



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

# DRIVING FINANCIAL GROWTH, SHAPING FUTURE SUCCESS

ANNUAL REPORT **2024**



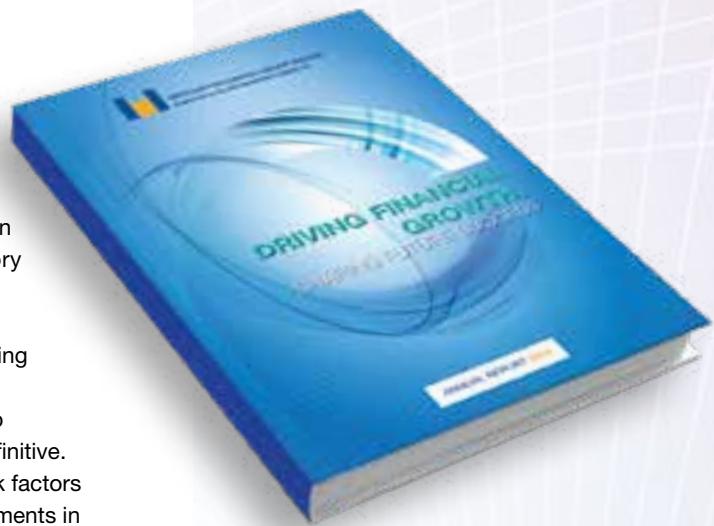
# Cover Rationale

This year's cover reflects our unwavering commitment to Driving Financial Growth, Shaping Future Success. The design consists of a dynamic motif element that represents the agility and precision of our core business areas — stockbroking, share margin financing, gold trading, corporate finance advisory, nominee and custodian services. Each segment of the motif symbolises how we align our expertise with evolving market demands, ensuring sustainable growth and forward momentum. In this way, we show how our strategic actions today lay the foundations for future success and underpin our leading role in creating value across all areas of financial markets and advisory services.

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.



To view or download softcopy of this Annual Report 2024, please scan the QR code.



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# Corporate Information

## 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.tricorglobal.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](http://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

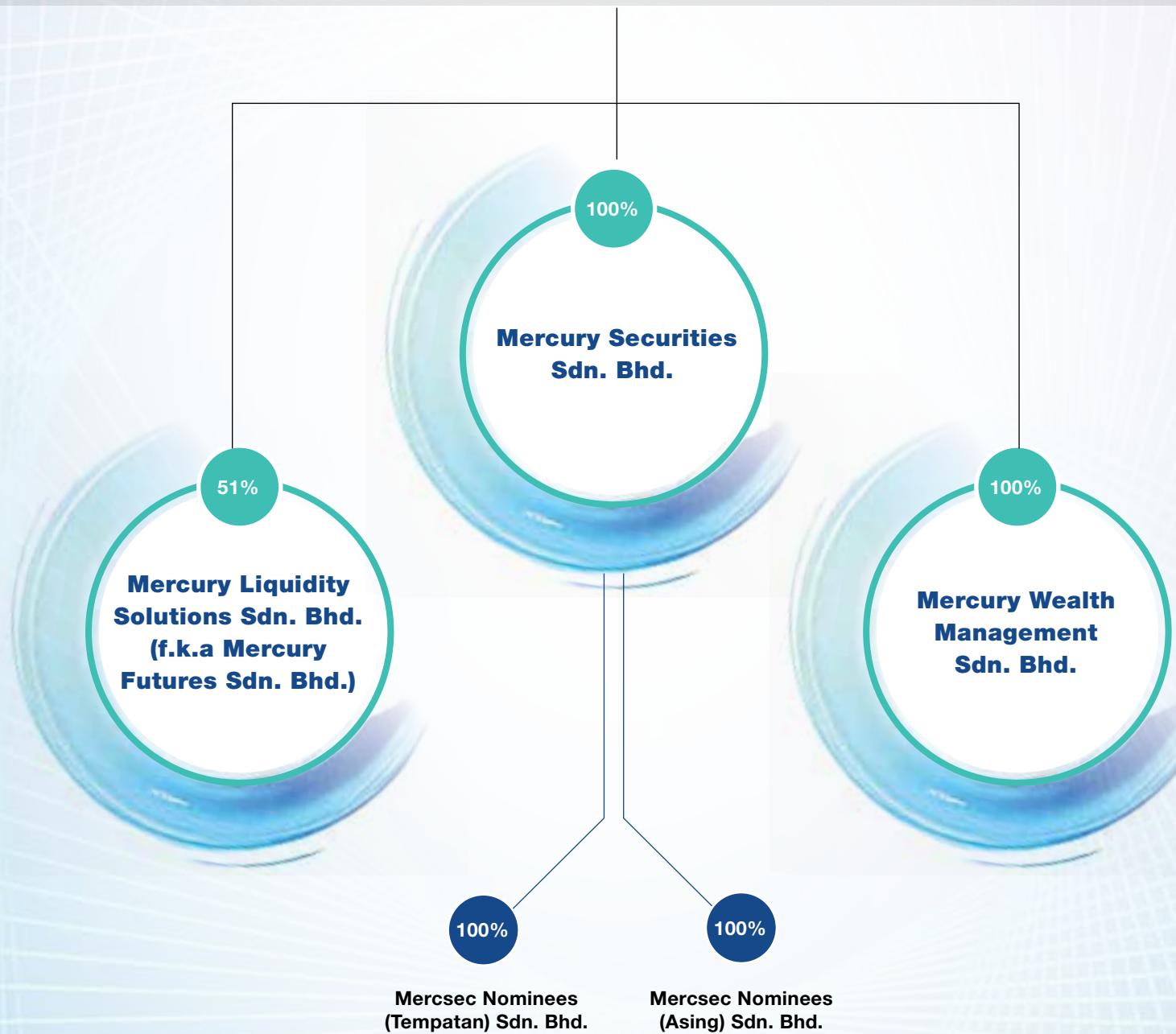
Fax No. : 03-2783 9222

Email : is.enquiry@vistra.com

# Corporate Structure



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



# Directors' Profile



## Dato' Baharon Bin Talib

Independent  
Non-Executive Chairman

**Aged:** 72

**Gender:** Male

**Nationality:** 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.

Dato Baharon is an executive director of Annum Berhad, a Main Market listed company.



## Chew Sing Guan

Non-Independent Executive  
Director/Managing Director

**Aged:** 75

**Gender:** Male

**Nationality:** Malaysian

Chew Sing Guan was appointed to the Board on 18 May 2021 as an 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 13<sup>th</sup> consecutive term. He is also a member of the Bursa's Market Participants Committee as well as Securities Market Participants Committee.

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 to the Audited Financial Statements for the financial year ended 31 October 2024.

## Directors' Profile



### Dato' A. Rahman Bin Safar

Non-Independent  
Non-Executive Director

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**Aged:** 70

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**Gender:** Male

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**Nationality:** Malaysian

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Dato' A. Rahman Bin Safar was appointed to the Board on 18 May 2021 as an 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

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**Aged:** 58

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**Gender:** Male

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**Nationality:** Malaysian

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

## Directors' Profile



### Datin Chua Suat Khim

Independent  
Non-Executive Director

**Aged:** 66

**Gender:** Female

**Nationality:** 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:** 44

**Gender:** Female

**Nationality:** 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:

#### 1. 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.

#### 2. 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.

#### 3. Conviction of Offences

None of the 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 2024.

#### 4. 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.

#### 5. 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.

#### 6. 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



## Chris Lai Ther Wei

Head of Capital Markets

**Aged:** 42

**Gender:** Male

**Nationality:** Malaysian

Chris Lai Ther Wei is our Head of Capital Markets. He is responsible for overseeing the Group's corporate finance functions. He advises clients on a diverse range of corporate finance advisory services including initial public offering (IPO), secondary fund raising, mergers and acquisitions, privatization, independent advice and valuation.

He graduated with a Diploma in Business Studies (Accounting) from Kolej Tunku Abdul Rahman in 2002 and a Bachelor of Science in Applied Accounting from Oxford Brookes University in 2006. He was admitted as a member of the Association of Chartered Certified Accountants (UK) since 30 June 2008 and became a fellow member since 30 June 2013.

He 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 2019, he joined Mercury Securities Sdn Bhd as an Associate Director of Corporate Finance and in November 2021, he was re-designated as our Head of Capital Markets, a position which he presently holds.

Chris Lai has more than 20 years of experience in the field of external auditing from his employment with an audit firm and corporate finance advisory gained from his previous employment with several investment banks and stockbroking firms in various capacities.



## Foong Kee Yan

Acting Financial Controller

**Aged:** 68

**Gender:** Male

**Nationality:** Malaysian

Foong Kee Yan is our Acting 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 remisiers and supervising the overall credit control functions.

In July 2021, he was assigned to head the Credit and Risk Management Department.

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.

## Senior Management Profile



### Cheng Yeong Chian

Head of Credit and Risk Management

**Aged:** 39

**Gender:** Female

**Nationality:** 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 whereby she is primarily responsible for supervising the overall credit control and risk management functions of our Group.



### Vijaya Kumar A/L Muniandy

Head of Dealing

**Aged:** 56

**Gender:** Male

**Nationality:** 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.

## Senior Management Profile



### Siew Kwong Cheong

Head of Operation

**Aged:** 57

**Gender:** Male

**Nationality:** Malaysian

Siew Kwong Cheong is our Head of Operation. He is primarily responsible to oversee, monitor and manage the back office and administrative functions of all the branch offices.

In 1994, he obtained his certificate of membership with the Association of International Accountants, United Kingdom and has been a fellow member since 1996. He is a Certified Financial Planner with the Financial Planning Association of Malaysia since 2002.

In October 2006, he joined Mercury Securities Sdn Bhd as a Senior Accounts Manager (Operation) and was subsequently promoted to the Head of Operation (Kuala Lumpur Branch) in July 2008 where he was responsible for supervising the back-office, branch accounting and administrative functions of the branch.

In July 2021, he was re-designated as the Head of Operation, a position which he presently holds.

Prior to joining Mercury Securities Sdn Bhd, he has gained a total of 20 years' experience in the field of external auditing, finance and accounting, tax, treasury functions, with 2 external audit firms and an engineering company and overseeing the stockbroking back-office functions whilst employed by 2 stockbroking companies.



### Heong Ah Fong

Head of IT

**Aged:** 62

**Gender:** Male

**Nationality:** 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:

##### 1. 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.

##### 2. 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.

##### 3. 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 2024.

##### 4. 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.

# 2-Year Group Financial Summary and Highlights

Financial Year Ended 31 October	2024 RM'000	2023 RM'000
<b>Financial Results</b>		
Revenue	<b>32,572</b>	27,405
Gross profit	<b>19,568</b>	17,864
Profit before tax ("PBT")	<b>18,760</b>	12,463
Profit after tax attributable to the owners of the Company ("PAT")	<b>14,039</b>	8,388
Gross profit margin	% <b>60.08</b>	65.18
PBT margin	% <b>57.60</b>	45.48
PAT margin	% <b>43.10</b>	30.61
Effective tax rate <sup>(1)</sup>	% <b>25.23</b>	32.70
Number of shares in issue – weighted average <sup>(2)</sup>	<b>893,000,000</b>	753,981,065
Earnings per share - Basic/Diluted <sup>(2)</sup>	sen <b>1.57</b>	1.11
Dividend per share <sup>(3)</sup>	sen <b>0.5</b>	-
Dividend payout ratio	% <b>31.80</b>	-
Total assets	<b>198,257</b>	185,473
- Cash and cash equivalents	<b>85,673</b>	82,504
- Trade and other receivables	<b>81,497</b>	73,743
Total liabilities	<b>18,116</b>	14,878
- Bank borrowings	-	-
Equity attributable to the owners of the Company	<b>180,152</b>	170,596
Net assets per share	sen <b>20.17</b>	19.10
Return on equity	% <b>7.79</b>	4.92
Return on total assets	% <b>7.08</b>	4.52
Current ratio	times <b>10.11</b>	11.76
Gearing ratio	times -	-

**Notes:**

<sup>(1)</sup> 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 25.23% in the FYE 2024 was higher than the statutory tax rate of 24.00% was due to certain expenses not allowable for tax purposes.

<sup>(2)</sup> 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.

<sup>(3)</sup> Single-tier interim dividend of 0.5 sen per share amounting to RM4,465,000 was paid to entitled shareholders on 2 February 2024.

## 2-Year Group Financial Summary and Highlights



# 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 2024 (“FYE 2024”).**

### ➤ PERFORMANCE REVIEW FOR THE FYE 2024

In the FYE 2024, our Group performed creditably, achieving profit before tax (“PBT”) of RM18.76 million an improvement of 50.52% as compared to PBT of RM12.46 million recorded in the FYE 2023. The improved PBT was attributable to an increase in revenue by 18.85% to RM32.57 million in the FYE 2024 coupled with contributions from other income of RM1.92 million, proprietary trading gains of RM1.07 million and interest income of RM4.36 million.

Our Group’s financial position as at 31 October 2024, remained healthy with total assets of RM198.26 million out of which RM85.67 million is in the form of cash and cash equivalents (31 October 2023: total assets of RM185.47 million with cash and

cash equivalents of RM82.50 million), total equity attributable to the owners of the Company of RM180.15 million (31 October 2023: RM170.59 million) and with zero gearing.

Despite the improved earnings in the FYE 2024, we have remained steadfast in our focus to ensure that the strategic initiatives that we have undertaken will guide us through the challenging and competitive market place in the forthcoming financial year.

Further details of the performance review of our Group for the FYE 2024 are further discussed in the Management Discussion and Analysis section on pages 15 to 21 of this Annual Report.

### ➤ STRENGTHENING GOVERNANCE PRACTICES

Our Group has consistently practised good corporate governance, reflecting our belief that robust governance practices, processes, and culture are fundamental to inspiring investors’ confidence, ensuring long-term shareholders’ value creation and protecting our Group’s assets and business. Our Group continued to be guided by and aligned our corporate governance practices with the recommendations of the Malaysian Code on Corporate Governance 2021 (“MCCG”) issued by the Securities Commission Malaysia as well as the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. 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.

Further insight of our Group’s corporate governance policies and practices adopted are set out in the Company’s Corporate Governance Report which is accessible on our Company’s website at: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my) as well as the Corporate Governance Overview Statement on pages 42 to 57 of this Annual Report.

## Chairman's Statement

### DRIVING SUSTAINABILITY RISK AND OPPORTUNITIES

Our Group remains determined to consistently bolster our sustainability culture and initiatives. The Sustainability Statement on pages 22 to 41 of this Annual Report provides a holistic disclosure on how we create value for stakeholders while driving sustainability initiatives across economic, environmental, social and governance aspects embedded in the way we conduct our Group's business and operations. Furthermore, the recent update to our Sustainability Governance and Framework has helped us to continue to integrate sustainability principles into promoting improved organisational value creation.

### INVESTING FOR THE LONGER-TERM HORIZON

Our Group 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 competencies and capabilities in service deliveries and strengthen our market presence, all of which are critical components of our long-term growth strategies.

### OUTLOOK FOR THE MALAYSIAN ECONOMY IN 2025

On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports, and acceleration of ICT related activities. Tourism-related industries, particularly food & beverages, accommodation, and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the E&E segment, as external demand for semiconductors continues to increase. The construction sector is expected to rise attributed to growth in all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil (CPO) and demand from food related industries.

On the demand side, growth will be buoyed by strong private sector expenditure and stable global trade. Accounting for about 60% of the economy, private consumption is projected to continue spearheading growth, backed by firm labour market conditions and income growth amid manageable inflation.

The labour market is projected to remain stable in 2025, in tandem with better economic growth prospects anticipated in both domestic and external fronts. Unemployment rate is forecast to improve further to 3.1% in 2025. Total employment is projected to record a growth of 2.1% to 16.6 million persons, with more than 80% of employment opportunities concentrated in the services and manufacturing sectors.

Headline inflation is expected to range between 2% to 3.5% in 2025. Meanwhile, the monetary policy stance remains unchanged with the Overnight Policy Rate (OPR) at 3.00% in tandem with inflation prospects and the overall health of the economy. Bank Negara Malaysia's (BNM) policy direction is expected to continue to be forward-looking, with a focus on maintaining price stability to facilitate sustainable domestic economic growth going into 2025.

The global economy is expected to grow steadily in 2025. This positive outlook is also anticipated to indirectly help boost trade and local demand for goods and services. Domestic economic development is expected to be more vigorous with robust domestic private investment, particularly the implementation of Government-linked Enterprises Activation and Reform Programme (GEAR-uP), to support ongoing projects and programmes under the National Energy Transition Roadmap (NETR), New Industrial Master Plan 2030 (NIMP) and National Semiconductor Strategy (NSS). Therefore, Malaysia's economy is poised to expand between 4.5% and 5.5% in 2025, anchored by the implementation of the outlined strategic initiatives.

(Source: Belanjawan 2025 Madani Malaysia-Economic Outlook)

Given the encouraging and positive outlook of the Malaysian economy in 2025 with gross domestic products (GDP) projected to expand between 4.5% to 5.5%, our Board anticipates that trading conditions and corporate activities will remain buoyant which will augur well for our Group's business. Barring any unforeseen circumstances, our Board is cautiously optimistic of our Group's performance will continue to remain positive in the FYE 2025.

## Chairman's Statement

### REWARDING OUR LOYAL SHAREHOLDERS

On 2 February 2024, our Company paid a single-tier interim dividend of 0.5 sen per share to entitled shareholders, translating to a dividend payout ratio of 31.80% based on earnings per share of 1.57 sen achieved in the FYE 2024.

### 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 key management team and all other employees 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 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 look towards the future, 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.

Terima Kasih

**Dato' Baharon Bin Talib**

*Independent Non-Executive Chairman*

# Management Discussion and Analysis

 On behalf of the Board of Directors of our Company, I am pleased to present to you the Management Discussion and Analysis (“MD&A”) of Mercury Securities Group Berhad (“Company”) and its subsidiaries (“Group”) for the financial year ended 31 October 2024 (“FYE 2024”).

The following MD&A of the operating performance and financial condition of our Group for the FYE 2024 should be read in conjunction with the Audited Financial Statements for the FYE 2024 and related notes thereto in pages 76 to 133 of this Annual Report.

## CORPORATE PROFILE

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 in conjunction with our listing on the ACE Market of Bursa Malaysia Securities Berhad on 19 September 2023.

## OVERVIEW OF OUR GROUP’S BUSINESS

Our Company is an investment holding company and via Mercury Securities Sdn Bhd (“Mercury Securities”) our wholly-owned subsidiary, a holder of the Capital Markets and Services License (“CMSL”) approved by the Securities Commission Malaysia under the Capital Markets and Services Act 2007 for dealing in securities, advising on corporate finance and investment advice. Mercury Securities is also a Participating Organisation of Bursa Malaysia Securities Berhad, an Authorised Depository Agent of Bursa Malaysia Depository Sdn Bhd, and a Trading Clearing Participant of Bursa Malaysia Securities Clearing Sdn Bhd.

With the above accreditations, Mercury Securities provides 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, custodian and nominee services 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 32 years in the Malaysian stockbroking scene, Mercury Securities operates from 7 branches strategically located in Penang, Kuala Lumpur, Johor Bahru, Melaka, and Sarakei in Sarawak. To increase market reach geographically and accessibility for clients’ convenience, Mercury Securities also provides online trading platform *Mercury StraightThru* for trading in securities listed on Bursa Securities which is accessible via <https://www.mst.mercurysecurities.com.my>.

Mercury Securities, being a CMSL holder for advising on corporate finance, a Recognised Principal Adviser by the Securities Commission Malaysia and Principal Adviser, Sponsor and Approved Adviser accredited by Bursa Malaysia Securities Berhad, provides a full range of corporate finance advisory services such as initial public offerings on the Main Market, ACE Market and LEAP Market of Bursa Malaysia Securities Berhad, secondary fund raising exercises by listed issuers such as rights issue and private placement, take-overs, mergers and acquisitions, independent advice, reverse take-over and corporate restructuring undertaken by listed and unlisted companies.



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

During the FYE 2024, Mercury Securities launched “**Mercury Gold**” offering investors to invest in London Bullion Market Association-certified bullion and gold from internationally-recognised mints like PAMP Suisse, or legal-tender coins from national mints like the US Mint or Royal Mint (UK). Mercury Gold also offers 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/>

## CHANGES IN COMPOSITION OF OUR GROUP IN THE FYE 2024

The corporate structure of our Group is detailed in page 3 of this Annual Report.

In the FYE 2024, our Company incorporated the following two (2) subsidiaries:

- Mercury Wealth Management Sdn Bhd, a 100% owned subsidiary for the purpose of conducting fund management activities; and
- Mercury Liquidity Solutions Sdn Bhd (f.k.a Mercury Futures Sdn Bhd), a 51% owned subsidiary for the purpose of investing and trading in securities and derivatives products listed in recognised stock exchanges.

As at the date of this MD&A, both subsidiaries have yet to commence operations.

## Management Discussion and Analysis

### ➤ OVERVIEW OF THE MALAYSIAN ECONOMY IN 2024

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment (M&E), while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. Meanwhile, imports also grew at a faster pace, following strong demand for capital and intermediate goods to support rising investments and trade. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. However, growth was partly offset by maintenance activities in the mining sector. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.

(Source: Bank Negara Malaysia – Economic and Financial Developments in Malaysia in the Third Quarter 2024)

In 2024, Malaysia's economy is forecast to expand between 4.8% and 5.3%. Growth will be propelled by robust domestic demand and recovery in exports. Consumer spending is expected to remain resilient, supported by improvements in labour market conditions and vibrant tourism-related activities. Investment will be driven by new and ongoing projects by both the private and public sectors, supported by the implementation of key national policies and initiatives, including the National Energy Transition Roadmap (NETR) and the new Industrial Master Plan 2030 (NIMP 2030). From a sectoral perspective, the services and manufacturing sectors remain the primary engines of growth. Meanwhile, the construction sector is projected to achieve stellar performance, supported by a broad based expansion across all subsectors.

(Source: Ministry of Finance - Belanjawan 2025 Malaysia Madani Economic Outlook)

### ➤ SELECTED PERFORMANCE INDICATORS OF BURSA MALAYSIA SECURITIES BERHAD

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

	FYE 2024	FYE 2023
Total trading volume (units' billion)	<b>2,168</b>	1,691
Total trading value (RM' billion)	<b>1,691</b>	1,054
FBM KLCI Index (points)		
- At beginning of financial year - 1 November	<b>1,435.33</b>	1,445.92
• High	<b>1,678.80</b>	1,504.16
• Low	<b>1,425.01</b>	1,369.41
- At close of financial year - 31 October	<b>1,601.88</b>	1,442.14
Number of initial public offering ("IPO") <sup>(1)</sup>	<b>35</b>	25
Total funds raised from IPO and secondary issues (RM' billion) <sup>(1)</sup>	<b>11.40</b>	8.10
Total number of listed companies <sup>(1)</sup>	<b>1,059</b>	1,014

Note:

<sup>(1)</sup> Source: Bursa Securities' quarterly results for the financial period ended 30 September 2024.

