate in discussions on the proposed resolutions or future developments related to our Group's business and operations in general. Our Board will ensure that all Board members, Senior Management, External Auditors and Company Secretaries will be present to respond to shareholders' views and queries and provide necessary clarification during the forthcoming 5th AGM or any other general meetings.

All resolutions set out in the Notice of the 5th AGM will be put to vote by poll and the votes cast will be validated by an independent scrutineer appointed by our Company. The outcome of all resolutions tabled at the 5th AGM and any other general meetings will be announced to Bursa Securities at the end of the meeting day.

During the 4th AGM held on 30 April 2025, all the resolutions tabled were voted by poll, validated by an independent scrutineer and the outcome of the said meeting, announced on the same day.

7.2 Effective Communication and Proactive Engagement

From our Company's perspective, the AGM and Extraordinary General Meeting serve as a forum for our Directors to engage with shareholders personally to understand their needs and seek their feedback. Our Board encourages shareholders to raise their questions and provide feedback of the resolutions tabled during the meeting and ensures shareholders' queries are responded to properly and systematically.

Our Board shall ensure that a reasonable time is provided to shareholders for discussion at the AGM or Extraordinary General Meeting before each resolution is proposed. In line with Practice 13.6 of the MCCG, a summary of the key matters discussed at the AGM or Extraordinary General Meeting will be published within thirty (30) business days after the meeting on our Company's website at www.mercurysecurities.com.my for our shareholders' information.

STATEMENT ON COMPLIANCE

Our Group has in all material aspects, satisfactorily fulfilled the corporate governance principles and practices set out in the MCCG and the relevant chapters of the Listing Requirements on corporate governance, except for the departures addressed in our Corporate Governance Report 2025. Any recommended practices in the MCCG which are not implemented during the financial year will be reviewed by our Board and implemented where possible and relevant to the Group's business.

This CG Statement is issued in accordance with a resolution of the Board of Directors dated 12 February 2026.

Audit and Risk Management Committee Report

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The Audit and Risk Management Committee (“ARMC”) is pleased to present the ARMC Report for the financial year ended 31 October 2025 (“FYE 2025”) in compliance with Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) (“Bursa Securities”).

COMPOSITION OF THE ARMC

At present and throughout the FYE 2025, the ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors:

ARMC Members	Designation	Directorship
Mr. Chan Kim Hing	Chairman	Independent Non-Executive Director
Datin Chua Suat Khim	Member	Independent Non-Executive Director
Ms. Himahlini A/P M. Ramalingam @ Yalumalai	Member	Independent Non-Executive Director

COMPLIANCE WITH LISTING REQUIREMENTS AND MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 (“MCCG”)

The composition of the ARMC complies with the Listing Requirements and MCCG as detailed below:

Listing Requirements	Company’s ARMC
Rule 15.09 (1) (a) & (b)	The ARMC consist of three (3) members, all of whom are Independent Non-Executive Directors
Rule 15.09 (1) (c)	The ARMC Chairman, Mr. Chan Kim Hing and an ARMC member, Datin Chua Suat Khim are qualified accountants and are members of the Malaysian Institute of Accountants
Rule 15.09 (2)	None of the ARMC members is an alternate Director
Rule 15.10	The ARMC Chairman, Mr. Chan Kim Hing is an Independent Non-Executive Director

MCCG Practices	Company’s ARMC
Practice 9.1	The ARMC Chairman, Mr. Chan Kim Hing is not the Chairman of our Board
Practice 9.2	None of the ARMC members is a former partner of our Company’s external audit firm, Grant Thornton Malaysia PLT
Practice 9.3	Our Company has the External Auditors Assessment Policy to assess the suitability, objectivity and independence of the External Auditors
Practice 9.4	All ARMC’s members are Independent Non-Executive Directors
Practice 9.5	All ARMC members are financially literate, competent and are able to understand matters under the purview of the ARMC including the financial reporting process

TERMS OF REFERENCE

The ARMC assists our Board to inter-alia, fulfill its oversight responsibilities relating to corporate governance, sustainability practices and reporting, risk management and internal control system, financial reporting practices, reviewing our Group’s unaudited quarterly financial results and annual audited financial statements. Details of the Terms of Reference of the ARMC is available on our Company’s website at www.mercurysecurities.com.my/corporate-governance/.

MEETINGS AND ATTENDANCE

The ARMC convened five (5) meetings during the FYE 2025. Details of attendance of each member of the ARMC are as follows:

ARMC Members	Attendance
Mr. Chan Kim Hing	5/5
Datin Chua Suat Khim	5/5
Ms. Himahlini A/P M. Ramalingam @ Yalumalai	4/5

Meetings were appropriately structured, supported by detailed agendas and relevant meeting papers, which were distributed electronically in advance to enable the ARMC members to review the materials in preparation for their deliberation.

The Managing Director, Financial Controller, Internal Auditor, Compliance Officer, Head of Credit and Risk Management, the representatives of the External Auditors, Grant Thornton Malaysia PLT, representatives of the Sponsor, Public Investment Bank Berhad and other members of the Senior Management of our Group were present as and when invited.

The ARMC Chairman reported the proceedings of the ARMC meetings to our Board after every meeting and highlighted key matters discussed at each meeting to our Board, either for approval or notation.

SECRETARY OF THE ARMC

The Company Secretary acts as the secretary of the ARMC and provides the necessary services for the effective functioning of the ARMC. The minutes of each ARMC meeting were recorded by the Company Secretary, with the draft disseminated to its members for comments before tabling the same for confirmation at each succeeding ARMC meeting and subsequently presented to our Board for notation.

REVIEW OF THE ARMC

Pursuant to Rule 15.20 of the Listing Requirements, the terms of office and performance of the ARMC members were reviewed by the Nomination Committee ("NC"), including a self and peer review by the ARMC members. Following this review, the NC noted that the ARMC members have carried out their duties in accordance with its Terms of Reference.

SUMMARY OF ACTIVITIES

The main activities undertaken by the ARMC during the FYE 2025 and up to the date of this ARMC Report were as follows:

(1) Financial Reporting

- (i) Reviewed the unaudited quarterly financial results, annual audited financial statements and announcements, before recommending the same to our Board for approval, focusing particularly on:
 - going concern assumption;
 - key audit matters highlighted by the External Auditors;
 - changes in or implementation of major accounting policy changes;
 - significant matters highlighted, including financial reporting issues, significant judgments made by Senior Management, significant and unusual events or transactions, and how these matters were addressed;
 - impact on compliance with applicable Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards, Companies Act 2016 and other legal requirements; and
 - significant adjustment(s) arising from the external audit, if any.
- (ii) Reviewed the Annual Report 2025 including the Directors' Report, Audited Financial Statements and the notes thereof, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Sustainability Statement and Management Discussion and Analysis and recommended the same for our Board's further deliberations and approval for inclusion in this Annual Report.

(2) External Audit

- (i) Engaged with the External Auditors, Grant Thornton Malaysia PLT, in relation to areas of audit emphasis, the potential key audit matters, their audit approach, objective and scope, new accounting standards, timing of audit, engagement team and the proposed audit fees set out in their Audit Planning Memorandum which was tabled to the ARMC and subsequently reported the same to our Board by the ARMC Chairman.
- (ii) Reviewed and discussed with the External Auditors their Audit Completion Memorandum which provides an update on their audit status, audit report on the financial statements, key audit findings and issues arising from the audit and subsequently reported the same to our Board by the ARMC Chairman.
- (iii) Obtained assurance from the External Auditors that they are and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria promulgated by the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, and the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.
- (iv) Held two (2) private meetings with the External Auditors, in the absence of Senior Management, to discuss issues and any concerns the External Auditors might have from the conduct of interim and final audits, including any other matters the External Auditors might wish to discuss with the ARMC.
- (v) Reviewed the External Auditors' proposed fees for their statutory audit and other assurance related services, with feedback from Senior Management, prior to recommending the same to our Board for consideration and approval.
- (vi) Reviewed the Transparency Report 2024 issued by the External Auditors that provides relevant information on the audit firms' legal and governance structure, measures taken to uphold quality assurance and management, documentation and ethical principles.
- (vii) Assessed the effectiveness, independence, and performance of the External Auditors. Based on the outcome of this assessment in accordance with our Company's External Auditors Assessment Policy, the ARMC recommended to our Board to seek shareholders' approval for the re-appointment of Grant Thornton Malaysia PLT for the ensuing financial year ending 31 October 2026 at the forthcoming company's Annual General Meeting.

(3) Internal Audit

- (i) Reviewed and approved the internal audit annual plan, resources requirements and the proposed internal audit activities planned for the year 2025 to ensure adequate coverage on our Group's key risk areas.
- (ii) Reviewed and deliberated the internal audit reports which highlighted audit issues and recommendations as well as Senior Management's responses to ensure recommendations are adequately addressed. Report any significant matters from the internal audit reports to our Board.
- (iii) Assessed and evaluated the performance and effectiveness of the internal audit functions after the FYE 2025, which includes the scope, functions, competency, and resources as well as their ability to serve our Group in terms of technical competencies and manpower resource sufficiency.

(4) Compliance

- (i) Reviewed and deliberated the compliance reports tabled by the Compliance Officer which highlighted compliance issues, recommendations, Senior Management's responses and to ensure recommendations are adequately addressed. Report any significant matters from the compliance reports to our Board.
- (ii) Follow-up review of the progress of implementing the recommended actions for outstanding compliance findings to ensure all non-compliance issues were timely addressed, if any.
- (iii) Assessed and evaluated the performance and effectiveness of the compliance functions after the FYE 2025, which includes the scope, functions, competency, and resources as well as their ability to serve our Group in terms of technical competencies and manpower resource sufficiency.

(5) Related Party Transactions and Conflict of Interest

- (i) Reviewed recurrent related party transactions (“RRPTs”) of a revenue or trading nature entered into by our Group on quarterly basis to ensure that these RRPTs were conducted at arm’s length basis and on normal commercial terms based on terms which were generally not more favourable than to unrelated parties and were not detrimental to the interests of minority shareholders. Ensured that the RRPTs in the FYE 2025 are appropriately disclosed in the unaudited quarterly financial results as well as the annual audited financial statements.
- (ii) Monitored any conflict of interest or potential conflict of interest (excluding RRPTs) based on declaration by Directors and Senior Management. In the FYE 2025, no conflict of interest or potential conflict of interest was identified and/or disclosed to the ARMC save for the RRPTs as disclosed in Note 24 (ii) to the Audited Financial Statements of this Annual Report.

(6) Other Activities

- (i) Reviewed the ARMC Report 2025 prior to submission of the same to our Board further deliberations and approval for inclusion in this Annual Report.
- (ii) Reviewed the Corporate Governance Report 2025 and recommended the same for our Board’s for further deliberations and approval to be released together with this Annual Report.

Summary of Activities of the Internal Audit Function

The internal audit activities in the FYE 2025 were performed in-house by the Internal Audit Department. The Internal Auditor assists the ARMC and our Board by providing an independent objective assessment on the adequacy and effectiveness of our Group’s risk management and internal control system and governance processes. The total cost incurred for the internal audit function for the FYE 2025 amounted to RM0.12 million.

Subsequent to the FYE 2025, the ARMC approved the internal audit plan for the year 2026 tabled by the Internal Auditor.

During the FYE 2025, the Internal Auditor tabled the following internal audit reports to the ARMC for deliberations:

- (i) Review the Policies and Procedures on IT System and to Evaluate the Effectiveness of the IT System in Providing Accurate, Reliable and Timely Information;
- (ii) Review the Adequacy of Internal Controls in Relation to Opening of CDS Account, Transfer of CDS Securities/ Shares, Updating of CDS Account and Reactivation of Dormant and Inactive Accounts;
- (iii) Review Effectiveness and Efficiency of Credit Control and Risk Management;
- (iv) Assessment on Effectiveness and Efficiency of Corporate Finance Department;
- (v) Review Effectiveness and Efficiency of Cyber Security Management;
- (vi) Review the Adequacy of Internal Controls in relation to Enterprise Risk Management;
- (vii) Anti Money Laundering and Counter Financing - Policies and Procedures;
- (viii) Employee Training - Policies and Procedures;
- (ix) Appraisal on the Management Performance - ARMADA System;
- (x) Appraisal on the Management Performance - Conduct of Business; and
- (xi) Assessment on the Adequacy of Compliance Officers.

Nomination Committee Report

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The Nomination Committee (“NC”) is pleased to present the NC Report for the financial year ended 31 October 2025 (“FYE 2025”).

COMPOSITION OF THE NC

At present and throughout the FYE 2025, the NC comprises three (3) members as follows:

NC Members	Designation	Directorship
Ms. Himahlini A/P M. Ramalingam @ Yalumallai	Chairman	Independent Non-Executive Director
Datin Chua Suat Khim	Member	Independent Non-Executive Director
Mr. Chan Kim Hing	Member	Independent Non-Executive Director

Our Company complies with Rule 15.08A(1) of the Listing Requirements as all the NC members are Independent Non-Executive Directors as well as Practice 5.2 of the MCG, where the NC facilitates in observing the requirements and responsibilities as prescribed.

TERMS OF REFERENCE

The NC assists our Board to, inter-alia, review the composition of the Board and Board Committee, assess the performance of the Board, Board Committees, and its members, making recommendation for appointment of new Directors and re-election of retiring Directors.

Details of the Terms of Reference of the NC is available on our Company’s website at www.mercurysecurities.com.my/corporate-governance/.

MEETINGS AND ATTENDANCE

The NC convened one (1) meeting during the FYE 2025. Details of attendance of each member of the NC who held office during the FYE 2025 are as follows:

NC Members	Attendance
Ms. Himahlini A/P M. Ramalingam @ Yalumallai	1/1
Datin Chua Suat Khim	1/1
Mr. Chan Kim Hing	1/1

The NC Chairman reported the proceedings of the NC meeting to our Board after every NC meeting. Minutes of the NC meeting are circulated to all members of our Board and significant issues were brought up by the NC Chairman and discussed at Board meetings.

SUMMARY OF ACTIVITIES

The activities undertaken by the NC during the FYE 2025 and up to the date of this NC Report were as follows:

- Evaluated the balance of skills, knowledge, and experience of our Board.
- Carried out the assessment and rating of each Director’s performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he/ she could devote sufficient time to perform the role effectively.
- Undertaken an effectiveness evaluation exercise of our Board and Board Committees as a whole with the objective of assessing its effectiveness.
- Reviewed and assessed the independence of the Independent Directors of our Company.
- Reviewed and assessed the performance of the ARMC and the RC.
- Reviewed and recommended to our Board for consideration, the re-election of the Directors who were due to retire at the forthcoming 5th AGM.
- Reviewed and assessed the training needs of our Directors.

Remuneration Committee Report

The Remuneration Committee (“RC”) is pleased to present the RC Report for the financial year ended 31 October 2025 (“FYE 2025”).

COMPOSITION OF THE RC

At present and throughout the FYE 2025, the RC comprises three (3) members as follows:

RC Members	Designation	Directorship
Datin Chua Suat Khim	Chairman	Independent Non-Executive Director
Ms. Himahlini A/P M. Ramalingam @ Yalumalai	Member	Independent Non-Executive Director
Mr. Chan Kim Hing	Member	Independent Non-Executive Director

The Company complies with Practice 7.2 of the MCCG, where the RC fulfil the requirements and responsibilities as prescribed.

TERMS OF REFERENCE

The RC is responsible to assist our Board inter-alia, to implement the remuneration policies and procedures including reviewing and recommending matters relating to the remuneration of our Board and Senior Management.

Details of the Terms of Reference of the RC is available on our Company’s website at www.mercurysecurities.com.my/corporate-governance/.

