



**MERCURY SECURITIES GROUP BERHAD**

(Registration No. 202101018329 (1418629-A))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

**MERCURY SECURITIES GROUP BERHAD**

Registration No. 202101018329 (1418629-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JANUARY 2024<sup>(1)</sup>**

	Note	Individual Quarter		Cumulative Quarters	
		Unaudited 31.1.2024 RM	Unaudited 31.1.2023 RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(2)</sup> RM
Revenue	A9	7,924,508	N/A	7,924,508	N/A
Cost of services		(2,944,303)	N/A	(2,944,303)	N/A
<b>Gross profit</b>		<b>4,980,205</b>	<b>N/A</b>	<b>4,980,205</b>	<b>N/A</b>
Other income		259,040	N/A	259,040	N/A
Net trading gains on financial assets at fair value through profit or loss		212,130	N/A	212,130	N/A
Administrative and other operating expenses		(1,722,459)	N/A	(1,722,459)	N/A
Interest income		1,095,303	N/A	1,095,303	N/A
Finance costs		(4,979)	N/A	(4,979)	N/A
<b>Profit before tax</b>	B5	<b>4,819,240</b>	<b>N/A</b>	<b>4,819,240</b>	<b>N/A</b>
Income tax expense	B6	(1,205,800)	N/A	(1,205,800)	N/A
<b>Profit after tax</b>		<b>3,613,440</b>	<b>N/A</b>	<b>3,613,440</b>	<b>N/A</b>
<b>Other comprehensive income, net of income tax</b>					
Items that will not be reclassified subsequently to profit or loss:					
Realisation of revaluation surplus upon depreciation		(15,612)	N/A	(15,612)	N/A
Transfer of revaluation surplus to retained earnings		15,612	N/A	15,612	N/A
<b>Total comprehensive income for the financial period</b>		<b>3,613,440</b>	<b>N/A</b>	<b>3,613,440</b>	<b>N/A</b>
<b>Earnings per share<sup>(3)</sup> (sen)</b>	B7				
- Basic		<b>0.40</b>	<b>N/A</b>	<b>0.40</b>	<b>N/A</b>
- Diluted		<b>0.40</b>	<b>N/A</b>	<b>0.40</b>	<b>N/A</b>

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JANUARY 2024<sup>(1)</sup> (CONT'D)**

**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 Accountants' Report dated 8 August 2023 ("**Accountants' Report**") included in the prospectus of Mercury Securities Group Berhad ("**Company**") dated 28 August 2023 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
2. This is the third interim financial report being announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") following the listing of and quotation for the Company's enlarged issued shares on 19 September 2023. There are no comparative figures for the preceding corresponding quarter and financial year-to-date as there is no interim financial report prepared for the comparative quarter and financial year-to-date concerned.
3. Basic earnings per share ("**EPS**") is calculated based on the profit attributable to owners of the Company divided by 893,000,000 ordinary shares being the total number of ordinary shares in issue during the current financial quarter and financial-year-to-date. Diluted EPS is equivalent to the basic EPS as the Company does not have any dilutive instruments at the end of the reporting period.

N/A - Not applicable.

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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2024<sup>(1)</sup>**

	<b>Unaudited As at 31.1.2024 RM</b>	<b>Audited As at 31.10.2023 RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,699,234	11,777,672
Investment properties	4,500,000	4,500,000
Right-of-use assets	261,201	308,137
Intangible assets	7,891,722	7,891,722
Other investments	536,895	536,895
	<b>24,889,052</b>	<b>25,014,426</b>
<b>Current assets</b>		
Trade and other receivables	92,188,001	73,743,157
Deposits and prepayments	4,339,348	3,100,382
Other investments	360,279	1,111,418
Cash and cash equivalents	87,838,164	82,503,757
	<b>184,725,792</b>	<b>160,458,714</b>
<b>TOTAL ASSETS</b>	<b>209,614,844</b>	<b>185,473,140</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	112,112,161	112,963,721
<b>TOTAL EQUITY</b>	<b>169,743,999</b>	<b>170,595,559</b>
<b>Non-current liabilities</b>		
Lease liabilities	90,579	139,876
Deferred tax liabilities	1,100,160	1,100,160
	<b>1,190,739</b>	<b>1,240,036</b>
<b>Current liabilities</b>		
Trade and other payables	33,041,908	13,211,770
Dividend payables	4,465,000	-
Lease liabilities	201,571	201,571
Current tax liabilities	971,627	224,204
	<b>38,680,106</b>	<b>13,637,545</b>
<b>TOTAL LIABILITIES</b>	<b>39,870,845</b>	<b>14,877,581</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>209,614,844</b>	<b>185,473,140</b>
Net assets per share <sup>(2)</sup> (sen)	<b>19.00</b>	<b>19.10</b>