In the FYE 2024, our Stockbroking Segment recorded a higher trading value as well as trading volume in line with the higher trading volume and trading value recorded by Bursa Securities.

During the FYE 2024, our corporate finance team completed two (2) IPOs, Smart Asia Chemical Bhd and Solar District Cooling Group Berhad 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.

Subsequent to the FYE 2024, our corporate finance team completed two (2) more IPOs, CBH Engineering Holding Group Berhad and Colform Group Berhad listed on the ACE Market of Bursa Securities.

## Management Discussion and Analysis

### REVIEW OF OUR GROUP'S FINANCIAL RESULTS FOR THE FYE 2024

The financial results and key performance indicators of our Group for the FYE 2024 are illustrated in the table below:

	<b>Audited</b>	
	<b>FYE 2024</b>	<b>FYE 2023</b>
	<b>RM</b>	<b>RM</b>
Revenue	<b>32,571,617</b>	27,404,754
Gross profit	<b>19,567,768</b>	17,863,539
Other income	<b>1,924,711</b>	1,596,270
Trading gain on financial assets at fair value through profit or loss ("Proprietary Trading Gains")	<b>1,071,026</b>	1,326,515
Interest income	<b>4,360,004</b>	3,016,963
Administrative and other operating expenses <sup>(1)</sup>	<b>(8,041,918)</b>	(11,227,760)
Allowance for expected credit loss on trade receivables, net	<b>(106,000)</b>	(84,471)
Finance costs	<b>(15,533)</b>	(27,733)
Profit before tax ("PBT")	<b>18,760,059</b>	12,463,323
Income tax expenses	<b>(4,732,300)</b>	(4,075,614)
Profit after tax attributable to the owners of the Company ("PAT")	<b>14,039,489</b>	8,387,709
Gross profit margin	<b>60.08%</b>	65.18%
PBT margin	<b>57.60%</b>	45.48%
PAT margin	<b>43.10%</b>	30.61%
Effective tax rate	<b>25.23%</b>	32.70%
Basic/diluted earnings per share (sen)	<b>1.57</b>	1.11
Dividend per share (sen)	<b>0.5</b>	-

Note:

<sup>(1)</sup> In the FYE 2023, include one-time non-recurring listing expenses of RM3,931,652.

In the FYE 2024, our Group's revenue increased by 18.85% to RM32.57 million from revenue of RM27.40 million recorded in the FYE 2023. Gross profit improved to RM19.57 million in the FYE 2024, an increase of 9.54% as compared to RM17.86 million achieved in the FYE 2023. The improved revenue and gross profit were contributed by the increased revenue from both the Stockbroking Segment and Corporate Finance Segment. During the FYE 2024, our Group recorded higher margin income from more share margin facilities accommodated and utilised by clients as well as more corporate finance proposals undertaken by the corporate finance team which resulted in higher underwriting fees, placement fees as well as corporate advisory fees.

However, gross profit margin decreased by 5.10% to 60.08% in the FYE 2024 as compared to gross profit margin of 65.18% achieved in the FYE 2023. The decline in gross profit margin in the FYE 2024 was mainly attributable to higher cost of services as a result of higher amount of commission paid to dealers and remisiers as well as staff performance bonus.

In the FYE 2024, our Group recorded PBT of RM18.76 million, an increase of 50.52% as compared with PBT of RM12.46 million in the FYE 2023 (after accounting for the one-time non-recurring expense of RM3.93 million incurred for our listing in the FYE 2023). PBT margin improved to 57.60% in the FYE 2024 as compared to 45.48% in the FYE 2023. The increased PBT and PBT margin in the FYE 2024 were mainly attributable to higher revenue, gross profit, other income, interest income but was partially offset by an increase of 10.22% in recurring administrative and other operating expenses to RM8.04 million during the FYE 2024 coupled with the absence of the one-time non-recurring expense of RM3.93 million incurred for our listing in the FYE 2023. In the FYE 2024, interest income increased by RM1.34 million to RM4.36 million was partly attributable to the IPO proceeds placed on repo basis with financial institutions pending its actual utilisation.

In the FYE 2024, our Group achieved PAT attributable to the owners of the Company of RM14.04 million, an increase of 67.38% from PAT of RM8.39 million in the FYE 2023 due to higher PBT by RM6.30 million achieved in the FYE 2024 coupled with the absence of the one-time non-recurring expense of RM3.93 million incurred for our listing in the FYE 2023. As a result of higher PAT in the FYE 2024, PAT margin improved to 43.10%, an increase by 12.49% from PAT margin of 30.61% recorded in the FYE 2023.

## Management Discussion and Analysis

### REVIEW OF OUR GROUP'S FINANCIAL POSITION AS AT 31 OCTOBER 2024

#### Total Assets

As at 31 October 2024, our Group's total assets stood at RM198.27 million, an increase of RM12.78 million as compared with RM185.47 million as at 31 October 2023. Non-current assets decreased by RM0.10 million to RM24.92 million whilst current assets increased by RM12.88 million to RM173.34 million as at 31 October 2024. The increase in total assets was mainly attributable to the following:

- (i) investment property increased by RM0.15 million due to surplus on revaluation of the investment property performed in accordance with Malaysian Financial Reporting Standard 140. Our Group's investment property comprises one unit of 4-storey shophouse held for rental purposes during the FYE 2024;
- (ii) trade and other receivables increased by RM7.75 million to RM81.50 million as at 31 October 2024 mainly due to increase in share margin receivables from more share margin facilities accommodated and utilised by clients, financed from the IPO proceeds of RM26.86 million utilised for this purpose;
- (iii) deposits and prepayments increased by RM1.45 million to RM4.55 million as at 31 October 2024 as a result of 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 increased by RM3.17 million to RM85.67 million as at 31 October 2024 mainly from the net increase in cash and cash equivalents as at 31 October 2024 despite an amount of RM4.47 million paid as single-tier interim dividend of 0.5 sen per share on 2 February 2024.

The increase in total assets was partially offset by a reduction of property, plant and equipment by RM0.28 million mainly due to depreciation of RM0.63 million despite a sum of RM0.35 million incurred for the purchase of property, plant and equipment used for our Group's operational requirements in the FYE 2024.

#### Total Liabilities

As at 31 October 2024, our Group's total liabilities stood at RM18.12 million, an increase of RM3.24 million as compared with RM14.88 million as at 31 October 2023. Current liabilities increased by RM3.50 million whilst non-current liabilities decreased by RM0.26 million as at 31 October 2024. The increase in total liabilities was mainly attributable to the following:

- (i) trade and other payables increased by RM2.25 million to RM15.46 million as at 31 October 2024 mainly due to increase in amount due to clients pending settlement of sale proceeds which was still within the T+2 fixed delivery settlement system of Bursa Malaysia Securities Clearing Sdn Bhd;
- (ii) current tax liabilities increased by RM1.36 million due to higher PBT recorded of RM18.76 million in the FYE 2024; and
- (iii) total lease liabilities decreased by RM0.20 million as there was no renewal or new tenancy agreement entered by our Group for the rental of offices used for our operations.

#### Total Equity

During the FYE 2024, our Company did not issue, cancel, repurchase, resale or repay any debts and equity securities. As at 31 October 2024, our issued share capital stood at RM154.64 million comprising of 893,000,000 ordinary shares (as at 31 October 2023 - RM154.64 million comprising 893,000,000 ordinary shares).

As at 31 October 2024, total equity attributable to the owners of the Company stood at RM180.15 million, an increase by RM9.56 million as compared with RM170.60 million as at 31 October 2023. The increase was due to the PAT of RM14.03 million achieved in the FYE 2024 offset by the payment of a single-tier interim dividend amounting to RM4.47 million on 2 February 2024.

#### Current Ratio

Our Group's current ratio stood at 10.11 times as at 31 October 2024, which reflects our strong liquidity position with current assets of RM173.34 million comprising mainly of cash and cash equivalents of RM85.67 million and trade and other receivables of RM81.50 million against current liabilities of RM17.14 million.

#### Gearing

During the FYE 2024, our Group has zero bank borrowings. Our working capital and other funding requirements were sourced from our shareholders' funds, internally generated funds from the operations as well as the unutilised proceeds raised from our listing in the FYE 2023.

#### Net Assets per Share

Net assets per share increased by 1.07 sen to 20.17 sen as at 31 October 2024 as compared to 19.10 sen as at 31 October 2023. The net assets per share of 20.17 sen is backed by RM85.67 million in cash and cash equivalents (approximately 0.09 sen per share) with zero bank borrowings.

#### Dividend

During the FYE 2024, the Company declared and paid a single-tier interim dividend of 0.5 sen per share totaling RM4,465,000 to our entitled shareholders on 2 February 2024. The dividend of 0.5 sen per share represent a payout ratio of 31.80% based on the earnings per share of 1.57 sen achieved in the FYE 2024.

## Management Discussion and Analysis



### 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 and other stakeholders, 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
<b>Regulatory non-compliance risk</b>	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"> <li>Monitoring of regulatory requirements and landscape changes.</li> <li>Implement compliance programs to ensure adherence to regulatory requirements.</li> </ul>
<b>Economic, regulatory, and political risk</b>	Risk of loss in the event of any unfavourable changes in the economic, regulatory, and political developments that have an adverse impact on our Group.	<ul style="list-style-type: none"> <li>Continuously monitor the development of international and domestic economic, regulatory, and political conditions.</li> <li>Review and align business strategies to address challenges faced.</li> <li>Implement or revise policies and procedures to address additional regulatory requirements.</li> </ul>
<b>Credit risk</b>	Risk of loss due to failure by clients/counterparties to fulfil their financial or contractual obligations.	<ul style="list-style-type: none"> <li>Credit risk management policies and procedures.</li> <li>Counterparty limits for dealers, remisiers and clients.</li> <li>Credit and securities concentration limits.</li> <li>Risk acceptance criteria and credit authorisation policies and procedures.</li> <li>Close monitoring of clients under watch lists.</li> </ul>
<b>Market risk</b>	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"> <li>Market risk management policies.</li> <li>Risk measurement/valuation tools.</li> <li>Single securities and single client limit.</li> <li>Timely mark-to-market stress testing.</li> </ul>
<b>Liquidity risk</b>	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"> <li>Liquidity risk management policies.</li> <li>Single security limit and price capping of securities.</li> <li>Liquidity stress testing and simulations.</li> <li>Contingency funding plan.</li> <li>Monitoring and reporting of significant outstanding buy positions.</li> </ul>
<b>Technology and cybersecurity risk</b>	Risk of loss from the usage of Information Technology platforms, systems, applications, and infrastructure.	<ul style="list-style-type: none"> <li>Continuously strengthen cyber security defences, including network segmentation, and security tools or mechanisms.</li> <li>Implementation of detective, protective, response and recovery cyber security controls.</li> <li>Annual testing of cyber security controls or defences e.g. penetration testing.</li> </ul>

## Management Discussion and Analysis

Risk category	Potential impact	Mitigating measures
<b>Human Capital</b>	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"> <li>Implement attractive remuneration packages, awards, performance, and incentives scheme to retain staff and key personnel.</li> <li>Foster a conducive working environment encompassing safe and clean workstations, offer counselling sessions, etc.</li> <li>Inculcate a multi-tasking culture and the concept of "mentor and mentee" where experienced staff guide and mentor less experienced staff.</li> <li>Ensure proper handing over is completed prior to any personnel leaving the organisation.</li> <li>Undertake continuous reviews of employees' benefits to ensure these are commensurate with market trends.</li> <li>Proactively conduct employees' engagement activities such as get-togethers, dinners, and team-building sessions.</li> </ul>
<b>Operational risk</b>	Risk of loss arising from failures in processes, people, and systems; or from external events.	<ul style="list-style-type: none"> <li>Conduct robust risk assessments at corporate and department levels.</li> <li>Implement a comprehensive Business Continuity Plan ("BCP").</li> <li>Annual review of BCP to ensure resilience of the critical business functions and technology operations.</li> <li>Set up incident response measures.</li> <li>Establish and review policies and procedures according to regulatory guidelines and standards; to ensure relevancy, adequacy, and efficacy.</li> </ul>
<b>Strategic risk</b>	Risk of loss arising from adopting wrong business strategy, failure to properly execute business strategies effectively, or failure to effectively respond to changes in the industry/economy.	<ul style="list-style-type: none"> <li>Regularly monitor competition, geopolitical and macroeconomic risks.</li> <li>Track and deliberate on changes in business performance criteria, with proactive actions taken to mitigate adverse changes.</li> <li>Management of potential market disruptors and economic or investment trends.</li> <li>Continued engagements with business partners.</li> <li>Innovation in products and services.</li> </ul>
<b>Reputational risk</b>	Risk of loss arising from negative perception by clients, counterparties, shareholders, and other relevant key stakeholders.	<ul style="list-style-type: none"> <li>Employees' Code of Conduct and Ethics Policy.</li> <li>Anti-Bribery Anti-Corruption Policy and Guidelines.</li> <li>Whistleblowing Policy and Procedures.</li> <li>Client profiling, due diligence, risk rating, and monitoring.</li> <li>Managing investors and other stakeholders' relations.</li> <li>Corporate Social Responsibility programmes.</li> </ul>
<b>Competition</b>	Risk of loss of client, market share and/or lower margins.	<ul style="list-style-type: none"> <li>Respond proactively to clients' needs and improve service deliveries.</li> <li>Expand suite of product and service offerings.</li> <li>Incentivise dealers, remisiers and staff to improve client's retention and satisfaction.</li> <li>Intensify marketing and sales efforts and enhance quality of research materials and investment advice.</li> <li>Stay abreast with developments in the market place.</li> </ul>

## Management Discussion and Analysis

### ➤ KEY INITIATIVES PLANNED FOR THE FINANCIAL YEAR ENDING 31 OCTOBER 2025

On the business and operations front, our Group will remain steadfast and agile to capitalise on opportunities to drive revenue growth whilst continuing to optimise operating costs through a combination of the following initiatives:

- ▶ upscaling our share margin financing portfolio based on prudent and acceptable credit criteria using internally generated funds;
- ▶ focusing on origination efforts to secure more mandates beside executing and completing the pipeline of IPO mandates and other corporate finance proposals already secured to increase corporate advisory and other fees growth;
- ▶ introducing more products and services to enhance revenue growth;
- ▶ intensifying sales and marketing efforts targeting high net worth and institutional clients to use our stockbroking services;
- ▶ enhancing the digitalisation programme for the stockbroking operations to improve service deliveries and improve operational efficiencies;
- ▶ increasing the proprietary trading teams to capitalise on the opportunities from price volatility of liquid securities traded on Bursa Securities; and
- ▶ focusing on expanding our talent pool and enhancing employees' training and retention programmes.

Yours sincerely

**Chew Sing Guan**  
*Managing Director*

# Sustainability Statement

## INTRODUCTION

The Board of Directors (“Board”) is pleased to present this Sustainability Statement (“Statement”) for the financial year ended 31 October 2024. This Statement provides an overview of our approach towards managing our stakeholder-relevant economic, environmental, social and governance (“EESG”) topics, goals, and performances. This Statement also outlines our progress in integrating sustainability into our strategies, business practises, products, and services to provide long-term value to our stakeholders 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.

### » 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) new subsidiaries incorporated in the FYE 2024, namely, Mercury Wealth Management Sdn Bhd and Mercury Liquidity Solutions Sdn Bhd (f.k.a Mercury Futures Sdn Bhd) as these subsidiaries have yet to commence operations.

### » 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 (3<sup>rd</sup> 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, analysis, establishing performance targets and reporting processes including related to waste management, emissions and addressing the climate related disclosures in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”). This approach will enable us to better understand and mitigate climate-related risks, while also demonstrating our commitment to transparency and sustainability in our business and operations.

### » REPORTING PERIOD

This Statement covers the period from 1 November 2023 to 31 October 2024 (“FYE 2024”) unless specified otherwise.

### » ASSURANCE STATEMENT

For the FYE 2024, our Group strives to provide relevant information, statistics, and indicators to demonstrate the management of material sustainability-related risks and opportunities. The information in this Statement has been reviewed and approved by our Board. However, our Board wishes to clarify that the information which was sourced from internal records of our Group has not undergone any independent review by the internal audit function or an external assurance provider.

### » FORWARD LOOKING STATEMENT

This Statement contains certain forward-looking statements relating to future performance where such statements are premised on current assumptions and circumstances, which could change due to various reasons, hence it necessarily involves uncertainties. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements. As such, the forward-looking statements will be reviewed for its relevancy in our upcoming reports as needed.

### » FEEDBACK

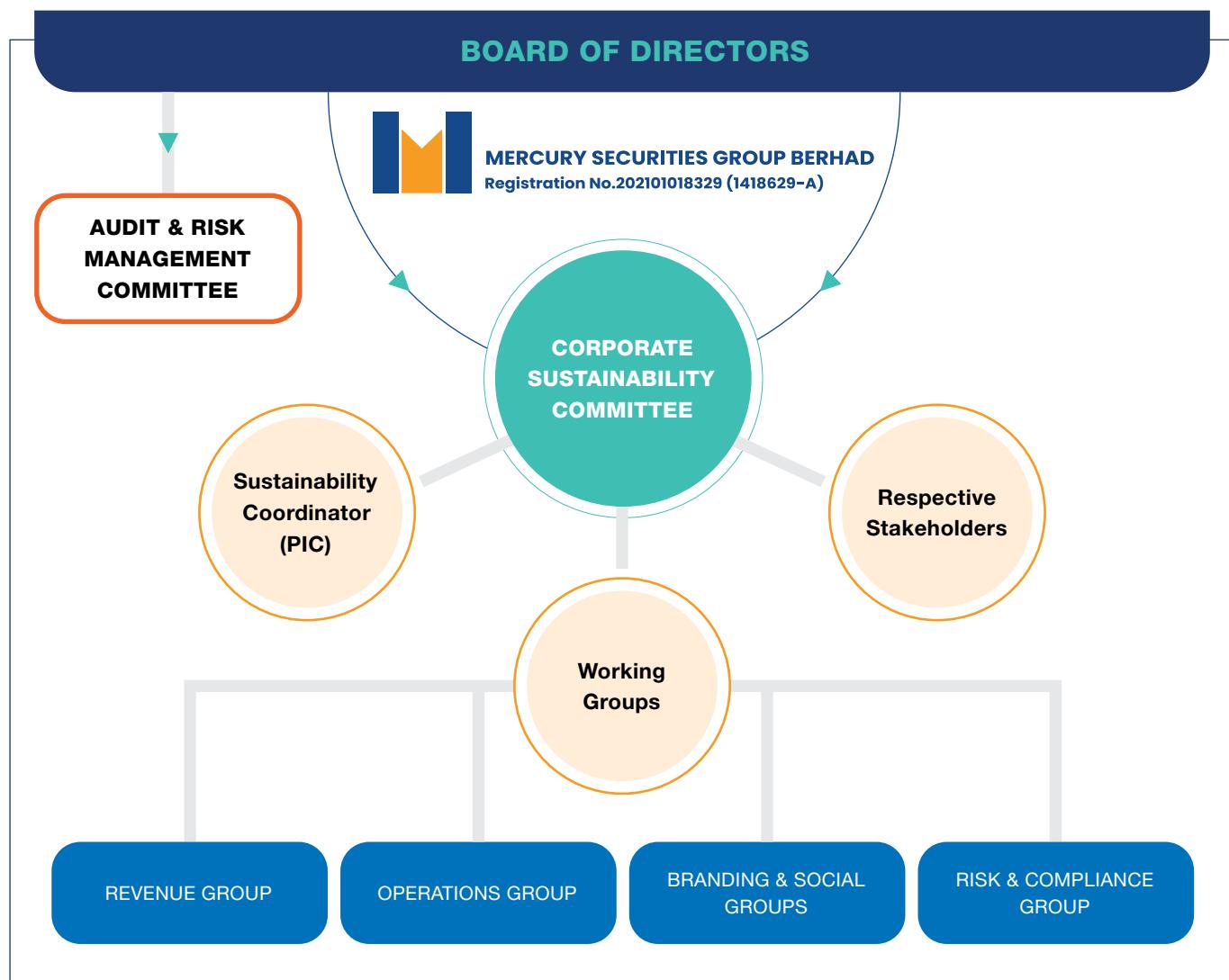
We welcome our stakeholders to provide feedback, comments, or views to us pertaining to this Statement and the issues covered which may be sent to: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my).

## Sustainability Statement

### » 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 are responsible for considering economic, environmental, social and governance matters in our Group's business strategies 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 set out below:



## Sustainability Statement

Governance Structure	Roles and Responsibilities
<b>Board</b>	Responsible for and provides oversight for our Group's overall sustainability strategy and agenda.
<b>Audit and Risk Management Committee</b>	<ul style="list-style-type: none"> <li>Supports our Board in its oversight of our Group's sustainability matters in conjunction with other relevant Board Committees.</li> <li>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.</li> </ul>
<b>Corporate Sustainability Committee ("CSC")</b>	<ul style="list-style-type: none"> <li>Set and drive our Group's sustainability strategy and sustainability reporting requirements.</li> <li>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.</li> <li>Ensure that identified and prioritised material EESG factors are monitored on an ongoing basis and appropriately managed.</li> <li>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.</li> <li>Review the outcomes against performance targets and recommend initiatives to enhance the measurement and achievement of the performance targets.</li> <li>Continuously strengthen the approaches on sustainability in terms of strategy, governance, engagement with stakeholders, prioritisation of materiality of EESG factors.</li> </ul>
<b>Working Groups</b>	<ul style="list-style-type: none"> <li>Drive performance against identified and prioritised material EESG factors through the setting and measurement of performance targets.</li> <li>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"> <li>- Sustainable economic growth;</li> <li>- Responsible environmental stewardship;</li> <li>- Empowering peoples and communities; and</li> <li>- Good governance.</li> </ul> </li> <li>Recommend milestone and timeline, deliverables, and outcome of initiatives to the CSC.</li> <li>Monitor and track departmental or business units' initiatives aligning to sustainability matters against performance targets.</li> <li>Assemble input and collation of data from common indicators from the relevant departments and functions of the overall operational management of sustainability matters.</li> <li>Engage with internal and external stakeholders on sustainability matters.</li> </ul>

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.