MEETINGS AND ATTENDANCE

The RC convened one (1) meeting during the FYE 2025. Details of attendance of each member of the RC who held office during the FYE 2025 are as follows:

RC Members	Attendance
Datin Chua Suat Khim	1/1
Ms. Himahlini A/P M. Ramalingam @ Yalumalai	1/1
Mr. Chan Kim Hing	1/1

The RC Chairman reported the proceedings of the RC meeting to our Board after every RC meeting. Minutes of the RC meeting are circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

SUMMARY OF ACTIVITIES

The activities undertaken by the RC during the FYE 2025 up to the date of this RC Report were as follows:

- Reviewed the annual remuneration package of the Directors and key Senior Management;
- Reviewed and recommended for the Board’s approval of the Non-Executive Directors’ fees totaling RM312,000 for the period from 1 April 2026 until the conclusion of the next AGM for shareholders’ approval at the forthcoming 5th AGM; and
- Reviewed and recommended for the Board’s approval of the Non-Executive Directors’ benefits totaling RM50,000 for the period from 1 April 2026 until the conclusion of the next AGM at the forthcoming 5th AGM.

Before recommending for our Board’s approval, the RC considered various factors, including the number of scheduled meetings, the involvement of Non-Executive Directors in these meetings, and whether the proposed fees are aligned with market practices and our Company’s and Group’s performance.

The details of the remuneration, fees, allowances, and benefits paid to the Directors of our Company and the Group for services rendered in all capacities for the FYE 2025 are tabulated under Practice 8.1 of the Corporate Governance Report 2025 as well as Paragraph 3.2 of the Corporate Governance Overview Statement.

Statement on Risk Management and Internal Control

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Our Board is pleased to present the Statement on Risk Management and Internal Control (“Statement”) which provides the framework of risk management and internal control within our Company and its subsidiaries (“Group”) for the financial year ended 31 October 2025. This Statement is made in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) in alignment with Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance 2021 (“MCCG”) issued by the Securities Commission Malaysia and as guided by Bursa Securities’ Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

ROLES AND RESPONSIBILITIES FOR RISK MANAGEMENT AND INTERNAL CONTROL

(1) BOARD RESPONSIBILITIES

Our Board is committed to effective risk oversight, which is critical to setting the tone and culture towards effective risk management and internal control within our Group, to maintain a sound and robust system of risk management and internal control to safeguard shareholders’ interests as well as to protect our Group’s assets and business.

Our Board recognises that the system of risk management and internal control is designed to manage, rather than eliminate, the principal business risks that may impede our Group from achieving its business objectives and safeguarding our Group’s assets and business due to the limitations that are inherent in any system. As such, the risk management and internal control system can only provide reasonable assurance, and not absolute assurance against the occurrence of any material misstatements of management and financial information or against loss and fraud.

To fulfill its oversight responsibilities, our Board has established the Audit and Risk Management Committee (“**ARMC**”), Risk Management Committee (“**RMC**”) as well as internal audit and compliance functions to assist our Board in overseeing risk management, compliance and internal controls respectively.

The activities conducted by the internal audit and compliance functions provide added assurance to our Board and the ARMC that the risk management and internal control system that has been instituted throughout our Group is adequate and effective to safeguard our Group’s assets and business and shareholders’ interests.

The key roles and responsibilities of our Board are set out in the Board Charter and is available on our Company’s website, accessible at www.mercurysecurities.com.my/corporate-governance/.

(2) ARMC RESPONSIBILITIES

The ARMC has been entrusted to assist our Board on among others, to:

- provide oversight of our Groups risk exposure and ensure that significant risks are being responded with appropriate action plans in a timely manner;
- review the adequacy and effectiveness of the risk management process to identify key risks as well as the systems and processes in place to manage those risks;
- review the status of the implementation of management action plans in mitigating significant risks identified;
- establish a risk management infrastructure to address significant risks that our Group faces, which are identified and assessed by the RMC and Management team;
- provide an objective view on the effectiveness of enterprise risk management and internal controls as a whole to our Board, reviews and approves internal audit and external audit plans and monitors risk reporting;
- carry out appropriate investigations on risk matters when deemed necessary; and
- provide an independent view on specific risk and control issues, the state of internal control, trends and events.

The Terms of Reference of the ARMC is available on our Company’s website, accessible at www.mercurysecurities.com.my/corporate-governance/.

(3) RMC RESPONSIBILITIES

Our Board has established the RMC to assist our Board and the ARMC to ensure that the overall risk management and internal controls framework are relevant, adequate, and effective to identify, assess, mitigate and monitor the relevant risks impacting our Group.

The RMC which is headed by our Managing Director and supported by other key Management team, is tasked by our Board to:

- develop strategies, policies, and practices to manage significant risks in accordance with our Group's risk tolerance and limits;
- recommend changes to the risk management policies and procedures;
- recommend risk tolerance and limits as well as contingency plans that address the handling of unexpected events which might affect our Group's overall risk exposure;
- ensure our Group is conducted within the agreed-upon risk constraints and operations rules;
- continuously communicate, evaluate, review and improve the enterprise risk management framework; and
- receive and review reports on significant risks affecting our Group and recommend actions to manage these risks.

(4) MANAGEMENT RESPONSIBILITIES

The Management team of the respective operating units are responsible for:

- implementing all risk management policies and procedures established by our Board;
- identifying, evaluating and implementing risk measures as well as monitoring risks relevant to our Group's business and operations and the achievement of its risk management objectives;
- assisting the RMC to formulate appropriate risk management policies and procedures in line with our Group's business and operations including overall risk appetite;
- carrying out remedial actions to address compliance deficiencies as directed by our Board; and
- reporting any changes in risks or emerging risks, along with mitigating actions to be taken, to the RMC, ARMC and our Board in a timely manner.

(5) INTERNAL AUDIT AND COMPLIANCE FUNCTIONS

Our Group has established the Internal Audit Department and Compliance Department, whose primary function is to assist our Board and the ARMC by providing an independent assessment of the adequacy and effectiveness of the established risk management and internal control system, compliance with standard operating policies and laws, regulations, and guidelines of the relevant regulatory authorities.

To ensure independence and objectivity, the Internal Auditor and Compliance Officer reports directly to the ARMC and they have unfettered access to the ARMC and our Board.

On a quarterly basis, the results of the internal audit and compliance reviews and their recommendations for improvement are presented to the ARMC for deliberation and thereafter the ARMC Chairman will report any significant issues to our Board. Additionally, the status of implementation of corrective actions to address control weaknesses is also followed up by the Internal Auditor or Compliance Officer to ensure that outstanding issues have been resolved and satisfactorily implemented.

Further details of activities conducted by the Internal Audit Department and Compliance Department in the FYE 2025 are set out in the Audit and Risk Management Committee Report on page 61 to 64 of this Annual Report.

KEY ELEMENTS OF OUR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

(1) OVERALL ENTERPRISE RISK MANAGEMENT PROCESSES

Our Group's overall enterprise risk management ("ERM") processes are depicted in the diagram below:



(2) KEY RISKS, POTENTIAL IMPACT AND MITIGATING MEASURES

The key risks, potential impact and mitigating measures implemented by our Group are set out in pages 20 to 22 of the Management Discussion and Analysis section of this Annual Report.

(3) RISK ACTION IMPLEMENTATION AND MONITORING

In carrying out their respective duties and responsibilities, all key Management staff are required to assume responsibility for risk management within their respective areas of responsibility and to ensure that risk management is embedded in day-to-day business and decision-making processes. At least once on an annual basis, the RMC will update and report to the ARMC and our Board on the status of risk management activities. Significant changes to risk profiles and emerging risks are also identified and promptly brought to the attention of the ARMC and our Board.

(4) KEY FEATURES OF OUR GROUP'S INTERNAL CONTROL SYSTEM

The key structure, policies and processes established by our Board to ensure the adequacy and effectiveness of the internal control system include the following:

(i) Organisational Structure

Our Board has established an organisation structure with clearly defined Terms of Reference, lines of responsibilities, authority limits, and accountability aligned to business and operations requirements which include Board Committees (Audit and Risk Management Committee, Nomination Committee and Remuneration Committee) and Management level committees (such as the Risk Management Committee and Corporate Sustainability Committee) to support ongoing efforts for a strong and effective control environment. The formal organisational structure defines the accountability and responsibilities, reporting lines, segregation of duties and approving authorities to build an appropriate system of checks and balances, aligned with the business needs and operational activities of our Group.

(ii) Standard Operating Policies and Procedures

Standard operating policies and procedures including delegated authority limits on key activities that set out the objectives, scope, policies, and operating procedures for our Group, are communicated and made available to appropriate employees of our Group. These standard operating policies and procedures are reviewed regularly to ensure its appropriateness and in alignment with applicable regulatory requirements as well as to address changes in the risks profile or new products or services that are made available to our customers.

(iii) Regular Meeting

At the Management level, management level committees have been established to assist our Board to holistically manage the risks and businesses of our Group. In addition to regular Board meetings, these management level committees coupled with the ARMC, NC and RC, will also meet regularly to address all significant types of risk within our Board's delegated mandates.

(iv) Employees' Training

Training is provided to employees of our Group on relevant regulatory requirements, new/revised policies and procedures and guidance on the implementation of risk management and internal controls to manage operational, compliance and regulatory risks. All employees who are licensed representatives holding Capital Markets Services Representative's Licence ("CMSRL") for a regulated activity are required to obtain the requisite continuing professional education hours by attending approved courses to enable their CMSRL to be renewed by the Securities Commission Malaysia annually.

(v) Information Technology Security

The use of information technology is essential and central to our Group's business. In order to ensure the reliability and resiliency of the business operations in meeting the expectations of our customers and all other stakeholders, and in compliance with the regulatory guidelines, our Group has established, among others, the Cyber Security Framework, Data Security and Privacy Policy, Data Governance Framework. Additionally, necessary security protocols and procedures have been implemented to safeguard the confidentiality, integrity and accessibility of information systems and data. With the growing adoption of digitalisation for service delivery via cyberspace, our Group will continue to reinforce cyber security efforts and initiatives to align with our Group's current business and operational needs and comply with regulatory requirements. Our Group will continuously review and enhance the cyber security to mitigate the risks arising from new and emerging cyber threats.

A robust firewall system has been implemented to enhance network security. This system proactively safeguards computers and data by filtering traffic, preventing unauthorised access, and strengthening response mechanisms against potential threats. In addition, periodic penetration testing is conducted to test the robustness of the cyber security system.

(vi) Business Continuity Management

Business continuity plans have been established for our Group's core business to ensure continuity of business and operations even in the event of a disaster or disruption. The Management is responsible to ensure that our Group can expeditiously respond to and recover from significant unexpected events to limit disruption and impact on the business and operations. A data backup system is in place to ensure recovery of information in the event of untoward incidents. Regular testing or drills are conducted to enhance staff preparedness, assess the readiness of disaster recovery sites, and evaluate the effectiveness of the business continuity plans.

(vii) Internal Audit

The internal audit function provides an independent assurance on the adequacy and effectiveness of the risk management and internal control system through scheduled internal audit activities, carried out in accordance with the annual Internal Audit Plan approved by the ARMC or through unscheduled internal audits arising from specific circumstances. The Internal Audit reports are tabled and reviewed by the ARMC on a quarterly basis or as and when necessary and the ARMC's findings are escalated to our Board for final decision, if required.

(viii) Compliance

The compliance function provides an independent assurance on the compliance with regulatory requirements through scheduled compliance activities conducted in accordance with regulatory requirements. The Compliance reports are tabled and reviewed by the ARMC on a quarterly basis or as and when necessary and the ARMC's findings are escalated to our Board for final decision, if required.

(ix) Code of Conduct and Ethics

Our Board acknowledges the importance of promoting good business conduct and maintaining a healthy corporate culture among the Directors and employees and has formalised in writing the Directors' Code of Conduct and Ethics as well as the Employees' Code of Conduct and Ethics, which set out the standards of good behaviour by underscoring the core ethical values that are vital for their business decisions. The Directors' Code of Conduct and Ethics as well as the Employees' Code of Conduct and Ethics are published on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

(x) Whistleblowing Policy and Procedures (“Whistleblowing Policy”)

Our Board has established the Whistleblowing Policy, which provides an avenue for employees, clients, third party service providers, vendors and suppliers and members of the public to raise genuine concerns or report alleged, suspected, or actual wrongdoings or known improper conduct on a confidential basis without fear of any form of victimisation, harassment, retribution, or retaliation.

Details of the Whistleblowing Policy including how to lodge a report by a complainant are published on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

(xi) Anti-Bribery and Anti-Corruption Policy and Guidelines (“ABAC Policy”)

Our Board has established the ABAC Policy along with procedures to provide guidance on how to respond to potential acts of bribery and corruption. Our Group adopts a zero-tolerance policy approach against all forms of bribery and corruption in our daily operations, and take all reasonable and appropriate measures to ensure that all our Directors, Management, and employees are committed to conduct professionally and with integrity in all their business dealings and do not engage in any corrupt activities for personal or organisational benefit.

Details of the ABAC Policy, including how to lodge a report by a complainant are published on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

(xii) Financial Performance Review

The unaudited quarterly financial results are monitored and reviewed by the Management and thereafter presented to the ARMC for deliberation, before being tabled for approval by our Board, prior to being released to regulators and shareholders whilst the full-year financial statements prepared by the Management are audited by the External Auditors and subsequently reviewed by the ARMC and approved by our Board before their issuance to regulators, shareholders, and other stakeholders.

(xiii) Related Party Transactions Policy and Procedures (“RPT Policy”)

In compliance with the Listing Requirements, our Group has established the RPT Policy to ensure that related party transactions including recurrent related party transactions of a trading or revenue nature when undertaken by our Group are conducted at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not on terms that are detrimental to our minority shareholders.

On a quarterly basis, the ARMC will review the related party transactions including recurrent related party transactions of a trading or revenue nature when undertaken to ensure compliance with these principles and recommends their findings to our Board for their final decision.

Details of the RPT Policy are published on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

(xiv) Conflict of Interest Policy (“COI Policy”)

In compliance with the Listing Requirements and other regulatory requirements, our Board has implemented the Conflict of Interest Policy to ensure that our Directors and Management act responsibly and objectively always in the best interests of our Group and are free from any personal, financial, non-financial or other conflicts that may compromise their judgment or impartiality in making decisions or judgement that could undermine the interests of our Group.

Details of the Conflict of Interest Policy is accessible on our Company's website at www.mercurysecurities.com.my/corporate-governance/.

ASSURANCE

The Internal Auditor and the Compliance Officer furnish the ARMC with periodic reports on their respective activities and findings, including the recommended corrective actions, potential risks, implications, and Management's responses. Additionally, the External Auditors update the ARMC on areas for improvement identified during the course of their statutory audit. The Chairman of the ARMC reports to our Board on the matters deliberated, such as, Internal Audit reports, Compliance reports at the ARMC meetings for our Board's further deliberation and final approval. The Audit and Risk Management Committee Report detailing the major activities undertaken by the ARMC is set out on pages 61 to 64 of this Annual Report.

Our Board has obtained assurance from the Managing Director, the Financial Controller, Compliance Officer, and the Internal Auditor that our Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control framework adopted by our Group.

REVIEW BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the Listing Requirements, our Company's External Auditors, Grant Thornton Malaysia PLT have reviewed this Statement for inclusion in this Annual Report. The External Auditors do not assume responsibility to any person other than our Board in respect of any aspect of this Statement.

The External Auditors' review was performed in accordance with the scope set out in the Audit and Assurance Practice Guide 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("**AAPG3**"), issued by the Malaysian Institute of Accountants. Under the AAPG 3, the External Auditors are not required to consider whether this Statement covers all the risks and controls, or to form an opinion on the adequacy and effectiveness of our Group's risk management and internal control system including the assessment and opinion by our Board and Management thereon.

Based on their review, the External Auditors have reported to our Board that nothing has come to their attention that causes them believe that this Statement is inconsistent with their understanding of the processes adopted by our Board in reviewing the adequacy and integrity of our Group's risk management and internal control system.

