



**MERCURY SECURITIES GROUP BERHAD**

(Registration No. 202101018329 (1418629-A))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2025**

**MERCURY SECURITIES GROUP BERHAD**

Registration No. 202101018329 (1418629-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JANUARY 2025<sup>(1)</sup>**

	Note	Individual Quarter		Cumulative Quarters	
		3-months ended 31 January Unaudited 31.1.2025 RM	3-months ended 31 January Unaudited 31.1.2024 RM	3-months ended 31 January Unaudited 31.1.2025 RM	3-months ended 31 January Unaudited 31.1.2024 RM
Revenue	A9	10,111,259	7,924,508	10,111,259	7,924,508
Cost of services		(3,377,549)	(2,944,303)	(3,377,549)	(2,944,303)
<b>Gross profit</b>		<b>6,733,710</b>	<b>4,980,205</b>	<b>6,733,710</b>	<b>4,980,205</b>
Other income		303,077	259,040	303,077	259,040
Net trading gains on financial assets at fair value through profit or loss		71,560	212,130	71,560	212,130
Administrative and other operating expenses		(2,674,865)	(1,722,459)	(2,674,865)	(1,722,459)
Interest income		856,011	1,095,303	856,011	1,095,303
Finance costs		(2,020)	(4,979)	(2,020)	(4,979)
<b>Profit before tax</b>	B5	<b>5,287,473</b>	<b>4,819,240</b>	<b>5,287,473</b>	<b>4,819,240</b>
Income tax expense	B6	(1,280,000)	(1,205,800)	(1,280,000)	(1,205,800)
<b>Profit after tax</b>		<b>4,007,473</b>	<b>3,613,440</b>	<b>4,007,473</b>	<b>3,613,440</b>
<b>Other comprehensive income/(loss), net of income tax</b>					
Items that will not be reclassified subsequently to profit or loss:					
Realisation of revaluation surplus upon depreciation		(15,612)	(15,612)	(15,612)	(15,612)
Transfer of revaluation surplus to retained earnings		15,612	15,612	15,612	15,612
Fair value adjustment on other investments		7,564	-	7,564	-
<b>Total comprehensive income for the financial period</b>		<b>4,015,037</b>	<b>3,613,440</b>	<b>4,015,037</b>	<b>3,613,440</b>

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	Note	Individual Quarter 3-months ended 31 January		Cumulative Quarters 3-months ended 31 January	
		Unaudited 31.1.2025 RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2025 RM	Audited 31.1.2024 RM
<b>Profit attributable to:</b>					
Equity holders of the Company		4,008,425	3,613,440	4,008,425	3,613,440
Non-controlling interests		(952)	-	(952)	-
		<b>4,007,473</b>	<b>3,613,440</b>	<b>4,007,473</b>	<b>3,613,440</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		4,015,989	3,613,440	4,015,989	3,613,440
Non-controlling interests		(952)	-	(952)	-
		<b>4,015,037</b>	<b>3,613,440</b>	<b>4,015,037</b>	<b>3,613,440</b>
<b>Earnings per share (sen)</b>	B7				
- Basic <sup>(2)</sup>		<b>0.45</b>	<b>0.40</b>	<b>0.45</b>	<b>0.40</b>
- Diluted <sup>(3)</sup>		<b>0.45</b>	<b>0.40</b>	<b>0.45</b>	<b>0.40</b>

