

Company No. 200301022614 (625034 X)

**GROMUTUAL BERHAD**  
(Company No. 200301022614 (625034 X))  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
**(UNAUDITED)**

This Report is dated 24 May 2021

**GROMUTUAL BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT**

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

(The figures have not been audited)

	<b>As at 31 MAR 2021 (Unaudited) RM'000</b>	<b>As at 31 DEC 2020 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,757	4,908
Investment properties	94,905	94,905
Land held for property development	184,225	188,384
<b>TOTAL NON-CURRENT ASSETS</b>	<u>283,887</u>	<u>288,197</u>
<b>Current Assets</b>		
Biological assets	74	42
Inventories	53,490	58,511
Land and development expenditure	53,037	47,376
Receivables	28,242	32,877
Current tax assets	1,007	1,033
Cash and bank balances	27,711	24,484
<b>TOTAL CURRENT ASSETS</b>	<u>163,561</u>	<u>164,323</u>
<b>TOTAL ASSETS</b>	<u>447,448</u>	<u>452,520</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	187,804	187,804
Retained earnings	181,002	177,986
<b>TOTAL EQUITY</b>	<u>368,806</u>	<u>365,790</u>
<b>Non-current liabilities</b>		
Borrowings	8,446	10,899
Deferred tax liabilities	7,436	7,421
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>15,882</u>	<u>18,320</u>
<b>Current Liabilities</b>		
Payables	12,221	16,939
Borrowings	47,692	48,997
Current tax payables	2,847	2,474
<b>TOTAL CURRENT LIABILITIES</b>	<u>62,760</u>	<u>68,410</u>
<b>TOTAL LIABILITIES</b>	<u>78,642</u>	<u>86,730</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>447,448</u>	<u>452,520</u>
Net Assets (NA) per share (RM)	<u>0.98</u>	<u>0.97</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statement.

**GROMUTUAL BERHAD**

(Company No. 200301022614 (625034 X))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MAR 2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2020 RM'000	CURRENT YEAR TO DATE 31 MAR 2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 MAR 2020 RM'000
Revenue	18,009	6,831	18,009	6,831
Cost of sales	(11,109)	(2,909)	(11,109)	(2,909)
Gross Profit	6,900	3,922	6,900	3,922
Investment revenue	21	38	21	38
Other income	153	154	153	154
Administrative expenses	(2,525)	(3,277)	(2,525)	(3,277)
Finance costs	(303)	(374)	(303)	(374)
Other expenses	-	-	-	-
<b>Profit before tax</b>	4,246	463	4,246	463
Income tax expense	(1,230)	(349)	(1,230)	(349)
<b>Profit for the period</b>	3,016	114	3,016	114
<b>Other comprehensive income, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	3,016	114	3,016	114
<b>Profit attributable to: Owners of the Company</b>	3,016	114	3,016	114
<b>Earnings per share (sen)</b>				
- Basic	0.80	0.03	0.80	0.03
- Diluted	N/A	N/A	N/A	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statement.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

	← Attributable to owners of the Company →		
	Share Capital RM'000	Distributable Reserve Retained Earnings RM'000	Total/Net Equity RM'000
Balance as at 1 January 2021	187,804	177,986	365,790
Total comprehensive income for the period	-	3,016	3,016
Balance as at 31 March 2021	187,804	181,002	368,806
Balance as at 1 January 2020	187,804	170,057	357,861
Total comprehensive income for the year	-	9,807	9,807
Interim dividend - Year Ended 31 December 2020	-	(1,878)	(1,878)
Balance as at 31 December 2020	187,804	177,986	365,790

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statement.