CONCLUSION

Our Board is of the view that the risk management and internal control system is adequate and effective to safeguard our Group's assets and business, as well as shareholders' interests. During the financial year under review, no material weaknesses within our Group have resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

Our Board wishes to reiterate that risk management and internal control system will be continuously reviewed and improved to adapt to the dynamic business and regulatory environment. Therefore, our Board and the Management, strive to continuously improve and enhance our Group's risk management and internal control system to further safeguard our Group's assets and business as well as shareholders' interests.

This Statement is made in compliance with Rule 15.26(b) of the Listing Requirements and in accordance with a resolution of the Board of Directors dated 12 February 2026.

Statement on Directors' Responsibility

for the Audited Financial Statements

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The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards (IFRS) and the requirements of the Companies Act 2016.

The Directors are responsible to ensure that the financial statement give a true and fair view of the state of affairs of our Group and Company at the end of the financial year and of the results and cash flows of our Group and Company for the financial year.

In preparing the financial statements for the financial year ended 31 October 2025, the Directors have ensured that Management has:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgements and used estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are also responsible to ensure that our Group and Company keep proper accounting records and other records which disclose the financial position of our Group and Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the requirements of the Companies Act 2016.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of our Group and Company, and to detect and prevent fraud and other irregularities.

This Statement is made in compliance with Rule 15.26(a) of the Listing Requirements and in accordance with a resolution of the Board of Directors dated 12 February 2026.

Additional Compliance Information

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

Mercury Securities Group Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad on 19 September 2023 (“Listing”). In conjunction with the Listing, our Company undertook a public issue of 157,095,700 new ordinary shares at an issue price of RM0.25 per share, raising total gross proceeds of RM39.27 million (“IPO Proceeds”). As at 31 January 2026, the status of the utilisation of the IPO Proceeds are as follows:

Details of use of proceeds	Proposed Utilisation (RM'000)	Amount Utilised (RM'000)	Balance Unutilised (RM'000)	Estimated timeframe for use from the date of Listing
Margin financing facility services	26,860	26,860	-	Within 24 months
Enhancement of digitalisation programme and marketing activities for the stockbroking business and operations of the Group	2,880	1,060	1,820	Within 18 months ⁽ⁱ⁾
Working capital	4,634	4,634	-	Within 12 months
Listing expenses	4,900	4,900	-	Within 3 months
Total	39,274	37,454	1,820	

Note:

(i) On 17 March 2025, the Board had resolved to extend the timeframe for the utilisation of unutilised balance of RM1.91 million then by another 12 months from 18 March 2025 to 18 March 2026.

The utilisation of the IPO Proceeds as disclosed above should be read in conjunction with our Company’s Prospectus dated 28 August 2023. Pending utilisation, the balance of the unutilised IPO Proceeds is placed with financial institutions on a repo basis to earn interest income.

Save for above proceeds raised from the Listing, there were no proceeds raised by our Company from any corporate proposal during the financial year ended 31 October 2025.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors, Grant Thornton Malaysia PLT by our Company and its subsidiaries (collectively, the “Group”) respectively for the financial year ended 31 October 2025 were as follows:

	Group RM	Company RM
Audit fees	161,000	41,000
Assurance related fees	5,000	5,000

MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE AND/OR MAJOR SHAREHOLDERS' INTEREST

Other than the recurrent related party transactions entered into in the ordinary course of business as disclosed in Note 24 (ii) to the Audited Financial Statements for the FYE 2025, there are no other material contracts entered into by our Group involving the interest of Directors, chief executive and/or major shareholders, either subsisting at the end of the FYE 2025 or entered into since the end of the previous financial year.

EMPLOYEE SHARE SCHEME

Our Company did not establish any employee share scheme and does not have any subsisting employee share scheme during the financial year ended 31 October 2025.

RELATED PARTY TRANSACTIONS ("RPT") AND/OR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs")

There was no RRPT or RPT entered into by our Group which involves the interest of Directors, chief executive and/or major shareholders during the FYE 2025 save for the RRPTs as disclosed in Note 24 (ii) to the Audited Financial Statements for the FYE 2025. The RRPTs were conducted at arm's length basis and on normal commercial terms and were not more favourable to the related parties and were not detrimental to our shareholders.



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Directors' Report

for the Financial Year ended 31 October 2025

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The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **31 October 2025**.

PRINCIPAL ACTIVITY

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	14,617,343	8,066,234

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 October 2025** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company has declared a single tier interim dividend of 0.5 sen per ordinary share amounting to RM4,465,000 in respect of the financial year ended 31 October 2025 on 26 June 2025 and paid on 29 July 2025 to entitled shareholders as at 15 July 2025.

The directors do not recommend any final dividend payment for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the notes to the financial statements.

SHARE CAPITAL AND DEBENTURE

The Company has not issued any new shares or debenture during the financial year.

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Dato' Baharon Bin Talib

*** Chew Sing Guan**

*** Dato' A. Rahman Bin Safar**

Chan Kim Hing

Datin Chua Suat Khim

Himahlini A/P M. Ramalingam @ Yalumallai

DIRECTORS (CONT'D)**Directors of the subsidiaries:**

The directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report, not including those directors listed above, are:

Chew Yoke Lin
Loke Hooi Pheng
Lim Eng Ean
Jaimie Chew Yen Yuen
Lee Chung Cheng (appointed on 28 October 2025)
Stephennoel Kwong Yong Shian (resigned on 10 October 2025)

* Also directors of subsidiaries.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings as required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company during the financial year are as follows:

	← Number of ordinary shares →			Balance at 31.10.2025
	Balance at 1.11.2024	Bought	Sold	
The Company				
Direct Interest:				
Dato' Baharon Bin Talib	250,000	-	-	250,000
Chew Sing Guan	331,431,900	-	-	331,431,900
Dato' A. Rahman Bin Safar	73,590,500	-	-	73,590,500
Chan Kim Hing	650,000	-	-	650,000
Datin Chua Suat Khim	150,000	-	-	150,000
Himahlini A/P M. Ramalingam @ Yalumallai	150,000	-	-	150,000
Deemed Interest:				
Chew Sing Guan *	110,000	-	-	110,000
Dato' A. Rahman Bin Safar *	25,000	-	-	25,000

* Deemed interest pursuant to Section 59(1)(c) of the Companies Act 2016 by virtue of shares held by their children.

By virtue of his shareholdings in the Company, Mr. Chew Sing Guan is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Directors' fees	288,000	24,000	312,000
Salaries, allowances and bonus	15,000	300,000	315,000
Social security contributions	-	893	893
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	-	15,500	15,500
	303,000	340,393	643,393

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm in which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The directors and officers of the Company are covered under the Directors' and Officers' Liability Insurance policy procured by the Company against liabilities arising from acts committed in their respective capacity as director or officer and the cost of such insurance is borne by a subsidiary of the Company during the financial year.

The amount of indemnity coverage and insurance premium paid for the directors and officers during the financial year are amounted to RM5,000,000 and RM61,570 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render the amounts written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 31 October 2025 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	161,000	41,000
Assurance related services	5,000	5,000
Total	166,000	46,000

AUDITORS (CONT'D)

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....
Dato' A. Rahman Bin Safar

Penang,

Date: 28 January 2026

.....
Chew Sing Guan

In the opinion of the directors, the financial statements set out on pages 87 to 136 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 October 2025** and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....
Dato' A. Rahman Bin Safar

.....
Chew Sing Guan

Date: 28 January 2026

Statutory Declaration

I, **Foong Kee Yan**, the officer primarily responsible for the financial management of **Mercury Securities Group Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 87 to 136 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the above named at Penang, this **28th**)
day of **January 2026**.)

.....
Foong Kee Yan
(MIA No: CA 3189)

Before me,

.....
Commissioner for Oaths
Goh Suan Bee (P125)

Independent Auditors' Report

to the Members of Mercury Securities Group Berhad

Registration No. 202101018329 (1418629-A)

(Incorporated in Malaysia)

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Mercury Securities Group Berhad**, which comprise the statements of financial position as at **31 October 2025** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 136

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 October 2025**, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

to the Members of Mercury Securities Group Berhad

Registration No. 202101018329 (1418629-A)

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Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Impairment assessment on amount due from clients under the stockbroking segment (Note 11 to the financial statements)</p> <p>As at 31 October 2025, the Group has significant amount due from clients under the stockbroking segment comprising of outstanding receivables from contra losses, overdue and/ or outstanding purchase contracts. The Group offers margin financing facility services to the Group's clients to fund their purchase of quoted securities.</p> <p>We focus on this area because the Group carries significant amount of receivables with credit risk exposure, and the adequacy of the impairment loss for receivables involves management judgement and estimation uncertainty.</p>	<p>Our audit procedures in relation to the impairment assessment on amount due from clients under the stockbroking segment included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the regulations in place for credit management practices and assessed the Group's credit provision policy; and - how the Group evaluates credit margin facilities application to approval. • Inspected supporting documents which include the margin agreement, background and credit check of the margin clients. • In respect of margin receivables, checked the margin of finance of individual margin clients on a sampling basis by comparing the individual account receivable to the fair value of collaterals held by the Group. • Assessed the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit loss model such as criteria for significant deterioration in credit quality.
<p>Revenue recognition in respect of the stockbroking segment (Note 18 to the financial statements)</p> <p>Revenue recognised from the stockbroking segment amounted to RM29.6 million during the financial year which represented 82% of the Group's total revenue during the financial year.</p> <p>The Group relies on its Information Technology ("IT") system to account for significant amount of revenue from its stockbroking segment. This process is highly reliant on the IT application of the Group.</p> <p>We focus on this area as the magnitude and voluminous transactions may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our audit procedures in relation to the revenue recognition in respect of stockbroking segment included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process under the stockbroking segment and application surrounding the occurrence of revenue and thereafter tested the effectiveness of the key controls. • Tested the Group's controls over the IT system that are critical to the revenue recognition and financial reporting through a combination of tests over the IT general and application controls. • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to contract notes issued to the clients and facilities agreement. • On a sampling basis, performed recomputation of brokerage fees and margin income earned from clients based on contracted rates to determine reliability of the system generated results. • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices and evaluated the nature of the transactions to determine whether they are <i>bona fide</i>.

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

Independent Auditors' Report

to the Members of Mercury Securities Group Berhad

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Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditors' Report

to the Members of Mercury Securities Group Berhad

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(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Penang

Date: 28 January 2026

Terence Lau Han Wen
No. 03298/04/2027 J
Chartered Accountant

Statements of Financial Position

as at 31 October 2025

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	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	17,901,426	11,497,435	-	-
Investment properties	5	-	4,650,000	-	-
Right-of-use assets	6	-	120,390	-	-
Intangible assets	7	7,891,722	7,891,722	-	-
Investment in subsidiaries	8	-	-	120,008,787	117,008,887
Other investments	9	674,824	756,259	-	-
		26,467,972	24,915,806	120,008,787	117,008,887
Current assets					
Inventories	10	900,464	408,511	-	-
Trade and other receivables	11	132,277,640	81,496,997	25,204,495	29,304
Deposits and prepayments	12	4,594,685	4,550,539	-	-
Other investments	9	1,571,813	1,212,254	-	-
Cash and cash equivalents	13	43,914,465	85,672,642	10,289,562	39,800,947
		183,259,067	173,340,943	35,494,057	39,830,251
TOTAL ASSETS		209,727,039	198,256,749	155,502,844	156,839,138
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	154,640,574	154,640,574	154,640,574	154,640,574
Reserves	15	37,383,222	25,511,768	685,820	(2,915,414)
		192,023,796	180,152,342	155,326,394	151,725,160
Non-controlling interests		(17,897)	(11,682)	-	-
Total equity		192,005,899	180,140,660	155,326,394	151,725,160
Non-current liabilities					
Lease liabilities	6	-	44,498	-	-
Deferred tax liabilities	16	953,031	934,160	-	-
		953,031	978,658	-	-
Current liabilities					
Trade and other payables	17	14,663,524	15,460,852	66,865	4,855,978
Lease liabilities	6	-	95,377	-	-
Current tax liabilities		2,104,585	1,581,202	109,585	258,000
		16,768,109	17,137,431	176,450	5,113,978
Total liabilities		17,721,140	18,116,089	176,450	5,113,978
TOTAL EQUITY AND LIABILITIES		209,727,039	198,256,749	155,502,844	156,839,138

The accompanying notes form an integral part of these financial statements.

Statements of Comprehensive Income

for the Financial Year ended 31 October 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	18	36,201,942	32,571,617	8,000,000	5,000,000
Cost of services		(14,374,052)	(13,003,849)	-	-
Gross profit		21,827,890	19,567,768	8,000,000	5,000,000
Other income		1,575,702	1,924,711	-	351,608
Trading gains on financial assets at fair value through profit or loss		1,888,413	1,071,026	-	-
Administrative and other operating expenses		(9,154,840)	(8,147,918)	(696,104)	(768,033)
Operating profit		16,137,165	14,415,587	7,303,896	4,583,575
Finance income		3,732,539	4,360,004	1,009,859	1,139,603
Finance costs	19	(4,463)	(15,533)	-	-
Profit before tax	20	19,865,241	18,760,058	8,313,755	5,723,178
Income tax expense	21	(5,247,898)	(4,732,300)	(247,521)	(258,000)
Profit for the financial year		14,617,343	14,027,758	8,066,234	5,465,178
Other comprehensive income for the financial year, net of income tax					
Items that will not be reclassified subsequently to profit or loss:					
Fair value adjustment on other investments		(81,435)	(17,706)	-	-
Surplus on revaluation of properties, net		1,794,331	-	-	-
Realisation of revaluation reserve upon depreciation		(62,448)	(62,448)	-	-
Transfer of revaluation surplus to retained earnings		62,448	62,448	-	-
Total comprehensive income for the financial year, net of income tax		16,330,239	14,010,052	8,066,234	5,465,178
Profit attributable to:					
Owners of the Company		14,623,558	14,039,489	8,066,234	5,465,178
Non-controlling interests		(6,215)	(11,731)	-	-
		14,617,343	14,027,758	8,066,234	5,465,178
Total comprehensive income attributable to:					
Owners of the Company		16,336,454	14,021,783	8,066,234	5,465,178
Non-controlling interests		(6,215)	(11,731)	-	-
		16,330,239	14,010,052	8,066,234	5,465,178
Earnings per share attributable to the owners of the Company (sen)					
- Basic and diluted	22	1.64	1.57		

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the Financial Year ended 31 October 2025

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GROUP	Attributable to Owners of the Company							Non-controlling Interests RM	Total Equity RM
	Share Capital RM	Non-distributable			Distributable		Total RM		
		Merger Reserve RM	Revaluation Reserve RM	Fair Value Reserve RM	Retained Earnings RM				
2025									
Balance at beginning	154,640,574	(97,008,736)	2,300,390	(95,905)	120,316,019	180,152,342	(11,682)	180,140,660	
Profit for the financial year	-	-	-	-	14,623,558	14,623,558	(6,215)	14,617,343	
Other comprehensive income for the financial year, net of income tax	-	-	1,731,883	(81,435)	62,448	1,712,896	-	1,712,896	
Total comprehensive income for the financial year	-	-	1,731,883	(81,435)	14,686,006	16,336,454	(6,215)	16,330,239	
Transaction with owners of the Company:									
Dividend paid	-	-	-	-	(4,465,000)	(4,465,000)	-	(4,465,000)	
Balance at end	154,640,574	(97,008,736)	4,032,273	(177,340)	130,537,025	192,023,796	(17,897)	192,005,899	

NOTE

GROUP

2025

Balance at beginning

Profit for the financial year

Other comprehensive income for the financial year, net of income tax

Total comprehensive income for the financial year

Transaction with owners of the Company:

Dividend paid 23

Balance at end

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the Financial Year ended 31 October 2025

GROUP	Attributable to Owners of the Company							Non- controlling Interests RM	Total Equity RM
	Non-distributable				Distributable				
	Share Capital RM	Merger Reserve RM	Revaluation Reserve RM	Fair Value Reserve RM	Retained Earnings RM	Total RM			
2024									
Balance at beginning	154,640,574	(97,008,736)	2,362,838	(78,199)	110,679,082	170,595,559	-	170,595,559	
Profit for the financial year	-	-	-	-	14,039,489	14,039,489	(11,731)	14,027,758	
Other comprehensive income for the financial year, net of income tax	-	-	(62,448)	(17,706)	62,448	(17,706)	-	(17,706)	
Total comprehensive income for the financial year	-	-	(62,448)	(17,706)	14,101,937	14,021,783	(11,731)	14,010,052	
Transactions with owners of the Company:									
Dividend paid	-	-	-	-	(4,465,000)	(4,465,000)	-	(4,465,000)	
Issuance of shares to non-controlling interests	-	-	-	-	-	-	49	49	
Total transactions with owners	-	-	-	-	(4,465,000)	(4,465,000)	49	(4,464,951)	
Balance at end	154,640,574	(97,008,736)	2,300,390	(95,905)	120,316,019	180,152,342	(11,682)	180,140,660	

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

for the Financial Year ended 31 October 2025

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	NOTE	Share Capital RM	Distributable/ Non-distributable	Total RM
			Retained Earnings/ (Accumulated Losses) RM	
COMPANY				
2025				
Balance at beginning		154,640,574	(2,915,414)	151,725,160
Total comprehensive income for the financial year		-	8,066,234	8,066,234
<i>Transaction with owners of the Company:</i>				
Dividend paid	23	-	(4,465,000)	(4,465,000)
Balance at end		154,640,574	685,820	155,326,394
2024				
Balance at beginning		154,640,574	(3,915,592)	150,724,982
Total comprehensive income for the financial year		-	5,465,178	5,465,178
<i>Transaction with owners of the Company:</i>				
Dividend paid	23	-	(4,465,000)	(4,465,000)
Balance at end		154,640,574	(2,915,414)	151,725,160

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

for the Financial Year ended 31 October 2025

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	19,865,241	18,760,058	8,313,755	5,723,178
Adjustments for:				
Accretion of lease interest	4,463	15,533	-	-
Bad debt written off	277,929	106,000	-	-
Change in fair value of investment properties	(150,000)	(150,000)	-	-
Depreciation of:				
- property, plant and equipment	725,667	633,365	-	-
- right-of-use assets	120,390	187,747	-	-
Dividend income	(31,583)	(34,130)	(8,000,000)	(5,000,000)
Fair value loss on other investments	188,103	344,577	-	-
Gain on disposal of property, plant and equipment	(20,833)	-	-	-
Interest income	(3,732,539)	(4,360,004)	(1,009,859)	(1,139,603)
Loss/(Gain) on disposal of other investments	2,479	(146,464)	-	-
Property, plant and equipment written off	762	-	-	-
Unrealised loss/(gain) on foreign exchange	5,133	(77,567)	-	-
Operating profit/(loss) before working capital changes	17,255,212	15,279,115	(696,104)	(416,425)
Movement in working capital:				
Inventories	(491,953)	(408,511)	-	-
Trade and other receivables	(51,058,572)	(7,859,840)	-	-
Deposits and prepayments	(44,146)	(1,450,157)	-	-
Trade and other payables	(797,328)	2,249,082	(31,488)	(250,566)
Cash (used in)/generated from operations	(35,136,787)	7,809,689	(727,592)	(666,991)
Income tax paid	(4,446,954)	(3,541,302)	(395,936)	-
Net cash (used in)/from operating activities carried forward	(39,583,741)	4,268,387	(1,123,528)	(666,991)

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

for the Financial Year ended 31 October 2025

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	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Net cash (used in)/from operating activities brought forward		(39,583,741)	4,268,387	(1,123,528)	(666,991)
CASH FLOWS FROM INVESTING ACTIVITIES					
Addition in other investments carried at:					
- fair value through profit or loss		(563,167)	(893,719)	-	-
- fair value through other comprehensive income		-	(237,070)	-	-
Dividend received		31,583	34,130	8,000,000	5,000,000
Interest received		3,732,539	4,360,004	438,087	1,139,603
Investment in subsidiaries		-	-	(2,999,900)	(151)
Proceeds from disposal of other investments carried at fair value through profit or loss		13,026	594,770	-	-
Proceeds from disposal of property, plant and equipment		20,920	-	-	-
Proceeds from issuance of shares to non-controlling interests		-	49	-	-
Purchase of property, plant and equipment		(794,866)	(353,128)	-	-
Net cash from investing activities		2,440,035	3,505,036	5,438,187	6,139,452
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(4,465,000)	(4,465,000)	(4,465,000)	(4,465,000)
Net changes in subsidiaries' balances	A	-	-	(29,361,044)	357,868
Payment of lease liabilities	A	(144,338)	(217,105)	-	-
Net cash used in financing activities		(4,609,338)	(4,682,105)	(33,826,044)	(4,107,132)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS CARRIED FORWARD		(41,753,044)	3,091,318	(29,511,385)	1,365,329

The accompanying notes form an integral part of these financial statements.

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BROUGHT FORWARD		(41,753,044)	3,091,318	(29,511,385)	1,365,329
EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE		(5,133)	77,567	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		85,672,642	82,503,757	39,800,947	38,435,618
CASH AND CASH EQUIVALENTS AT END	13	43,914,465	85,672,642	10,289,562	39,800,947

A. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Cash flows RM	Accretion of lease interest RM	Balance at end RM
GROUP				
2025				
Lease liabilities, representing total liabilities from financing activities	139,875	(144,338)	4,463	-
2024				
Lease liabilities, representing total liabilities from financing activities	341,447	(217,105)	15,533	139,875

	Balance at beginning RM	Cash flows RM	Interest income RM	Balance at end RM
COMPANY				
2025				
Amount due from subsidiaries, net, representing total liabilities from financing activities	4,728,321	(29,361,044)	(571,772)	(25,204,495)
2024				
Amount due from subsidiaries, net, representing total liabilities from financing activities	4,370,453	357,868	-	4,728,321

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

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1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at L-7-2, No. 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 28 January 2026.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the material accounting policy information as set out in the notes to the financial statements.

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company and its subsidiaries. The functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate.

2.4 Adoption of Amendments/Improvements to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual period beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

Initial application for the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

2. BASIS OF PREPARATION (CONT'D)**2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective**

The following are accounting standards/amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective for annual period beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature - dependent Electricity

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Revaluation of land and buildings

The Group measures its land and buildings using the revaluation model with changes in fair value being recognised in other comprehensive income. The Group has engaged independent professional firm of valuers to determine fair value of its land and buildings. Revaluation is conducted with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Management estimates that a revaluation exercise once every five years is appropriate in this context.

The carrying amount of the land and buildings as at the end of reporting period and the relevant revaluation bases and fair value, are disclosed in Note 4 and Note 27.3 to the financial statements.

(ii) Impairment of trade and other receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments as well as the relevant rules and guidelines of Bursa Securities.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience as well as current and forward looking factors for assets with similar credit risk characteristics. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade receivables in the period in which such estimate has been changed.

To determine whether there is an objective evidence of impairment for other receivables, the Group and the Company will apply the general approach in considering if there has been a significant increase in credit risk (measured using the lifetime probability of default) since initial recognition of the financial asset.

The information about the credit risk on the Group's and the Company's receivables are disclosed in Note 26.2.1 to the financial statements.

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4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	At valuation		At cost		Total RM
	Leasehold land RM	Buildings RM	Furniture, fittings, office equipment and computers RM	Motor vehicles RM	
2025					
At valuation/cost					
Balance at beginning	-	10,388,375	11,750,031	3,099,845	25,238,251
Additions	-	-	794,866	-	794,866
Disposals	-	-	(634,881)	(116,111)	(750,992)
Written offs	-	-	(4,583,367)	-	(4,583,367)
Transfer from investment properties	3,380,000	1,420,000	-	-	4,800,000
Revaluation surplus	-	641,625	-	-	641,625
Balance at end	3,380,000	12,450,000	7,326,649	2,983,734	26,140,383
Accumulated depreciation					
Balance at beginning	-	686,248	10,313,221	2,741,347	13,740,816
Current charge	24,519	221,167	319,450	160,531	725,667
Disposals	-	-	(634,795)	(116,110)	(750,905)
Written offs	-	-	(4,582,605)	-	(4,582,605)
Elimination of accumulated depreciation on revaluation	-	(894,016)	-	-	(894,016)
Balance at end	24,519	13,399	5,415,271	2,785,768	8,238,957
Carrying amount	3,355,481	12,436,601	1,911,378	197,966	17,901,426

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP (CONT'D)

	At valuation		At cost		Total RM
	Leasehold land RM	Buildings RM	Furniture, fittings, office equipment and computers RM	Motor vehicles RM	
2024					
At valuation/cost					
Balance at beginning	-	10,388,375	11,517,033	2,979,715	24,885,123
Additions	-	-	232,998	120,130	353,128
Balance at end	-	10,388,375	11,750,031	3,099,845	25,238,251
Accumulated depreciation					
Balance at beginning	-	478,480	10,035,260	2,593,711	13,107,451
Current charge	-	207,768	277,961	147,636	633,365
Balance at end	-	686,248	10,313,221	2,741,347	13,740,816
Carrying amount	-	9,702,127	1,436,810	358,498	11,497,435

- (i) The fair value of the leasehold land and buildings of the Group were revalued using the market comparison approach performed by independent professional valuers during the financial year. Had the leasehold land and buildings been carried under the cost model, the total carrying amount that would have been recognised in the financial statements are as follows:

	GROUP	
	2025 RM	2024 RM
Leasehold land	3,355,481	-
Buildings	7,827,227	6,594,831
	11,182,708	6,594,831

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(ii) The information of right-of-use assets which are included in the property, plant and equipment is as follow:

	GROUP	
	2025 RM	2024 RM
Leasehold land	3,355,481	-

Material accounting policy information

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment, except for leasehold land and buildings, are measured at cost less any accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold land and buildings are measured at fair value less any accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, to ensure that the carrying amount does not differ materially from the fair value of the buildings at the end of the reporting period.

At the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of leasehold land and buildings are recognised in other comprehensive income and credited to the "revaluation reserve" in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	67.5 years
Buildings	38 to 50 years
Furniture, fittings, office equipment and computers	12%
Motor vehicles	20%

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or on disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

5. INVESTMENT PROPERTIES

	GROUP	
	2025 RM	2024 RM
At fair value:		
Balance at beginning	4,650,000	4,500,000
Change in fair value recognised in profit or loss (Note 20)	150,000	150,000
Transfer to property, plant and equipment (Note 4)	(4,800,000)	-
Balance at end	-	4,650,000

(i) The investment properties are represented by:

	GROUP	
	2025 RM	2024 RM
Leasehold land with unexpired lease period of more than 50 years	-	3,310,000
Buildings	-	1,340,000
	-	4,650,000

(ii) Group as lessor

The Group has entered into operating leases on its investment properties. These leases have terms of between one to two years. During the financial year, the investment properties have been transferred to property, plant and equipment since the management decided to convert the property for own use and has ceased the leases to third parties.

The following are recognised in profit or loss in respect of investment properties:

	GROUP	
	2025 RM	2024 RM
Rental income	35,200	142,500
Direct operating expenses:		
Income generating investment properties	5,768	20,009

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	GROUP	
	2025 RM	2024 RM
Within one year	-	98,700

5. INVESTMENT PROPERTIES (CONT'D)

(ii) Group as lessor (cont'd)

Material accounting policy information

Investment properties are measured initially at cost, and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**Group as a lessee**

The Group has lease contracts for premises used in its operations. At the commencement of the lease, the Group has assessed that it is reasonably certain to exercise the extension option and included the extension option period as part of the lease term for the leases of premises in view that alternative premise is not readily available.

The Group also has certain leases of premises and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

GROUP

	Premises	
	2025 RM	2024 RM
Balance at beginning	120,390	308,137
Depreciation	(120,390)	(187,747)
Balance at end	-	120,390

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)**Group as a lessee (cont'd)****Lease liabilities**

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year:

GROUP

	2025 RM	2024 RM
Balance at beginning	139,875	341,447
Accretion of lease interest	4,463	15,533
Payments	(144,338)	(217,105)
Balance at end	-	139,875
Analysed as:		
Non-current	-	44,498
Current	-	95,377
	-	139,875

The maturity analysis of lease liabilities is disclosed in Note 26.2.2 to the financial statements.

The following are the amounts recognised in profit or loss:

	GROUP	
	2025 RM	2024 RM
Accretion on lease interest	4,463	15,533
Depreciation expense of right-of-use assets	120,390	187,747
Expenses relating to short-term leases	507,457	567,536
Expenses relating to lease of low value assets	11,400	6,950
Total amount recognised in profit or loss	643,710	777,766

Total cash outflows for leases are amounting to **RM663,195** (2024: RM791,591).

Material accounting policy information

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)**Material accounting policy information (cont'd)**

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of such assets as follows:

Category	
Premises	48 to 79 months

7. INTANGIBLE ASSETS

	GROUP	
	2025 RM	2024 RM
Balance at beginning/end	7,891,722	7,891,722

The amount represents the cost of a business license of a local stockbroking company acquired by the Group, which is deemed to have an indefinite useful life. The recoverable amount of the intangible assets has been assessed using the value-in-use method, by discounting the estimated cash flows from their Cash Generating Units ("CGU"). Impairment is recognised in profit or loss when the carrying amount of the CGUs exceeds their recoverable amounts.

The value in use calculation uses cash flow projections from its various branches, based on financial budgets approved by the directors of the subsidiary covering a five-year period and a discount rate of **10.20%** (2024: 11.99%) per annum. A terminal value is assigned at the end of 5-year cash flow projections with no growth rate factored. As a result of the analysis, there was sufficient headroom and management did not identify any impairment for this CGU.

The calculation of value in use for the intangible asset is most sensitive to the following key assumptions:

- i. Revenue
- ii. Discount rates (pre-tax)

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

Material accounting policy information

This represents cost of the business license of a local stockbroking company acquired by the Group and is stated at cost less impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

8. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2025 RM	2024 RM
Unquoted shares, at cost	120,008,787	117,008,887

The details of the subsidiaries, which the principal place of business are all in Malaysia, are as follows:

Name of entities	Effective equity interest		Principal activities
	2025 %	2024 %	
Mercury Securities Sdn. Bhd. ("Mercury Securities")	100	100	Stockbroking, corporate finance advisory and other related businesses
Mercury Wealth Management Sdn. Bhd. ("MWMSB")	100	100	Provision of asset management and investment advisory services
Mercury Liquidity Solutions Sdn. Bhd. (f.k.a. Mercury Futures Sdn. Bhd.) ("MLSSB")	51	51	Investing and trading in derivatives and securities
Indirect - held through Mercury Securities			
Mercsec Nominees (Asing) Sdn. Bhd.	100	100	Nominees and custodian services
Mercsec Nominees (Tempatan) Sdn. Bhd.	100	100	Nominees and custodian services

All of the above subsidiaries are audited by Grant Thornton Malaysia PLT.

8.1 Subscription of ordinary shares in subsidiaries**2025**

On 21 October 2025, the Company has subscribed an additional 2,999,900 ordinary shares in MWMSB for a total cash consideration of RM2,999,900. There were no changes in equity interest subsequent to the subscription of additional ordinary shares.