## Sustainability Statement

### » POLICIES AND PROCEDURES

In our Group's journey towards embedding sustainability in the 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 Group to achieve its sustainability goals:

- 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;
- 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 the ASCM, a council member of the MIBA and he also sits in certain special interest committee of Bursa Securities. In addition, certain other Senior Management members sit and participate in various special interest committee of the 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 the 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, clients, 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.

## Sustainability Statement

### » STAKEHOLDERS' ENGAGEMENT

Our Group acknowledges the need for regular communications with relevant stakeholder group 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 practices and strategies towards addressing material sustainability-related risk and opportunities.

The frequency of engagement with our stakeholders varies, based on their specific group. For regulatory or compliance-related stakeholders, engagement is determined by the relevant statutes as prescribed. For other stakeholder group, engagement may occur on an ad-hoc basis or at annual interval. This approach allows 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 methods we use to engage and frequency of engagement with them:

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

## Sustainability Statement

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

## Sustainability Statement

### » 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 matter 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

## Sustainability Statement

### » MATERIAL TOPICS

In the FYE 2024, through our materiality assessment process, we concluded seventeen (17) material matters align with our strategic priorities and stakeholders' expectations. These seventeen (17) materials matters have been categorised within our four (4) sustainability core pillars and are further described in the table below:

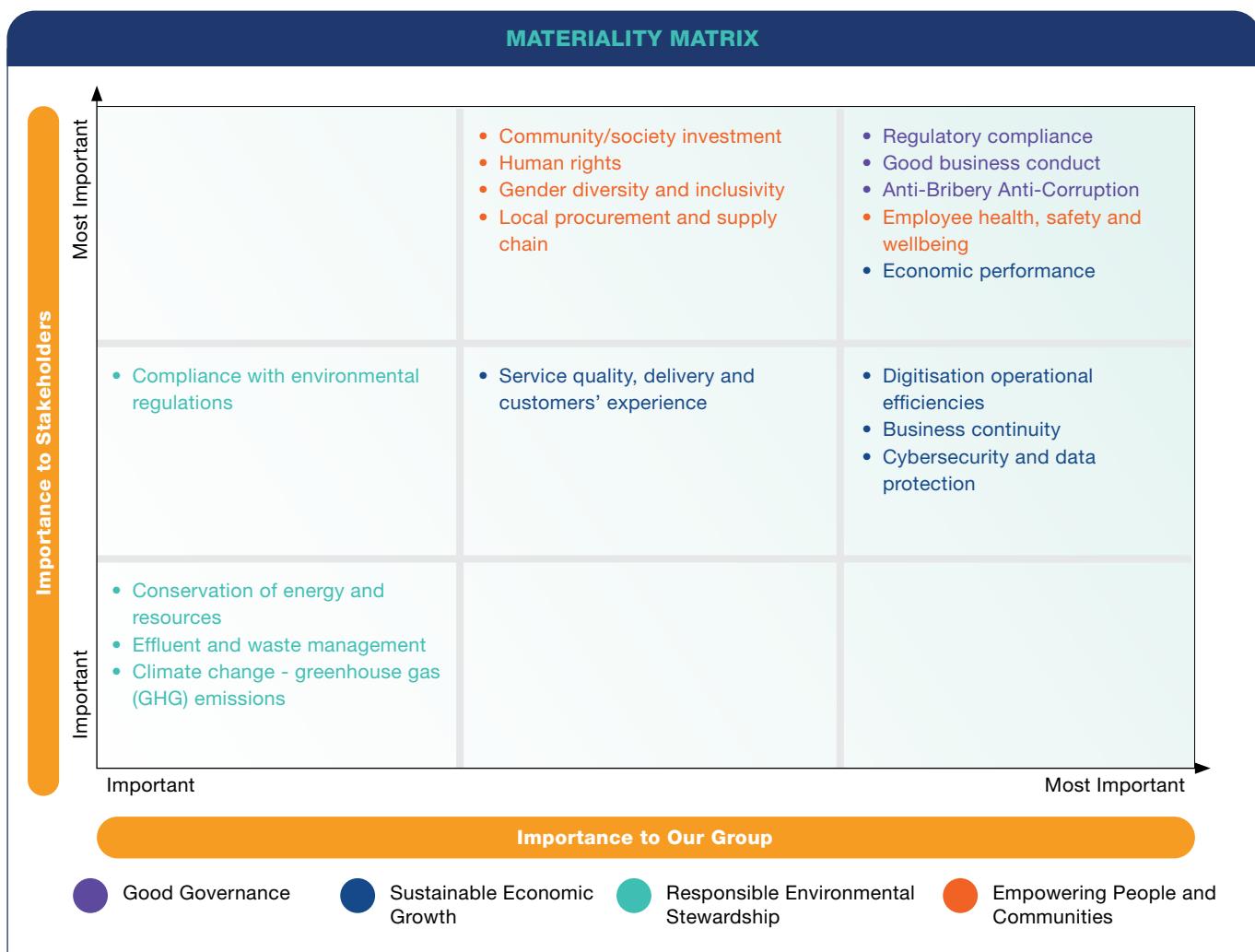
Material Topic	Description
<b>Sustainable Economic Growth</b>	
<b>Economic performance</b>	Generating sustainable economic value and creating wealth for stakeholders to ensure our Group's long-term sustainability.
<b>Service quality, delivery, and customers' experience</b>	Satisfied customers will improve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

## Sustainability Statement

### » PRIORISATION OF MATERIAL TOPICS

The materiality assessment process generates the materiality matrix, a visual representation of our Group's priorities. Each material sustainability matter 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 matters to our Group as well as our stakeholders arising from the materiality assessment process is depicted in the diagram below:



### » MANAGEMENT APPROACH FOR MATERIAL MATTERS



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.

## Sustainability Statement

### **Material Matter: Economic Performance**

#### **Our Performance**

In the FYE 2024, our Group performed creditably, achieving profit before tax ("PBT") of RM18.76 million, an improvement of 50.52% as compared to PBT of RM12.46 million recorded in the FYE 2023. The improved PBT was attributable to an increase in revenue by 18.85% to RM32.57 million in the FYE 2024 coupled with contributions from other income of RM1.92 million, proprietary trading gains of RM1.07 million and interest income of RM4.36 million.

In the FYE 2024, the Company paid a single-tier interim dividend of 0.5 sen per share totaling RM4,465,000 to our entitled shareholder on 2 February 2024.

### **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 remisiers 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 2024, revenue from our Stockbroking Segment improved by 16.35% to RM23.16 million. However, we received one (1) complaint on service delivery from a stockbroking customer which was investigated whereby improvement to our process was implemented to prevent recurrence of the lapse and the responsible employees were disciplined.

As for our Corporate Finance Segment, revenue improved by 25.49% to RM9.41 million. In FYE 2024, we sponsored two (2) companies which were successfully listed on the ACE Market of Bursa Securities and completed several other corporate proposals undertaken by listed companies.

The improvement in our Group's revenue in the FYE 2024 is a testament that customers were satisfied with our service quality, delivery, and experience.

### **Material Matter: Digitisation and Operational Efficiencies**

In the era of finance centred on digitalisation and 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 new customers able to open trading accounts with us without the need for face-to-face presence. We are in the midst of implementing a foreign share trading online platform to enable our customers to improve their experience when trading in securities listed on major foreign stock exchanges.

## Sustainability Statement

### 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 ("PDPA"), 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 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, yearly cyberattack drill simulation and detection of malicious network traffic or malware exploits.

### Our Performance

In the FYE 2024, our Board enhanced and implemented the Data Security and Privacy Policy to reinforce our commitment for data security and privacy. 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.

During the FYE 2024, we have received no reports of non-compliance or data breaches related to data security and privacy as set out in the table below.

	FYE 2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	<b>Nil</b>

We will continue to upgrade our IT infrastructure to prevent security breaches and continuously educate our employees 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;
- 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 accessible on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my) as well as via Bursa Securities' website <https://www.bursamalaysia.com/>.

## Sustainability Statement

### 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.

We shall ensure continued compliance with the following key regulatory requirements to mitigate regulatory risks:

- 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.

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 accessible on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my) and via Bursa Securities' website <https://www.bursamalaysia.com/>.

### Our Performance

In the FYE 2024, our performance are as follows:

- All related party transactions were deliberated by the Audit and Risk Management Committee ("ARMC") and thereafter by our Board to determine that such transactions are conducted on arms-length 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 quarterly unaudited financial reports and this Annual Report.
- Our Directors and Senior Management members completed the Conflict of Interest Declaration with no material findings save for the related party transactions as above.
- Our principal subsidiary, Mercury Securities Sdn Bhd is required to submit various reports/returns (e.g. on ad-hoc, daily and monthly basis) to Bursa Securities, Bursa Malaysia Depository Sdn Bhd, Bursa Malaysia Securities Clearing Sdn Bhd and Securities Commission Malaysia. In the FYE 2024, we had fully complied with the reporting deadline of all the returns and reports as prescribed by the relevant authorities.
- Our Group has also complied with the requisite deadline by submitting timely returns and reports to the Companies Commission of Malaysia, Inland Revenue Board, Employees Provident Fund etc. as prescribed.

In addition, our Group through the Compliance and Internal Audit functions conducted scheduled activities to ensure adoption and adherence to policies and procedures and compliance with all relevant rules, guidelines, laws, and regulations across our Group's operations to mitigate regulatory risks. Further details of the Compliance and Internal Audit activities are disclosed in the Statement on Risk Management and Internal Control as well as the Audit and Risk Management Committee Report of this Annual Report.

## Sustainability Statement

### **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**

In the FYE 2024, we did not receive any complaints on any unethical and non-professional business conduct concerning our employees and business associates from our customers and other stakeholders.

### **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**

##### **Number of employees and remisiers who have received training on anti-corruption by employee category**

Senior Management	3
Middle Management	12
Executive and non-executive	39
Remisiers	17
Percentage of operations assessed for corruption related risk	100%
Confirmed incidents of corruption and action taken	Nil



### **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 through internship and management trainee programs and we participated to hire fresh graduates under the Capital Market Graduate Apprenticeship program promoted by the Securities Commission Malaysia.

In the FYE 2024, we have benefitted a total of 11 undergraduates and fresh graduates incurring total cost of RM18,100 to train and retain them. We will strive to increase the intake of undergraduates and fresh graduates for internship and management trainee programs in the coming years to assist and prepare them to face the challenges in the market place.

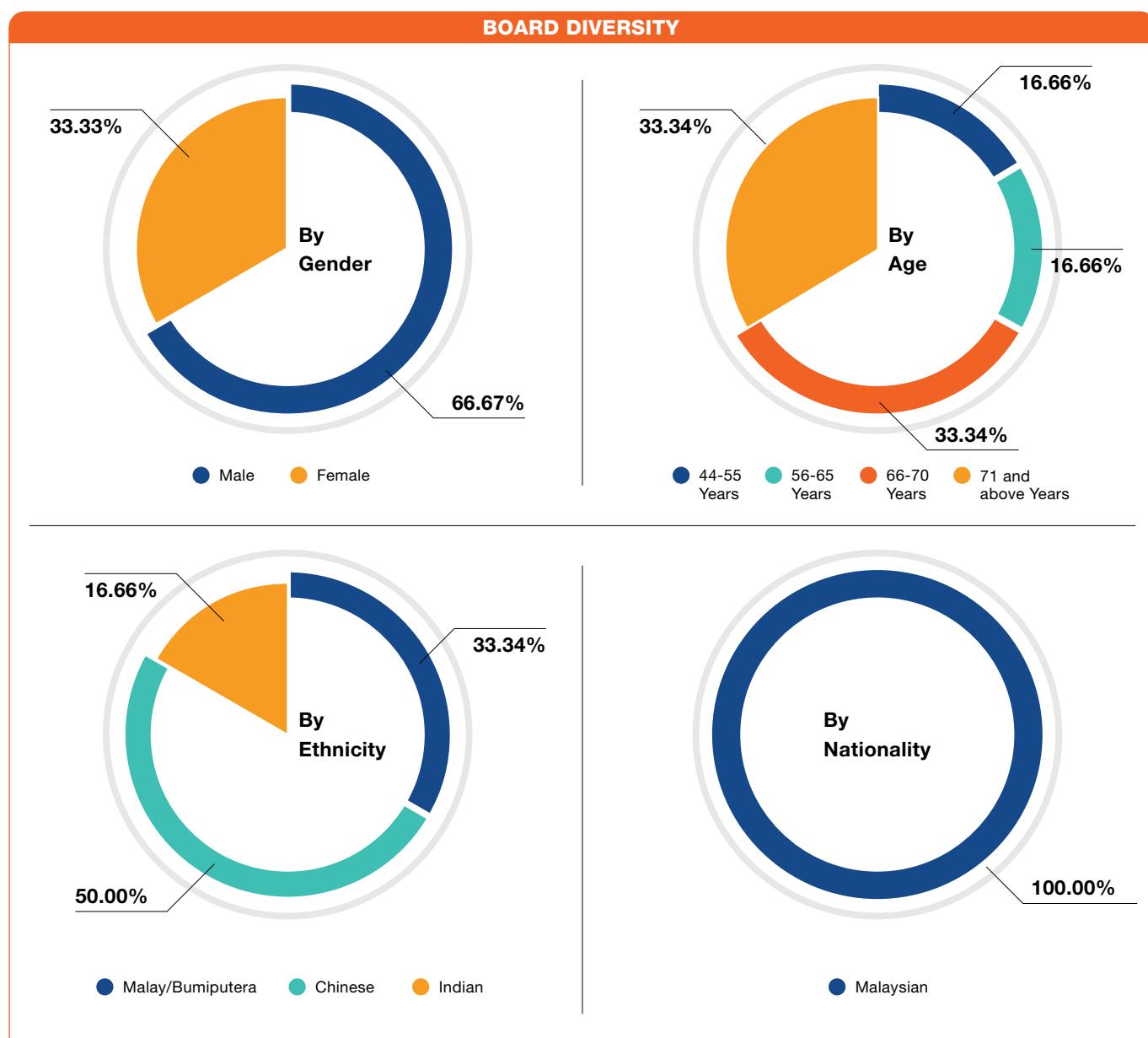
## Sustainability Statement

### 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

In the FYE 2024, our performance on this material matter is set out the diagrams below:



## Sustainability Statement

EMPLOYEES DIVERSITY		
	Total Number	Percentage
<b>Employee Breakdown by Gender (Permanent Employee)</b>		
Male	59	59.60%
Female	40	40.40%
<b>Total</b>	<b>99</b>	<b>100.00%</b>
<b>Employee Breakdown by Gender and Management Categories</b>		
Senior Management - Male	10	90.91%
Senior Management - Female	1	9.09%
Middle Management - Male	11	64.71%
Middle Management - Female	6	35.29%
Executive - Male	38	55.07%
Executive - Female	31	44.93%
Non-Executive - Male	1	50.00%
Non-Executive - Female	1	50.00%
<b>Employee Breakdown by Age and Management Categories</b>		
Senior Management - < 30	-	-
Senior Management - 30 - 50	4	36.36%
Senior Management - > 50	7	63.64%
Middle Management - < 30	-	-
Middle Management - 30 - 50	14	82.35%
Middle Management - > 50	3	17.65%
Executive - < 30	15	21.74%
Executive - 30 - 50	36	52.17%
Executive - > 50	18	26.09%
Non-Executive - < 30	1	50.00%
Non-Executive - 30 - 50	-	-
Non-Executive - > 50	1	50.00%
<b>Employee Breakdown by Ethnicity and Management Categories</b>		
Senior Management - Malay/Bumiputera	-	-
Senior Management - Chinese	10	90.91%
Senior Management - Indian	1	9.09%
Senior Management - Others	-	-
Middle Management - Malay/Bumiputera	3	17.65%
Middle Management - Chinese	13	76.47%
Middle Management - Indian	1	5.88%
Middle Management - Others	-	-
Executive - Malay/Bumiputera	21	30.43%
Executive - Chinese	44	63.77%
Executive - Indian	4	5.80%
Executive - Others	-	-
Non-Executive - Malay/Bumiputera	2	100.00%
Non-Executive - Chinese	-	-
Non-Executive - Indian	-	-
Non-Executive - Others	-	-

## Sustainability Statement

EMPLOYEES DIVERSITY		
	Total Number	Percentage
<strong>Employees Breakdown by Nationality</strong>		
Malaysian	99	100.00%
Non-Malaysian	-	-
<strong>Employees Promoted by Gender</strong>		
<strong>Total Number</strong>		
Male	2	100.00%
Female	-	-
<strong>Employees Returning to Work in the Reporting Period After Parental Leave Ended by Gender</strong>		
<strong>Total Number</strong>		
Male	2	100.00%
Female	-	-
<strong>Total Number of New Employee Hires</strong>		
<strong>By Gender</strong>		
Male	10	76.92%
Female	3	23.08%
<strong>By Age</strong>		
< 30	7	53.85%
30 - 50	5	38.46%
> 50	1	7.69%
<strong>Total Number of Employee Turnover</strong>		
<strong>By Gender</strong>		
Male	8	66.66%
Female	4	33.34%
<strong>By Age</strong>		
< 30	7	58.33%
30 - 50	4	33.33%
> 50	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 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. In the FYE 2024, our Group did not experience any work-related fatalities by our employees.

## Sustainability Statement

### 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 programs 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 Employees' Code of Conduct and Ethics and Employees' Handbook.

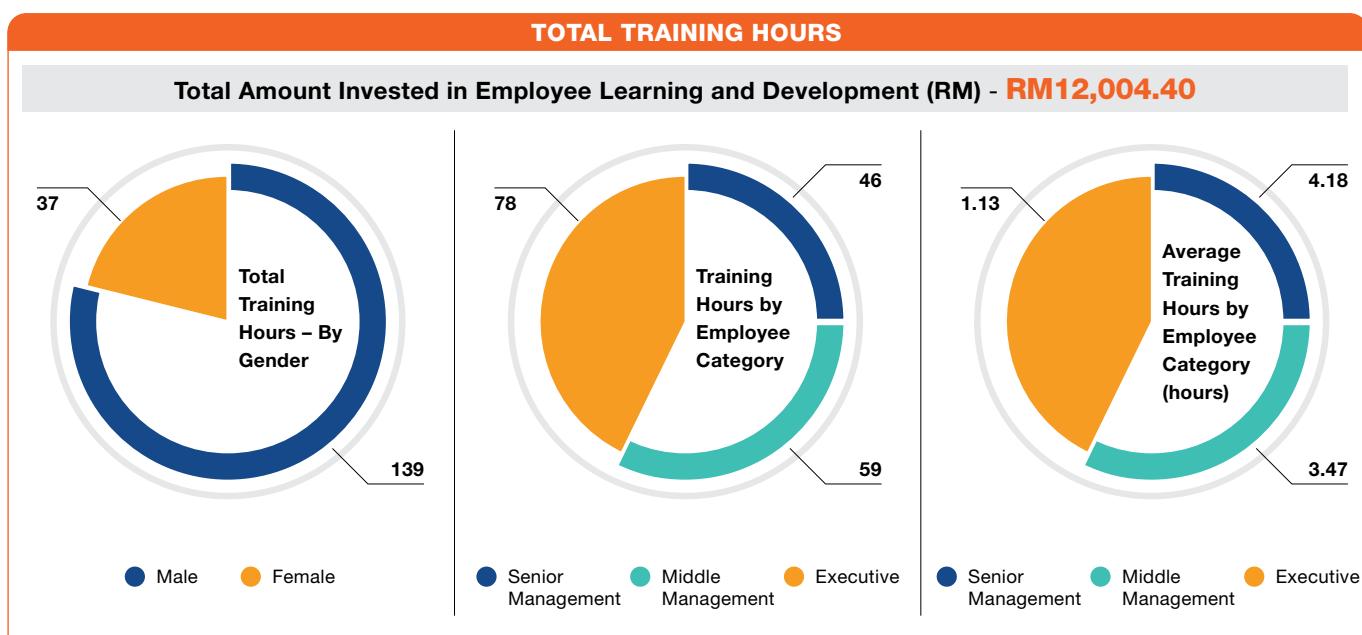
In addition to basic salary and performance bonus, we provide the following benefits to our employees:

### Benefits Provided to Employees

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

In the FYE 2024, we recorded zero human rights violations, which reflects our commitment to fostering an environment free from discrimination or unfair practices. 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 compliant with labour standards but also a place where fairness and equality thrive for everyone.

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 2024 relating to learning and development 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 (“SMEs”) suppliers and service providers.

### **Our Performance**

In the FYE 2024, our Board implemented the Supply Chain Policy and Code of Business Ethics (Suppliers and Business Associates) to extent our sustainability expectations and strengthen procurement practices in our supply chain. We incurred a substantial amount of our costs and expenses which were sourced from local suppliers and service providers.



### **Our Focus Area: Responsible Environment Stewardship**

Our Group's nature of operations in the financial services industry do 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 and 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, water dispenser, air conditioning, refrigerators or other electrical appliances in the office and pantry when not in use.

## Sustainability Statement

Our electricity consumption, all from Tenaga Nasional Berhad's supply in the FYE 2024 is as follows:

Consumption	FYE 2024
- Value	<b>RM205,354</b>

Our water consumption, all from municipal water supply in the FYE 2024 is as follows:

Consumption	FYE 2024
- Value	<b>RM3,260</b>

### 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 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.

## Sustainability Statement

### **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 emissions calculation is based on purchased electricity consumption throughout our Group's offices.

#### **Our Performance**

Our Scope 1 direct GHG emissions are mainly from the fuel consumed by our Group's owned vehicles as well as staff using their motor vehicles and public transport for commuting to the offices.

Our Scope 2 indirect GHG emissions emanate mainly from electricity consumption for our Group's business and operations.

In the coming years, we will disclose the carbon dioxide equivalent (tCO<sub>2</sub>e) of our direct and indirect GHG emissions indicators, if practicable.

### **Material Matter: Compliance with Environmental Regulations**

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

In the FYE 2024, 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.

### **» CONCLUSION**

The above activities, initiatives and performance contained in this Sustainability Statement, continue to demonstrate our Group's commitment towards embedding EESG sustainability-related risk and opportunities into our Group's culture, value system and way of doing business, to create long-term value further for the benefits of our shareholders and other stakeholders.

Our Group will continually keep abreast of developments in financial services industry, actively and regularly engage key stakeholders, build upon and fortify the existing sustainability governance framework, and seek to further embed sustainable values and practices within our Group's businesses to enhance overall sustainability performance.

# Corporate Governance Overview Statement

Our Board of Directors (“Board”) is committed to uphold and strengthen the corporate governance policies and practices within Mercury Securities Group Berhad (“Company”) and its subsidiaries (“Group”) to strategically align with our Group’s activities and ensure our Group’s resilience and long-term sustainability amidst the dynamic changes in market conditions and evolving business landscape to safeguard and enhance shareholders’ value and other stakeholders’ interests.