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2024<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 Accountants' Report included in the Prospectus 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 2024.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 JANUARY 2024<sup>(1)</sup>**

	<----- Non-distributable ----->				Distributable	Total Equity RM
	Share Capital RM	Merger Reserve RM	Revaluation Reserve RM	Fair Value Reserve RM	Retained Earnings RM	
Balance as at 1 November 2023	154,640,574	(97,008,736)	2,362,838	(78,199)	110,679,082	170,595,559
Profit for the financial period	-	-	-	-	3,613,440	3,613,440
Other comprehensive income / (loss) for the financial period, net of income tax	-	-	(15,612)	-	15,612	-
Transaction with owners of the Company: Dividend	-	-	-	-	(4,465,000)	(4,465,000)
<b>Balance as at 31 January 2024</b>	<b>154,640,574</b>	<b>(97,008,736)</b>	<b>2,347,226</b>	<b>(78,199)</b>	<b>109,843,134</b>	<b>169,743,999</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 Accountants' Report included in the Prospectus 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 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JANUARY 2024<sup>(1)</sup>**

	<b>Unaudited 31.1.2024 RM</b>	<b>Unaudited 31.1.2023<sup>(2)</sup> RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,819,240	N/A
Adjustments for:		
Accretion of lease interest	4,979	N/A
Depreciation of:		
- property, plant and equipment	156,338	N/A
- right-of-use assets	46,936	N/A
Dividend income	(293)	N/A
Interest income	(1,095,303)	N/A
<b>Operating profit before working capital changes</b>	<b>3,931,897</b>	<b>N/A</b>
Increase in trade and other receivables	(18,444,844)	N/A
Increase in deposits and prepayments	(1,238,966)	N/A
Increase in trade and other payables	19,830,138	N/A
<b>Cash generated from operations</b>	<b>4,078,225</b>	<b>N/A</b>
Income tax paid	(458,377)	N/A
<b>Net cash generated from operating activities</b>	<b>3,619,848</b>	<b>N/A</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,095,303	N/A
Dividends received	293	N/A
Purchase of property, plant and equipment	(77,900)	N/A
Proceed from disposal of other investments carried at fair value through profit or loss	751,139	N/A
<b>Net cash from investing activities</b>	<b>1,768,835</b>	<b>N/A</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(54,276)	N/A
<b>Net cash used in financing activities</b>	<b>(54,276)</b>	<b>N/A</b>

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	<b>Unaudited 31.1.2024 RM</b>	<b>Unaudited 31.1.2023<sup>(2)</sup> RM</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,334,407</b>	<b>N/A</b>
Cash and cash equivalents at beginning of the financial period	82,503,757	N/A
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>87,838,164</b>	<b>N/A</b>

**Notes:**

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 Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
2. This is the third interim financial report being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and financial year-to-date as there is no interim financial report prepared for the comparative quarter and financial year-to-date concerned.

N/A - Not applicable.



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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

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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”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the third interim financial report on the Company’s consolidated results for the first quarter ended 31 January 2024 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding quarter.

This interim financial report should be read in conjunction with the Accountants’ Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

## **MERCURY SECURITIES GROUP BERHAD**

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### **INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

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

##### **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 2023.

As at the date of authorisation of this interim financial report, the following Standards were issued 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 16: Leases: Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
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	Deferred

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

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

The audited financial statements of the Company and its subsidiaries namely Mercury Securities Sdn Bhd, Mercsec Nominees (Tempatan) Sdn Bhd, and Mercsec Nominees (Asing) Sdn Bhd for the financial year ended 31 October 2023 were not qualified.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

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

**A4. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group were not affected by any seasonal or cyclical trend during the current financial quarter.