2024

- (i) On 19 April 2024, the Company had subscribed to 100 new ordinary shares in MWMSB representing 100% equity interest in MWMSB at RM100 for cash. As at the reporting date, MWMSB has not commenced operations.
- (ii) On 9 September 2024, the Company had subscribed to 51 new ordinary shares in MLSSB representing 51% equity interest in MLSSB at RM51 for cash. As at the reporting date, MLSSB has not commenced operations.

8. INVESTMENT IN SUBSIDIARIES (CONT'D)**Material accounting policy information**

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

The acquisition of Mercury Securities and its wholly-owned subsidiaries is accounted for using the merger accounting principle. Accordingly, the results of the subsidiaries are presented as if the merger had been effected throughout the years under review. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of merger. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit difference is adjusted against the merger reserve. Any other reserves which are attributable to share capital of the merged entity, to the extent that it has not been capitalised by a debit difference, is reclassified and presented as movement in other capital reserves.

9. OTHER INVESTMENTS

	GROUP	
	2025 RM	2024 RM
Financial assets:		
Fair value through other comprehensive income ("FVOCI"):		
Quoted shares in Malaysia	521,541	611,951
Quoted shares outside Malaysia	153,283	144,308
	674,824	756,259
Fair value through profit or loss ("FVTPL"):		
Quoted shares in Malaysia	1,571,813	1,212,254

Material accounting policy information

Upon initial recognition, the Group irrevocably elect to classify certain equity investments as equity instruments designated at FVOCI and subsequent changes in the fair value are recorded in other comprehensive income. Such investments are typically investments that the Group intends to hold for long-term investment gain and for strategic business purposes. The election to FVOCI is made on an investment-by-investment basis.

10. INVENTORIES

Inventories comprise trading goods used in its commodities trading business and are stated at cost.

The cost of inventories recognised in profit or loss for the financial year amounted to **RM408,666** (2024: RM605,607).

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value.

Costs of all inventories are determined on the first-in, first-out basis.

11. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade:				
Trade receivables	858,902	1,430,791	-	-
Amount due from clients (including margin receivables)	127,077,088	78,362,588	-	-
Amount due from brokers	2,466,403	-	-	-
	130,402,393	79,793,379	-	-
Non-trade:				
Other receivables	1,875,247	1,703,618	-	-
Amount due from subsidiaries	-	-	25,204,495	29,304
	1,875,247	1,703,618	25,204,495	29,304
	132,277,640	81,496,997	25,204,495	29,304

(i) Trade receivables

	GROUP	
	2025 RM	2024 RM
Gross amount	1,028,238	1,430,791
Less: Allowance for expected credit losses ("ECL")	(169,336)	-
	858,902	1,430,791

The trade receivables are solely from corporate finance segment and the normal credit term granted is 14 days. Other credit terms are assessed and approved on a case-by-case basis

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) Amount due from clients (including margin receivables) and brokers

	GROUP	
	2025 RM	2024 RM
Amount due from clients (including margin receivables)	135,036,391	85,742,763
Less: Allowance for ECL	(3,987,325)	(4,156,661)
	131,049,066	81,586,102
Less: Provision for interest in-suspense	(3,971,978)	(3,223,514)
	127,077,088	78,362,588
Amount due from brokers	2,466,403	-

The amount due from clients comprises outstanding amount receivables from clients on contra losses incurred, overdue and/or outstanding purchase contracts and margin receivables, while the amount due from brokers represents the excess amount of sales less purchases of securities transacted by clients on each market day.

(iii) Movement of allowance for ECL

	GROUP	
	2025 RM	2024 RM
Balance at beginning	4,156,661	9,512,794
Current year	169,336	-
Reversal	(169,336)	-
Written off	-	(5,356,133)
Balance at end	4,156,661	4,156,661

The allowance for ECL can be further analysed as follows:

	GROUP	
	2025 RM	2024 RM
Trade receivables	169,336	-
Amount due from clients (including margin receivables)	3,987,325	4,156,661
	4,156,661	4,156,661

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (iv) Movement of provision for interest-in-suspense

	GROUP	
	2025 RM	2024 RM
Balance at beginning	3,223,514	3,067,092
Interest income recognised	(1,094,446)	(1,079,639)
Interest suspended	1,842,910	1,236,061
Balance at end	3,971,978	3,223,514

- (v) Collateral and other credit enhancements

The Group holds the following quoted securities held as collateral for margin receivables as at the end of the reporting period and are permitted to sell the collateral in the event of default by the margin clients according to the terms of the margin agreements:

	GROUP	
	2025 RM	2024 RM
Mark-to-market value of quoted securities	460,031,817	314,802,188

- (vi) Amount due from subsidiaries

The amount due from subsidiaries is unsecured, non-trade related, interest bearing at **2.65%** (2024: Nil) per annum and classified based on expected timing of realisation.

12. DEPOSITS AND PREPAYMENTS

	GROUP	
	2025 RM	2024 RM
Deposits	4,514,367	4,165,646
Prepayments	80,318	384,893
	4,594,685	4,550,539

Included in deposits is an amount of **RM4,023,024** (2024: RM3,807,149) equity margin deposit placed with Bursa Malaysia Securities Clearing Sdn. Bhd. which earns effective interest rates at **2.78%** (2024: 3.03%) per annum.

13. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	15,598,023	15,641,080	21,110	143,649
Short-term deposits with licensed banks	24,915,048	66,636,344	10,268,452	39,657,298
Fixed deposits with licensed banks	3,401,394	3,395,218	-	-
	43,914,465	85,672,642	10,289,562	39,800,947

(i) Client's trust monies

The Group maintains the trust accounts for its clients pursuant to Section 111 of the Capital Markets and Services Act 2007. Such clients' trust monies held in fiduciary capacity are not recognised as assets of the Group.

The short-term deposits with licensed banks and cash and bank balances of the Group have been presented net of the Group's clients' trust monies held in bank accounts of **RM48,209,026** (2024: RM40,036,449) in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18 Money Held in Trust by Participating Organisation of Bursa Securities.

- (ii) The short-term deposits with licensed banks of the Group and of the Company represent investment in money market financial instruments under repurchase agreement ("Repo") with licensed banks and earns effective interest rate from **2.50% to 3.30%** (2024: 2.75% to 3.30%) per annum.
- (iii) The effective interest rates per annum and maturity of the fixed deposits with licensed banks of the Group as at the end of the reporting period ranged from **1.75% to 2.10%** (2024: 2.45% to 2.90%) per annum and **21 days to 23 days** (2024: 21 days to 23 days) respectively.

The currency profile of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	41,603,213	83,367,650	10,289,562	39,800,947
Pounds Sterling	1,201,092	1,209,027	-	-
United States Dollar	1,102,660	1,088,465	-	-
Others	7,500	7,500	-	-
	43,914,465	85,672,642	10,289,562	39,800,947

14. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
Issued and fully paid with no par value	893,000,000	893,000,000	154,640,574	154,640,574

15. RESERVES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Distributable:				
Retained earnings	130,537,025	120,316,019	685,820	-
Non-distributable:				
Accumulated losses	-	-	-	(2,915,414)
Merger reserve	(97,008,736)	(97,008,736)	-	-
Revaluation reserve	4,032,273	2,300,390	-	-
Fair value reserve	(177,340)	(95,905)	-	-
	37,383,222	25,511,768	685,820	(2,915,414)

Merger reserve

The merger reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of certain subsidiaries upon consolidation under the merger accounting principles.

Revaluation reserve

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's buildings and is non-distributable.

Fair value reserve

The fair value reserve comprises of the cumulative net change in the fair value of financial assets at FVOCI until the financial assets are derecognised or impaired.

16. DEFERRED TAX LIABILITIES

	GROUP	
	2025 RM	2024 RM
Balance at beginning	934,160	1,100,160
Recognised in profit or loss	37,281	(48,000)
Recognised in other comprehensive income	(258,690)	-
	712,751	1,052,160
Under/(Over) provision in prior year	240,280	(118,000)
	953,031	934,160

The deferred tax liabilities as at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	2025 RM	2024 RM
Investment properties	-	319,000
Property, plant and equipment	171,000	165,720
Revaluation reserve	782,031	726,440
Provision	-	(277,000)
	953,031	934,160

17. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade:				
Amount due to clients	2,599,346	6,149,934	-	-
Amount due to brokers	-	323,109	-	-
	2,599,346	6,473,043	-	-
Non-trade:				
Amount due to remisers	5,276,109	4,340,295	-	-
Amount due to a subsidiary	-	-	-	4,757,625
Other payables	2,708,394	1,729,897	10,865	12,353
Accrued expenses	4,079,675	2,917,617	56,000	86,000
	12,064,178	8,987,809	66,865	4,855,978
	14,663,524	15,460,852	66,865	4,855,978

17. TRADE AND OTHER PAYABLES (CONT'D)**(i) Amount due to brokers and clients**

The amount due to brokers represents the excess amount of purchases less sales of securities transacted by clients on each market day, while the amount due to clients comprises outstanding sales contracts and contra gains.

Amount due to brokers and clients of the Group are non-interest bearing and normally settled on 2 market days after the transaction date ("**T+2**") (2024: T+2) terms in accordance with the Fixed Delivery Settlement System rules of Bursa Malaysia Securities Clearing Sdn. Bhd.

The amount due to clients of the Group has been presented net of the Group's clients' trust monies held in bank accounts of **RM48,209,026** (2024: RM40,036,449) in accordance with FRSIC Consensus 18 Money Held in Trust by Participating Organisation of Bursa Securities.

(ii) Amount due to remisiers

The amount due to remisiers are mainly cash deposit placed by remisiers as collateral for their clients' trading limit and the rest being current commission payable but not due.

(iii) Amount due to a subsidiary

In the prior year, the amount due to a subsidiary was unsecured, non-trade related, non-interest bearing and repayable on demand.

18. REVENUE**18.1 Disaggregation of revenue information**

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers - at a point in time				
Brokerage fees	11,394,971	12,362,650	-	-
Margin income	12,302,433	8,287,820	-	-
Nominee fees	16,052	15,394	-	-
Underwriting fees	1,516,967	727,918	-	-
Placement fees	3,919,526	1,092,054	-	-
Commodities trading	426,795	672,564	-	-
	29,576,744	23,158,400	-	-
Revenue from contracts with customers - over time				
Advisory fees	6,625,198	9,413,217	-	-
Total revenue from contracts with customers	36,201,942	32,571,617	-	-
Dividend income, representing other revenue	-	-	8,000,000	5,000,000
Total revenue	36,201,942	32,571,617	8,000,000	5,000,000

18.2 Performance obligation

The performance obligation to recognise revenue is as follows:

(i) Brokerage fees

Brokerage fees are recognised on an accrual basis upon the completion of the trading contract.

(ii) Margin income

Margin income comprises margin interest income, processing fees, commitment fees and rollover fees.

Margin interest income is recognised on an accrual basis except where such a margin account is considered impaired in accordance with Rule 12.04 of the Rules of Bursa Securities, in which case recognition of such interest is suspended. Subsequent to suspension, interest is recognised upon receipt until all arrears have been paid.

18. REVENUE (CONT'D)**18.2 Performance obligation (cont'd)****(ii) Margin income (cont'd)**

Processing fees are recognised on an accrual basis upon the initial drawdown of the margin facilities accommodated to customers by the Group.

Commitment fees are recognised on an accrual basis based on a time proportion basis using the effective commitment fee rate method where the fee is charged on the unutilised amount of the margin facility limit.

Rollover fees are recognised on an accrual basis. Rollover fees from impaired margin accounts will be suspended until the accounts are reclassified as non-impaired margin accounts.

(iii) Nominee fees

Revenue from nominee fees is recognised as and when services are rendered.

(iv) Placement fees and underwriting fees

Placement fees and underwriting fees are recognised as income when all conditions precedent are fulfilled.

(v) Commodities trading

Revenue from commodities trading is recognised at a point in time when the control of the goods has been passed to the buyer, i.e. generally when the customer has acknowledged delivery of the goods.

(vi) Advisory fees

Advisory fees are recognised over time, based on the various performance obligations stated in the individual contract.

19. FINANCE COSTS

	GROUP	
	2025 RM	2024 RM
Accretion of lease interest	4,463	15,533

20. PROFIT BEFORE TAX

Profit before tax is arrived at:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration:				
- Statutory audit fee:				
- Grant Thornton Malaysia PLT				
- Current year	161,000	146,500	41,000	39,000
- Under provision in prior years	5,000	-	-	-
Assurance related services:				
- Grant Thornton Malaysia PLT	5,000	5,000	5,000	5,000
Bad debt written off	277,929	106,000	-	-
Commission paid/payable to:				
- remisiers	3,864,220	4,606,376	-	-
- dealers	461,598	202,712	-	-
Depreciation of:				
- property, plant and equipment	725,667	633,365	-	-
- right-of-use assets	120,390	187,747	-	-
Directors' fees	333,600	333,600	288,000	288,000
Fair value loss on other investments	188,103	344,577	-	-
Loss on disposal of other investments	2,479	-	-	-
Property, plant and equipment written off	762	-	-	-
* Staff costs	14,307,474	11,195,169	15,000	12,000
Unrealised loss on foreign exchange	5,133	-	-	-

20. PROFIT BEFORE TAX (CONT'D)

Profit before tax is arrived at: (cont'd)

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
And crediting:				
Changes in fair value of investment properties	150,000	150,000	-	-
Gain on disposal of:				
- other investments	-	146,464	-	-
- property, plant and equipment	20,833	-	-	-
Gross dividend income from other investments carried at FVOCI:				
- Quoted shares in Malaysia	31,265	33,635	-	-
- Quoted shares outside Malaysia	318	495	-	-
Interest income on:				
- amount due from subsidiaries	-	-	571,772	-
- financial institutions	3,732,539	4,360,004	438,087	1,139,603
Unrealised gain on foreign exchange	-	77,567	-	-
Realised gain on foreign exchange	375,091	203,360	-	-
* Staff costs				
Salaries, allowance, bonus and other emoluments	12,939,993	10,153,805	15,000	12,000
Contributions to defined contribution plans ("EPF")	1,287,701	960,439	-	-
Social security contributions ("SOCSO")	72,555	73,404	-	-
Employment insurance scheme ("EIS")	7,225	7,521	-	-
	14,307,474	11,195,169	15,000	12,000

20. PROFIT BEFORE TAX (CONT'D)**Directors' remuneration**

The aggregate amount of remuneration received and receivable by directors of the Company and its subsidiaries are as shown below:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive director of the Company				
Salaries, allowances and bonus	300,000	300,000	-	-
EPF	-	11,000	-	-
SOCSO	893	755	-	-
Other short-term employee benefits (including estimated monetary value and benefits-in-kind)	15,500	15,500	-	-
	316,393	327,255	-	-
Executive director of the subsidiaries				
Directors' fees	21,600	21,600	-	-
Salaries, allowances and bonus	96,278	42,840	-	-
EPF	7,312	1,728	-	-
SOCSO and EIS	765	533	-	-
	125,955	66,701	-	-
Balance carried forward	442,348	393,956	-	-
Balance brought forward	442,348	393,956	-	-
Non-executive directors of the Company				
Directors' fees	312,000	312,000	288,000	288,000
Allowances	15,000	12,000	15,000	12,000
	327,000	324,000	303,000	300,000
Total directors' remuneration	769,348	717,956	303,000	300,000

21. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense:				
- Current year	(5,030,100)	(4,898,300)	(230,000)	(258,000)
- Over/(Under) provision in prior year	59,763	-	(17,521)	-
	(4,970,337)	(4,898,300)	(247,521)	(258,000)
Deferred tax (Note 16):				
- Current year	(37,281)	48,000	-	-
-(Under)/Over provision in prior year	(240,280)	118,000	-	-
	(277,561)	166,000	-	-
	(5,247,898)	(4,732,300)	(247,521)	(258,000)

The reconciliation of income tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	19,865,241	18,760,058	8,313,755	5,723,178
Income tax calculated using income tax rate of 24%	(4,767,658)	(4,502,413)	(1,995,301)	(1,373,563)
Income not subject tax	43,580	147,193	1,920,000	1,284,386
Effects of expenses that are not deductible in determining taxable profit	(363,023)	(514,800)	(154,699)	(168,823)
Annual crystallisation of deferred tax on revaluation reserve	19,720	19,720	-	-
	(5,067,381)	(4,850,300)	(230,000)	(258,000)
Adjustment recognised in the current year in relation to prior year:				
Current tax	59,763	-	(17,521)	-
Deferred tax	(240,280)	118,000	-	-
	(5,247,898)	(4,732,300)	(247,521)	(258,000)

22. EARNINGS PER SHARE**Basic earnings per share**

Basic earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2025	2024
Profit for the financial year attributable to owners (RM)	14,623,558	14,039,489
Weighted average number of ordinary shares in issue	893,000,000	893,000,000
Basic earnings per ordinary share (sen)	1.64	1.57

There is no diluted earnings per share as the Company has not issued or granted any convertible financial instruments as at the end of the reporting period.