**Notes:**

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2025<sup>(1)</sup>**

	<b>Unaudited As at 31.1.2025 RM</b>	<b>Audited As at 31.10.2024 RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,677,954	11,497,435
Investment properties	4,650,000	4,650,000
Right-of-use assets	73,453	120,390
Intangible assets	7,891,722	7,891,722
Other investments	763,823	756,259
	<b>25,056,952</b>	<b>24,915,806</b>
<b>Current assets</b>		
Trade and other receivables	116,565,308	81,496,997
Inventories	448,292	408,511
Deposits and prepayments	4,529,461	4,550,539
Other investments	2,293,934	1,212,254
Cash and cash equivalents	65,034,677	85,672,642
	<b>188,871,672</b>	<b>173,340,943</b>
<b>TOTAL ASSETS</b>	<b>213,928,624</b>	<b>198,256,749</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	154,640,574	154,640,574
Merger reserve	(97,008,736)	(97,008,736)
Other reserves	126,536,493	122,520,504
<b>Equity attributable to owners of the Company</b>	<b>184,168,331</b>	<b>180,152,342</b>
Non-controlling interests	(12,634)	(11,682)
<b>TOTAL EQUITY</b>	<b>184,155,697</b>	<b>180,140,660</b>
<b>Non-current liabilities</b>		
Lease liabilities	-	44,498
Deferred tax liabilities	934,160	934,160
	<b>934,160</b>	<b>978,658</b>
<b>Current liabilities</b>		
Trade and other payables	26,774,111	15,460,852
Lease liabilities	87,620	95,377
Current tax liabilities	1,977,036	1,581,202
	<b>28,838,767</b>	<b>17,137,431</b>
<b>TOTAL LIABILITIES</b>	<b>29,772,927</b>	<b>18,116,089</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>213,928,624</b>	<b>198,256,749</b>
Net assets per share <sup>(2)</sup> (sen)	<b>20.62</b>	<b>20.17</b>

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2025<sup>(1)</sup> (CONT'D)**

**Notes:**

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 JANUARY 2025<sup>(1)</sup>**

	<----- Non-distributable ----->				Distributable		Non- controlling interests	Total Equity
	Share Capital	Merger Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total		
	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 November 2024	154,640,574	(97,008,736)	2,300,390	(95,905)	120,316,019	180,152,342	(11,682)	180,140,660
Profit for the financial period	-	-	-	-	4,008,425	4,008,425	(952)	4,007,473
Other comprehensive income / (loss) for the financial period, net of income tax	-	-	(15,612)	7,564	15,612	7,564	-	7,564
Transaction with owners of the Company:								
Dividend	-	-	-	-	-	-	-	-
<b>Balance as at 31 January 2025</b>	<b>154,640,574</b>	<b>(97,008,736)</b>	<b>2,284,778</b>	<b>(88,341)</b>	<b>124,340,056</b>	<b>184,168,331</b>	<b>(12,634)</b>	<b>184,155,697</b>

**Note:**

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JANUARY 2025<sup>(1)</sup>**

	<b>Unaudited 31.1.2025 RM</b>	<b>Unaudited 31.1.2024 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,287,473	4,819,240
Adjustments for:		
Accretion of lease interest	2,020	4,979
Depreciation of:		
- property, plant and equipment	163,613	156,338
- right-of-use assets	46,937	46,936
Dividend income	(3,973)	(293)
Interest income	(856,011)	(1,095,303)
<b>Operating profit before working capital changes</b>	<b>4,640,059</b>	<b>3,931,897</b>
Increase in trade and other receivables	(35,068,311)	(18,444,844)
Decrease/(Increase) in deposits and prepayments	21,078	(1,238,966)
Increase in inventories	(39,781)	-
Increase in trade and other payables	11,313,259	19,830,138
<b>Cash (used in)/ from operations</b>	<b>(19,133,696)</b>	<b>4,078,225</b>
Income tax paid	(884,166)	(458,377)
<b>Net cash (used in)/from operating activities</b>	<b>(20,017,862)</b>	<b>3,619,848</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	856,011	1,095,303
Dividends received	3,973	293
Purchase of property, plant and equipment	(344,132)	(77,900)
Addition in other investments carried at fair value through profit or loss	(1,081,680)	-
Proceeds from disposal of other investments carried at fair value through profit or loss	-	751,139
<b>Net cash (used in)/from investing activities</b>	<b>(565,828)</b>	<b>1,768,835</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(54,275)	(54,276)
<b>Net cash used in financing activities</b>	<b>(54,275)</b>	<b>(54,276)</b>

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	Unaudited 31.1.2025 RM	Unaudited 31.1.2024 RM
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(20,637,965)</b>	<b>5,334,407</b>
Cash and cash equivalents at beginning of the financial period	85,672,642	82,503,757
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>65,034,677</u></b>	<b><u>87,838,164</u></b>

**Note:**

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



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## **INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025**

### **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025**

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

##### **A1. BASIS OF PREPARATION**

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

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

##### **A2. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025**

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2025**

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

The initial application of the above Standards is not expected to have any material impact to the consolidated financial statements of the Group upon their first adoption, 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 presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group’s financial statements.