**A5. MATERIAL UNUSUAL ITEMS**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter.

**A6. MATERIAL CHANGES IN ESTIMATES**

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

**A7. DEBT AND EQUITY SECURITIES**

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

**A8. DIVIDEND PAID**

On 26 December 2023, the Company had declared a single tier interim dividend of 0.5 sen per ordinary share amounting to RM4,465,000 in respect of the financial year ending 31 October 2024 and was paid on 2 February 2024 to the shareholders whose names appeared in the Record of Depositors on 12 January 2024.

Save for the above, there was no dividend proposed and/or paid during the current financial quarter as well as the previous corresponding period.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (CONT’D)****A9. SEGMENTAL INFORMATION**

The Group’s revenue is segmented as follows:

	Individual Quarter		Cumulative Quarters	
	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM
<b><u>Business segments</u></b>				
Stockbroking	5,836,008	N/A	5,836,008	N/A
Corporate Finance	2,088,500	N/A	2,088,500	N/A
<b>Total</b>	<b>7,924,508</b>	<b>N/A</b>	<b>7,924,508</b>	<b>N/A</b>

**Notes:**

1. This is the third interim financial report being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and financial year-to-date as there is no interim financial report prepared for the comparative quarter and financial year-to-date concerned.

N/A - Not applicable.

**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 the end of the current financial quarter.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”), INTERIM FINANCIAL REPORT (CONT’D)****A12. SIGNIFICANT RELATED PARTY TRANSACTIONS**

Save as disclosed below, there are no other significant related party transactions during the current financial quarter and the cumulative quarters ended 31 January 2024:

	Individual Quarter		Cumulative Quarters	
	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM
Rental expenses paid to a related party for a branch office	19,500	N/A	19,500	N/A
Rental income received from a related party	1,500	N/A	1,500	N/A
Brokerage fees received from execution of trades on behalf of a major shareholder.	366	N/A	366	N/A

**Notes:**

- This is the third interim financial report being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and financial year-to-date as there is no interim financial report prepared for the comparative quarter and financial year-to-date concerned.

N/A - Not applicable.

**A13. MATERIAL CAPITAL COMMITMENTS**

	Unaudited As at 31.1.2024 RM	Audited As at 31.10.2023 RM
<b>Contracted but not provided for:</b>		
- Computer equipment and software	<b>318,001</b>	<b>318,001</b>

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2024**

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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 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 2024****NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****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 cumulative quarters ended 31 January 2024 are tabled below:

	Individual Quarter		Cumulative Quarters	
	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM
Revenue	7,924,508	N/A	7,924,508	N/A
Gross profit	4,980,205	N/A	4,980,205	N/A
Profit before tax ("PBT")	4,819,240	N/A	4,819,240	N/A
Gross profit margin (%)	62.85	N/A	62.85	N/A
PBT margin (%)	60.81	N/A	60.81	N/A

**Notes:**

1. This is the third interim financial report being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and financial year-to-date as there is no interim financial report prepared for the comparative quarter and financial year-to-date concerned.

N/A - Not applicable.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2023****B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B1. REVIEW OF PERFORMANCE (CONT'D)****COMMENTARY**

The Group recorded revenue of RM7.92 million for the current financial quarter and the cumulative quarters ended 31 January 2024.

The Group's revenue is segmented as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>31.1.2024</b>	<b>31.1.2023<sup>(1)</sup></b>	<b>31.1.2024</b>	<b>31.1.2023<sup>(1)</sup></b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>Business segments</u></b>				
Brokerage fees	3,799,936	N/A	3,799,936	N/A
Margin income	1,800,341	N/A	1,800,341	N/A
Underwriting and placement fees	232,404	N/A	232,404	N/A
Nominees fees	3,327	N/A	3,327	N/A
<b>Stockbroking</b>	<b>5,836,008</b>	<b>N/A</b>	<b>5,836,008</b>	<b>N/A</b>
<b>Corporate Finance</b>	<b>2,088,500</b>	<b>N/A</b>	<b>2,088,500</b>	<b>N/A</b>
<b>Total</b>	<b>7,924,508</b>	<b>N/A</b>	<b>7,924,508</b>	<b>N/A</b>

**Notes:**

1. This is the third interim financial report being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and financial year-to-date as there is no interim financial report prepared for the comparative quarter and financial year-to-date concerned.

N/A - Not applicable.