This Corporate Governance Overview Statement (“CG Statement”) is also presented in compliance with Rule 15.25(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

This CG Statement provides an overview of the application by our Group of the corporate governance practices set out in the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia (“MCCG”) throughout the financial year ended 31 October 2024 (“FYE 2024”) 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 set out in the MCCG are disclosed in the Corporate Governance Report. Stakeholders are advised to read this CG Statement in conjunction with the Corporate Governance Report, which is available on our Company’s website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my) and through our Company’s announcement published on Bursa Securities’ website.

# Corporate Governance Overview Statement

**PRINCIPLE  
A**

## ► **BOARD LEADERSHIP AND EFFECTIVENESS**

### **PART I - BOARD RESPONSIBILITIES**

#### **1.1 Functions of our Board**

Our Board's main roles are to govern, set the strategic directions and exercising oversight functions on the Management. Our Board is primarily responsible for our Group's overall strategic plans and directions to ensure continued sustainability and long-term success of our Group's businesses, overseeing the conduct of the businesses, implement adequate and effective risk management and internal controls, succession planning, fostering effective shareholders' communications with shareholders and ultimately driving the creation of shareholders' value.

#### **1.2 Board Charter**

Our Board has formalised and adopted the Board Charter which sets out the functions, authority, roles, and responsibilities of our Board 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 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 and 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. Updates are made to reflect the latest compliance requirements resulting from changes in 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](http://www.mercurysecurities.com.my).

#### **1.3 Board Committees**

In order to facilitate and assist our Board in discharging their fiduciary and stewardship roles in specific areas, 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 Board Committees will be reviewed periodically and is available on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

Apart from the responsibilities of the Board Committees, the Managing Director ("MD") and other members of the Management are also delegated certain authorities to enable them to effectively discharge their responsibilities on the day-to-day operations of our Group.

## Corporate Governance Overview Statement

### 1.4 Chairman of our Board

Our Board is chaired by Dato' Baharon Bin Talib, an Independent Non-Executive Chairman, who plays a crucial role in overseeing and ensuring the efficient functioning of our Board. Our Chairman is responsible for providing leadership to our Board and ensuring our Board fulfils its stewardship and fiduciary responsibilities and duties effectively. Our Chairman plays a crucial role in facilitating effective decision-making within our Board and upholding good conduct and best practices during shareholders' general meetings.

Dato' Baharon Bin Talib is not a member of any Board Committees to ensure there is proper check and balance as well as objective review by our Board. Our Board acknowledges that having the same person assume 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 the Chairman and our Board when deliberating on the observations and recommendations put forth by the Board Committees.

### 1.5 Separation of Positions of Chairman and Managing Director

In line with good corporate practices, there is a clear distinction between the role and responsibilities of the Chairman of our Board, under the chairmanship of Dato' Baharon Bin Talib and our Managing Director, Mr. Chew Sing Guan. This separation of position 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](http://www.mercurysecurities.com.my).

### 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 Secretaries under Section 235(2) of the Companies Act 2016 and they are also registered holders of the Practicing 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 MCCG, Companies Act 2016 and other applicable laws and regulations.

The Company Secretaries assist our Board and Board Committees in fulfilling their duties effectively while adhering to established Board policies and procedures and best practices.

Our Board and each Director has direct access to the professional advice and services of the Company Secretaries to assist them in performing their duties and discharging their responsibilities effectively. The Company Secretaries' role in facilitating compliance and ensuring the smooth functioning of our Board is critical to our Company's success.

Overall, our Board is satisfied with the service and support rendered by the Company Secretaries and their team in assisting our Board in the discharge of their duties and responsibilities.

### 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. 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.

## Corporate Governance Overview Statement

### **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. 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.

For matters which require our Board's decision on an urgent basis outside the scheduled Board's meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for our Board's consideration and approval. All written 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 Code of Conduct and Ethics**

Our Board has adopted the Directors' Code of Conduct and Ethics and Employees' Code of Conduct and Ethics ("Codes") which summarises what our Company must endeavour to do proactively to maintain an ethical and responsible corporate culture while enhancing the standards of corporate governance and corporate behavior across our Group. The Codes set out the general principles and guidance regarding ethical behavior and professional conduct for the Directors, Management, and employees of our Group. These principles address their 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.

Our Board will review and update the Codes periodically to ensure that it continues to remain relevant and appropriate with the prescribed requirements and best corporate governance practices.

The Codes are published on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

### **1.10 Whistleblowing Policy and Procedures ("Whistleblowing Policy")**

Our Board has adopted the Whistleblowing Policy to promote good business conduct and maintain business integrity. 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.

Our Board will review and update the Whistleblowing Policy at least once in every 3 years or as and when necessary to ensure that it remains relevant to our Group's changing business circumstances and in compliance with applicable laws and regulations.

The Whistleblowing Policy including how to make a report by any complainant is published on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

## Corporate Governance Overview Statement

### **1.11 Anti-Bribery and Anti-Corruption Policy and Guidelines (“ABAC Policy”)**

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Act 2018”), 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 2018. 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 on bribery and corruption. This 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 will be reviewed at least once in every 3 years or from time to time in accordance with the needs of our Group to ensure that it continues to remain relevant and appropriate.

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](http://www.mercurysecurities.com.my).

### **1.12 Fit and Proper Policy and Procedures**

In line with Rules 2.20A and 15.01A of the Listing Requirements, our Board has adopted the Fit and Proper Policy and Procedures which serves as a guide for our Company and its subsidiaries to the Nomination Committee and our Board in their review and assessment of the potential candidates for Board’s appointment as well as the retiring Directors who are seeking re-election at the Company’s annual general meeting.

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 will be reviewed periodically by our Board and be revised at any time as it may deem necessary to ensure that this policy remains consistent with our Board’s objectives and changes in the Listing Requirements and best practices.

The Fit and Proper Policy and Procedures is available on our Company’s website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

### **1.13 Sustainability Governance**

Our Board recognises the fundamental importance of sustainable business practices in creating long-term value 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 holds the primary responsibility for overseeing sustainability-related matters, including the development of strategies, setting priorities, and establishing targets. Our Board has delegated to the Audit and Risk Management Committee certain responsibilities on economic, environmental, social and governance (“EESG”) related risks and opportunities. Operational execution pertaining to EESG related risks and opportunities, aligned with our Group’s corporate strategies, falls within the purview of the Management.

During the FYE 2024, our Board has reviewed and updated the Sustainability Governance Framework to incorporate changes in Bursa Securities’ Sustainability Reporting Guide and Toolkits (3<sup>rd</sup> edition). This updated framework is accessible at our Company’s website: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my). A comprehensive account of these efforts can be found in the Sustainability Statement included in pages 22 to 41 in this Annual Report.

## Corporate Governance Overview Statement

### PART II - BOARD COMPOSITION

#### 2.1 Board Composition

Our Directors in office throughout the FYE 2024 and up to the date of this CG Statement are as follows:

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

Throughout the FYE 2024, our Board composition is also in line 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. This 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 interest of the minority shareholders and other stakeholders. The profiles of our Directors are provided on pages 4 to 6 in this Annual Report.

#### 2.2 New Appointment of Board and Senior Management

Our Board appoints its members through a formal and transparent selection process. New candidate will be considered and evaluated by the Nomination Committee ("NC"). After evaluation, the NC will recommend the suitable candidate for consideration and approval by our Board.

In making the recommendation to our Board for final decision, the NC will consider and nominate suitable candidate based on the objective criteria, including:

- skills, knowledge, expertise, and experience;
- professionalism and integrity;
- fit and proper assessment; and
- time commitment to the Company based on the number of directorships held.

In the case of a candidate for the position of Independent Non-Executive Director, the NC will also evaluate the candidate's profile to fulfill the "independent criteria" outlined in the Listing Requirements as well as ability to effectively discharge such responsibilities and functions as expected of independent directors.

In identifying for and shortlisting of suitable candidate, the NC may receive suggestions from existing Board members, Management, major shareholders, and referrals from external sources such as the Institute of Corporate Directors Malaysia.

The NC also reviews new Senior Management appointments, based on objective criteria, merit and with due regard for diversity in skills, track records, experience, age, cultural background, and gender as well as fit and proper assessment.

The role of the NC is detailed in its Terms of Reference, which is accessible on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

## Corporate Governance Overview Statement

### 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 and Rule 15.02(1)(b) of the Listing Requirements. Throughout the FYE 2024 and up-to-date, our Board comprises one third (1/3) composition of women Directors namely, Datin Chua Suat Khim and Ms. Himahlini A/P M. Ramalingam @ Yalumallai out of six (6) existing Directors on our Board.

Whilst acknowledging the recommendation of the MCCG on gender diversity at the Senior Management level, our Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy for Senior Management as our Group is committed to provide fair and equal opportunities, fostering diversity and nurturing talents across all levels 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.

The issue of diversity has been discussed and given prominence during deliberations by the NC and our Board. Our Company does not set any specific target for gender diversity at the Senior Management level but will continuously strive to have a gender-balance team.

### 2.4 Tenure of Independent Non-Executive Directors

Our Board takes cognisance 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.

Our Board Charter stipulates an Independent Non-Executive Director shall not exceed the tenure of a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director.

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

Based on the assessment carried out, our Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of our Company.

## Corporate Governance Overview Statement

### **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.

Our Board has established three (3) Board Committees and the membership of each Board Committee throughout the FYE 2024 and up-to-date is set out in the table below:

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

The Terms of Reference of the respective Board Committees are published on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

The activities conducted by the Board Committees during the FYE 2024 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 the Listing Requirements and our Company's Constitution, one third (1/3) of the Directors of our Company for the time being shall retire at the Company's annual general meeting ("AGM") provided always that all Directors, shall retire from office at least once in every three (3) years but shall be eligible for re-election at the forthcoming AGM. Additionally, 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 and shall be eligible for re-election.

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

The NC and our Board (save for the retiring Directors) have 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	<b>Dato' Baharon Bin Talib</b>	Independent Non-Executive Chairman
2	<b>Mr. Chew Sing Guan</b>	Non-Independent Executive Director/Managing Director

## Corporate Governance Overview Statement

### 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 the “independence” of the Independent Non-Executive Directors, referring to the Listing Requirements and corporate governance practices for guidance.

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 2024, 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.

### 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 2024 are as follows:

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

Based on the attendance by the Directors who held office during the FYE 2024, our Board is satisfied with the level of time commitment of the Directors towards fulfilling their roles and responsibilities as Directors of our Company.

## Corporate Governance Overview Statement

### **2.9 Directors' Training**

Our Board acknowledges the critical 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.

During the FYE 2024 and up-to-date, the Directors have attended the following training programmes in compliance with Rule 15.08 of the Listing Requirements:

Name of Director	Date	Programme
<b>Dato' Baharon Bin Talib</b>	9 - 10 September 2024	Mandatory Accreditation Programme – Part II (Leading for Impact)- Institute of Corporate Directors Malaysia
<b>Mr. Chew Sing Guan</b>	20 April 2024	The Rise of Intelligent Machines-How AI and ChatGPT Reshaping the Financial Industry for Greater Efficiencies and Profitability by Money & Life Academy Sdn Bhd
	10 May 2024	Forum on Leadership's Role in Managing Technology and Cyber Risks by Securities Commission Malaysia
	12 August 2024	US Economy, Elections and Markets by Bursa Malaysia Berhad
	19 August 2024	Pitch & Match by Securities Commission Malaysia
	22 August 2024	SIDC Business Foresight Forum- Investing in MSMEs for Impact- by Securities Industry Development Corporation
	9 - 10 September 2024	Mandatory Accreditation Programme - Part II (Leading for Impact) by Institute of Corporate Directors Malaysia
<b>Dato' A. Rahman Bin Safar</b>	9 - 10 September 2024	Mandatory Accreditation Programme - Part II (Leading for Impact) by Institute of Corporate Directors Malaysia
<b>Mr. Chan Kim Hing</b>	9 - 10 September 2024	Mandatory Accreditation Programme - Part II (Leading for Impact) by Institute of Corporate Directors Malaysia
<b>Datin Chua Suat Khim</b>	10 January 2024	The Evaluation of the Board, Board Committees, and Individual Directors by Malaysian Institute of Corporate Governance
	17 January 2024	Everything about Dividend by Malaysian Institute of Accountants
	23 January 2024	Sustainability Reporting Forum – The Next Wave in Corporate Disclosure by Malaysian Institute of Accountants
	28 February 2024	Amendments to the Companies Act 2016 – Impact on Beneficial Ownership Reporting by Malaysian Institute of Accountants
	11 - 12 June 2024	Virtual MIA International Conference 2024 by Malaysian Institute of Accountants
	3 - 4 July 2024	Mandatory Accreditation Programme - Part II (Leading for Impact) by Institute of Corporate Directors Malaysia
	16 July 2024	The IFRS S1 and S2: Reporting, Management and Value Creation
	21 August 2024	Board of Directors: Navigating Resilience via ESG Strategy by Malaysian Institute of Accountants
	5 September 2024	Audit Committee Conference 2024 by Malaysian Institute of Accountants
	18 September 2024	Common Offences by Directors under the Companies Act 2016 by Malaysian Institute of Accountants
<b>Ms. Himahlini A/P M. Ramalingam @ Yalumallai</b>	6 November 2024	ESG Evolution: Developments, Obligations and Reporting Requirements for Sustainability Organisations by Malaysian Institute of Accountants
	2 December 2024	Strategic Data and Frameworks in Board Governance by Institute of Corporate Directors Malaysia
	11 December 2024	Empowering Business through Integrated Reporting: Incorporating IRRS S1 and S2 by Malaysian Institute of Accountants
	19 March 2024	Decoding Hydrogen to Support the Energy Transition by Capital Markets Malaysia
	28 - 29 October 2024	Mandatory Accreditation Programme - Part II (Leading for Impact) by Institute of Corporate Directors Malaysia

## Corporate Governance Overview Statement

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

Our Directors are committed to the necessity of continuous professional development, skill and knowledge enhancement to enable them to stay up-to-date with best practices and emerging trends to support them in discharging their roles and responsibilities. Our Board, recognising the importance of continuously maintaining a skilled and knowledgeable Board, is committed to the ongoing assessment and fulfillment of the training requirements of Directors, ensuring they remain well-prepared to navigate the complexities of their duties and responsibilities.

### PART III – REMUNERATION

#### 3.1 Remuneration Policy

Our Board had established a formal and transparent remuneration policy to attract and retain Directors and Senior Management of our Company and Group. The Remuneration Policy for Directors and Senior Management is available on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

The Remuneration Policy for Directors and Senior Management aims 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 its policies and procedures on remuneration, 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 MD, taking into consideration the recommendations of the RC. The remuneration package for the MD 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 Independent Non-Executive Directors and Non-Independent Non-Executive Director 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.

## Corporate Governance Overview Statement

### 3.2 Remuneration of Directors

The Directors' remuneration on Company and Group basis for the FYE 2024 are as follows:

	<b>Directors' fees</b>	<b>Salary</b>	<b>Bonus</b>	<b>Contributions to EPF, Socso and EIS</b>	<b>Allowances</b>	<b>Benefits- in-kind</b>	<b>Total</b>						
	RM												
<b>Company</b>													
<b>Non-Executive Director</b>													
<b>Dato' Baharon Bin Talib</b>	96,000	-	-	-	2,500	-	98,500						
<b>Dato' A. Rahman Bin Safar</b>	48,000	-	-	-	2,500	-	50,500						
<b>Mr. Chan Kim Hing</b>	48,000	-	-	-	2,500	-	50,500						
<b>Datin Chua Suat Khim</b>	48,000	-	-	-	2,500	-	50,500						
<b>Ms. Himahlini A/P M. Ramalingam @ Yalumallai</b>	48,000	-	-	-	2,000	-	50,000						
<b>Group</b>													
<b>Executive Director</b>													
<b>Mr. Chew Sing Guan</b>	-	300,000	-	11,755	-	15,500	327,255						
<b>Non-Executive Director</b>													
<b>Dato' A. Rahman Bin Safar</b>	24,000	-	-	-	-	-	24,000						

### 3.3 Remuneration of Senior Management

Our Board has determined that disclosing the Senior Management's remuneration components on a named basis would not be in the best interest of our Company. Doing so may have a negative impact on our Company's ability to attract and retain talent within the competitive financial services industry.

Our Board also took into consideration the issue of sensitivity and security of the remuneration package of the Senior Management and therefore opted not to disclose on a named basis the remuneration or in bands of RM50,000.00. Instead, our Board is of the view that disclosing the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the six (6) members of our Senior Management excluding the MD for the FYE 2024 are as follows:

<b>Range of Remuneration</b>	<b>Number of Senior Management</b>
RM50,000-RM100,000	1
RM100,001-RM150,000	1
RM150,001-RM200,000	3
RM500,001-RM550,000	1

# Corporate Governance Overview Statement

PRINCIPLE  
B

## ► 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 system, sustainability governance, compliance and internal audit processes, review of related party transactions and/or recurrent related party transaction of a revenue or trading nature as well as review of conflict of interest situations of 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 of our Company. 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 composition of the ARMC complies with Rules 15.09 and 15.10 of the Listing Requirements and the recommendation of the MCGC whereby all the three (3) ARMC members are Independent Non-Executive Directors. None of the Independent Directors have appointed alternate Directors. Additionally, none of the members of the ARMC were former key audit partners of our Company's present External Auditors, Grant Thornton Malaysia PLT.

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](http://www.mercurysecurities.com.my).

#### 4.2 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, IFRS Accounting Standards, Companies Act 2016 and applicable accounting standards promulgated by the Malaysian Accounting Standards Board, financial reporting requirements, system of risk management and internal control and other related regulatory requirements.

Our Board had also established the External Auditors Assessment Policy which outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability, and independence of the External Auditors.

The ARMC will review the nature and extent of non-audit services rendered by the External Auditors to ensure that the provision of these services does not compromise their independence and objectivity. In addition, 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 terms of all other relevant professional and regulatory requirements.

The ARMC conducted an annual performance assessment of the External Auditors. This assessment included receiving feedback from the Managing Director, Chief Financial Officer, and certain members of the Senior Management team to join the assessment.

The ARMC is satisfied with the suitability 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 2025 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](http://www.mercurysecurities.com.my).

## Corporate Governance Overview Statement

### 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, evaluating, 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 65 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 function reports directly to the ARMC on a quarterly basis or as and when required.

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 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.

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](http://www.mercurysecurities.com.my).

# Corporate Governance Overview Statement

PRINCIPLE  
C

➤ INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

## PART I – COMMUNICATION WITH STAKEHOLDERS

### 6.1 Continuous 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 our 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.

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

Our Company's general meetings remain an important informative platform for shareholders to engage directly with the Directors. Shareholders are encouraged to attend the general meetings, where they are given sufficient time and opportunity to participate in the proceedings, raise concerns on the resolutions being proposed and the financial performance and operations of our Group and to communicate their views and expectations relating to our Group and the resolutions tabled for their approval at general meetings. All Directors 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 as 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 our shareholders and investing public.

### 6.3 Compliance With Financial Reporting Standards

Our Board aims to present a balanced and understandable assessment of the Group's financial performance and prospects to our shareholders, investors, regulatory authorities and other stakeholders. The assessment is primarily provided in the audited financial statements and the quarterly unaudited financial results announcement as well as the Management Discussion and Analysis in this Annual Report. Our Board ensures that the financial statements are drawn up in accordance with the requirements of the Companies Act 2016 and applicable accounting standards in Malaysia, particularly new standards as these accounting standards are adopted in Malaysia.

The ARMC assists our Board to oversee the Group's financial reporting process and the quality of its financial reporting. The ARMC reviews the quarterly unaudited financial results and announcements as well as the final audited financial statements of our Group prior to recommending them to our Board for adoption and approval. The review is to ensure that the audited financial statements are in compliance with the provisions of the Companies Act 2016 and the applicable accounting standards issued by the Malaysian Accounting Standards Board as well as the Listing Requirements.

## Corporate Governance Overview Statement

### 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 Company's financial performance, businesses and other information contained in the Annual Report.

In line with Practice 13.1 of the MCCG, the notice convening the Fourth AGM ("4<sup>th</sup> AGM") of our Company was issued to the shareholders at least 28 days prior to the meeting date, which is scheduled for 30 April 2025. This ensures shareholders have sufficient time to prepare themselves to attend the 4<sup>th</sup> 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 4<sup>th</sup> 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, certain key Senior Management, External Auditors and Company Secretaries will be present to respond to shareholders' views and queries and provide necessary clarification during the forthcoming 4<sup>th</sup> AGM and any other general meetings.

All resolutions set out in the notice of the 4<sup>th</sup> AGM will be put to vote by poll and the votes cast will be validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the 4<sup>th</sup> AGM and any other general meetings will be announced to Bursa Securities at the end of the meeting day.

#### 7.2 Effective Communication and Proactive Engagement

From our Company's perspective, the AGM serves 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 during the shareholders' meetings and ensures shareholders' queries are responded to properly and systematically.

Our Board ensures that a reasonable time is provided to the shareholders for discussion at the 4<sup>th</sup> AGM before each resolution is proposed. In line with Practice 13.6 of the MCCG, a summary of the key matters discussed at the 4<sup>th</sup> AGM will be published within thirty (30) business days from the meeting date on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my) for our shareholders' information.

### STATEMENT ON COMPLIANCE

This CG Statement is prepared in compliance with Rule 15.25 of the Listing Requirements and it is advised to be read together with the Corporate Governance Report of our Company.

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 Company's Corporate Governance Report.

This CG Statement and the Corporate Governance Report are issued in accordance with a Board resolution dated 12 February 2025.

# Audit and Risk Management Committee Report

The Audit and Risk Management Committee (“ARMC”) is pleased to present the ARMC Report for the financial year ended 31 October 2024 (“FYE 2024”).

## COMPOSITION OF THE ARMC

At present and throughout the FYE 2024, the ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors:

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

## COMPLIANCE WITH LISTING REQUIREMENTS AND MCCG

The composition of the ARMC complies with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and Malaysian Code on Corporate Governance 2021 (“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 Practice	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 of external auditor
Practice 9.4 (step-up)	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](http://www.mercurysecurities.com.my).

## Audit and Risk Management Committee Report

### MEETINGS AND ATTENDANCE

The ARMC convened five (5) meetings during the FYE 2024. Details of attendance of each member of the ARMC are as follows:

<b>ARMC Members</b>	<b>Attendance</b>
<b>Mr. Chan Kim Hing</b>	5/5
<b>Datin Chua Suat Khim</b>	5/5
<b>Ms. Himahlini A/P M. Ramalingam @ Yalumallai</b>	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 deliberation.