23. DIVIDENDS

	COMPANY	
	2025 RM	2024 RM
In respect of financial year ended 31 October 2025:		
- single tier interim dividend of 0.5 sen per ordinary share paid on 29 July 2025	4,465,000	-
In respect of financial year ended 31 October 2024:		
- single tier interim dividend of 0.5 sen per ordinary share paid on 2 February 2024	-	4,465,000
	4,465,000	4,465,000

24. RELATED PARTY DISCLOSURES**(i) Identity of related parties**

The Group has related party relationship with its subsidiaries, key management personnel and the following parties:

Related parties	Relationship
Mercury Direct Sdn. Bhd. and Sepang Asas Sdn. Bhd.	Companies in which a director of the Company, Mr. Chew Sing Guan, has substantial financial interests.

24. RELATED PARTY DISCLOSURES (CONT'D)**(ii) Related party transactions**

Related party transactions have been entered into at terms agreed between the parties during the financial year. The significant related party transactions of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
(Advances to)/Repayment from Mercury Securities	-	-	(29,354,753)	387,172
Payment on behalf for:				
- MWMSB	-	-	2,276	4,364
- MLSSB	-	-	4,104	24,940
Interest income receivable from:				
- Mercury Securities	-	-	570,851	-
- MWMSB	-	-	180	-
- MLSSB	-	-	741	-
Rental expenses paid to Sepang Asas Sdn. Bhd.	78,000	78,000	-	-
Rental income from Mercury Direct Sdn. Bhd.	6,000	6,000	-	-
Brokerage fees received from execution of trades on behalf of a director of the Company	-	2,771	-	-

24. RELATED PARTY DISCLOSURES (CONT'D)**(iii) Compensation of key management personnel**

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The remuneration of the directors and members of key management during the financial year is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, allowance, bonus and other emoluments	2,331,400	1,455,526	15,000	12,000
EPF	237,986	127,256	-	-
SOCSSO	7,729	7,026	-	-
EIS	516	483	-	-
Directors' fees	333,600	333,600	288,000	288,000
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	15,500	15,500	-	-
	2,926,731	1,939,391	303,000	300,000
Analyse as:				
- Directors	769,348	717,956	303,000	300,000
- Other key management personnel	2,157,383	1,221,435	-	-
	2,926,731	1,939,391	303,000	300,000

25. OPERATING SEGMENT

Segmental information is presented in respect of the Group's business and geographical segments.

Business Segments

Operating segment	Description of activities/services
• Stockbroking	- execution of trades of securities listed on Bursa Securities and foreign stock exchanges mainly in Singapore, Hong Kong and the United States of America; - margin financing facility services, nominees and custodian and related services; - underwriting and placement of securities where the Group underwrites and places out securities from equity fundraising offerings mainly from initial public offering, rights issue and private placement; and - commodities trading business. ⁽¹⁾
• Corporate finance	- corporate finance advisory focusing mainly on primary equity fundraising offering through initial public offerings, secondary equity fundraising offerings such as rights issue and private placement, take-overs, mergers and acquisitions, other corporate proposals which include bonus issue of shares and warrants, share issuance scheme, transfer of listing from LEAP Market of Bursa Securities to ACE Market of Bursa Securities and to the Main Market of Bursa Securities and corporate restructuring.

⁽¹⁾ At present, the management reviews the commodities trading business as part of the stockbroking segment since its contribution to the Group's revenue and gross profit is approximately **1.2% and 0.1%** (2024: 2% and 0.3%) respectively.

Performance is reviewed by the Chief Operating Decision Maker ("CODM"), i.e. the Group's managing director, up to gross profit level as management believes that such information is appropriate and relevant in evaluating and comparing the results of two operating segments relative to other entities that operate within these industries segments. For all other income and cost incurred after gross profit level, there is no segmental information provided since these information are viewed on a collective basis by the CODM.

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the CODM as it mainly comprises assets and liabilities of Mercury Securities and management does not distinguish assets and liabilities into the two operating segments. Hence, no disclosure is made on segment assets and liabilities.

	GROUP	
	2025 RM	2024 RM
Revenue		
Stockbroking	29,576,744	23,158,400
Corporate finance	6,625,198	9,413,217
Total revenue	36,201,942	32,571,617
Cost of services *		
Stockbroking	8,488,556	7,555,033
Corporate finance	5,885,496	5,448,816
Total cost	14,374,052	13,003,849
Gross profit		
Stockbroking	21,088,188	15,603,367
Corporate finance	739,702	3,964,401
Total gross profit	21,827,890	19,567,768

* Cost of services includes cost directly attributable to the performance of revenue.

25. OPERATING SEGMENT (CONT'D)**Geographical segments and location of assets**

The Group's revenue and non-current assets are maintained in Malaysia.

Information of major customers

The Group does not have any major customers which individually contributed to more than 10% of the Group's total revenue.

26. FINANCIAL INSTRUMENTS**26.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"), FVTPL and FVOCI.

	Carrying amount RM	AC RM	FVOCI RM	FVTPL RM
GROUP				
2025				
Financial assets				
Other investments	2,246,637	-	674,824	1,571,813
Trade and other receivables	132,277,640	132,277,640	-	-
Deposits	4,514,367	4,514,367	-	-
Cash and cash equivalents	43,914,465	43,914,465	-	-
	182,953,109	180,706,472	674,824	1,571,813
Financial liabilities				
Trade and other payables	14,663,524	14,663,524	-	-
2024				
Financial assets				
Other investments	1,968,513	-	756,259	1,212,254
Trade and other receivables	81,496,997	81,496,997	-	-
Deposits	4,165,646	4,165,646	-	-
Cash and cash equivalents	85,672,642	85,672,642	-	-
	173,303,798	171,335,285	756,259	1,212,254
Financial liabilities				
Trade and other payables	15,460,852	15,460,852	-	-

26. FINANCIAL INSTRUMENTS (CONT'D)**26.1 Categories of financial instruments (cont'd)**

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"), FVTPL and FVOCI. (cont'd)

	Carrying amount RM	AC RM	FVOCI RM	FVTPL RM
COMPANY				
2025				
Financial assets				
Trade and other receivables	25,204,495	25,204,495	-	-
Cash and cash equivalents	10,289,562	10,289,562	-	-
	35,494,057	35,494,057	-	-
Financial liabilities				
Trade and other payables	66,865	66,865	-	-
2024				
Financial assets				
Trade and other receivables	29,304	29,304	-	-
Cash and cash equivalents	39,800,947	39,800,947	-	-
	39,830,251	39,830,251	-	-
Financial liabilities				
Trade and other payables	4,855,978	4,855,978	-	-

26.2 Financial risk management objectives and policies

The Group's and the Company's financial risk management objectives and policies is to optimise the value creation for their shareholders and seeks to minimise potential adverse effects on the Group's and the Company's financial performance and position. The Group and the Company have exposure to the following risks from their use of financial instruments:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk
- iv. Equity price risk

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Financial risk management objectives and policies (cont'd)****26.2.1 Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers and brokers, as well as cash and cash equivalents.

26.2.1.1 Trade receivables

The Group manages its exposure to credit risk by amongst others, application of credit approvals, credit limits and monitoring procedures on an ongoing basis. Trade receivables and amount due from clients and brokers are monitored on an ongoing basis via periodic review and management reporting.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in Note 11 to the financial statements.

The Group applies the simplified approach in *MFRS 9* to measure ECL which uses a lifetime expected loss allowance for all trade receivables.

The information about the exposure to credit risk and the loss allowances calculated under *MFRS 9* for trade receivables are summarised below:

	Gross RM	ECL allowance RM	Interest-in- suspense RM	Net RM
GROUP				
2025				
Not past due	123,963,201	-	-	123,963,201
Past due 1 to 30 days	533,040	-	(13,098)	519,942
Past due 31 to 60 days	314,113	(122,496)	(1,893)	189,724
Past due 61 to 90 days	42,584	(38,994)	(3,590)	-
Past due 91 to 120 days	52,843	(11,406)	(29,708)	11,729
Past due more than 120 days	13,625,251	(3,983,765)	(3,923,689)	5,717,797*
	138,531,032	(4,156,661)	(3,971,978)	130,402,393

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Financial risk management objectives and policies (cont'd)****26.2.1 Credit risk (cont'd)****26.2.1.1 Trade receivables (cont'd)**

The information about the exposure to credit risk and the loss allowances calculated under *MFRS 9* for trade receivables are summarised below: (cont'd)

	Gross RM	ECL allowance RM	Interest-in- suspense RM	Net RM
GROUP				
2024				
Not past due	72,658,704	-	-	72,658,704
Past due 1 to 30 days	288,285	-	(5,919)	282,366
Past due 31 to 60 days	386,002	(76,825)	(2,597)	306,580
Past due 61 to 90 days	447,377	(429,399)	(17,978)	-
Past due 91 to 120 days	327,570	(315,591)	(11,979)	-
Past due more than 120 days	13,065,616	(3,334,846)	(3,185,041)	6,545,729*
	87,173,554	(4,156,661)	(3,223,514)	79,793,379

* The net amount classified under past due more than 120 days as at the end of the reporting period for which no allowance was made is secured by quoted securities and cash deposit received from clients as well as deposit of the clients' remisiers.

The Group has significant concentration of credit risk from **1** (2024: Nil) customer (with amount from each of them representing 10% or more of total trade receivables as at the end of the reporting period) which represent **13%** (2024: Nil) of the total trade receivables.

In order to manage the credit risk arising from clients (including margin receivables), individual credit evaluation is performed on all clients.

Non-margin clients

The normal credit term for the amount due from non-margin clients is **T+2 days** (2024: T+2 days) in accordance with the Fixed Delivery Settlement System rules of Bursa Malaysia Securities Clearing Sdn. Bhd. Therefore, the credit risk is for a relatively short period and based on historical credit loss experience is not significant.

The Group charges contra interest at a flat rate of **10%** (2024: 10%) per annum on outstanding contra loss amount due from non-margin clients which have been outstanding for 5 market days after the contra transaction date ("T+5 days"). Such contra interest when charged will not be recognised immediately in profit or loss. Instead, it is deferred under an interest-in-suspense account until settlement by the non-margin clients in accordance with the Rule 12.04 of the Rules of Bursa Securities.

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Financial risk management objectives and policies (cont'd)****26.2.1 Credit risk (cont'd)****26.2.1.1 Trade receivables (cont'd)**Non-margin clients (cont'd)

However, non-margin clients may opt for discretionary financing which is permitted under the Rules of Bursa Securities from the initial settlement period of T+2 days to an extended settlement period of up to T+7 days at a discretionary fee and interest at a rate mutually agreed.

Amounts deemed irrecoverable are specifically impaired once all reasonable avenues of recovery have been exhausted.

Margin clients

For amount due from margin clients, the Group enters into commitment to extend margin facility to margin client depending on the assessment of the credit risk of the respective client. The Group requires margin clients to pledge their quoted securities as collateral based on the margin requirements. The margin requirements include, amongst others, valuing the securities pledged based on the Group's internal price cap that is periodically reviewed and is lower than the prevailing market price, imposing a margin of financing of up between 50% to 60% of the value of the securities pledged, selected securities are non-marginable as well as the strategic nature and size of the securities pledged, all of these cushioning measures will mitigate credit loss. The margin requirement and the outstanding amount are closely monitored on a daily basis.

In addition, the Group reviews the recoverable amount of each individual receivable at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

For margin receivables that have fall short of the margin requirements, the Group will review the recoverability of the margin receivables by ensuring that the market value of the quoted securities pledged as collateral exceeds the outstanding amount. Margin calls and forced selling are made where necessary to reduce risk of loss.

Given the above risk management processes, the Group and the Company consider that the credit risk arising from amount due from clients (including margin receivables) is adequately managed and risk of credit loss is significantly reduced. Market conditions and adequacy of quoted securities held as collateral of each margin receivable are monitored by management on a daily basis. Margin calls and forced selling are made where necessary to reduce risk of loss.

Others

In respect of the amount due from brokers, credit risk is considered low as the Group enters into transactions with brokers which are registered and licensed with regulatory bodies. In respect of the securities listed on Bursa Securities, brokers are required to comply with the Fixed Delivery Settlement System rules of Bursa Malaysia Securities Clearing Sdn. Bhd.

Trade receivables under corporate finance segment and other receivables are usually collectible and the Group does not have much historical bad debts written off or impairment of such receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to administrative matter. No additional ECL is provided during the financial year (other than those disclosed in Note 11 to the financial statements) as the impact to the Group's financial statements is not material since all known doubtful debts have already been provided for impairment.

Management believes that there is no other credit risk beyond the amount of allowance for ECL made in the Group's trade receivables.

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Financial risk management objectives and policies (cont'd)****26.2.1 Credit risk (cont'd)****26.2.1.2 Intercompany balances**

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by their carrying amount in Note 11 to the financial statements.

26.2.1.3 Other receivables

The maximum exposure to credit risk is represented by their carrying amount in Note 11 to the financial statements.

26.2.1.4 Cash and cash equivalents

The Group and the Company consider that their cash and cash equivalents to have low credit risk, as they are placed with financial institutions with low credit risk. Therefore, the Group and the Company are of the view that the loss allowance is not required.

26.2.2 Liquidity risk

Liquidity risk is the risk of loss as a result of the Group and the Company inability to meet their cash flows and other financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its payables. Liquidity risks attributable to trading of securities is managed through the Group's and the Company's compliance with requirements under the Capital Adequacy Requirement framework of Bursa Securities and cash deposit placed with Bursa Malaysia Securities Clearing Sdn. Bhd. under its equity margining system.

As part of the overall liquidity management, the Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities as and when they fall due.

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Financial risk management objectives and policies (cont'd)****26.2.2 Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
GROUP					
2025					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	14,663,524	14,663,524	14,663,524	-	-
2024					
<i>Non-derivative financial liabilities</i>					
Lease liabilities	139,875	146,684	101,184	45,500	-
Trade and other payables	15,460,852	15,460,852	15,460,852	-	-
	15,600,727	15,607,536	15,562,036	45,500	-
COMPANY					
2025					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	66,865	66,865	66,865	-	-
2024					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	4,855,978	4,855,978	4,855,978	-	-

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Financial risk management objectives and policies (cont'd)****26.2.3 Market risk**

Market risk is the risk of loss arising from changes in prices of equity instruments and other financial instruments, such as interest rates, foreign currency and equity price will affect the Group's and the Company's financial position or cash flows.

26.2.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from their interest-bearing financial assets.

The Group's and the Company's fixed rate instruments are exposed to risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on the carrying amounts as at the end of reporting period is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rate instruments				
Financial assets	159,416,554	152,201,299	10,268,452	39,657,298
Floating rate instruments				
Financial assets	-	-	25,204,495	-

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have an insignificant impact to the Group's and the Company's profit before tax and equity. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables remain constant.