**GROMUTUAL BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE QUARTER ENDED 31 MARCH 2021**  
 (The figures have not been audited)

	<b>31 MAR 2021</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>31 DEC 2020</b> <b>(Audited)</b> <b>RM'000</b>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Receipts from customers	23,380	47,246
Payments to suppliers and employees	<u>(14,266)</u>	<u>(32,303)</u>
Cash From Operations	9,114	14,943
Finance costs paid	(626)	(2,716)
Income taxes paid	(858)	(2,960)
Income taxes refunded	<u>43</u>	<u>-</u>
Net Cash From Working Capital	7,673	9,267
Additions to Land held for property development	(705)	(8,941)
Net Cash From Operating Activities	<u>6,968</u>	<u>326</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Proceeds from disposal of PPE	-	-
Other investments	21	103
Additions to property, plant and equipment	(12)	(92)
Additions to investment properties	-	-
Net Cash From Investing Activities	<u>9</u>	<u>11</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	-	-
Repayment of bank borrowings	(2,065)	(5,313)
Dividend paid	-	(1,878)
Net Cash Used In Financing Activities	<u>(2,065)</u>	<u>(7,191)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,912	(6,854)
<b>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR</b>	<u>(2,067)</u>	<u>4,787</u>
<b>CASH AND CASH EQUIVALENTS AS OF END OF PERIOD</b>	<u>2,845</u>	<u>(2,067)</u>
Cash and cash equivalents comprise of:		
Fixed deposits with licenced bank	1,424	1,415
Cash and bank balances	26,287	23,069
Bank overdraft	(23,542)	(25,236)
Less : Fixed deposits pledged to banks	<u>(1,324)</u>	<u>(1,315)</u>
	<u>2,845</u>	<u>(2,067)</u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statement.

**GROMUTUAL BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**UNAUDITED QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**A EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

This interim financial statement is unaudited and is prepared in accordance with MFRS 134: *Interim Financial Reporting* and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2020.

The accounting policies and presentation adopted by the Group in this financial statement are consistent with those adopted in the latest audited financial statements of the Group for the financial year ended 31 December 2020, except for the following amendments to MFRS:

**Adoption of new and amendments to MFRS**

		<u>Effective Date</u>
Amendments to MFRS 9, Interest Rate Benchmark Reform -Phase 2		1 January 2021
MFRS 139, MFRS 7, MFRS 4 and MFRS 16		

The adoption of abovementioned amendments to MFRS do not have material impact on the financial statements of the Group and of the Company.

**New and amendments to MFRS in issue but not yet effective**

The Group and the Company have not adopted the following new and amendments to MFRS which have been issued but not yet effective:

		<u>Effective Date</u>
Amendment to MFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	References to the Conceptual Framework in MFRS Standards	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Amendments to MFRS	Annual Improvements to MFRS 2018 - 2020	1 January 2022

**A1. Basis of Preparation (continued)**

		<u>Effective Date</u>
MFRS 17 & Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors anticipate that the adoption of the MFRSs will have no material impact on the financial statements in the period of initial application.

**A2. Seasonal or Cyclical Factors**

The Group's operations are not significantly affected by any seasonal or cyclical factors.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the current quarter and financial year to date results.

**A4. Significant Changes in Accounting Estimates**

There were no changes in estimates that have any material effect on the current quarter and financial year to date results.

**A5. Issuance and Repayment of Debts and Equity Securities**

There are no issuance and repayment of debts and equity securities during the current quarter and the financial year to date.

**A6. Dividend Paid**

There are no dividends paid during the current quarter and the financial year to date.



**A7. Segmental Reporting**

For management purposes, the Group is organised into the following reportable operating segments based on their products and services and same similar economic characteristics:

- Property development (include construction contracts)
- Property management (include rental of properties)
- Others (includes small plantation business and Group-level corporate services and treasury functions)

Segment information in respect of the Group's business segments for the financial period ended 31 March 2021 is as follow:

	<b>Property development RM</b>	<b>Property management RM</b>	<b>Others RM</b>	<b>Elimination RM</b>	<b>Consolidated RM</b>
<b>Revenue</b>					
External sales	16,840,089	871,313	297,360	-	18,008,762
Inter-segment income	-	132,000	318,000	(450,000)	-
<b>Total revenue</b>	<b>16,840,089</b>	<b>1,003,313</b>	<b>615,360</b>	<b>(450,000)</b>	<b>18,008,762</b>
<b>Results</b>					
Investment revenue	19,437	1,266	171,136	(170,906)	20,933
Finance costs	207,058	132,632	73,021	(110,047)	302,664
Depreciation	27,748	89,827	31,763	13,301	162,639
Unallocated corporate expenses	-	-	87,207	(30,000)	57,207
<b>Profit before tax</b>	<b>4,079,351</b>	<b>48,921</b>	<b>198,352</b>	<b>(80,456)</b>	<b>4,246,168</b>
<b>Assets</b>					
Addition to property, plant and equipment	-	10,026	1,894	-	11,920
Segment assets	340,384,484	109,214,910	8,234,966	(12,547,636)	445,286,724
Unallocated corporate assets					2,160,889
<b>Consolidated assets</b>					<b>447,447,613</b>
<b>Liabilities</b>					
Segment liabilities	85,984,760	27,052,789	9,624,723	(44,379,203)	78,283,069
Unallocated liabilities					358,754
<b>Consolidated liabilities</b>					<b>78,641,823</b>