Stockbroking segment recorded a revenue of RM5.84 million (73.65%) in the current financial quarter and the cumulative quarters ended 31 January 2024.



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FOR THE FIRST QUARTER ENDED 31 JANUARY 2024****B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B1. REVIEW OF PERFORMANCE (CONT'D)****COMMENTARY (CONT'D)**

The Corporate Finance segment contributed revenue of RM2.09 million (26.35%) in the current financial quarter and the cumulative quarters ended 31 January 2024. During the current financial quarter, the corporate finance team successfully completed several corporate proposals including several secondary fund raising exercises.

The Group recorded gross profit of RM4.98 million with gross profit margin of 62.85% for the current financial quarter and the cumulative quarters ended 31 January 2024.

In addition to the gross profit contribution from the 2 main operating segments of RM4.98 million, interest income of RM1.10 million, other income of RM0.26 million and net gains from proprietary trading of RM0.21 million net of administrative and other operating expenses of RM1.72 million contributed to the overall Group's PBT of RM4.82 million for the current financial quarter and the cumulative quarters ended 31 January 2024.

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER**

	<b>Individual Quarter</b>		
	<b>Unaudited</b>	<b>Unaudited</b>	
	<b>31.1.2024</b>	<b>31.10.2023</b>	<b>Variance</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	7,924,508	8,706,177	(781,669)
Gross Profit	4,980,205	5,043,450	(63,245)
PBT	4,819,240	667,435	4,151,805
<hr/>			
Gross profit margin (%)	62.85	57.93	4.92
PBT margin (%)	60.81	7.67	53.14

The Group recorded a revenue of RM7.92 million and PBT of RM4.82 million in the current financial quarter, as compared to the revenue of RM8.71 million and PBT of RM0.67 million in the preceding quarter.

The PBT of the Group increased from RM0.67 million to RM4.82 million for the current financial quarter. The lower PBT recorded in the preceding quarter was due mainly to the one off non-recurring expenses of RM3.93 million incurred for the Company's listing.

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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)**

Revenue in the current financial quarter decreased by RM0.78 million or 8.98% as compared to the preceding quarter was mainly due to the decrease in revenue from the Stockbroking segment of RM0.51 million as a result of decrease in underwriting and placement fees despite an increase in brokerage fees and margin income in the current financial quarter.

**B3. PROSPECTS OF THE GROUP**

Despite escalating uncertainties in the global landscape, Malaysia's economy remains resilient. The GDP is forecast to expand between 4% and 5% in 2024, which will be achieved through robust domestic demand, effectively offsetting the challenges posed by the moderate global growth, supported by the implementation of measures in the new National Energy Transition Roadmap, New Industrial Master Plan 2030, and the Mid-Term Review of the Twelfth Malaysia Plan.

The current monetary policy stance remains accommodative and supportive of the economy in tandem with the assessment of the inflation and growth prospects. The financial sector is envisaged to remain resilient and stable, driven by a robust banking system which continues to support financial intermediation activities, benefitting from positive growth projections and an improving labour market. Simultaneously, the capital market remains vibrant in fostering Malaysia's prosperity, inclusivity, and sustainability by leveraging thought leadership, intensifying innovation, and diversifying the market's range of products to remain competitive.

*(Source: Economy Outlook 2024 published by the Ministry of Finance, Malaysia)*

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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)**

On the business and operations front, the Group will remain steadfast and continue to drive revenue growth whilst optimising operating costs through a combination of:

- (a) enhancing the Group's online trading platform to facilitate client acquisition efforts and improve clients' experience to increase the Group's market share;
- (b) increasing the proprietary trading teams and set out an algorithmic trading desk to support trading;
- (c) scaling the Group's share margin financing portfolio based on prudent and acceptable credit criteria, when the proceeds from the initial public offering ("IPO") in conjunction with the Company's listing on the ACE Market of Bursa Securities earmarked for this purpose is being fully utilised, thus increasing margin income and brokerage fees;
- (d) 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 enhance corporate advisory and other fees growth;
- (e) enhancing the digitalisation programme for the stockbroking business and operations; and
- (f) introducing new products and services to widen and increase clients' base.

Premised on the above, the Board is cautiously optimistic that the prospects of the Group will continue to remain positive.