The Managing Director, Chief Financial Officer, 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 ARMC meeting to our Board, either for the latter's 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 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 our Board via 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 2024 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:
  - 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;
  - compliance with accounting standards and other legal requirements; and
  - significant adjustment(s) arising from audit, if any.

## Audit and Risk Management Committee Report

- (ii) 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 on normal commercial terms and were not detrimental to the interests of minority shareholders and based on terms which were generally not more favourable than to unrelated parties. Ensured that the RRPTs in the FYE 2024 are appropriately disclosed in the unaudited quarterly financial results as well as the annual audited financial statements.
- (iii) In fulfilling its oversight responsibilities on financial reporting, the ARMC reviewed and discussed with the Senior Management and External Auditors on the salient accounting and audit issues, significant risk and audit focus areas, any deficiency in internal control, reasonableness of significant judgements, and amendments and new financial reporting standards and other legal financial reporting requirements.

### **(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, engagement team and the proposed audit fees set out in their Audit Planning Memorandum which was tabled to the ARMC and reported the same to our Board;
- (ii) Reviewed and discussed with the External Auditors their audit report on the financial statements, key audit findings underlying their report, key audit matters and reported the same to our Board;
- (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) Based on feedback from the External Auditors, there were no incidents which indicated actual, suspected, or alleged fraud affecting our Group and there were no instances of non-compliance with laws and regulations;
- (vi) Reviewed the External Auditors' proposed fees, with feedback from Senior Management, prior to recommending the same to our Board for approval; and
- (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 the External Auditors for the ensuing financial year at the forthcoming Company's Annual General Meeting.

## Audit and Risk Management Committee Report

### **(3) Internal Audit**

- (i) Reviewed and approved the internal audit annual plan, resources requirements and proposed internal audit planned activities for the financial year ending 31 October 2025.
- (ii) Reviewed and deliberated the internal audit reports which highlighted audit issues and recommendations as well as Senior Management's responses and recommendations are implemented.
- (iii) Reviewed and discussed with Senior Management of the adequacy of their responses to internal audit findings and unresolved outstanding issues.
- (iv) Assessed and evaluated the performance and effectiveness of the internal audit after the FYE 2024, 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 that highlighted compliance issues, recommendations as well as Senior Management's responses and recommendations are implemented.
- (ii) Reviewed the progress of implementing the recommended actions for outstanding compliance findings to ensure all non-compliance issues were timely addressed.
- (iii) Assessed and evaluated the performance and effectiveness of the compliance functions after the FYE 2024, 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) Conflict of Interest**

- (i) Reviewed the Conflict of Interest Policy and recommended the same for our Board's approval.
- (ii) Monitored any conflict of interest or potential conflict of interest (excluding recurrent related party transaction) based on declaration by Directors and Senior Management. In the FYE 2024, no conflict of interest was identified and/or disclosed to the ARMC save for the RRPTs as disclosed in the annual audited financial statements included in this Annual Report.

### **(6) Other Activities**

- (i) Reviewed the Corporate Governance Report, 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 approval for inclusion in this Annual Report.
- (ii) Reviewed and recommended to our Board for approval of the revised Sustainability Governance Framework and the following sustainability related policies:
  - 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.

## Audit and Risk Management Committee Report

### **Summary of Activities of the Internal Audit Function**

In accordance to Rule 15.27 of the Listing Requirements, a listed issuer must establish an internal audit function which is independent of the activities it audits and must ensure its internal audit function report directly to audit committee.

The internal audit activities in the FYE 2024 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 Internal Auditor reports directly to the ARMC and internal audit plans are tabled to the ARMC for review and approval to ensure adequate coverage. The total cost incurred for the internal audit function for the FYE 2024 amounted to RM0.08 million.

Subsequent to the FYE 2024, the ARMC approved the internal audit plan for the financial year ending 31 October 2025 tabled by the Internal Auditor.

During and subsequent to the FYE 2024, 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; and
- (v) Review Effectiveness and Efficiency of Cyber Security Management.

# Nomination Committee Report

The Nomination Committee (“NC”) is pleased to present the NC Report for the financial year ended 31 October 2024 (“FYE 2024”).

## COMPOSITION OF THE NC

At present and throughout the FYE 2024, the NC comprises of three (3) members as follows:

NC Members	Designation	Directorship
<b>Ms. Himahlini A/P M. Ramalingam @ Yalumallai</b>	Chairman	Independent Non-Executive Director
<b>Datin Chua Suat Khim</b>	Member	Independent Non-Executive Director
<b>Mr. Chan Kim Hing</b>	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 MCCG, 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](http://www.mercurysecurities.com.my).

## MEETINGS AND ATTENDANCE

The NC convened one (1) meeting during the FYE 2024. Details of attendance of each member of the NC who held office during the FYE 2024 are as follows:

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

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

## SUMMARY OF ACTIVITIES

The activities undertaken by the NC during the FYE 2024 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 the role.
- 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 Annual General Meeting.

# Remuneration Committee Report

The Remuneration Committee (“RC”) is pleased to present the RC Report for the financial year ended 31 October 2024 (“FYE 2024”).

## COMPOSITION OF THE RC

At present and throughout the FYE 2024, the RC comprises of three (3) members as follows:

RC Members	Designation	Directorship
<b>Datin Chua Suat Khim</b>	Chairman	Independent Non-Executive Director
<b>Ms. Himahlini A/P M. Ramalingam @ Yalumallai</b>	Member	Independent Non-Executive Director
<b>Mr. Chan Kim Hing</b>	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](http://www.mercurysecurities.com.my).

## MEETINGS AND ATTENDANCE

The RC convened one (1) meeting during the FYE 2024. Details of attendance of each member of the RC who held office during the FYE 2024 are as follows:

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

The RC Chairman reported the proceedings of the RC meetings to our Board after every RC meeting. Minutes of the RC meetings 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 2024 up to the date of this RC Report were as follows:

- Reviewed the annual remuneration package of the Directors and key Senior Management; and
- Reviewed the Directors’ fees, allowances, and benefits-in-kind.

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 2024 are tabulated under Practice 8.1 of the Corporate Governance Report as well as Paragraph 3.2 of the Corporate Governance Overview Statement.

# Statement on Risk Management and Internal Control

**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 Group for the financial year under review. 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.**

## BOARD RESPONSIBILITY

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 Company and subsidiaries (“Group”), to maintain a sound and robust system of risk management and internal control to govern and review, and continuously monitor our Group’s risks, whilst enhancing processes to protect our Group’s assets and businesses.

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 businesses 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 fulfil its oversight responsibilities in these areas, our Board has established the Audit and Risk Management Committee (“ARMC”) and the Risk Management Committee to assist our Board in overseeing risk management, compliance, and internal controls respectively. The ARMC periodically updates our Board on their activities, key discussions, and decisions on delegated matters within its Terms of Reference.

Our Board and the ARMC regularly review internal audit and compliance reports, and are of the view 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 businesses. Furthermore, our Board has obtained assurance from the Managing Director, the Chief Financial Officer, 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.

The key roles and responsibilities of our Board are set out in the Board Charter, and published on our Company’s website, accessible at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

## 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 risks that our Group faces, which are identified and assessed by the 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 are published on our Company’s website, accessible at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

## Statement on Risk Management and Internal Control

### RISK MANAGEMENT COMMITTEE RESPONSIBILITIES

Our Board has approved the Risk Management Committee (“RMC”) to assist our Board and the ARMC to ensure that the overall risk management framework and internal controls are relevant, adequate, and effective to identify, assess, mitigate, and monitor the relevant risks impacting our Group.

The RMC which is headed by the Managing Director and supported by other key senior management team as well as the risk coordinator, 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, 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.

### MANAGEMENT RESPONSIBILITIES

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

- implementing all policies and procedures established by our Board in relation to risk management and internal control;
- 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.

### INTERNAL AUDIT FUNCTION

Our Group has an established Internal Audit Department (“IAD”), 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 and compliance with relevant laws, regulations, and guidelines of the regulatory authorities.

To ensure independence and objectivity, the IAD reports directly to the ARMC. The annual internal audit plan is tabled to the ARMC for review and approval to ensure adequate coverage of the key risk areas.

On a quarterly basis, the results of the internal audit reviews and their recommendations for improvement are presented to the ARMC for deliberation. Additionally, the status of implementation of corrective actions to address control weaknesses is also followed up by the Internal Auditor to ensure that unresolved outstanding issues have been resolved and satisfactorily implemented.

Further activities of the IAD in the FYE 2024 are set out in the Audit and Risk Management Committee Report on page 58 to 62 of this Annual Report.

## Statement on Risk Management and Internal Control

### ENTERPRISE RISK MANAGEMENT

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



### KEY RISKS, POTENTIAL IMPACT AND MITIGATING MEASURES

The key identified risks, potential impact and mitigating measures implemented by our Group are set out in the table below:

Risk category	Potential impact	Mitigating measures
<b>Regulatory non-compliance risk</b>	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"> <li>Monitoring of regulatory requirements and landscape changes.</li> <li>Implement compliance programs to ensure adherence to regulatory requirements.</li> </ul>
<b>Economic, regulatory, and political risk</b>	Risk of loss in the event of any unfavourable changes in the domestic economic, regulatory, and political conditions, economic, regulatory, and political developments that have an adverse impact on our Group.	<ul style="list-style-type: none"> <li>Continuously monitor the development of international and domestic economic, regulatory, and political conditions.</li> <li>Review and align business strategies to address challenges faced.</li> <li>Implement or revise policies and procedures to address additional regulatory requirements.</li> </ul>
<b>Credit risk</b>	Risk of loss due to failure by clients/counterparties to fulfil their financial or contractual obligations.	<ul style="list-style-type: none"> <li>Credit risk management policies and procedures.</li> <li>Counterparty limits for dealers, remisiers and clients.</li> <li>Credit and securities concentration limits.</li> <li>Risk acceptance criteria and credit authorisation policies and procedures.</li> <li>Close monitoring of clients under watch lists.</li> </ul>
<b>Market risk</b>	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"> <li>Market risk management policies.</li> <li>Risk measurement/valuation tools.</li> <li>Single securities and single client limit.</li> <li>Timely mark-to-market stress testing.</li> </ul>
<b>Liquidity risk</b>	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"> <li>Liquidity risk management policies.</li> <li>Single security limit and price capping of securities.</li> <li>Liquidity stress testing and simulations.</li> <li>Contingency funding plan.</li> <li>Monitoring and reporting of significant outstanding buy positions.</li> </ul>

## Statement on Risk Management and Internal Control

Risk category	Potential impact	Mitigating measures
<b>Technology and cybersecurity risk</b>	Risk of loss from the usage of Information Technology platforms, systems, applications, and infrastructure.	<ul style="list-style-type: none"> <li>Continuously strengthen cyber security defences, including network segmentation, and security tools or mechanisms.</li> <li>Implementation of detective, protective, response and recovery cyber security controls.</li> <li>Annual testing of cyber security controls or defences e.g. penetration testing.</li> </ul>
<b>Human Capital</b>	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"> <li>Implement attractive remuneration packages, awards, performance, and incentives scheme to retain staff and key personnel.</li> <li>Foster a conducive working environment encompassing safe and clean workstations, offer counselling sessions, etc.</li> <li>Inculcate a multi-tasking culture and the concept of "mentor and mentee" where experienced staff guide and mentor less experienced staff.</li> <li>Ensure proper handing over is completed prior to any personnel leaving the organisation.</li> <li>Undertake continuous reviews of employees' benefits to ensure these are commensurate with market trends.</li> <li>Proactively conduct employees' engagement activities such as get-togethers, dinners, and team-building sessions.</li> </ul>
<b>Operational risk</b>	Risk of loss arising from failures in processes, people, and systems; or from external events.	<ul style="list-style-type: none"> <li>Conduct robust risk assessments at corporate and department levels.</li> <li>Implement a comprehensive Business Continuity Plan ("BCP").</li> <li>Annual review of BCP to ensure resilience of the critical business functions and technology operations.</li> <li>Set up incident response measures.</li> <li>Establish and review policies and procedures according to regulatory guidelines and standards; to ensure relevancy, adequacy, and efficacy.</li> </ul>
<b>Strategic risk</b>	Risk of loss arising from adopting wrong business strategy, failure to properly execute business strategies effectively, or failure to effectively respond to changes in the industry/economy.	<ul style="list-style-type: none"> <li>Regularly monitor competition, geopolitical and macroeconomic risks.</li> <li>Track and deliberate on changes in business performance criteria, with proactive actions taken to mitigate adverse changes.</li> <li>Management of potential market disruptors and economic or investment trends.</li> <li>Continued engagements with business partners.</li> <li>Innovation in products and services.</li> </ul>
<b>Reputational risk</b>	Risk of loss arising from negative perception by clients, counterparties, shareholders, and other relevant key stakeholders.	<ul style="list-style-type: none"> <li>Employees' Code of Conduct and Ethics Policy.</li> <li>Anti-Bribery Anti-Corruption Policy and Guidelines.</li> <li>Whistleblowing Policy and Procedures.</li> <li>Client profiling, due diligence, risk rating, and monitoring.</li> <li>Managing investors and other stakeholders' relations.</li> <li>Corporate Social Responsibility programmes.</li> </ul>
<b>Competition</b>	Risk of loss of client, market share and/or lower margins.	<ul style="list-style-type: none"> <li>Respond proactively to clients' needs and improve service deliveries.</li> <li>Expand suite of product and service offerings.</li> <li>Incentivise dealers, remisiers and staff to improve client's retention and satisfaction.</li> <li>Intensify marketing and sales efforts and enhance quality of research materials and investment advice.</li> <li>Stay abreast with developments in the market place.</li> </ul>

# Statement on Risk Management and Internal Control

## 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. Changes to risk profiles and emerging risks are also identified and promptly brought to the attention of the ARMC and our Board.

## KEY FEATURES OF OUR GROUP'S INTERNAL CONTROL SYSTEM

Our Group has an adequate system of internal control that enables the Senior Management to ensure compliance with established policies and procedures. Key features of our Group's system of internal control include the following:

### (1) Organisational Structure

A formal organisational structure is in place to clearly define the accountability, reporting lines and approving authorities to build an appropriate system of checks and balances, aligned with the business needs and operational activities of our Group.

### (2) Internal Policies and Procedures

Internal 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 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.

### (3) Regular Management Meeting

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

### (4) 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.

### (5) Information Technology Security

The use of information technology ("IT") is essential and central to our Group's businesses. In order to ensure the reliability and resiliency of the business operations in meeting the expectations of our clients and all other stakeholders, and in compliance with the regulatory guidelines, our Group has established the Cyber Security Framework, Data Security and Privacy Policy, Data Governance Framework. Additionally, necessary security procedures have been implemented to safeguard the confidentiality, integrity and availability of information systems and data. With the growing adoption of digitalisation and service delivery via cyberspace, our Group will continue to reinforce its IT security efforts and initiatives to align with our Group's current businesses and operational needs. The IT security posture of our Group is also continuously reviewed and enhanced to mitigate the risks arising from new and emerging cyber threats.

## Statement on Risk Management and Internal Control

### (6) Business Continuity Management

Business continuity plans have been established for our Group's core businesses to ensure continuity of business and operations even in the event of a disaster or disruption. The Senior 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. 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.

### (7) Internal Audit

The Internal Audit function provides an independent assurance on the adequacy and effectiveness of the system of risk management and internal control 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.

### (8) 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.

### (9) Whistleblowing Policy and Procedures ("Whistleblowing Policy")

Our Board has approved the adoption 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](http://www.mercurysecurities.com.my).

### (10) Anti-Bribery and Anti-Corruption Policy and Guidelines ("ABAC Policy")

In response to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, our Group has established the ABAC Policy. 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](http://www.mercurysecurities.com.my).

### (11) Financial Performance Review

The preparation of periodic and annual results is monitored and reviewed by the Senior Management and the ARMC, before being tabled for approval by our Board, prior to being released to regulators and stakeholders whilst the full-year financial statements are audited by the External Auditors and subsequently to be approved by the ARMC and our Board before their issuance to regulators, shareholders, and other stakeholders.

## Statement on Risk Management and Internal Control

### **(12) 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 transaction when undertaken by our Group are conducted at arm's length 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.

The ARMC will review the related party transactions 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](http://www.mercurysecurities.com.my).

### **(13) Conflict of Interest Policy (“COI Policy”)**

In compliance with the Listing Requirements and other regulatory requirements, our Board has established the COI Policy during the FYE 2024 with, among others, the following objectives:

- (i) effectively identify, address, and manage a wide range of conflict of interest or potential conflict of interest, including those that are actual, potential, or perceived in nature;
- (ii) protect our Group's interest from any harmful conflict of interest situations; and
- (iii) safeguard our Group's reputation and minimise legal liability.

Details of the COI Policy are published on our Company's website at [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my).

### **ASSURANCE MECHANISM**

Our Board has assigned the ARMC with the responsibilities of reviewing and monitoring the adequacy and effectiveness of the Group's system of risk management and internal control. The Internal Auditor and the Compliance Officer furnish the ARMC with periodic reports on their respective 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 at the ARMC meetings for our Board's deliberation and final approval. The Report of the ARMC is set out on pages 58 to 62 of this Annual Report.

### **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 Audit and Assurance Practice Guide 3 (“AAPG 3”), a guidance issued by the Malaysian Institute of Accountants for auditors on engagements to report on this Statement to be included in Annual Report. Based on their review, the External Auditors have reported to our Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by our Board in reviewing the adequacy and integrity of the risk management and internal control system within our Group. 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.

## Statement on Risk Management and Internal Control

### CONCLUSION

Our Board is of the view that our Company's risk management and internal control system is adequate and effective to safeguard our Group's assets and businesses, as well as the shareholders' investments. 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 acknowledges the need for ongoing enhancement of our Group's risk management and internal control system to adapt to a dynamic business environment.

Therefore, the Board and the Senior 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.

This Statement is made in accordance with a resolution of the Board of Directors dated 12 February 2025.

# Statement on Directors' Responsibility

in Relation to the Financial Statements

The Board of Directors of Mercury Securities Group Berhad is required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of our Company and its subsidiaries ("Group") at the end of each financial year as well as their results, cash flows and financial position for the financial year then ended in accordance with the applicable Malaysian Financial Reporting Standards, IFRS Accounting Standards, the provisions of the Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the financial year ended 31 October 2024, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgements and used estimates that are reasonable and prudent;
- ensured all applicable accounting standards have been complied with; and
- prepared the financial statements on going concern basis, after having made enquiries that our Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are also responsible for ensuring that our Company maintains proper accounting records and other records that disclose with reasonable accuracy the financial position, results, and cash flows of our Group and of the Company, and that the financial statements comply with the applicable accounting standards and other regulatory requirements. The Directors have general responsibility for taking reasonable steps to safeguard the assets of our Group and of the Company, and to take all necessary measures to prevent fraud and other irregularities.

In undertaking the responsibilities placed upon them by the law, the Directors have relied upon our Group's system of risk management and internal control and the independent functioning of the internal audit and compliance functions to provide them with assurance that our Group's accounting records and other relevant records have been maintained by our Group in a manner that enables them to sufficiently explain the transactions and financial position, results and cash flows of our Group, and to ensure that true and fair financial statements and documents required by the Companies Act 2016 are prepared for the financial year to which these financial statements relate.

This Statement is made in accordance with a resolution of the Board of Directors dated 12 February 2025.

# 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 2025, the status of the utilisation of the IPO Proceeds are as follows:

<b>Details of use of proceeds</b>	<b>Proposed Utilisation (RM'000)</b>	<b>Amount Utilised (RM'000)</b>	<b>Balance Unutilised (RM'000)</b>	<b>Estimated timeframe for use from the date of Listing</b>
Margin financing facility services	26,860	26,800	-	Within 24 months
Enhancement of digitalisation programme and marketing activities for the stockbroking business and operations of the Group	2,880	968	1,912	Within 18 months
Working capital	4,634	4,634	-	Within 12 months
Listing expenses	4,900	4,900	-	Within 3 months
<b>Total</b>	<b>39,274</b>	<b>37,362</b>	<b>1,912</b>	

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 2024.

## 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 2024 were as follows:

	<b>Group RM</b>	<b>Company RM</b>
Audit fees	146,500	39,000
Non-audit fees	5,000	5,000

## Additional Compliance Information

### 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 to the Audited Financial Statements for the FYE 2024, 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 2024 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 2024.

### 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 2024 save for the RRPTs as disclosed in Note 24 to the Audited Financial Statements for the FYE 2024. The RRPTs were conducted 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 2024

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 2024**.

## 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	14,027,758	5,465,178

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 2024** 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 2024 on 26 December 2023 and paid on 2 February 2024 to entitled shareholders as at 12 January 2024.

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.

## SHARES CAPITAL AND DEBENTURE

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

## Directors' Report

for the Financial Year ended 31 October 2024

### 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 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 (first director, appointed on 19.4.2024)**

**Stephennoel Kwong Yong Shian (first director, appointed on 9.9.2024)**

\* 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 1.11.2023	Bought	Sold	Balance at 31.10.2024
<b>The Company</b>				
<b>Direct Interest:</b>				
Dato' Baharon Bin Talib	250,000	-	-	<b>250,000</b>
Chew Sing Guan	331,156,900	275,000	-	<b>331,431,900</b>
Dato' A. Rahman Bin Safar	73,590,500	-	-	<b>73,590,500</b>
Chan Kim Hing	650,000	-	-	<b>650,000</b>
Datin Chua Suat Khim	150,000	-	-	<b>150,000</b>
Himahlini A/P M. Ramalingam @ Yalumallai	150,000	-	-	<b>150,000</b>
<b>Deemed Interest:</b>				
Chew Sing Guan *	110,000	-	-	<b>110,000</b>
Dato' A. Rahman Bin Safar *	25,000	-	-	<b>25,000</b>

\* Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by their children.

**Directors' Report**

for the Financial Year ended 31 October 2024

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:

	<b>COMPANY RM</b>	<b>SUBSIDIARIES RM</b>	<b>GROUP RM</b>
Directors' fees	288,000	24,000	312,000
Salaries, allowances and bonus	12,000	300,000	312,000
EPF	-	11,000	11,000
SOCOSO	-	755	755
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	-	15,500	15,500
	300,000	351,255	651,255

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 OR OFFICERS**

The directors and officers of the Company and three of its subsidiaries 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 RM60,613 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and no provision for doubtful debts was required; 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.