**A8. Subsequent Material Events**

*There were no material events subsequent to the end of the current quarter.*

**A9. Changes in the Composition of the Group**

There is no change in the composition of the Group for the current quarter and financial year to date.

**A10. Commitment for Expenditure**

There is no outstanding capital commitment as at the end of the current quarter.

**A11. Significant Related Party Transactions**

There were no related party transactions for the current quarter and financial year to date.

**B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA SECURITIES**

**B1. Review of the Performance**

	Individual Quarter		Change	Cumulative Quarter		Change
	Current	Preceding	%	Current	Preceding	%
	Year	Year		Year	Year	
	Quarter	Corresponding		To Date	Corresponding	
	31.03.2021	Quarter		31.03.2021	Period	
	RM'000	31.03.2020		RM'000	31.03.2020	
		RM'000			RM'000	
<b>Revenue</b>						
Property Development	16,840	4,870	245.8	16,840	4,870	245.8
Property Management	871	1,766	(50.7)	871	1,766	(50.7)
Others	298	195	52.8	298	195	52.8
	<u>18,009</u>	<u>6,831</u>		<u>18,009</u>	<u>6,831</u>	
<b>Profit (Loss) before tax</b>						
Property Development	4,436	302	1368.9	4,436	302	1368.9
Property Management	(11)	535	(102.1)	(11)	535	(102.1)
Others	(179)	(374)	52.1	(179)	(374)	52.1
	<u>4,246</u>	<u>463</u>		<u>4,246</u>	<u>463</u>	

**B1. Review of the Performance (continued)**

Performance of the current quarter against the preceding year corresponding quarter

For the current quarter under review, the Group recorded revenue and profit before tax of RM18.009 million and RM4.246 million respectively, representing a 163.6% jump in revenue and 817.1% jump in profit before tax over the previous year's corresponding quarter of RM6.831 million and RM0.463 million.

The performance of the Group's operating segments was as follows:

Property Development

The revenue for property development segment surged by 245.8% to RM16.840 million compared to RM4.436 million previously; whilst the segment's profit before tax rose by 1368.9% to RM4.436 million, from RM0.302 million previously. The higher revenue and profit were mainly due to the sales from completed residential projects and disposal of certain vacant lands.

Property Management

The property management segment saw a drop of 50.7% in rental revenue to RM0.871 million during the quarter under review, compared to the previous corresponding quarter of RM1.766 million. The decrease in rental revenue was resulted from the suspension of tenancy from student accommodation starting June 2020 since the university had been conducting virtual teaching and learning programme amidst the Covid-19 pandemic; whilst the segment registered loss before tax of RM0.011 million, representing 102.1% decline in profit before tax from RM0.535 million previously.

**B2. Comparison with Immediate Preceding Quarter's Results**

	<b>Current Quarter 31.03.2021 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2020 RM'000</b>	<b>Change %</b>
<b>Revenue</b>			
Property Development	16,840	40,258	(58.2)
Property Management	871	864	0.8
Others	298	285	5.6
	18,009	41,407	(56.5)
<b>Profit (Loss) before tax</b>			
Property Development	4,436	13,277	(66.6)
Property Management	(11)	(467)	97.6
Others	(179)	(1,030)	82.6
	4,246	11,780	(64.0)

Compared to the preceding quarter's results ended 31 December 2020, the Group recorded 56.5% lower revenue to RM18.009 million from RM41.407 million as a result of the lower sales from the completed residential projects. In tandem with this, profit before tax declined by 64.0% to RM4.246 million from RM11.780 million.