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

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

**A4. SEASONAL OR CYCLICAL FACTORS**

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

**A5. MATERIAL UNUSUAL ITEMS**

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

**A6. MATERIAL CHANGES IN ESTIMATES**

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (CONT’D)****A7. DEBT AND EQUITY SECURITIES**

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

**A8. DIVIDEND PAID**

The Company has not proposed and/or paid any dividend during the current financial quarter and financial year-to-date.

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

**A9. SEGMENTAL INFORMATION**

The Group’s revenue is segmented as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>3-months ended 31</b>		<b>3-months ended 31</b>	
	<b>January</b>		<b>January</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>31.1.2025</b>	<b>31.1.2024</b>	<b>31.1.2025</b>	<b>31.1.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>Business segments</u></b>				
Stockbroking <sup>(1)</sup>	8,628,365	5,836,008	8,628,365	5,836,008
Corporate Finance	1,482,894	2,088,500	1,482,894	2,088,500
<b>Total</b>	<b><u>10,111,259</u></b>	<b><u>7,924,508</u></b>	<b><u>10,111,259</u></b>	<b><u>7,924,508</u></b>

**Note:**

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

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FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (CONT’D)****A10. CHANGES IN THE COMPOSITION OF THE GROUP**

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

**A11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no material contingent liabilities or contingent assets to be disclosed as at 31 January 2025.

**A12. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

	<b>Individual Quarter 3-months ended 31 January</b>		<b>Cumulative Quarters 3-months ended 31 January</b>	
	<b>Unaudited 31.1.2025 RM</b>	<b>Unaudited 31.1.2024 RM</b>	<b>Unaudited 31.1.2025 RM</b>	<b>Unaudited 31.1.2024 RM</b>
Rental expenses paid to a related party for a branch office	19,500	19,500	19,500	19,500
Rental income received from a related party	1,500	1,500	1,500	1,500
Brokerage fees received from execution of trades on behalf of a major shareholder	-	366	-	366

**A13. MATERIAL CAPITAL COMMITMENTS**

	<b>Unaudited As at 31.1.2025 RM</b>	<b>Unaudited As at 31.1.2024 RM</b>
<b>Contracted but not provided for:</b>		
- Computer equipment and software	49,400	318,001
- Renovations	32,080	-
	<b>81,480</b>	<b>318,001</b>

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

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

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS****B1. REVIEW OF PERFORMANCE**

The Group's performance for the current financial quarter and the financial year-to-date ended 31 January 2025 are set out in the table below:

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>3-months ended 31</b>		<b>3-months ended 31</b>	
	<b>January</b>		<b>January</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>31.1.2025</b>	<b>31.1.2024</b>	<b>31.1.2025</b>	<b>31.1.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Revenue</b>				
Stockbroking Segment	8,628,365	5,836,008	8,628,365	5,836,008
Corporate Finance Segment	1,482,894	2,088,500	1,482,894	2,088,500
<b>Total Revenue</b>	<b>10,111,259</b>	<b>7,924,508</b>	<b>10,111,259</b>	<b>7,924,508</b>
Gross Profit	6,733,710	4,980,205	6,733,710	4,980,205
Profit before tax ("PBT")	5,287,473	4,819,240	5,287,473	4,819,240
Gross profit margin (%)	66.60	62.85	66.60	62.85
PBT margin (%)	52.29	60.81	52.29	60.81

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

**COMMENTARIES**

In the Q1 2025, the Stockbroking Segment achieved revenue of RM8.63 million, an increase of 47.85% as compared to RM5.84 million in the Q1 2024 due to increase in margin income, underwriting fees, placement fees and commodities trading despite decrease in brokerage fees. There was decrease of 29.00% or RM0.61 million in revenue of the Corporate Finance Segment in the Q1 2025 of RM1.48 million as compared to RM2.09 million in the Q1 2024 which was mainly due to decrease in advisory fees from corporate proposals executed to achieve the agreed billing milestones.