## Directors' Report

for the Financial Year ended 31 October 2024

### OTHER STATUTORY INFORMATION (CONT'D)

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

- (i) which would render it necessary to make any provision for doubtful debts in the financial statements of the Group and of the Company or the amount written off for bad debts 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 2024 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	146,500	39,000
Assurance related services	5,000	5,000
<b>Total</b>	<b>151,500</b>	<b>44,000</b>

**Directors' Report**

for the Financial Year ended 31 October 2024

**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**

---

**Chew Sing Guan**

Penang,

**Date: 27 January 2025**

# Directors' Statement

In the opinion of the directors, the financial statements set out on pages 87 to 133 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 2024** and of their financial performance and cash flows for the financial year 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: 27 January 2025**

# Statutory Declaration

I, **Teoh Wee Tong**, 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 133 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 **27<sup>th</sup>** )  
day of **January 2025**. )

.....  
**Teoh Wee Tong**  
(MIA No: CA 49481)

**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)

## 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 2024** 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 a summary of accounting policies, as set out on pages 87 to 133.

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 2024**, 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)  
 (Incorporated in Malaysia)

Key Audit Matters	How our audit addressed the Key Audit Matters
<b>Impairment assessment on amount due from clients under the stockbroking segment</b> (Note 11 to the financial statements)	<p>As at 31 October 2024, the Group has significant amount due from clients under the stockbroking segment. 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"> <li>• Obtained an understanding of:               <ul style="list-style-type: none"> <li>- the regulations in place for credit management practices and assessed the Group's credit provision policy; and</li> <li>- how the Group evaluates credit margin facilities application to approval.</li> </ul> </li> <li>• Inspected supporting documents which include the margin agreement, background and credit check of the margin clients.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Revenue recognition in respect of the stockbroking segment</b> (Note 18 to the financial statements)	<p>Revenue recognised from the stockbroking segment amounted to RM23.2 million during the financial year which represented 71% 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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• On a sampling basis, manually computed brokerage fees and margin income earned from clients to the contracted rates to determine reliability of the system generated results.</li> <li>• 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>.</li> </ul>
<p>There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.</p>	

## Independent Auditors' Report

to the Members of Mercury Securities Group Berhad  
Registration No. 202101018329 (1418629-A)  
(Incorporated in Malaysia)

### **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.

### **Directors' Responsibilities 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 so as to 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 these 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.

## Independent Auditors' Report

to the Members of Mercury Securities Group Berhad  
 Registration No. 202101018329 (1418629-A)  
 (Incorporated in Malaysia)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Group financial statements. 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: 27 January 2025**

**Terence Lau Han Wen**  
**No. 03298/04/2025 J**  
**Chartered Accountant**

# Statements of Financial Position

as at 31 October 2024

	NOTE	GROUP		COMPANY		
		2024 RM	2023 RM	2024 RM	2023 RM	
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	4	<b>11,497,435</b>	11,777,672	-	-	
Investment properties	5	<b>4,650,000</b>	4,500,000	-	-	
Right-of-use assets	6	<b>120,390</b>	308,137	-	-	
Intangible assets	7	<b>7,891,722</b>	7,891,722	-	-	
Investment in subsidiaries	8	-	-	<b>117,008,887</b>	117,008,736	
Other investments	9	<b>756,259</b>	536,895	-	-	
		<b>24,915,806</b>	25,014,426	<b>117,008,887</b>	117,008,736	
<b>Current assets</b>						
Inventories	10	<b>408,511</b>	-	-	-	
Trade and other receivables	11	<b>81,496,997</b>	73,743,157	<b>29,304</b>	-	
Deposits and prepayments	12	<b>4,550,539</b>	3,100,382	-	-	
Other investments	9	<b>1,212,254</b>	1,111,418	-	-	
Cash and cash equivalents	13	<b>85,672,642</b>	82,503,757	<b>39,800,947</b>	38,435,618	
		<b>173,340,943</b>	160,458,714	<b>39,830,251</b>	38,435,618	
<b>TOTAL ASSETS</b>		<b>198,256,749</b>	185,473,140	<b>156,839,138</b>	155,444,354	
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to owners of the Company</b>						
Share capital	14	<b>154,640,574</b>	154,640,574	<b>154,640,574</b>	154,640,574	
Reserves	15	<b>25,511,768</b>	15,954,985	<b>(2,915,414)</b>	(3,915,592)	
		<b>180,152,342</b>	170,595,559	<b>151,725,160</b>	150,724,982	
Non-controlling interests		<b>(11,682)</b>	-	-	-	
<b>Total equity</b>		<b>180,140,660</b>	170,595,559	<b>151,725,160</b>	150,724,982	
<b>Non-current liabilities</b>						
Lease liabilities	6	<b>44,498</b>	139,876	-	-	
Deferred tax liabilities	16	<b>934,160</b>	1,100,160	-	-	
		<b>978,658</b>	1,240,036	-	-	
<b>Current liabilities</b>						
Trade and other payables	17	<b>15,460,852</b>	13,211,770	<b>4,855,978</b>	4,719,372	
Lease liabilities	6	<b>95,377</b>	201,571	-	-	
Current tax liabilities		<b>1,581,202</b>	224,204	<b>258,000</b>	-	
		<b>17,137,431</b>	13,637,545	<b>5,113,978</b>	4,719,372	
<b>Total liabilities</b>		<b>18,116,089</b>	14,877,581	<b>5,113,978</b>	4,719,372	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>198,256,749</b>	185,473,140	<b>156,839,138</b>	155,444,354	

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

# Statements of Comprehensive Income

for the Financial Year ended 31 October 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	18	<b>32,571,617</b>	27,404,754	<b>5,000,000</b>	-
Cost of services		<b>(13,003,849)</b>	(9,541,215)	-	-
<b>Gross profit</b>		<b>19,567,768</b>	17,863,539	<b>5,000,000</b>	-
Other income		<b>1,924,711</b>	1,596,270	<b>351,608</b>	-
Trading gains on financial assets at fair value through profit or loss		<b>1,071,026</b>	1,326,515	-	-
Administrative and other operating expenses <sup>(1)</sup>		<b>(8,041,918)</b>	(11,227,760)	<b>(768,033)</b>	(4,052,447)
Allowance for expected credit losses on trade receivables, net		<b>(106,000)</b>	(84,471)	-	-
<b>Operating profit/(loss)</b>		<b>14,415,587</b>	9,474,093	<b>4,583,575</b>	(4,052,447)
Interest income		<b>4,360,004</b>	3,016,963	<b>1,139,603</b>	149,289
Finance costs	19	<b>(15,533)</b>	(27,733)	-	-
<b>Profit/(Loss) before tax</b>	20	<b>18,760,058</b>	12,463,323	<b>5,723,178</b>	(3,903,158)
Income tax expense	21	<b>(4,732,300)</b>	(4,075,614)	<b>(258,000)</b>	-
<b>Profit/(Loss) for the financial year carried forward</b>		<b>14,027,758</b>	8,387,709	<b>5,465,178</b>	(3,903,158)
<b>Other comprehensive income/(loss) for the financial year, net of income tax</b>					
Items that will not be reclassified subsequently to profit or loss:					
Fair value adjustment on other investments		<b>(17,706)</b>	44,310	-	-
Realisation of fair value reserve upon depreciation		<b>(62,448)</b>	(62,448)	-	-
Transfer of revaluation surplus to retained earnings		<b>62,448</b>	62,448	-	-
<b>Total comprehensive income/(loss) for the financial year, net of income tax</b>		<b>14,010,052</b>	8,432,019	<b>5,465,178</b>	(3,903,158)
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		<b>14,039,489</b>	8,387,709	<b>5,465,178</b>	(3,903,158)
Non-controlling interests		<b>(11,731)</b>	-	-	-
		<b>14,027,758</b>	8,387,709	<b>5,465,178</b>	(3,903,158)
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		<b>14,021,783</b>	8,432,019	<b>5,465,178</b>	(3,903,158)
Non-controlling interests		<b>(11,731)</b>	-	-	-
		<b>14,010,052</b>	8,432,019	<b>5,465,178</b>	(3,903,158)
<b>Earnings per share attributable to the owners of the Company (sen)</b>					
- Basic and diluted	22	<b>1.57</b>	1.11		

**Notes:**

<sup>(1)</sup> Included herein is a one-off non-recurring Initial Public Offering (“IPO”) expenses amounting to **RM Nil** (2023: RM3,931,652) incurred for the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad in the prior financial year.

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

# Consolidated Statement of Changes in Equity

for the Financial Year ended 31 October 2024

GROUP	NOTE	Attributable to Owners of the Company						Non-controlling interests RM	Total Equity RM		
		Share Capital RM	Merger Reserve RM	Non-distributable		Retained Earnings RM	Total RM				
				Revaluation Reserve RM	Fair Value Reserve RM						
2024											
Balance at beginning		<b>154,640,574</b>	<b>(97,008,736)</b>	<b>2,362,838</b>	<b>(78,199)</b>	<b>110,679,082</b>	<b>170,595,559</b>	<b>-</b>	<b>170,595,559</b>		
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)				
Total comprehensive income for the financial year		-	-	(62,448)	(17,706)	14,101,937	14,021,783	(11,731)	14,010,052		
<i>Transactions with owners of the Company:</i>											
Dividend paid	23	-	-	-	-	(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		<b>154,640,574</b>	<b>(97,008,736)</b>	<b>2,300,390</b>	<b>(95,905)</b>	<b>120,316,019</b>	<b>180,152,342</b>	<b>(11,682)</b>	<b>180,140,660</b>		

# Consolidated Statement of Changes in Equity

for the Financial Year ended 31 October 2024

	NOTE	Share Capital RM	Invested Equity RM	Non-distributable			Fair Value Reserve RM	Retained Earnings RM	Total Equity RM
				Merger Reserve RM	Revaluation Reserve RM				
<b>2023</b>									
Balance at beginning	3	20,000,000	-	2,425,286	(122,509)	102,228,925	124,531,705		
Profit for the financial year		-	-	-	-	-	8,387,709	8,387,709	
Other comprehensive income for the financial year, net of income tax		-	-	-	(62,448)	44,310	62,448	44,310	
Total comprehensive income for the financial year		-	-	-	(62,448)	44,310	8,450,157	8,432,019	
<i>Transactions with owners of the Company:</i>									
Adjustment on the acquisition of subsidiaries		-	(20,000,000)	20,000,000	-	-	-	-	-
Issuance of shares pursuant to:									
- acquisition of subsidiaries	14	117,008,736	-	(117,008,736)	-	-	-	-	-
- IPO	14	39,273,925	-	-	-	-	-	-	39,273,925
Shares issuance expenses	14	(1,642,090)	-	-	-	-	-	-	(1,642,090)
Total transaction with owners		154,640,571	(20,000,000)	(97,008,736)	-	-	-	-	37,631,835
Balance at end		154,640,574	-	(97,008,736)	2,362,838	(78,199)	110,679,082	170,595,559	

# Statement of Changes in Equity

for the Financial Year ended 31 October 2024

	NOTE	Share Capital RM	Accumulated Losses RM	Total RM
<b>COMPANY</b>				
<b>2024</b>				
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>Transactions 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
<b>2023</b>				
Balance at beginning		3	(12,434)	(12,431)
Total comprehensive loss for the financial year		-	(3,903,158)	(3,903,158)
<i>Transactions with owners of the Company:</i>				
Issuance of shares pursuant to:				
- acquisition of subsidiaries	14	117,008,736	-	117,008,736
- IPO	14	39,273,925	-	39,273,925
Shares issuance expenses	14	(1,642,090)	-	(1,642,090)
Total transaction with owners		154,640,571	-	154,640,571
Balance at end		154,640,574	(3,915,592)	150,724,982

# Statements of Cash Flows

for the Financial Year ended 31 October 2024

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	<b>18,760,058</b>	12,463,323	<b>5,723,178</b>	(3,903,158)
Adjustments for:				
Accretion of lease interest	<b>15,533</b>	27,733	-	-
Allowance for expected credit losses on trade receivables, net	-	84,471	-	-
Bad debt written off	<b>106,000</b>	-	-	-
Change in fair value of investment properties	<b>(150,000)</b>	(300,000)	-	-
Depreciation of:				
- property, plant and equipment	<b>633,365</b>	636,507	-	-
- right-of-use assets	<b>187,747</b>	238,772	-	-
Dividend income	<b>(34,130)</b>	(56,128)	<b>(5,000,000)</b>	-
Fair value loss on other investments	<b>344,577</b>	-	-	-
Gain on disposal of other investments	<b>(146,464)</b>	-	-	-
Interest income	<b>(4,360,004)</b>	(3,016,963)	<b>(1,139,603)</b>	(149,289)
IPO expenses	-	3,931,652	-	3,931,652
Loss on disposal of property, plant and equipment	-	1,636	-	-
Property, plant and equipment written off	-	85	-	-
Unrealised gain on foreign exchange	<b>(77,567)</b>	(7,462)	-	-
Operating profit/(loss) before working capital changes	<b>15,279,115</b>	14,003,626	<b>(416,425)</b>	(120,795)
Movement in working capital:				
Inventories	<b>(408,511)</b>	-	-	-
Trade and other receivables	<b>(7,859,840)</b>	(4,369,941)	-	-
Deposits and prepayments	<b>(1,450,157)</b>	2,171,963	-	117,501
Trade and other payables	<b>2,249,082</b>	(5,353,687)	<b>(250,566)</b>	346,919
Cash generated from operations	<b>7,809,689</b>	6,451,961	<b>(666,991)</b>	343,625
Income tax paid	<b>(3,541,302)</b>	(4,665,175)	-	-
Net cash from/(used in) operating activities carried forward	<b>4,268,387</b>	1,786,786	<b>(666,991)</b>	343,625

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

## Statements of Cash Flows

for the Financial Year ended 31 October 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Net cash from/(used in) operating activities brought forward		4,268,387	1,786,786	(666,991)	343,625
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Addition in other investments carried at:					
- fair value through profit or loss		(893,719)	(621,573)	-	-
- fair value through other comprehensive income		(237,070)	-	-	-
Dividend received		34,130	56,128	5,000,000	-
Interest received		4,360,004	3,016,963	1,139,603	149,289
Investment in subsidiaries		-	-	(151)	-
Proceeds from disposal of other investments carried at fair value through profit or loss		594,770	-	-	-
Proceed from disposal of property plant and equipment		-	200	-	-
Proceeds from issuance of shares to non-controlling interests		49	-	-	-
Purchase of property, plant and equipment		(353,128)	(1,231,462)	-	-
Net cash from investing activities		3,505,036	1,220,256	6,139,452	149,289
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid		(4,465,000)	-	(4,465,000)	-
IPO expenses		-	(5,573,742)	-	(5,573,742)
Net changes in subsidiaries' balances		-	-	357,868	4,242,518
Proceeds from issuance of shares		-	39,273,925	-	39,273,925
Repayment of lease liabilities	A	(217,105)	(274,198)	-	-
Net cash (used in)/from financing activities		(4,682,105)	33,425,985	(4,107,132)	37,942,701
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>		<b>3,091,318</b>	36,433,027	<b>1,365,329</b>	38,435,615

## Statements of Cash Flows

for the Financial Year ended 31 October 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<b>3,091,318</b>	36,433,027	<b>1,365,329</b>	38,435,615
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE</b>		<b>77,567</b>	7,462	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>		<b>82,503,757</b>	46,063,268	<b>38,435,618</b>	3
<b>CASH AND CASH EQUIVALENTS AT END</b>	13	<b>85,672,642</b>	82,503,757	<b>39,800,947</b>	38,435,618

### A. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the consolidated statement 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
<b>GROUP</b>				
<b>2024</b>				
Lease liabilities, representing total liabilities from financing activities	<b>341,447</b>	<b>(217,105)</b>	<b>15,533</b>	<b>139,875</b>
<b>2023</b>				
Lease liabilities, representing total liabilities from financing activities	587,912	(274,198)	27,733	341,447

# Notes to the Financial Statements

31 October 2024

## 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 27 January 2025.

## 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 the Group and of the Company have been prepared in accordance with applicable 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

# Notes to the Financial Statements

31 October 2024

## 2. BASIS OF PREPARATION (CONT'D)

### 2.2 Basis of Measurement (cont'd)

#### Fair Value Measurement (cont'd)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liabilities and the level of fair value hierarchy as explained above.

### 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/improvements to MFRSs that are mandatory for the current financial year:

#### **Effective for annual period beginning on or after 1 January 2023**

*MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information*

*Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*

*Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*

*Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

*Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules*

# Notes to the Financial Statements

31 October 2024

## **2. BASIS OF PREPARATION (CONT'D)**

### **2.4 Adoption of Amendments/Improvements to MFRSs (cont'd)**

Initial application of the above amendments/improvements to MFRSs did not have any material impact to the financial statements upon adoption, except for *Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*. The amendments change the requirements in *MFRS 101* with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in *MFRS 101* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in *MFRS Practice Statement 2*.

The amendments have an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

### **2.5 Standards Issued But Not Yet Effective**

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

#### **Effective for annual periods 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 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements*

#### **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 periods beginning on or after 1 January 2026**

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

*Annual Improvements to MFRS Accounting Standards - Volume 11*

#### **Effective for annual periods beginning on or after 1 January 2027**

*MFRS 18 Presentation and Disclosure in Financial Statements*

*MFRS 19 Subsidiaries without Public Accountability: Disclosures*

#### **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*

# Notes to the Financial Statements

31 October 2024

## 2. BASIS OF PREPARATION (CONT'D)

### 2.5 Standards Issued But Not Yet Effective (cont'd)

The initial application of the above new standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company, 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 profit or loss, statements of cash flows and additional disclosure 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 and the Company are 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.

### 3.1 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) Valuation of investment properties

The fair value of the Group's investment properties is based on valuation carried out by an independent professional firm of valuers. The valuation was determined based on the comparison method. In estimating the fair value of the investment properties, the highest and best use of the investment properties is considered and this requires judgement. Further disclosures relevant in deriving the fair value of the investment properties are disclosed in Note 5 to the financial statements.

## Notes to the Financial Statements

31 October 2024

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****3.2 Key sources of estimation uncertainty (cont'd)****(ii) Impairment of trade and other receivables**

The Group assesses 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 considers 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 non-trade receivables, the Group 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.

**4. PROPERTY, PLANT AND EQUIPMENT****GROUP**

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

## Notes to the Financial Statements

31 October 2024

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

#### GROUP (CONT'D)

	<b>At valuation</b>	<b>At cost</b>		<b>Total</b> <b>RM</b>		
		<b>Buildings</b> <b>RM</b>	<b>Furniture, fittings, office equipment and computers</b> <b>RM</b>			
<b>2023</b>						
<b>At valuation/cost</b>						
Balance at beginning	10,388,375	10,392,911	2,881,675	23,662,961		
Additions	-	1,133,422	98,040	1,231,462		
Disposal	-	(2,740)	-	(2,740)		
Written off	-	(6,560)	-	(6,560)		
Balance at end	10,388,375	11,517,033	2,979,715	24,885,123		
<b>Accumulated depreciation</b>						
Balance at beginning	270,713	9,829,901	2,377,709	12,478,323		
Current charge	207,767	212,738	216,002	636,507		
Disposal	-	(904)	-	(904)		
Written off	-	(6,475)	-	(6,475)		
Balance at end	478,480	10,035,260	2,593,711	13,107,451		
<b>Carrying amount</b>	<b>9,909,895</b>	<b>1,481,773</b>	<b>386,004</b>	<b>11,777,672</b>		

The fair value of the buildings of the Group were revalued using the market comparison approach performed by independent professional valuers on 31 October 2021. Had the buildings been carried under the cost model, the total carrying amount that would have been recognised in the financial statements are as follows:

	<b>GROUP</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Buildings	6,594,831	6,768,234

The fair value measurement of the buildings which were derived from the valuation carried out on 31 October 2021 were categorised as Level 3.

#### 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.

# Notes to the Financial Statements

31 October 2024

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

### **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 values of buildings 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.

### **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 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 repairs and maintenance costs are recognised in profit or loss as incurred.

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 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:

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.

## Notes to the Financial Statements

31 October 2024

### 5. INVESTMENT PROPERTIES

	<b>GROUP</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
<b>At fair value:</b>		
Balance at beginning	<b>4,500,000</b>	4,200,000
Change in fair value recognised in profit or loss (Note 20)	<b>150,000</b>	300,000
Balance at end	<b>4,650,000</b>	4,500,000

- (i) The investment properties are represented by:

	<b>GROUP</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Leasehold land with unexpired lease period of more than 50 years	<b>3,310,000</b>	3,200,000
Buildings	<b>1,340,000</b>	1,300,000
	<b>4,650,000</b>	4,500,000

- (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.

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

	<b>GROUP</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Rental income	<b>142,500</b>	160,100
Direct operating expenses:		
Income generating investment properties	<b>20,009</b>	13,497

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

	<b>GROUP</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Within one year	<b>98,700</b>	142,500
More than one year but less than five years	-	98,700
	<b>98,700</b>	241,200

The fair value of the Group's investment properties has been arrived on the basis of the valuation carried out by an independent professional valuer.

## Notes to the Financial Statements

31 October 2024

**5. INVESTMENT PROPERTIES (CONT'D)**

## (ii) Group as lessor (cont'd)

Detail of the Group's investment properties and information about their categorisation in the fair value hierarchy are as follows:

	Fair Value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>GROUP</b>				
<b>2024</b>				
Land	-	-	<b>3,310,000</b>	<b>3,310,000</b>
Buildings	-	-	<b>1,340,000</b>	<b>1,340,000</b>
	<b>-</b>	<b>-</b>	<b>4,650,000</b>	<b>4,650,000</b>
<b>2023</b>				
Land	-	-	3,200,000	3,200,000
Buildings	-	-	1,300,000	1,300,000
	<b>-</b>	<b>-</b>	<b>4,500,000</b>	<b>4,500,000</b>

**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 2 fair values during the financial year.

**Level 3 fair value**

Level 3 fair values of leasehold land and buildings have been generally derived using the 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.

**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.

## Notes to the Financial Statements

31 October 2024

### 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**

	<b>Premises</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Balance at beginning	<b>308,137</b>	546,909
Depreciation	(187,747)	(238,772)
Balance at end	<b>120,390</b>	308,137

#### **Lease liabilities**

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

#### **GROUP**

	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Balance at beginning	<b>341,447</b>	587,912
Accretion of lease interest	<b>15,533</b>	27,733
Payments	(217,105)	(274,198)
Balance at end	<b>139,875</b>	341,447
Analysed as:		
Non-current	<b>44,498</b>	139,876
Current	<b>95,377</b>	201,571
	<b>139,875</b>	341,447

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

## Notes to the Financial Statements

31 October 2024

**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)**

The following are the amounts recognised in profit or loss:

	2024 RM	2023 RM
Accretion on lease interest	<b>15,533</b>	27,733
Depreciation expense of right-of-use assets	<b>187,747</b>	238,772
Expenses relating to short-term leases	<b>567,536</b>	533,299
Expenses relating to lease of low value assets	<b>6,950</b>	6,000
<b>Total amount recognised in profit or loss</b>	<b>777,766</b>	805,804

Total cash outflows for leases is amounting to **RM791,591** (2023: RM813,497).