**B3. Prospects**

The Covid-19 pandemic has caused significant disruptions to Group's business activities and operations. The Group had suspended its operation since 18 March 2020 and has gradually resumed from May 2020 with strict adherence to the guidelines issued by the Government.

For property sector, the Group's housing development projects with selling price below RM500,000 will benefit from the recovery plan and initiatives of the Government.

As for the property management sector, the Group is confident the rental income from student accommodation would resume once students return to campus when the universities reopen their in-campus teachings and activities.

The Group shall monitor closely our cash flow, the progress and delivery of development projects and shall endeavour to meet our annual target as well as providing quality services to our tenants at all times.

Notwithstanding the challenges arising from Covid-19 pandemic, the Group is confident that with the new launches of the housing schemes, the Group will achieve satisfactory performance for the financial year ending 31 December 2021.

**B4. Profit for the period**

	<b>Current Quarter 31.03.2021 RM'000</b>	<b>Year to Date 31.03.2021 RM'000</b>
Profit for the year is arrived at after crediting/(charging):-		
Interest income	21	21
Other income including investment income	153	153
Interest expense	(303)	(303)
Depreciation and amortization	<u>(163)</u>	<u>(163)</u>

Other than the above items, there were no allowance for impairment and write off of receivables, allowance for impairment and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives for the current quarter and financial year to date.

**B5. Profit forecast or profit guarantee**

No profit forecast or profit guarantee was issued for the financial year.

**B6. Taxation**

	<b>Current Quarter 31.03.2021 RM'000</b>	<b>Year to Date 31.03.2021 RM'000</b>
Income Tax		
- Current Year	(1,215)	(1,215)
Deferred Tax		
- Current Year	(15)	(15)
	<u>(1,230)</u>	<u>(1,230)</u>
Profit Before Tax	4,246	4,246
Effective tax rate	29.0%	29.0%

The effective rate of the Group for the current quarter and period to date is higher than the statutory tax rate as certain expense/income of the subsidiary companies are not deductible for tax purposes/taxable upon receipts in advance and losses incurred by certain subsidiary companies.

**B7. Status of Corporate Proposals**

There is no corporate proposal announced and not completed as of the date of this announcement.

**B8. Borrowings**

The Group's borrowings as of the end of the reporting quarter and preceding year corresponding quarter are as follows:

	<b>As at 31.03.2021 RM'000</b>	<b>As at 31.03.2020 RM'000</b>
<b>Short term -Secured</b>		
Lease liabilities	102	154
Term loans	2,912	2,910
Revolving credits	3,000	3,000
Bank overdrafts	41,678	47,949
	<u>47,692</u>	<u>54,013</u>
<b>Long term -Secured</b>		
Lease liabilities	47	150
Term loans	8,399	13,354
	<u>8,446</u>	<u>13,504</u>
<b>Total</b>	<u>56,138</u>	<u>67,517</u>

All borrowings are denominated in Ringgit Malaysia.

As at 31 March 2021, the Group's borrowings declined by 16.9% to RM56.138 million as compared to RM67.517 million previously mainly due to repayment of term loans and lower utilisation of bank overdrafts for on-going projects developments.

The interest rates for the Group's borrowings range from 1.38% to 7.70% (also 1.38% to 7.70% in 2020).

**B9. Material Claims**

There was no material litigation as of the date of this announcement.

**B10. Proposed Dividend**

The Board of Directors has declared an interim single tier dividend of 0.50 sen per share, amounting to RM1,878,040 for the financial year ending 31 December 2021. The dividend is to be paid on 7 July 2021 to shareholders whose name appears in the Record of Depositors at the close of business on 15 June 2021.

**B11. Earnings Per Share**

The number of ordinary shares used in the computation of EPS is as follows:

	<b>Current Quarter 31.03.2021</b>	<b>Year to Date 31.03.2021</b>
Profit for the period	RM 3,016,375	RM 3,016,375
Issued and paid up share capital	RM 187,803,980	RM 187,803,980
Weighted average number of ordinary shares in issue	375,607,960	375,607,960
Basic earnings per share (sen)	0.80 sen	0.80 sen

**B12. Audit Qualification**

The audited financial statements of the Group for the financial year ended 31 December 2020 were not subject to any audit qualifications.