26.2.3.2 Foreign currency risk

Foreign currency risk is the risk of loss arising from changes in the foreign exchange rate of assets and liabilities denominated in foreign currency and transactions requiring the Group to settle with the counterparty in foreign currency.

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Financial risk management objectives and policies (cont'd)****26.2.3 Market risk (cont'd)****26.2.3.2 Foreign currency risk (cont'd)**

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of risk controls to mitigate unnecessary risks not denominated in the Group's functional currency.

The Group is exposed to foreign currency risk mainly on:

- (i) buying and selling of securities denominated in foreign currency on behalf of customers; and
- (ii) cash and bank balances held by the Group which are denominated mainly in United States Dollar ("USD") and Pounds Sterling ("GBP") held for settlement of the Group's obligations in foreign securities denominated in these currencies with the counterparty.

For settlement of obligations from the buying or selling of foreign currency denominated securities, the Group will settle in the transactional foreign currency equivalent based on prevailing major banks' buying or selling foreign exchange rate, thus mitigating undue fluctuations in foreign exchange.

Sensitivity analysis for foreign currency risk

The following table illustrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax and equity. A 10% strengthening of RM against the following currencies at the end of the reporting period would have decreased profit before tax by the amount shown below and a corresponding 10% weakening would have an equal but opposite effect.

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP	
	2025 RM	2024 RM
USD	120,109	120,903
GBP	110,266	108,847
Decrease in profit before tax	230,375	229,750
Decrease in equity	175,085	174,610

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Financial risk management objectives and policies (cont'd)****26.2.4 Equity price risk**

Equity price risk arises mainly from changes in equity prices of the quoted equity securities held as other investments by the Group. Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis by competent personnel.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share price of the quoted equity securities had been 5% higher/lower, with all other variables held constant, the Group's profit before tax and equity would have been **RM78,591** (2024: RM60,613) higher/lower, and a decrease would have an equal but opposite effect, arising as a result of higher/lower fair value gain on other investments carried at FVTPL.

27. FAIR VALUE INFORMATION**27.1 Fair value measurement of financial instruments**

The carrying amounts of the Group's and Company's cash and cash equivalents, receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

27.2 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Carrying amount RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
GROUP					
2025					
Fair value of financial instruments carried at fair value					
Financial assets					
Quoted shares	2,246,637	2,246,637	2,246,637	-	-
2024					
Fair value of financial instruments carried at fair value					
Financial assets					
Quoted shares	1,968,513	1,968,513	1,968,513	-	-

27. FAIR VALUE INFORMATION (CONT'D)**27.2 Financial assets that are measured at fair value on a recurring basis (cont'd)**

The fair value of the quoted shares is determined at their quoted closing bid prices of the shares at the end of the reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and Level 2 fair values during the financial year.

27.3 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Group's leasehold land, buildings and investment properties with reference to valuation reports by external independent professional valuers using the market comparison method.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique	Significant unobservable inputs	Range	Sensitivity of the inputs to the fair value
Market comparison approach	Adjustments made on price per square foot are based on valuers' assumptions for any difference in the nature, location or condition of the specific property.	-11% to 15% (2024: -44% to 19%)	A 0.5% increase or decrease in the key valuation assumption would result in a corresponding increase or decrease in fair values ranging from RM6,131 to RM41,288 (2024: RM4,688 to RM97,403)

27. FAIR VALUE INFORMATION (CONT'D)**27.3 Non-financial assets that are measured at fair value (cont'd)**

Detail of the Group's leasehold land, buildings and investment properties and information about their categorisation in the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
2025					
Leasehold land	-	-	3,380,000	3,380,000	3,355,481
Buildings	-	-	12,450,000	12,450,000	12,436,601
	-	-	15,830,000	15,830,000	15,792,082
2024					
Buildings	-	-	10,388,375	10,388,375	9,702,127
Investment properties	-	-	4,650,000	4,650,000	4,650,000
	-	-	15,038,375	15,038,375	14,352,127

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value of leasehold land, buildings and investment properties have been generally derived using the market comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

28. CAPITAL COMMITMENT

	GROUP	
	2025 RM	2024 RM
Contracted but not provided for:		
- Computer equipment and software	-	98,115

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to ensure that it maintains an optimal capital structure with strong credit rating and healthy capital ratios in order to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new ordinary shares and/or other types of securities. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

In addition, a subsidiary, Mercury Securities, is required to comply with Rule 13.03 (minimum paid-up capital and minimum shareholders' funds unimpaired by losses of Participating Organisation) and Rule 13.04 (Capital Adequacy Requirement) of the Rules of Bursa Securities as well as Chapter 4.04 of the Licensing Handbook issued by the Securities Commission Malaysia ("Handbook") (minimum paid-up capital and minimum shareholders' funds), which Mercury Securities has duly complied. The particulars of Rule 13.03 and 13.04 are as follows:

Rule 13.03

The paid-up capital and minimum shareholders' funds unimpaired by losses of Mercury Securities shall not be less than RM20,000,000 or such other amount as the Minister of Finance may from time to time determine. The Minister of Finance may exempt any Participating Organisation from the provisions of this Rule 13.03 for such period and on such terms and conditions as he deems fit.

Rule 13.04

On a daily basis, Mercury Securities monitors its capital using Capital Adequacy Ratio ("CAR") requirements. CAR is computed based on its liquid capital divided by its total risk requirement. Mercury Securities must ensure that its CAR is at all times more than 1.2 times. Liquid capital represents its financial resources or liquid capital maintained in a readily realisable form to meet its total risk requirement. Mercury Securities computes liquid capital by deducting non-core capital, property, plant and equipment and current assets from total capital employed. Total risk requirement represents the sum of operational risk requirement, position risk requirement, counterparty risk requirement, underwriting risk requirement and large exposure risk requirement. Mercury Securities submits the required schedules to Bursa Securities on a daily and monthly basis. The CAR of Mercury Securities as at the end of the reporting period is **23.05 times** (2024: 20.8 times).

Chapter 4.04 of the Handbook

Mercury Securities is a Capital Markets Services Licence holder and is permitted to conduct regulated activities comprising of dealing in securities, investment advice and advising on corporate finance. In accordance with Chapter 4.04 of the Handbook, the minimum paid-up capital and shareholders' funds of Mercury Securities shall not be less than RM20,000,000 and RM100,000,000 respectively and Mercury Securities shall maintain a CAR of more than 1.2 times or any other financial requirements as determined by the Securities Commission Malaysia from time to time.

List of Properties

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Property address	Description of property/ Existing use	Tenure	Year of expiry	Land area/ Built-up area	Acquisition date/ Last revaluation date	Approximate age of building	Audited net book value as at 31 October 2025 (RM'000)
No. 1 (Ground floor, 1 st floor, 2 nd floor and 3 rd floor), Jalan Todak, 5, Pusat Bandar Seberang Jaya, 13700 Prai, Puala Pinang	4-storey shophouse. Used as office for Butterworth Branch	Leasehold for 99 years	2092	Land area 3,261.46 sq. ft. Built-up area 13,002.80 sq. ft.	October 2025	31 years	4,762
L-7-2, No. 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur	Office unit in the 7 th floor of a 10-storey building. Used as office for Head Office and Kuala Lumpur Branch	Freehold	n/a	Built-up area 9,564 sq. ft.	October 2025	18 years	7,570
K-3A-5, No.2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur	Office unit in the 4 th floor of a 10-storey building. Used as office for Head Office and Kuala Lumpur Branch	Freehold	n/a	Built-up area 1,636.11 sq. ft.	October 2025	18 years	1,290
K-3A-6, No. 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur	Office unit in the 4 th floor of a 10-storey building. Used as office for Head Office and Kuala Lumpur Branch	Freehold	n/a	Built-up area 1,237.85 sq. ft.	October 2025	18 years	980
81, 81A & 81B, Jalan Merdeka, Taman Melaka Raya, 75000 Melaka	3-storey shophouse. Used as office for Melaka Branch	Leasehold for 99 years	2093	Land area 1,539.24 sq. ft. Built-up area 4,620 sq. ft.	October 2025	32 years	1,190

Analysis of Shareholdings

as at 6 February 2026

Total Issued Shares : 893,000,000 Ordinary Shares
Types of Shares : Ordinary Share
Voting Rights : One per Ordinary Share

ANALYSIS BY SIZE OF HOLDINGS AS AT 6 FEBRUARY 2026

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares	Percentage of Shareholdings (%)
1 – 99	2	0.12	100	0.00
100 – 1,000	199	12.02	87,400	0.01
1,001 – 10,000	676	40.82	4,173,300	0.47
10,001 – 100,000	610	36.84	22,590,000	2.53
100,001 – 44,649,999 (*)	166	10.02	201,482,200	22.56
44,650,000 and above (**)	3	0.18	664,667,000	74.43
Total	1,656	100.00	893,000,000	100.00

Notes:

- * Less than 5% of issued Shares.
** 5% and above of issued Shares.

DIRECTORS' SHAREHOLDINGS AS AT 6 FEBRUARY 2026

Name	Direct Interest		Indirect Interest	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Dato' Baharon Bin Talib	250,000	0.03	-	-
2. Chew Sing Guan	331,431,900	37.11	110,000 ⁽¹⁾	0.01
3. Dato' A. Rahman Bin Safar	73,590,500	8.24	25,000 ⁽¹⁾	0.00 ⁽³⁾
4. Chan Kim Hing	650,000	0.07	-	-
5. Datin Chua Suat Khim	150,000	0.02	-	-
6. Himahlini A/P M. Ramalingam @ Yalumalai	150,000	0.02	-	-

SUBSTANTIAL SHAREHOLDERS AS AT 6 FEBRUARY 2026

Name	Direct Interest		Indirect Interest	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Chew Sing Guan	331,431,900	37.11	110,000 ⁽¹⁾	0.01
2. Enrogetz Sdn Bhd	259,644,600	29.08	-	-
3. Faizal Bin Mat Zuki	-	-	259,644,600 ⁽²⁾	29.08
4. Dato' A. Rahman Bin Safar	73,590,500	8.24	25,000 ⁽¹⁾	0.00 ⁽³⁾

Notes:

- (1) Deemed interested by virtue of their children's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016.
(2) Deemed interested by virtue of his shareholdings in Enrogetz Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
(3) Negligible.

Analysis of Shareholdings

as at 6 February 2026

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LIST OF TOP 30 SHAREHOLDERS AS AT 6 FEBRUARY 2026

(Without aggregating securities from different Securities Account(s) belonging to the same Registered Holder)

Name	No. of Shares	Percentage of Shareholdings (%)
1. Chew Sing Guan	331,431,900	37.11
2. Enrogetz Sdn Bhd	259,644,600	29.08
3. Mercsec Nominees (Tempatan) Sdn Bhd A. Rahman Bin Safar	73,590,500	8.24
4. Ong Chin Kok	28,791,700	3.22
5. Shaik Othman Bin Hussain	17,559,600	1.97
6. Mak Lin Kum	13,780,800	1.54
7. Chew Beow Soon	13,009,500	1.46
8. Poh Choo Beng	8,165,000	0.91
9. HSBC Nominees (Asing) Sdn Bhd Exempt An For Morgan Stanley & Co. International Plc (IPB Client Acct)	7,500,000	0.84
10. Yeo Wee Sun	7,266,000	0.81
11. Chou Sing Hoan	6,185,000	0.69
12. Mercsec Nominees (Asing) Sdn Bhd General Reserve of Digital Assets Limited	6,000,000	0.67
13. Mercsec Nominees (Tempatan) Sdn Bhd Pintarisma Sdn Bhd	5,878,700	0.66
14. Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gerald Nicholas Tan Eng Hoe	5,315,400	0.60
15. Mercsec Nominees (Tempatan) Sdn Bhd We Twenty Two Sdn Bhd	5,258,300	0.59
16. Lembaga Tabung Amanah Warisan Negeri Terengganu	4,750,000	0.53
17. Mercsec Nominees (Tempatan) Sdn Bhd Win Radius Sdn Bhd	4,311,900	0.48
18. Mariam Prudence Binti Yusof	4,000,000	0.45
19. Yap Lee Ken	3,647,200	0.41
20. Cheng T-Shern	2,408,800	0.27
21. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chai Chan Tong	2,250,000	0.25
22. Grace Cheah Yeong Sen	1,919,000	0.21
23. Tai Chang Eng @ Teh Chang Ying	1,610,000	0.18
24. Tai Hin & Son (Pg) Sdn Bhd	1,513,000	0.17
25. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Poh Choo Beng	1,439,000	0.16
26. Mercsec Nominees (Tempatan) Sdn Bhd Kris Azman Bin Abdullah	1,380,000	0.15
27. Fong Wern Sheng	1,359,200	0.15
28. Abdul Murad Bin Khalid	1,260,000	0.14
29. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Hee Kah	1,232,800	0.14
30. Lim Oi Wah	1,000,000	0.11
Total	823,457,900	92.21

Notice of Fifth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting (“5th AGM”) of the Company will be held at **Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur** on **Tuesday, 31 March 2026** at **10.00 a.m.** for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 October 2025 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To approve the payment of Director’s fee to Dato’ Baharon Bin Talib of RM8,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 1**
(Please refer to Explanatory Note 2)
3. To approve the payment of Director’s fee to Mr. Chan Kim Hing of RM4,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 2**
(Please refer to Explanatory Note 2)
4. To approve the payment of Director’s fee to Datin Chua Suat Khim of RM4,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 3**
(Please refer to Explanatory Note 2)
5. To approve the payment of Director’s fee to Ms. Himahlini A/P M. Ramalingam @ Yalumallai of RM4,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 4**
(Please refer to Explanatory Note 2)
6. To approve the payment of Director’s fee to Dato’ A. Rahman Bin Safar of RM6,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 5**
(Please refer to Explanatory Note 2)
7. To approve the payment of Directors’ benefits up to RM50,000.00 for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 6**
(Please refer to Explanatory Note 2)
8. To re-elect the following Directors who are retiring by rotation in accordance with Clause 76(3) of the Constitution of the Company and, who being eligible, offer themselves for re-election:
(a) Datin Chua Suat Khim
(b) Ms. Himahlini A/P M. Ramalingam @ Yalumallai
(Please refer to Explanatory Note 3)
Ordinary Resolution 7
Ordinary Resolution 8
9. To re-appoint Messrs. Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 31 October 2026 and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 9**
(Please refer to Explanatory Note 4)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolution, with or without modifications:

10. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016

Ordinary Resolution 10

(Please refer to
Explanatory Note 5)

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“**the Act**”), the Constitution of the Company, and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“**New Shares**”) from time to time, at such issue price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such New Shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being (“**Proposed General Mandate**”).

THAT such approval of the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting (“**AGM**”) of the Company held after the approval was given;
- b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT pursuant to Section 85 of the Act, read together with Clause 12(3) of the Constitution of the Company, approval be and is given to waive the Company’s shareholders’ statutory pre-emptive rights of the shareholders of the Company to be offered the New Shares in the Company ranking equally to the existing issued shares of the Company arising from issuance of the New Shares in the Company to the allottees.

THAT the Directors be and are hereby authorised to issue any New Shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

TAN BEE HWEE (SSM PC No. 202008001497) (MAICSA 7021024)

SOO SIEW PENG (SSM PC No. 202008001646) (MAICSA 7063110)

Company Secretaries

Kuala Lumpur

27 February 2026

NOTES:-

1. For the purpose of determining who shall be entitled to attend and vote at the 5th AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 24 March 2026. Only a member whose name appears on the Record of Depositors as at 24 March 2026 shall be entitled to attend the 5th AGM or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at the 5th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at the 5th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 5th AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronics means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 5th AGM or adjourned 5th AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) In electronic form
In the case of an appointment made via online lodgement facility, please lodge the Proxy Form electronically via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 5th AGM on the procedures for electronic lodgement of the Proxy Form.
8. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
9. Last date and time for lodging the Proxy Form is on Sunday, **29 March 2026** at **10.00 a.m.**
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 5th AGM or adjourned 5th AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - (i) Identity card (NRIC) (Malaysian); or
 - (ii) Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - (iii) Passport (Foreigner).