**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		Cumulative Quarters	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.1.2024	31.1.2023 <sup>(1)</sup>	31.1.2024	31.1.2023 <sup>(1)</sup>
	RM	RM	RM	RM
<b>Profit before tax is arrived at after charging:</b>				
Auditors' remuneration				
- current year	37,500	N/A	37,500	N/A
Commission paid/payable to dealers and remisiers	1,223,319	N/A	1,223,319	N/A
Depreciation of:				
- property, plant and equipment	156,338	N/A	156,338	N/A
- right-of-use assets	46,936	N/A	46,936	N/A
Staff costs	2,508,770	N/A	2,508,770	N/A
<b>and crediting:</b>				
Dividend income	293	N/A	293	N/A
Interest income	1,095,303	N/A	1,095,303	N/A
Realised gain on foreign exchange	73,012	N/A	73,012	N/A
Rental income	45,000	N/A	45,000	N/A

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

**Notes:**

1. This is the third interim financial report being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and financial year-to-date as there is no interim financial report prepared for the comparative quarter and financial year-to-date concerned.

N/A - Not applicable.

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	Individual Quarter		Cumulative Quarters	
	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM
Current tax expense	1,205,800	N/A	1,205,800	N/A
Deferred tax expense	-	N/A	-	N/A
<b>Total</b>	<b>1,205,800</b>	<b>N/A</b>	<b>1,205,800</b>	<b>N/A</b>
<b>Effective tax rate (%)</b>	<b>25.02</b>	<b>N/A</b>	<b>25.02</b>	<b>N/A</b>

The effective tax rate of 25.02% is slightly higher than the statutory tax rate of 24.00% due to certain expenses not deductible for tax purposes.

**Notes:**

1. This is the third interim financial report being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and financial year-to-date as there is no interim financial report prepared for the comparative quarter and financial year-to-date concerned.

N/A - Not applicable.

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The basic EPS and diluted EPS for the current and the cumulative quarters is computed as follows:

	Individual Quarter		Cumulative Quarters	
	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM	Unaudited 31.1.2024 RM	Unaudited 31.1.2023 <sup>(1)</sup> RM
Profit attributable to owners of the Company	3,613,440	N/A	3,613,440	N/A
Number of ordinary shares	893,000,000	N/A	893,000,000	N/A
Basic/Diluted EPS (sen) <sup>(2)</sup>	0.40	N/A	0.40	N/A

**Notes:**

1. No comparative figures for the preceding corresponding quarter and financial year-to-date are available as this is the third interim report announced by the Company in compliance with the Listing Requirement.
2. EPS is calculated based on the profit attributable to owners of the Company divided by 893,000,000 ordinary shares, being the number of ordinary shares in issue during the financial period ended 31 January 2024. Diluted EPS is equivalent to the basic EPS as the Company does not have any dilutive instruments at the end of the reporting period.

N/A - Not applicable.

**B8. STATUS OF CORPORATE PROPOSALS**

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

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The Company had raised gross proceeds of RM39.27 million from the IPO. As at 31 January 2024, the status of utilisation of the IPO proceeds are as follows:

<u>Details of use of proceeds</u>	<u>Proposed Utilisation (RM'000)</u>	<u>Amount Utilised (RM'000)</u>	<u>Balance Unutilised (RM'000)</u>	<u>Estimated timeframe for use from the date of Listing</u>
Margin financing facility services	26,860	8,942	17,918	Within 24 months
Enhancement of digitalisation programme and marketing activities for the stockbroking business and operations of the Group	2,880	318	2,562	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>18,794</b>	<b>20,480</b>	

**B10. GROUP BORROWINGS AND DEBTS SECURITIES**

There were no borrowings and debts securities of the Group during the current financial quarter.

**B11. MATERIAL LITIGATION**

There were no litigation or arbitration which has a material effect on the financial position and performance of the Group. The Board is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

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

**B12. DIVIDEND**

A single tier interim dividend of 0.5 sen per ordinary share was declared on 26 December 2023 and paid on 2 February 2024 as disclosed in Note A8.

The total dividend declared and paid-to-date for the financial year ending 31 October 2024 is RM4,465,000 (31 October 2023: Nil).

Save for the above, no other dividend was proposed by the Board of Directors for the current financial quarter.

**BY ORDER OF THE BOARD  
MERCURY SECURITIES GROUP BERHAD  
22 FEBRUARY 2024**