In the Q1 2025, the Group achieved an increase in gross profit by RM1.75 million or 35.21% to RM6.73 million from RM4.98 million in the Q1 2024 due to higher revenue from the Stockbroking Segment.

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FOR THE FIRST QUARTER ENDED 31 JANUARY 2025****B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B1. REVIEW OF PERFORMANCE (CONT'D)****COMMENTARIES (CONT'D)**

Gross profit margin increased by 3.75% to 66.60% in the Q1 2025 as compared to 62.85% in the Q1 2024 was mainly due to lower direct staff costs as a result of lower payment of performance bonus and commission paid to the dealers and remisiers during the Q1 2025.

In the Q1 2025, the Group achieved higher PBT of RM5.29 million, an increase of RM0.47 million or 9.72% as compared to RM4.82 million in the Q1 2024 mainly due to higher gross profit despite of lower interest income and gains from proprietary trading in the Q1 2025.

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER**

	Individual Quarter		Variance RM
	Unaudited 31.1.2025 RM	Unaudited 31.10.2024 RM	
Revenue	10,111,259	8,817,980	1,293,279
Gross Profit	6,733,710	5,412,299	1,321,411
PBT	5,287,473	4,758,419	529,054
Gross profit margin (%)	66.60	61.38	5.22
PBT margin (%)	52.29	53.96	(1.67)

**COMMENTARIES**

In the current financial quarter, the Group's revenue increased by RM1.29 million or 14.67% to RM10.11 million as compared to RM8.82 million for the immediate preceding quarter. The increase in revenue in the current financial quarter was mainly attributable to increase in margin income, underwriting fees, placement fees and commodities trading which was partially offset against the decreased in advisory fees from the Corporate Finance Segment.

The Group has recorded gross profit of RM6.73 million in the current financial quarter, an increase of RM1.32 million or 24.41% as compared to RM5.41 million in the immediate preceding quarter due to increase in revenue as well as lower cost of services mainly from lower payment of performance bonus and lower commission paid to dealers and remisiers in the current financial quarter.

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

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

**COMMENTARIES (CONT'D)**

The Group recorded PBT of RM5.29 million in the current financial quarter, an increase of RM0.53 million or 11.12% as compared to PBT of RM4.76 million in the immediate preceding quarter mainly from the higher revenue and gross profit achieved in the current financial quarter.

**B3. PROSPECTS OF THE GROUP**

The Malaysian economy recorded a higher growth of 5.1% in 2024, driven by stronger domestic demand and a rebound in exports. Moving forward, despite external uncertainties, the strength in economic activity is expected to be sustained in 2025, anchored by domestic demand. Employment and wage growth, as well as policy measures, including the upward revision of the minimum wage and civil servant salaries, will support household spending.

The robust expansion in investment activity will be sustained by the progress of multi-year projects in both the private and public sectors, the continued high realisation of approved investments, as well as the ongoing implementation of catalytic initiatives under the national master plans.

Amid global policy uncertainties, exports are expected to expand at a more moderate pace. Nevertheless, exports will remain supported by the global tech upcycle, continued growth in non-electrical and electronics, as well as higher tourist spending. The growth outlook is subject to downside risks from an economic slowdown in major trading partners following significant uncertainties surrounding trade policies and lower-than-expected commodity production. Meanwhile, growth could be lifted by greater spillovers from the global tech upcycle, more robust tourism activity, and faster implementation of investment projects.

Headline and core inflation stood at 1.7% and 1.8% respectively in January 2025. Overall, inflation in 2025 is expected to remain manageable, amid the easing global cost conditions and the absence of excessive domestic demand pressures. Global commodity prices are expected to continue to trend lower, contributing to moderate cost conditions. The recently introduced wage-related policies would provide additional support to demand, although the impact on inflation is expected to be limited.