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 October 2025

The Audited Financial Statements is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“**the Act**”) does not require a formal approval from the shareholders. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

2. Ordinary Resolutions 1 to 6 – Payment of Directors’ Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

On 30 December 2025, the Remuneration Committee had reviewed the Directors’ fees and benefits for the Non-Executive Directors for the following period, taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors.

The payment of the Directors’ fees and benefits from the period as stated in the proposed Ordinary Resolutions 1 to 6 until the next Annual General Meeting (“**AGM**”) of the Company to be held in 2027 will only be made if the relevant proposed Ordinary Resolutions 1 to 6 are passed at the 5th AGM.

The proposed Ordinary Resolutions 1 to 4, if passed, will give authority to the Company to pay the Directors’ fees from 1 April 2026 until the next AGM of the Company to be held in 2027 to Non-Executive Directors as and when their services are rendered.

The proposed Ordinary Resolution 5 comprising the Director’s fee amounting to RM6,000.00 per month payable to Dato’ A Rahman Bin Safar for the period from 1 April 2026 until the next AGM of the Company to be held in 2027 as and when his services are rendered as follows:

- (a) RM4,000.00 per month in his capacity as Non-Executive Director of the Company; and
- (b) RM2,000.00 per month in his capacity as Non-Executive Director of the Company’s wholly-owned subsidiary, Mercury Securities Sdn Bhd.

There has been no revision to the Directors’ fees and benefits previously approved by the shareholders at the 4th AGM of the Company held on 30 April 2025.

The proposed Ordinary Resolution 6 is to facilitate the payment of Directors’ benefits to Non-Executive Directors for the period from 1 April 2026 until the next AGM of the Company to be held in 2027.

The proposed structure of the Directors' benefits to Non-Executive Directors for the period from 1 April 2026 until the next AGM of the Company to be held in 2027 are as follows:

Type of Benefits	Description	Amount
Meeting Attendance Allowance		
Board Committees and Board Meeting Allowances	Chairman of the Board and other Non-Executive Directors of the Board	RM500.00 per meeting day

Payment of the Directors' benefits will be made by the Company to the respective Directors as and when incurred if the proposed Ordinary Resolution 6 is passed by the shareholders at the 5th AGM.

In the event the Directors' fees and benefits proposed are insufficient, approval will be sought at the next AGM for additional fees and benefits to meet the shortfall.

3. **Ordinary Resolutions 7 – 8 – Re-election of Directors who retire in accordance with Clause 76(3) of the Constitution of the Company**

The following Directors are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 5th AGM:

- (a) Datin Chua Suat Khim
- (b) Ms. Himahlini A/P M. Ramalingam @ Yalumallai

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance 2021 ("MCCG"), the profiles of the aforementioned Directors are set out in the Directors' profile on page 6 of this Annual Report. For the purpose of determining the eligibility of the Directors to stand for re-election at the 5th AGM, the Board of Directors ("Board") has, through the Nomination Committee ("NC"), considered the assessment on the fit and proper of the retiring Directors and agreed that they meet the criteria as prescribed by Rule 2.20A of the ACE Market Listing Requirements ("ACE Listing Requirements") of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. Based on the recommendation of NC, the Board (save for the retiring Directors who had abstained from participating in the deliberation and voting by the Board regarding their re-election) supports the re-election of the abovementioned Directors with the following justifications:

Ordinary Resolution 7: Re-election of Datin Chua Suat Khim as Director of the Company

Datin Chua Suat Khim fulfills the requirements of independence as set out in Guidance Note 9 of the ACE Listing Requirements. She remains objective and independent in expressing her views and participating in Board deliberations and decision-making in addition to overseeing and ensuring the efficient functioning of the Board.

She has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

Ordinary Resolution 8: Re-election of Ms. Himahlini A/P M. Ramalingam @ Yalumallai as Director of the Company

Ms. Himahlini A/P M. Ramalingam @ Yalumallai fulfills the requirements of independence as set out in Guidance Note 9 of the ACE Listing Requirements. She remains objective and independent in expressing her views and participating in Board deliberations and decision-making in addition to overseeing and ensuring the efficient functioning of the Board.

She has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

Based on the above, the Board (save for the retiring Directors who had abstained from participating in the deliberation and voting by the Board regarding their re-election), collectively agreed and recommended the said Directors be re-elected as Directors of the Company at the 5th AGM. The Board was also satisfied with the fit and proper assessment completed by the retiring Directors.

4. Ordinary Resolution 9 – Re-appointment of External Auditors

The Audit and Risk Management Committee (“**ARMC**”) had at its meeting held on 30 December 2025 assessed the suitability and independence of the External Auditors and recommended the re-appointment of Messrs. Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 31 October 2026.

The Board has reviewed the recommendation of the ARMC and concurred to recommend the same to be tabled to the shareholders for approval at the 5th AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESS

5. Ordinary Resolution 10 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act and Waiver of Pre-emptive Rights pursuant to Section 85 of the Act

The proposed Ordinary Resolution 10, if passed, would empower the Directors of the Company to allot and issue new shares in the Company, convert any securities into new shares in the Company, or allot new shares under an agreement or option or offer, provided that the aggregate number of new shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of the issued shares of the Company (excluding treasury shares) for the time being (“**Proposed General Mandate**”).

The authority for the Proposed General Mandate will, unless revoked by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The proposed Ordinary Resolution 10 is proposed to seek for a renewal of the general mandate. The general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time.

The Company has not issued any new shares pursuant to the general mandate to the Directors for issuance of new shares pursuant to the Act, obtained at the 4th AGM held on 30 April 2025 and which will lapse at the conclusion of the 5th AGM. Hence, no proceeds were raised from the previous general mandate.

The purpose of the Proposed General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to placement of new shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of new shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for new shares, conversion of any securities into new shares, or allotment of new shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the Proposed General Mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of new shares.

Pursuant to Section 85(1) of the Companies Act 2016 be read together with Clause 12(3) of the Company’s Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities convertible into new shares. By voting in favour of this resolution, the shareholders of the Company would be waiving their statutory pre-emptive rights. The resolution, if passed, would allow the Directors to issue new shares to any person without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

Statement Accompanying the Notice of Fifth Annual General Meeting (“5th AGM”)

(pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors (Datin Chua Suat Khim and Ms. Himahlini A/P M. Ramalingam @ Yalumalai) who are standing for re-election (as per Ordinary Resolution No. 7 and 8 as stated above) at the forthcoming 5th AGM of Mercury Securities Group Berhad can be found on page 6 – Directors’ Profile of this Annual Report.

The information relating to the shareholding of the above two (2) Directors in the Company are set out on page 138 of this Annual Report.

Please refer to item 3 of the Explanatory Notes on Ordinary Business to the Notice of the Fifth Annual General Meeting on page 144 of this Annual Report for further background and justification of the Board of Directors to recommend their re-election as Director at the forthcoming 5th AGM.

Administrative Guide

for the Fifth Annual General Meeting ("5th AGM")

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Mercury
Securities
Group Berhad

ANNUAL
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Meeting Date : Tuesday, 31 March 2026
Time : 10.00 a.m.
Venue : Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000, Kuala Lumpur

CORPORATE MEMBERS

- Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original or duly certified certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH") on or before the 5th AGM.
- Attorneys appointed by power of attorney are required to deposit their power of attorney with TIIH not later than Sunday, 29 March 2026 at 10.00 a.m. to attend and vote at the 5th AGM.

GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

- Only a depositor whose name appears on the ROD as at 24 March 2026 shall be entitled to attend, participate, speak and vote at the 5th AGM or appoint proxies to attend and/or vote on his/her behalf.

REGISTRATION ON THE DAY OF THE 5th AGM

- Registration will commence at 9.00 a.m. on Tuesday, 31 March 2026 and will remain open until the conclusion of the 5th AGM or such time as may be determined by the Chairman of the meeting.
- Please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian) to the registration staff for verification.
- Upon verification, an identification wristband for voting purposes will be given to you thereafter. No one will be allowed to enter the meeting room without an identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.
- Registration must be done in person. No person is allowed to register on behalf of another even with the original NRIC or Passport of the other person.
- The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

NO RECORDING OR PHOTOGRAPHY

- Strictly **NO** recording or photography of the proceedings of the 5th AGM is allowed.

NO DOOR GIFT OR FOOD VOUCHER

- There will be **no distribution** of door gift or food voucher at the 5th AGM.

REFRESHMENTS

- Refreshments will be served at the 5th AGM.

PROXY

The appointment of proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the 5th AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid:-

In hard copy form

In case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company's Share Registrar, TIIH at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

In electronic form

You may also submit the Proxy Form electronically via Vistra Share Registry and IPO (MY) portal ("**the Portal**") at <https://srmy.vistra.com>. Please do read and follow the procedures below to submit Proxy Form electronically.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Proxy Form electronically via the Portal are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
(a) Register as a User at the Portal	<ul style="list-style-type: none"> Visit the website at https://srmy.vistra.com Click "Register" and select "Individual Holder" and complete the New User Registration Form. Once registration is completed, you will receive an email notification to verify your registered email address. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. Once you receive the confirmation, activate your account by creating your password. If you are an existing user with the Portal or our TIIH Online portal previously, you are not required to register again.
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: "MERCURY SECURITIES GROUP BERHAD 5TH AGM". Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". Read and agree to the Terms & Conditions and confirm the Declaration. Indicate the total number of shares assigned to your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. Indicate your voting instructions - FOR or AGAINST, otherwise your proxy will decide on your vote. Review and confirm your proxy(ies) appointment. Print the Proxy Form for your record.

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> Visit the website at https://srmy.vistra.com. Click "Register" and select "Representative of Corporate Holder" and complete the New User Registration Form. Complete the registration form with your personal details. Once registration is completed, you will receive an email notification to verify your registered email address. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. Once you receive the confirmation, activate your account by creating your password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to https://srmy.vistra.com with your email address and password. Select the corporate event: "MERCURY SECURITIES GROUP BERHAD 5TH AGM". Navigate to the icon ">" at the end of the corporate event. Read and agree to the Terms & Conditions and confirm the Declaration. Select the corporate holder's name. Proceed to download the submission file. Prepare the file for the appointment of proxies by inserting the required data. Proceed to upload the duly completed proxy appointment file. Select "Confirm" to complete your submission. Print the confirmation report of your submission for your record.

POLL VOTING

- The voting at the 5th AGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed TIIH as a Poll Administrator to conduct the poll and appointed Quantegic Services Sdn. Bhd. as Scrutineers to verify the poll results.
- Upon completion of the voting session for the 5th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

ANNUAL REPORT 2025

- This Annual Report is available at the Company's website at <https://www.mercurysecurities.com.my/annual-reports> and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- You may request for a printed copy of this Annual Report at <https://srmy.vistra.com> by selecting "Request for Annual Report" under the "Investor Services".
- Kindly consider the environment before you decide to request for the printed copy of this Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet earth.

Administrative Guide

for the Fifth Annual General Meeting ("5th AGM")

COMMUNICATION GUIDANCE

Shareholders are advised to check the Company's website at <https://www.mercurysecurities.com.my> and announcements from time to time for any changes to the administration of the 5th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

ENQUIRY

If you have any enquiries on the above, please contact the Share Registrar during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603 2783 9299

Email : is.enquiry@vistra.com

Contact Person : Mohammad Amirul Iskandar

+603 2783 9279 (mohammad.amirul@vistra.com)

: Syafiquel Hafidz

+603 2783 9024 (syafiquel.hafidz@vistra.com)

**MERCURY SECURITIES GROUP BERHAD****Registration No. 202101018329 (1418629-A)**

(Incorporated in Malaysia)

Proxy Form

CDS Account No.	No. of Shares held

I/We _____ Tel: _____
 [Full name in block, NRIC/Passport/Company No.]

of _____

being member(s) of **Mercury Securities Group Berhad**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or* (*delete as appropriate)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Fifth Annual General Meeting ("**5th AGM**") of the Company to be held at **Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000, Kuala Lumpur** on **Tuesday, 31 March 2026 at 10.00 a.m.**, or any adjournment thereof, and to vote as indicated below:

Resolution	For	Against
1. Ordinary Resolution 1 - To approve the payment of Director's fee to Dato' Baharon Bin Talib of RM8,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027		
2. Ordinary Resolution 2 - To approve the payment of Director's fee to Mr. Chan Kim Hing of RM4,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027		
3. Ordinary Resolution 3 - To approve the payment of Director's fee to Datin Chua Suat Khim of RM4,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027		
4. Ordinary Resolution 4 - To approve the payment of Director's fee to Ms. Himahlini A/P M. Ramalingam @ Yalumallai of RM4,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027		
5. Ordinary Resolution 5 - To approve the payment of Director's fee to Dato' A. Rahman Bin Safar of RM6,000.00 per month for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027		
6. Ordinary Resolution 6 - To approve the payment of Directors' benefits up to RM50,000.00 for the period from 1 April 2026 until the next Annual General Meeting of the Company to be held in 2027		
7. Ordinary Resolution 7 - To re-elect Datin Chua Suat Khim as Director of the Company		
8. Ordinary Resolution 8 - To re-elect Ms. Himahlini A/P M. Ramalingam @ Yalumallai as Director of the Company		
9. Ordinary Resolution 9 - To re-appoint Messrs. Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 31 October 2026 and to authorise the Board of Directors to fix their remuneration.		
10. Ordinary Resolution 10 - Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____ 2026

* Manner of execution:

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this Proxy Form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this Proxy Form should be affixed with the rubber stamp of your corporation (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

 Signature*
 Member

NOTES:-

1. For the purpose of determining who shall be entitled to attend and vote at the 5th AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 24 March 2026. Only a member whose name appears on the Record of Depositors as at 24 March 2026 shall be entitled to attend the 5th AGM or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at the 5th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at the 5th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 5th AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronics means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 5th AGM or adjourned 5th AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) In electronic form
In the case of an appointment made via online lodgement facility, please lodge the Proxy Form electronically via Vistra Share Registry and (MY) Portal at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 5th AGM on the procedures for electronic lodgement of Proxy Form.
8. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
9. Last date and time for lodging the Proxy Form is on **Sunday, 29 March 2026 at 10.00 a.m.**
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 5th AGM or adjourned 5th AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - (i) Identity card (NRIC) (Malaysian); or
 - (ii) Police report (for loss of NRIC)/Temporary NRIC (Malaysian); or
 - (iii) Passport (Foreigner).

PERSONAL DATA PRIVACY

By submitting the duly executed Proxy Form, the member (i) consents to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, including any adjournment thereof and (ii) warrants that where the member discloses the personal data of the member's proxy(ies), attorney(s) and/or representative(s) to the Company (and/or its agents/service providers), the member has obtained the prior consent of such persons for the collection, use and disclosure by the Company (and/or its agents/service providers) of the personal data of such persons for the purpose of the Annual General Meeting, including any adjournment thereof, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Fold this flap for sealing

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AFFIX
STAMP

The Share Registrar of
MERCURY SECURITIES GROUP BERHAD
Registration No. 202101018329 (1418629-A)

Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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MERCURY SECURITIES GROUP BERHAD

Registration No. 202101018329 (1418629-A)

L-7-2, No 2, Jalan Solaris,
Solaris Mont Kiara,
50480 Kuala Lumpur.

Tel: 603-6203 7227

Fax: 603-6203 7117

Email: mercurykl@mersec.com.my

 www.linkedin.com/company/mercury-sec/

 www.facebook.com/MercurystraightThru

 www.instagram.com/mercurystraightthru

www.mercurysecurities.com.my