**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.

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

Category	GROUP	
	2024 RM	2023 RM
Premises	48 to 79 months	
Balance at beginning/end	<b>7,891,722</b>	7,891,722

**7. INTANGIBLE ASSETS**

Category	GROUP	
	2024 RM	2023 RM
Balance at beginning/end	<b>7,891,722</b>	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 have 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 **11.99%** (2023: 7.34%) 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.

## Notes to the Financial Statements

31 October 2024

### 7. INTANGIBLE ASSETS (CONT'D)

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

- i. Profit before tax
- ii. Discount rates (pre-tax)
- iii. Growth rates

The management believes that any reasonably possible change in the key assumption 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

	<b>COMPANY</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Unquoted shares, at cost	<b>117,008,887</b>	117,008,736

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

<b>Name of entities</b>	<b>Effective equity interest held</b>		<b>Principal activities</b>
	<b>2024</b> <b>%</b>	<b>2023</b> <b>%</b>	
Mercury Securities Sdn. Bhd. ("Mercury Securities")	<b>100</b>	100	Stockbroking, corporate finance advisory and other related businesses
Mercury Wealth Management Sdn. Bhd. ("MWMSB")	<b>100</b>	-	Provision of asset management and investment advisory services
Mercury Liquidity Solutions Sdn. Bhd. (f.k.a. Mercury Futures Sdn. Bhd.) ("MLSSB")	<b>51</b>	-	Investing and trading in derivatives and securities
<b>Indirect - held through Mercury Securities</b>			
Mercsec Nominees (Asing) Sdn. Bhd.	<b>100</b>	100	Nominees and custodian services
Mercsec Nominees (Tempatan) Sdn. Bhd.	<b>100</b>	100	Nominees and custodian services

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

## Notes to the Financial Statements

31 October 2024

**8. INVESTMENT IN SUBSIDIARIES (CONT'D)****8.1 Acquisition of subsidiaries and subscriptions of ordinary shares in subsidiaries****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.

**2023**

On 26 June 2023, the Company acquired the entire issued share capital of Mercury Securities and its wholly-owned subsidiaries for a purchase consideration of RM117,008,736 which was fully satisfied by the issuance of 735,904,000 new ordinary shares in the Company at RM0.159 per ordinary share.

**Material accounting policy information**

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**

	<b>GROUP</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
<b>Financial assets:</b>		
<b>Fair value through other comprehensive income ("FVOCI"):</b>		
Quoted shares in Malaysia	<b>611,951</b>	406,623
Quoted shares outside Malaysia	<b>144,308</b>	130,272
	<b>756,259</b>	536,895
<b>Fair value through profit or loss ("FVTPL"):</b>		
Quoted shares in Malaysia	<b>1,212,254</b>	1,111,418

**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 **RM605,607** (2023: RM Nil).

## Notes to the Financial Statements

31 October 2024

### 10. INVENTORIES (CONT'D)

#### 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	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Trade:</b>				
Trade receivables	<b>1,430,791</b>	1,683,933	-	-
Amount due from clients (including margin receivables)	<b>78,362,588</b>	71,293,539	-	-
	<b>79,793,379</b>	72,977,472	-	-
<b>Non-trade:</b>				
Other receivables	<b>1,703,618</b>	765,685	-	-
Amount due from subsidiaries	-	-	<b>29,304</b>	-
	<b>1,703,618</b>	765,685	<b>29,304</b>	-
	<b>81,496,997</b>	73,743,157	<b>29,304</b>	-

(i) Trade receivables

	GROUP	
	2024 RM	2023 RM
Gross amount	<b>1,430,791</b>	2,275,974
Less: Allowance for expected credit losses ("ECL")	-	(592,041)
	<b>1,430,791</b>	1,683,933

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.

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

	GROUP	
	2024 RM	2023 RM
Amount due from clients (including margin receivables)	<b>85,742,763</b>	83,281,384
Less: Allowance for ECL	<b>(4,156,661)</b>	(8,920,753)
	<b>81,586,102</b>	74,360,631
Less: Provision for interest in-suspense	<b>(3,223,514)</b>	(3,067,092)
	<b>78,362,588</b>	71,293,539

## Notes to the Financial Statements

31 October 2024

**11. TRADE AND OTHER RECEIVABLES (CONT'D)**

## (ii) Amount due from clients (including margin receivables) (cont'd)

The amount due from clients comprises outstanding amount receivables from clients on contra losses incurred, overdue and/or outstanding purchase contracts and margin receivables.

The normal credit term for the amount due from non-margin clients is **T+2 days** (2023: T+2 days) in accordance with the Fixed Delivery Settlement System rules of Bursa Malaysia Securities Clearing Sdn. Bhd.

The Group charges contra interest at a flat rate of **10%** (2023: 10%) per annum on outstanding contra loss amount due from non-margin clients which have been outstanding for 5 market days after the 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.

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.

## (iii) Movement of allowance for ECL

	GROUP	
	2024 RM	2023 RM
Balance at beginning	<b>9,512,794</b>	9,453,323
Current year	-	234,471
Reversal	-	(150,000)
Written off	<b>(5,356,133)</b>	(25,000)
Balance at end	<b>4,156,661</b>	9,512,794

The allowance for ECL can be further analysed as follows:

	GROUP	
	2024 RM	2023 RM
Trade receivables	-	592,041
Amount due from clients (including margin receivables)	<b>4,156,661</b>	8,920,753
	<b>4,156,661</b>	9,512,794

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

	GROUP	
	2024 RM	2023 RM
Balance at beginning	<b>3,067,092</b>	2,985,751
Interest income recognised	<b>(1,079,639)</b>	(619,135)
Interest suspended	<b>1,236,061</b>	700,476
Balance at end	<b>3,223,514</b>	3,067,092

## Notes to the Financial Statements

31 October 2024

### 11. TRADE AND OTHER RECEIVABLES (CONT'D)

#### (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:

	<b>GROUP</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Mark-to-market value of quoted securities	<b>314,802,188</b>	274,752,439

#### (vi) Amount due from subsidiaries

The amount due from subsidiaries is unsecured, non-trade related, non-interest bearing and classified based on expected timing of realisation.

### 12. DEPOSITS AND PREPAYMENTS

	<b>GROUP</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Deposits	<b>4,165,646</b>	3,083,447
Prepayments	<b>384,893</b>	16,935
	<b>4,550,539</b>	3,100,382

Included in deposits is an amount of **RM3,807,149** (2023: RM2,857,650) equity margin deposit placed with Bursa Malaysia Securities Clearing Sdn. Bhd. which earns effective interest rates at **3.03%** (2023: 3.04%) per annum.

### 13. CASH AND CASH EQUIVALENTS

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Cash and bank balances	<b>15,641,080</b>	20,079,138	<b>143,649</b>	2,923
Short-term deposits with licensed banks	<b>66,636,344</b>	59,036,484	<b>39,657,298</b>	38,432,695
Fixed deposits with licensed banks	<b>3,395,218</b>	3,388,135	-	-
	<b>85,672,642</b>	82,503,757	<b>39,800,947</b>	38,435,618

#### (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 which are not recognised as assets of the Group.

The short-term deposits with licensed banks and cash and bank balances of the Group has been presented net of the Group's clients' trust monies held in bank accounts of **RM40,036,449** (2023: RM61,225,460) in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18 'Money Held in Trust by Participating Organisation of Bursa Securities'.

## Notes to the Financial Statements

31 October 2024

**13. CASH AND CASH EQUIVALENTS (CONT'D)**

- (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 **2.75% to 3.30%** (2023: 2.00% to 2.90%) 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 **2.45% to 2.90%** (2023: 2.50% to 2.75%) per annum and **21 days to 23 days** (2023: 21 days to 23 days) respectively.

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

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	<b>83,367,650</b>	80,219,612	<b>39,800,947</b>	38,435,618
United States Dollar	<b>1,231,563</b>	1,238,190	-	-
Pounds sterling	<b>1,065,929</b>	1,038,455	-	-
Others	<b>7,500</b>	7,500	-	-
	<b>85,672,642</b>	82,503,757	<b>39,800,947</b>	38,435,618

**14. SHARE CAPITAL**

## (i) Share capital

	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
<b>Issued and fully paid with no par value:</b>				
Balance at beginning	<b>893,000,000</b>	300	<b>154,640,574</b>	3
Issuance of shares pursuant to:				
- acquisition of subsidiaries	-	735,904,000	-	117,008,736
- IPO	-	157,095,700	-	39,273,925
Shares issuance expenses	-	-	-	(1,642,090)
	<b>893,000,000</b>	893,000,000	<b>154,640,574</b>	154,640,574

In the prior previous financial year, the Company had increased its issued and paid-up ordinary share capital from RM3 to RM154,640,574 by way of issuance of:

- (a) 735,904,000 new ordinary shares in the Company amounting to RM117,008,736 to satisfy the purchase consideration for the acquisition of Mercury Securities and its wholly-owned subsidiaries; and
- (b) 157,095,700 new ordinary shares in conjunction with the IPO exercise of the Company.

## Notes to the Financial Statements

31 October 2024

### 14. SHARE CAPITAL (CONT'D)

#### (ii) Invested equity

	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
<b>Issued and fully paid with no par value:</b>				
Balance at beginning	-	20,000,000	-	20,000,000
Effects of acquisition of subsidiaries	-	(20,000,000)	-	(20,000,000)
Balance at end	-	-	-	-

### 15. RESERVES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Distributable:</b>				
Retained earnings/(Accumulated losses)	<b>120,316,019</b>	110,679,082	<b>(2,915,414)</b>	(3,915,592)
<b>Non-distributable:</b>				
Merger reserve	<b>(97,008,736)</b>	(97,008,736)	-	-
Revaluation reserve	<b>2,300,390</b>	2,362,838	-	-
Fair value reserve	<b>(95,905)</b>	(78,199)	-	-
	<b>25,511,768</b>	15,954,985	<b>(2,915,414)</b>	(3,915,592)

#### Merger reserve

The merger reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of 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 FVTOCI until the financial assets are derecognised or impaired.

## Notes to the Financial Statements

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**16. DEFERRED TAX LIABILITIES**

	GROUP	
	2024 RM	2023 RM
Balance at beginning	<b>1,100,160</b>	1,086,880
Recognised in profit or loss	(48,000)	13,280
	<b>1,052,160</b>	1,100,160
Over provision in prior year	(118,000)	-
	<b>934,160</b>	1,100,160

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

	GROUP	
	2024 RM	2023 RM
Accruals	(277,000)	(67,000)
Investment properties	<b>319,000</b>	304,000
Property, plant and equipment	<b>165,720</b>	117,000
Revaluation reserve	<b>726,440</b>	746,160
	<b>934,160</b>	1,100,160

**17. TRADE AND OTHER PAYABLES**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Trade:</b>				
Amount due to clients	<b>6,149,934</b>	484,372	-	-
Amount due to brokers	<b>323,109</b>	2,176,591	-	-
	<b>6,473,043</b>	2,660,963	-	-
<b>Non-trade:</b>				
Amount due to remisiers	<b>4,340,295</b>	6,626,505	-	-
Amount due to a subsidiary	-	-	<b>4,757,625</b>	4,370,453
Other payables	<b>1,729,897</b>	1,942,043	<b>12,353</b>	242,530
Accrued expenses	<b>2,917,617</b>	1,982,259	<b>86,000</b>	106,389
	<b>8,987,809</b>	10,550,807	<b>4,855,978</b>	4,719,372
	<b>15,460,852</b>	13,211,770	<b>4,855,978</b>	4,719,372

## Notes to the Financial Statements

31 October 2024

### 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 days, 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") (2023: 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 have been presented net of the Group's clients' trust monies held in bank accounts of **RM40,036,449** (2023: RM61,225,460) 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

The amount due to a subsidiary is unsecured, non-trade related, non-interest bearing and repayable on demand.

## Notes to the Financial Statements

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

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue from contracts with customers - at a point in time</b>				
Brokerage fees	<b>12,362,650</b>	11,389,134	-	-
Margin income	<b>8,287,820</b>	6,962,323	-	-
Nominee fees	<b>15,394</b>	14,694	-	-
Underwriting fees	<b>727,918</b>	661,108	-	-
Placement fees	<b>1,092,054</b>	876,398	-	-
Commodities trading	<b>672,564</b>	-	-	-
	<b>23,158,400</b>	19,903,657	-	-
<b>Revenue from contracts with customers - over time</b>				
Advisory fees	<b>9,413,217</b>	7,501,097	-	-
<b>Total revenue from contracts with customers</b>				
	<b>32,571,617</b>	27,404,754	-	-
<b>Dividend income</b>	-	-	<b>5,000,000</b>	-
<b>Total revenue</b>	<b>32,571,617</b>	27,404,754	<b>5,000,000</b>	-

**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.

# Notes to the Financial Statements

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## 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 contracts.

## 19. FINANCE COSTS

	GROUP	
	2024 RM	2023 RM
Accretion of lease interest	15,533	27,733

## Notes to the Financial Statements

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**20. PROFIT/(LOSS) BEFORE TAX**

Profit/(Loss) before tax is arrived at:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>After charging:</b>				
Auditors' remuneration:				
- Statutory audit fee:				
- Grant Thornton Malaysia PLT	<b>146,500</b>	140,000	<b>39,000</b>	35,000
Assurance related and non-audit services				
- Grant Thornton Malaysia PLT	<b>5,000</b>	510,000	<b>5,000</b>	510,000
Bad debt written off	<b>106,000</b>	-	-	-
Commission paid/payable to:				
- remisiers	<b>4,606,376</b>	3,625,783	-	-
- dealers	<b>202,712</b>	226,357	-	-
Depreciation of:				
- property, plant and equipment	<b>633,365</b>	636,507	-	-
- right-of-use assets	<b>187,747</b>	238,772	-	-
Directors' fees	<b>333,600</b>	45,600	<b>288,000</b>	-
IPO expenses	-	3,931,652	-	3,931,652
Loss on disposal of property, plant and equipment	-	1,636	-	-
Property, plant and equipment written off	-	85	-	-
* Staff costs	<b>11,195,169</b>	8,646,723	<b>12,000</b>	5,000
<b>And crediting:</b>				
Changes in fair value of investment properties	<b>150,000</b>	300,000	-	-
Gain on disposal of other investments	<b>146,464</b>	-	-	-
Gross dividend income from other investments carried at FVOCI:				
- Quoted shares in Malaysia	<b>33,635</b>	55,653	-	-
- Quoted shares outside Malaysia	<b>495</b>	475	-	-
Interest income	<b>4,360,004</b>	3,016,963	<b>1,139,603</b>	149,289
Unrealised gain on foreign exchange	<b>77,567</b>	7,462	-	-
Realised gain on foreign exchange	<b>203,360</b>	594,026	-	-
<b>* Staff costs</b>				
Salaries, allowance, bonus and other emoluments	<b>10,153,805</b>	7,731,184	<b>12,000</b>	5,000
Defined contribution plan ("EPF")	<b>960,439</b>	843,611	-	-
Social security contribution ("SOCSO")	<b>73,404</b>	64,847	-	-
Employment insurance scheme ("EIS")	<b>7,521</b>	7,081	-	-
	<b>11,195,169</b>	8,646,723	<b>12,000</b>	5,000

## Notes to the Financial Statements

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### 20. PROFIT/(LOSS) 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	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Executive director of Company</b>				
Salaries, allowances and bonus	<b>300,000</b>	300,000	-	-
EPF	<b>11,000</b>	12,000	-	-
SOCSCO	<b>755</b>	743	-	-
Other short-term employee benefits (including estimated monetary value and benefits-in-kind)	<b>15,500</b>	15,500	-	-
	<b>327,255</b>	328,243	-	-
<b>Executive director of the subsidiaries</b>				
Directors' fees	<b>21,600</b>	21,600	-	-
Salaries, allowances and bonus	<b>42,840</b>	48,195	-	-
EPF	<b>1,728</b>	1,941	-	-
SOCSCO	<b>533</b>	533	-	-
	<b>66,701</b>	72,269	-	-
<b>Non-executive directors of the Company</b>				
Directors' fees	<b>312,000</b>	48,000	<b>288,000</b>	24,000
Allowances	<b>12,000</b>	5,000	<b>12,000</b>	5,000
	<b>324,000</b>	53,000	<b>300,000</b>	29,000
<b>Total directors' remuneration</b>	<b>717,956</b>	453,512	<b>300,000</b>	29,000

## Notes to the Financial Statements

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**21. INCOME TAX EXPENSE**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense:				
- Current year	<b>(4,898,300)</b>	(3,964,343)	<b>(258,000)</b>	-
- Under provision in prior year	-	(97,991)	-	-
	<b>(4,898,300)</b>	(4,062,334)	<b>(258,000)</b>	-
Deferred tax (Note 16):				
- Current year	<b>48,000</b>	(13,280)	-	-
- Over provision in prior year	<b>118,000</b>	-	-	-
	<b>166,000</b>	(13,280)	-	-
	<b>(4,732,300)</b>	(4,075,614)	<b>(258,000)</b>	-

The reconciliation of income tax expense of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	<b>18,760,058</b>	12,463,323	<b>5,723,178</b>	(3,903,158)
Income tax calculated using income tax rate of 24%	<b>(4,502,413)</b>	(2,991,197)	<b>(1,373,563)</b>	936,758
Income not subject tax	<b>147,193</b>	85,471	<b>1,284,386</b>	35,829
Effects of expenses that are not deductible in determining taxable profit				
- other expenses	<b>(514,800)</b>	(148,021)	<b>(168,823)</b>	(28,991)
- IPO expenses	-	(943,596)	-	(943,596)
Annual crystallisation of deferred tax on revaluation reserve	<b>19,720</b>	19,720	-	-
	<b>(4,850,300)</b>	(3,977,623)	<b>(258,000)</b>	-
Adjustment recognised in the current year in relation to prior year:				
Current tax	-	(97,991)	-	-
Deferred tax	<b>118,000</b>	-	-	-
	<b>(4,732,300)</b>	(4,075,614)	<b>(258,000)</b>	-

# Notes to the Financial Statements

31 October 2024

## 22. EARNINGS PER SHARE

### Basic earnings per share

Basic earnings per share is calculated by dividing the Group's profit for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>GROUP</b>	
	<b>2024</b>	<b>2023</b>
Profit for the financial year attributable to owners (RM)	<b>14,039,489</b>	8,387,709
Weighted average number of ordinary shares in issue	<b>893,000,000</b>	753,981,065
Basic earnings per ordinary share (sen)	<b>1.57</b>	1.11

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

	<b>GROUP AND COMPANY</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
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	<b>4,465,000</b>	-

## 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:

<b>Related parties</b>	<b>Relationship</b>
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.

## Notes to the Financial Statements

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**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	
	2024 RM	2023 RM	2024 RM	2023 RM
Advances from Mercury Securities	-	-	<b>387,172</b>	4,242,518
Payment on behalf for:				
- MWMSB	-	-	<b>4,364</b>	-
- MLSSB	-	-	<b>24,940</b>	-
Rental expense paid to Sepang Asas Sdn. Bhd.	<b>78,000</b>	78,000	-	-
Rental income from Mercury Direct Sdn. Bhd.	<b>6,000</b>	6,000	-	-
Brokerage fees received from execution of trades on behalf of a director of the Company	<b>2,771</b>	-	-	-

**(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	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, allowance, bonus and other emoluments	<b>1,455,526</b>	1,504,045	<b>12,000</b>	5,000
EPF	<b>127,256</b>	150,098	-	-
SOCSO	<b>7,026</b>	6,905	-	-
EIS	<b>483</b>	544	-	-
Directors' fees	<b>333,600</b>	69,600	<b>288,000</b>	24,000
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	<b>15,500</b>	15,500	-	-
	<b>1,939,391</b>	1,746,692	<b>300,000</b>	29,000
Analyse as:				
- Directors	<b>717,956</b>	453,512	<b>300,000</b>	29,000
- Other key management personnel	<b>1,221,435</b>	1,293,180	-	-
	<b>1,939,391</b>	1,746,692	<b>300,000</b>	29,000

# Notes to the Financial Statements

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## 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	<ul style="list-style-type: none"> <li>- execution of trades of securities listed on Bursa Securities and foreign stock exchanges mainly in Singapore, Hong Kong and the United States of America;</li> <li>- margin financing facility services, nominees and custodian and related services;</li> <li>- 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</li> <li>- commodities trading business.<sup>(1)</sup></li> </ul>
• Corporate finance	<ul style="list-style-type: none"> <li>- 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 ACE Market of Bursa Securities to the Main Market of Bursa Securities and corporate restructuring.</li> </ul>

<sup>(1)</sup> 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 **2%** and **0.3%** (2023: Nil).

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.

	<b>GROUP</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
<b>Revenue</b>		
Stockbroking	<b>23,158,400</b>	19,903,657
Corporate finance	<b>9,413,217</b>	7,501,097
Total revenue	<b>32,571,617</b>	27,404,754
<b>Cost of services *</b>		
Stockbroking	<b>7,555,033</b>	6,197,995
Corporate finance	<b>5,448,816</b>	3,343,220
Total cost	<b>13,003,849</b>	9,541,215
<b>Gross profit</b>		
Stockbroking	<b>15,603,367</b>	13,705,662
Corporate finance	<b>3,964,401</b>	4,157,877
Total gross profit	<b>19,567,768</b>	17,863,539

\* Cost of services includes cost directly attributable to the performance of revenue.

# Notes to the Financial Statements

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## **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.