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

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

Ringgit performance continues to be primarily driven by external developments. The narrowing interest rate differentials between Malaysia and the advanced economies is positive for the ringgit. Financial markets could experience heightened bouts of volatility due to global policy uncertainties.

Nevertheless, Malaysia's favourable economic prospects and domestic structural reforms, complemented by ongoing initiatives to encourage flows, will continue to provide enduring support to the ringgit.

*(Source: Bank Negara Malaysia: Monetary Policy Statement dated 6 March 2025)*

Given the encouraging growth prospects and government's continued policy supportive of the economy, the Board is cautiously optimistic that the trading conditions and corporate activities will remain positive for the Group's performance in the current financial year.

**B4. PROFIT FORECAST**

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

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	Individual Quarter 3-months ended 31 January		Cumulative Quarters 3-months ended 31 January	
	Unaudited 31.1.2025 RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2025 RM	Unaudited 31.1.2024 RM
<b>Profit before tax is arrived at after charging:</b>				
Auditors' remuneration				
- statutory audit fees	79,000	37,500	79,000	37,500
- assurance related and non-audit services	-	-	-	-
Commission paid/payable to dealers and remisiers	1,103,007	1,223,319	1,103,007	1,223,319
Depreciation of:				
- property, plant and equipment	163,613	156,338	163,613	156,338
- right-of-use assets	46,937	46,936	46,937	46,936
Staff costs	3,846,183	2,508,770	3,846,183	2,508,770
<b>and crediting:</b>				
Dividend income	3,973	293	3,973	293
Interest income	856,011	1,095,303	856,011	1,095,303
Realised gain on foreign exchange	38,325	73,012	38,325	73,012
Rental income	14,200	45,000	14,200	45,000

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

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	Individual Quarter 3-months ended 31 January		Cumulative Quarters 3-months ended 31 January	
	Unaudited 31.1.2025 RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2025 RM	Unaudited 31.1.2024 RM
Current tax expense	1,280,000	1,205,800	1,280,000	1,205,800
Deferred tax expense	-	-	-	-
<b>Total</b>	<b>1,280,000</b>	<b>1,205,800</b>	<b>1,280,000</b>	<b>1,205,800</b>
<b>Effective tax rate (%)</b>	<b>24.21</b>	<b>25.02</b>	<b>24.21</b>	<b>25.02</b>

The effective tax rate of 24.21% for current financial quarter and the financial year-to-date are slightly higher than the statutory tax rate of 24.00% due to certain expenses not deductible for tax purposes.

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

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

	Individual Quarter 3-months ended 31 January		Cumulative Quarters 3-months ended 31 January	
	Unaudited 31.1.2025 RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2025 RM	Unaudited 31.1.2024 RM
Profit attributable to owners of the Company	4,008,425	3,613,440	4,008,425	3,613,440
Weighted average number of ordinary shares	893,000,000	893,000,000	893,000,000	893,000,000
Basic/Diluted EPS (sen)	<b>0.45</b>	<b>0.40</b>	<b>0.45</b>	<b>0.40</b>

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

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

The utilisation of proceeds as disclosed below should be read in conjunction with the Prospectus of the Company dated 28 August 2023. As at 31 January 2025, the status of utilisation of the gross proceeds of RM39.27 million raised from our IPO are as follows:

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

**Note:**

1. Pending its intended utilisation, the unutilised balance of RM1.91 million raised from our IPO was placed with financial institutions on a repo basis to earn interest income.

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

**B10. GROUP BORROWINGS AND DEBTS SECURITIES**

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

**B11. MATERIAL LITIGATION**

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

**B12. DIVIDEND**

No interim dividend has been declared for the current financial quarter ended 31 January 2025.

**B13. AUTHORISE FOR ISSUE**

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Directors on 27 March 2025.

**BY ORDER OF THE BOARD  
MERCURY SECURITIES GROUP BERHAD  
27 MARCH 2025**