	<b>Carrying amount RM</b>	<b>AC RM</b>	<b>FVOCI RM</b>	<b>FVTPL RM</b>
<b>GROUP</b>				
<b>2024</b>				
<b>Financial assets</b>				
Other investments	<b>1,968,513</b>	-	<b>756,259</b>	<b>1,212,254</b>
Trade and other receivables	<b>81,496,997</b>	<b>81,496,997</b>	-	-
Deposits	<b>4,165,646</b>	<b>4,165,646</b>	-	-
Cash and cash equivalents	<b>85,672,642</b>	<b>85,672,642</b>	-	-
	<b>173,303,798</b>	<b>171,335,285</b>	<b>756,259</b>	<b>1,212,254</b>
<b>Financial liabilities</b>				
Trade and other payables	<b>15,460,852</b>	<b>15,460,852</b>	-	-
<b>2023</b>				
<b>Financial assets</b>				
Other investments	1,648,313	-	536,895	1,111,418
Trade and other receivables	73,743,157	73,743,157	-	-
Deposits	3,083,447	3,083,447	-	-
Cash and cash equivalents	82,503,757	82,503,757	-	-
	160,978,674	159,330,361	536,895	1,111,418
<b>Financial liabilities</b>				
Trade and other payables	13,211,770	13,211,770	-	-

# Notes to the Financial Statements

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## 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)

	<b>Carrying amount RM</b>	<b>AC RM</b>	<b>FVOCI RM</b>	<b>FVTPL RM</b>
<b>COMPANY</b>				
<b>2024</b>				
<b>Financial assets</b>				
Trade and other receivables	<b>29,304</b>	<b>29,304</b>	-	-
Cash and cash equivalents	<b>39,800,947</b>	<b>39,800,947</b>	-	-
	<b>39,830,251</b>	<b>39,830,251</b>	-	-
<b>Financial liabilities</b>				
Trade and other payables	<b>4,855,978</b>	<b>4,855,978</b>	-	-
<b>2023</b>				
<b>Financial assets</b>				
Cash and cash equivalents	38,435,618	38,435,618	-	-
<b>Financial liabilities</b>				
Trade and other payables	4,719,372	4,719,372	-	-

### 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

#### 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.

# Notes to the Financial Statements

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## **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**

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 the consolidated statement of financial position.

The Group applies the simplified approach in *MFRS 9* to measure expected credit losses 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:

	<b>Gross RM</b>	<b>ECL allowance RM</b>	<b>Interest-in- suspense RM</b>	<b>Net RM</b>
<b>GROUP</b>				
<b>2024</b>				
Not past due	<b>72,658,704</b>	-	-	<b>72,658,704</b>
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*
	<b>87,173,554</b>	<b>(4,156,661)</b>	<b>(3,223,514)</b>	<b>79,793,379</b>
<b>2023</b>				
Not past due	68,114,687	-	-	68,114,687
Past due 1 to 30 days	499,081	-	(5,187)	493,894
Past due 31 to 60 days	499,979	(85,349)	(3,192)	411,438
Past due 61 to 90 days	183,168	(16,820)	(849)	165,499
Past due 91 to 120 days	433,254	(7,037)	(2,217)	424,000
Past due more than 120 days	15,827,189	(9,403,588)	(3,055,647)	3,367,954*
	<b>85,557,358</b>	<b>(9,512,794)</b>	<b>(3,067,092)</b>	<b>72,977,472</b>

\* 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.

# Notes to the Financial Statements

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## 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)

As at the end of the reporting period, the Group has no significant concentration of credit risk.

In order to manage the credit risk arising from clients (including margin receivables), individual credit evaluation are performed on all clients. Generally, the amount due from non-margin clients is settled within T+2 market days, hence exposure to credit risk is for a relatively short period and based on historical credit loss experience is not significant.

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 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.

Given the above risk management processes, the directors consider that the credit risk arising from amount due from client (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.

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 expected credit losses is provided during the financial year as the impact to the Group's financial statements is not material since all known doubtful debts have already been provided for impairment.

# Notes to the Financial Statements

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## 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)

Management believes that there is no other credit risk beyond the amount of allowance for expected credit loss made in the Group's trade receivables.

##### 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 its carrying amount in the statement of financial position.

##### 26.2.1.3 Other receivables

The maximum exposure to credit risk is represented by their carrying amount in the statements of financial position.

#### 26.2.2 Liquidity risk

Liquidity risk is the risk of loss as a result of the Group and the Company inability to meet 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.

## Notes to the Financial Statements

31 October 2024

### 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 undisclosed 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
<b>GROUP</b>					
<b>2024</b>					
<i>Non-derivative financial liabilities</i>					
Lease liabilities	<b>139,875</b>	<b>146,684</b>	<b>101,184</b>	<b>45,000</b>	-
Trade and other payables	<b>14,691,738</b>	<b>14,691,738</b>	<b>14,691,738</b>	-	-
	<b>14,831,613</b>	<b>14,838,422</b>	<b>14,792,922</b>	<b>45,000</b>	-
<b>2023</b>					
<i>Non-derivative financial liabilities</i>					
Lease liabilities	341,447	363,788	217,104	101,184	45,500
Trade and other payables	13,211,770	13,211,770	13,211,770	-	-
	13,553,217	13,575,558	13,428,874	101,184	45,500
<b>COMPANY</b>					
<b>2024</b>					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	<b>4,855,978</b>	<b>4,855,978</b>	<b>4,855,978</b>	-	-
<b>2023</b>					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	4,719,372	4,719,372	4,719,372	-	-

# Notes to the Financial Statements

31 October 2024

## **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 interest-bearing financial assets.

The Group's and the Company's fixed rate instruments comprising of margin receivables and short-term deposits with licensed banks and fixed deposit with licensed banks are exposed to risk of change in their fair value due to changes in interest rates. Since 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.

##### **26.2.3.2 Foreign currency risk**

Foreign currency risks 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.

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.

# Notes to the Financial Statements

31 October 2024

## 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)

###### 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.

	<b>GROUP</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
USD	<b>123,156</b>	123,819
GBP	<b>106,592</b>	103,846
Decrease in profit before tax	<b>229,748</b>	227,665
Decrease in equity	<b>174,608</b>	173,025

#### 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 **RM60,613** (2023: RM55,571) 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.

### 26.3 Fair value information of financial assets/liabilities

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.

## Notes to the Financial Statements

31 October 2024

**26. FINANCIAL INSTRUMENTS (CONT'D)****26.3 Fair value information of financial assets/liabilities (cont'd)**

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.

	<b>Carrying amount RM</b>	<b>Total RM</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>
<b>GROUP</b>					
<b>2024</b>					
<b>Fair value of financial instruments carried at fair value</b>					
<b>Financial assets</b>					
Quoted shares	<b>1,968,513</b>	<b>1,968,513</b>	<b>1,968,513</b>	-	-
<b>2023</b>					
<b>Fair value of financial instruments carried at fair value</b>					
<b>Financial assets</b>					
Quoted shares	1,648,313	1,648,313	1,648,313	-	-

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.

## Notes to the Financial Statements

31 October 2024

### 27. CAPITAL COMMITMENT

	GROUP	
	2024 RM	2023 RM
Contracted but not provided for:		
- Computer equipment and software	<b>98,115</b>	231,663

### 28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management 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 make 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 **20.8 times** (2023: 19.8 times).

## Notes to the Financial Statements

31 October 2024

### 28. CAPITAL MANAGEMENT (CONT'D)

#### 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

<b>Property address</b>	<b>Description of property/ Existing use</b>	<b>Tenure</b>	<b>Year of expiry</b>	<b>Land area/ Built-up area</b>	<b>Acquisition date/Last revaluation date</b>	<b>Approximate age of building</b>	<b>Audited net book value as at 31 October 2024 (RM'000)</b>
No. 1 (Ground floor, 1 <sup>st</sup> floor, 2 <sup>nd</sup> floor and 3 <sup>rd</sup> floor), Jalan Todak, 5, Pusat Bandar Seberang Jaya, 13700 Prai, Pualai Pinang	4-storey shophouses held as investment property for rental purposes	Leasehold for 99 years	2092	Land area 3,261.46 sq. ft.  Built-up area 13,002.80 sq. ft.	October 2024	30 years	4,650
L-7-2, No. 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur	Office unit in the 7 <sup>th</sup> 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 2021	17 years	7,050
K-3A-5, No.2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur	Office unit in the 4 <sup>th</sup> 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.	August 2021	17 years	976
K-3A-6, No. 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur	Office unit in the 4 <sup>th</sup> 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.	August 2021	17 years	736
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 2021	31 years	940

# Analysis of Shareholdings

as at 12 February 2025

**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 12 FEBRUARY 2025

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares	Percentage of Shareholdings (%)
1 - 99	2	0.10	100	0.00 <sup>(1)</sup>
100 - 1,000	195	10.01	91,500	0.01
1,001 - 10,000	793	40.68	4,995,900	0.56
10,001 - 100,000	761	39.05	28,527,000	3.20
100,001 - 44,649,999 (*)	195	10.01	194,718,500	21.80
44,650,000 and above (**)	3	0.15	664,667,000	74.43
<b>Total</b>	<b>1,949</b>	<b>100.00</b>	<b>893,000,000</b>	<b>100.00</b>

Notes:

(1) Negligible

\* Less than 5% of issued Shares.

\*\* 5% and above of issued Shares.

## DIRECTORS' SHAREHOLDINGS AS AT 12 FEBRUARY 2025

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 <sup>(1)</sup>	0.01
3. Dato' A. Rahman Bin Safar	73,590,500	8.24	25,000 <sup>(1)</sup>	0.00 <sup>(3)</sup>
4. Chan Kim Hing	650,000	0.07	-	-
5. Datin Chua Suat Khim	150,000	0.02	-	-
6. Himahlini A/P M. Ramalingam @ Yalumallai	150,000	0.02	-	-

## SUBSTANTIAL SHAREHOLDERS AS AT 12 FEBRUARY 2025

Name	Direct Interest		Indirect Interest	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Chew Sing Guan	331,431,900	37.11	110,000 <sup>(1)</sup>	0.01
2. Enrogetz Sdn Bhd	259,644,600	29.08	-	-
3. Faizal Bin Mat Zuki	-	-	259,644,600 <sup>(2)</sup>	29.08
4. Dato' A. Rahman Bin Safar	73,590,500	8.24	25,000 <sup>(1)</sup>	0.00 <sup>(3)</sup>

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 12 February 2025

### LIST OF TOP 30 SHAREHOLDERS AS AT 12 FEBRUARY 2025

(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	24,975,500	2.80
5. Shaik Othman Bin Hussain	17,559,600	1.97
6. Chew Beow Soon	13,009,500	1.46
7. Poh Choo Beng	8,165,000	0.91
8. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for CLSA Limited (CUST-NON RES)	7,500,000	0.84
9. Mercsec Nominees (Asing) Sdn Bhd General Reserve of Digital Assets Limited	6,000,000	0.67
10. Chou Sing Hoan	5,685,000	0.64
11. Yeo Wee Sun	5,500,000	0.62
12. Lembaga Tabung Amanah Warisan Negeri Terengganu	4,750,000	0.53
13. Mercsec Nominees (Tempatan) Sdn Bhd Pintarisma Sdn Bhd	4,583,200	0.51
14. Adrian Alfian Bin Zuraini Ismail	4,076,600	0.46
15. Mariam Prudence Binti Yusof	4,000,000	0.45
16. Mercsec Nominees (Tempatan) Sdn Bhd We Twenty Two Sdn Bhd	3,896,400	0.44
17. Mercsec Nominees (Tempatan) Sdn Bhd Mak Lin Kum	3,508,000	0.39
18. Yap Lee Ken	3,404,100	0.38
19. Mercsec Nominees (Tempatan) Sdn Bhd Win Radius Sdn Bhd	3,255,500	0.36
20. Low Chin Kwee	3,179,100	0.36
21. Gerald Nicholas Tan Eng Hoe	2,877,000	0.32
22. Tan Sim Yee	2,699,700	0.30
23. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Kok Thye	2,530,000	0.28
24. Mercsec Nominees (Tempatan) Sdn Bhd Gerald Nicholas Tan Eng Hoe	2,438,400	0.27
25. Cheng T-Shern	2,310,000	0.26
26. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Chan Tong	2,250,000	0.25
27. Tai Hin & Son (PG) Sdn Bhd	1,513,000	0.17
28. Mercsec Nominees (Tempatan) Sdn Bhd Kris Azman Bin Abdullah	1,380,000	0.15
29. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Poh Choo Beng	1,352,900	0.15
30. Abdul Murad Bin Khalid	1,260,000	0.14
<b>Total</b>	<b>808,325,500</b>	<b>90.51</b>

# Notice of Fourth Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Fourth Annual General Meeting (“**4<sup>th</sup> AGM**”) of the Company will be held at **Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara, Bukit Kiara, 60000 Kuala Lumpur** on **Wednesday, 30 April 2025** 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 2024 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 May 2025 until the next Annual General Meeting of the Company to be held in 2026. **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 May 2025 until the next Annual General Meeting of the Company to be held in 2026. **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 May 2025 until the next Annual General Meeting of the Company to be held in 2026. **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 May 2025 until the next Annual General Meeting of the Company to be held in 2026. **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 May 2025 until the next Annual General Meeting of the Company to be held in 2026. **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 May 2025 until the next Annual General Meeting of the Company to be held in 2026. **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) Dato' Baharon Bin Talib (b) Mr. Chew Sing Guan (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 2025 and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 9** (Please refer to Explanatory Note 4)

## Notice of Fourth Annual General Meeting

### 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.

## Notice of Fourth Annual General Meeting

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 2025

### **NOTES:-**

1. *For the purpose of determining who shall be entitled to attend and vote at the 4<sup>th</sup> 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 22 April 2025. Only a member whose name appears on the Record of Depositors as at 22 April 2025 shall be entitled to attend the 4<sup>th</sup> 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 4<sup>th</sup> 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 4<sup>th</sup> AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 4<sup>th</sup> AGM.*
4. *Where a member of the Company is an authorised nominees 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.*

## Notice of Fourth Annual General Meeting

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 4<sup>th</sup> AGM or adjourned 4<sup>th</sup> 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.
  - (ii) In electronic form  
In the case of an appointment made via online lodgement facility, please lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 4<sup>th</sup> 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 **Monday, 28 April 2025 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 4<sup>th</sup> AGM or adjourned 4<sup>th</sup> 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).

## Notice of Fourth Annual General Meeting

### **EXPLANATORY NOTES ON ORDINARY BUSINESS**

#### **1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 October 2024**

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 2024, 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 2026 will only be made if the relevant proposed Ordinary Resolutions 1 to 6 are passed at the 4<sup>th</sup> AGM.

The proposed Ordinary Resolutions 1 to 4, if passed, will give authority to the Company to pay the Directors’ fees from 1 May 2025 until the next AGM of the Company to be held in 2026 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 May 2025 until the next AGM of the Company to be held in 2026 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 subsidiary, Mercury Securities Sdn Bhd.

The proposed Ordinary Resolution 6 is to facilitate the payment of Directors’ benefits to Non-Executive Directors for the period from 1 May 2025 until the next AGM of the Company to be held in 2026.

The proposed structure of the Directors’ benefits to Non-Executive Directors for the period from 1 May 2025 until the next AGM of the Company to be held in 2026 are as follows:

Type of Benefits	Description	Amount
<b>Meeting Attendance Allowance</b>		
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 4<sup>th</sup> 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.

## Notice of Fourth Annual General Meeting

### **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 4<sup>th</sup> AGM:

- (a) Dato' Baharon Bin Talib
- (b) Mr. Chew Sing Guan

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 4 of this Annual Report. For the purpose of determining the eligibility of the Directors to stand for re-election at the 4<sup>th</sup> 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 his re-election) supports the re-election of the abovementioned Directors with the following justifications:

#### **Ordinary Resolution 7: Re-election of Dato' Baharon Bin Talib as Director of the Company**

Dato' Baharon Bin Talib fulfills the requirements of independence as set out in Guidance Note 9 of the ACE Listing Requirements. He remains objective and independent in expressing his view and participating in Board deliberations and decision-making in addition to overseeing and ensuring the efficient functioning of the Board.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Chairman of the Company.

#### **Ordinary Resolution 8: Re-election of Mr. Chew Sing Guan as Director of the Company**

Mr. Chew Sing Guan has been involved in driving the growth and overseeing all aspect of the business of Mercury Securities Sdn Bhd, since emerging as a substantial shareholder and a director in 1992. He was instrumental in driving the listing of Mercury Securities Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad on 19 September 2023.

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 his re-election), collectively agreed and recommended the said Directors be re-elected as Directors of the Company at the 4<sup>th</sup> 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 2024 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 2025.

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 4<sup>th</sup> AGM.

## Notice of Fourth Annual General Meeting

### **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 3<sup>rd</sup> AGM held on 29 March 2024 and which will lapse at the conclusion of the 4<sup>th</sup> 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 Fourth Annual General Meeting (“4<sup>th</sup> AGM”)

(pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors (Dato' Baharon Bin Talib and Mr. Chew Sing Guan) who are standing for re-election (as per Ordinary Resolution No. 7 and 8 as stated above) at the forthcoming 4<sup>th</sup> AGM of Mercury Securities Group Berhad can be found on page 4 – Directors’ Profile of this Annual Report.

The information relating to the shareholding of the above two (2) Directors in the Company and its related corporation are set out on page 135 of this Annual Report.

Please refer to item 3 of the Explanatory Notes on Ordinary Business to the Notice of the Fourth Annual General Meeting on page 142 of this Annual Report for further background and justification of the Board of Directors to recommend their re-election as Director at the forthcoming 4<sup>th</sup> AGM.

# Administrative Guide

for the Fourth Annual General Meeting (“4<sup>th</sup> AGM”)

**Meeting Date : Wednesday, 30 April 2025**

**Time : 10.00 a.m.**

**Venue : Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara, 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 4<sup>th</sup> AGM.
- Attorneys appointed by power of attorney are required to deposit their power of attorney with TIIH not later than Monday, 28 April 2025 at 10.00 a.m. to attend and vote at the 4<sup>th</sup> AGM.

## GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

- Only a depositor whose name appears on the ROD as at **22 April 2025** shall be entitled to attend, participate, speak and vote at the 4<sup>th</sup> AGM or appoint proxies to attend and/or vote on his/her behalf.

## REGISTRATION ON THE DAY OF THE 4<sup>th</sup> AGM

- Registration will commence at 9.00 a.m. on Wednesday, 30 April 2025 and will remain open until the conclusion of the 4<sup>th</sup> 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 4<sup>th</sup> AGM is allowed.

## NO DOOR GIFT OR FOOD VOUCHER

- There will be **no distribution** of door gift or food voucher at the 4<sup>th</sup> AGM.

## REFRESHMENTS

- Refreshments will be served at the 4<sup>th</sup> AGM.

## Administrative Guide

for the Fourth Annual General Meeting ("4<sup>th</sup> 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 4<sup>th</sup> 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.

#### In electronic form

You may also submit the Proxy Form electronically via **TIIH Online** website at <https://tiih.online>. 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 TIIH's **TIIH Online** website are summarised below:

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services Login". Select the "<b>Sign Up</b>" button and followed by "<b>Create Account by Individual Holder</b>". Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password.</li> <li>Select the corporate event: "<b>MERCURY SECURITIES GROUP BERHAD 4<sup>TH</sup> AGM – SUBMISSION OF PROXY FORM</b>".</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your vote.</li> <li>Review and confirm your proxy(ies) appointment.</li> <li>Print the Proxy Form for your record.</li> </ul>

## Administrative Guide

for the Fourth Annual General Meeting ("4<sup>th</sup> AGM")

Procedure	Action
<b>ii. Steps for Corporation or Institutional Shareholders</b>	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>• Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Under e-Services Login, the authorised or nominated representative of the corporation or institutional shareholder selects the "<b>Sign Up</b>" button and followed by "<b>Create Account by Representative of Corporate Holder</b>".</li> <li>• Complete the registration form and upload the required documents.</li> <li>• Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>• Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul>
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.	
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>• Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Select the corporate event: "<b>MERCURY SECURITIES GROUP BERHAD 4<sup>TH</sup> AGM – SUBMISSION OF PROXY FORM</b>".</li> <li>• Agree to the Terms &amp; Conditions and Declaration.</li> <li>• Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein.</li> <li>• Prepare the file for the appointment of proxies by inserting the required data.</li> <li>• Login to TIIH Online, select corporate event: "<b>MERCURY SECURITIES GROUP BERHAD 4<sup>TH</sup> AGM – SUBMISSION OF PROXY FORM</b>".</li> <li>• Proceed to upload the duly completed proxy appointment file.</li> <li>• Select "Submit" to complete your submission.</li> <li>• Print the confirmation report of your submission for your record</li> </ul>

### POLL VOTING

- The voting at the 4<sup>th</sup> 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 4<sup>th</sup> AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

### ANNUAL REPORT 2024

- 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](http://www.bursamalaysia.com) under Company's announcements.
- You may request for a printed copy of this Annual Report at <https://tiih.online> 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.

## Administrative Guide

for the Fourth Annual General Meeting ("4<sup>th</sup> 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 4<sup>th</sup> 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 9.00 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](mailto:is.enquiry@vistra.com)  
Contact Person : Mohammad Amirul Iskandar  
                  +603 2783 9279 ([mohammad.amirul@vistra.com](mailto:mohammad.amirul@vistra.com))  
                  : Syafiqul Hafidz  
                  +603 2783 9024 ([syafiqul.hafidz@vistra.com](mailto:syafiqul.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	%
<b>Address</b>			

and/or\* (\*delete as appropriate)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
<b>Address</b>			

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 4<sup>th</sup> Annual General Meeting ("4<sup>th</sup> AGM") of the Company to be held at **Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara, Bukit Kiara, 60000, Kuala Lumpur** on **Wednesday, 30 April 2025** 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 May 2025 until the next Annual General Meeting of the Company to be held in 2026		
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 May 2025 until the next Annual General Meeting of the Company to be held in 2026		
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 May 2025 until the next Annual General Meeting of the Company to be held in 2026		
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 May 2025 until the next Annual General Meeting of the Company to be held in 2026		
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 May 2025 until the next Annual General Meeting of the Company to be held in 2026.		
6.	Ordinary Resolution 6 – To approve the payment of Directors' benefits up to RM50,000.00 for the period from 1 May 2025 until the next Annual General Meeting of the Company to be held in 2026		
7.	Ordinary Resolution 7 – To re-elect Dato' Baharon Bin Talib as Director of the Company		
8.	Ordinary Resolution 8 – To re-elect Mr. Chew Sing Guan 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 2025 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 \_\_\_\_\_ 2025

\* 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 4<sup>th</sup> 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 22 April 2025. Only a member whose name appears on the Record of Depositors as at 22 April 2025 shall be entitled to attend the 4<sup>th</sup> 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 4<sup>th</sup> 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 4<sup>th</sup> AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 4<sup>th</sup> AGM.
4. Where a member of the Company is an authorised nominees 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 4<sup>th</sup> AGM or adjourned 4<sup>th</sup> 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.
  - (ii) In electronic form  
In the case of an appointment made via online lodgement facility, please lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 4<sup>th</sup> 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 **Monday, 28 April 2025 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 4<sup>th</sup> AGM or adjourned 4<sup>th</sup> 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**  
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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**www.mercurysecurities.com.my**



**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/](https://www.linkedin.com/company/mercury-sec/)



[www.facebook.com/MercurystraightThru](https://www.facebook.com/MercurystraightThru)



[www.instagram.com/mercurystraightthru](https://www.instagram.com/mercurystraightthru)



[mst.mercurysecurities.com.my](http://mst.mercurysecurities.com.my)