

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 2022**  
**(UNAUDITED)**

This Report is dated 30 May 2022

**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 2022**  
 (The figures have not been audited)

	As at 31 MAR 2022 (Unaudited) RM'000	As at 31 DEC 2021 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,554	4,456
Investment properties	91,479	91,479
Land held for property development	202,789	199,787
<b>TOTAL NON-CURRENT ASSETS</b>	<u>298,822</u>	<u>295,722</u>
<b>Current Assets</b>		
Biological assets	126	70
Inventories	56,239	47,089
Land and development expenditure	46,229	55,113
Receivables	16,252	25,079
Current tax assets	1,725	1,050
Cash and bank balances	26,850	27,211
<b>TOTAL CURRENT ASSETS</b>	<u>147,421</u>	<u>155,612</u>
<b>TOTAL ASSETS</b>	<u>446,243</u>	<u>451,334</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	187,804	187,804
Retained earnings	187,767	186,722
<b>TOTAL EQUITY</b>	<u>375,571</u>	<u>374,526</u>
<b>Non-current liabilities</b>		
Borrowings	5,927	6,470
Deferred tax liabilities	7,169	7,152
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>13,096</u>	<u>13,622</u>
<b>Current Liabilities</b>		
Payables	9,579	8,216
Borrowings	47,703	54,322
Current tax payables	294	648
<b>TOTAL CURRENT LIABILITIES</b>	<u>57,576</u>	<u>63,186</u>
<b>TOTAL LIABILITIES</b>	<u>70,672</u>	<u>76,808</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>446,243</u>	<u>451,334</u>
Net Assets (NA) per share (RM)	<u>1.00</u>	<u>1.00</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statement.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2022**  
 (The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MAR 2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2021 RM'000	CURRENT YEAR TO DATE 31 MAR 2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 MAR 2021 RM'000
Revenue	7,412	18,009	7,412	18,009
Cost of sales	(3,420)	(11,109)	(3,420)	(11,109)
Gross Profit	3,992	6,900	3,992	6,900
Investment revenue	19	21	19	21
Other income	215	153	215	153
Administrative expenses	(2,612)	(2,525)	(2,612)	(2,525)
Finance costs	(271)	(303)	(271)	(303)
Other expenses	-	-	-	-
<b>Profit before tax</b>	<b>1,343</b>	<b>4,246</b>	<b>1,343</b>	<b>4,246</b>
Income tax expense	(298)	(1,230)	(298)	(1,230)
<b>Profit for the period</b>	<b>1,045</b>	<b>3,016</b>	<b>1,045</b>	<b>3,016</b>
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,045</b>	<b>3,016</b>	<b>1,045</b>	<b>3,016</b>
<b>Profit attributable to: Owners of the Company</b>	<b>1,045</b>	<b>3,016</b>	<b>1,045</b>	<b>3,016</b>
<b>Earnings per share (sen)</b>				
- Basic	0.28	0.80	0.28	0.80
- 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 2021 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 2022**

(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 2022	187,804	186,722	374,526
Total comprehensive income for the period	-	1,045	1,045
Balance as at 31 March 2022	<u>187,804</u>	<u>187,767</u>	<u>375,571</u>
Balance as at 1 January 2021	187,804	177,986	365,790
Total comprehensive income for the year	-	12,492	12,492
Interim dividend - Year Ended 31 December 2021	-	(3,756)	(3,756)
Balance as at 31 December 2021	<u>187,804</u>	<u>186,722</u>	<u>374,526</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022**  
 (The figures have not been audited)

	<b>31 MAR 2022</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>31 DEC 2021</b> <b>(Audited)</b> <b>RM'000</b>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Receipts from customers	12,094	68,851
Payments to suppliers and employees	<u>(6,641)</u>	<u>(39,696)</u>
Cash From Operations	5,453	29,155
Finance costs paid	(554)	(1,894)
Income taxes paid	(1,310)	(6,157)
Income taxes refunded	<u>-</u>	<u>250</u>
Net Cash From Working Capital	3,589	21,354
Additions to Land held for property development	<u>(2,876)</u>	<u>(16,884)</u>
Net Cash From Operating Activities	<u>713</u>	<u>4,470</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Proceeds from disposal of investment property	6,300	1,200
Other investments	19	72
Additions to property, plant and equipment	<u>(91)</u>	<u>(132)</u>
Net Cash From Investing Activities	<u>6,228</u>	<u>1,140</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	-	3,000
Repayment of bank borrowings	(2,124)	(5,014)
Dividend paid	<u>-</u>	<u>(3,756)</u>
Net Cash Used In Financing Activities	<u>(2,124)</u>	<u>(5,770)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,817</b>	<b>(160)</b>
<b>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR</b>	<b><u>(2,227)</u></b>	<b><u>(2,067)</u></b>
<b>CASH AND CASH EQUIVALENTS AS OF END OF PERIOD</b>	<b><u>2,590</u></b>	<b><u>(2,227)</u></b>
Cash and cash equivalents comprise of:		
Fixed deposits with licenced bank	1,302	1,293
Cash and bank balances	25,548	25,918
Bank overdraft	(22,958)	(28,145)
Less : Fixed deposits pledged to banks	<u>(1,302)</u>	<u>(1,293)</u>
	<u>2,590</u>	<u>(2,227)</u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022**

**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 2021.

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 2021, except for the following amendments to MFRS:

**Adoption of new and amendments to MFRS**

		<u>Effective Date</u>
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

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>
MFRS 17 & Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023

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

		<u>Effective Date</u>
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendment to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 year ended 31 March 2022 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	5,669,632	1,131,282	610,644	-	7,411,558
Inter-segment income	-	132,000	351,000	(483,000)	-
Total revenue	<u>5,669,632</u>	<u>1,263,282</u>	<u>961,644</u>	<u>(483,000)</u>	<u>7,411,558</u>
<b>Results</b>					
Investment revenue	21,793	1,138	137,618	(141,295)	19,254
Finance costs	192,620	90,492	90,649	(102,493)	271,268
Depreciation	33,430	64,301	31,309	13,301	142,341
Unallocated corporate expenses	-	-	88,011	(30,000)	58,011
Profit before tax	<u>544,400</u>	<u>366,449</u>	<u>490,876</u>	<u>(58,400)</u>	<u>1,343,325</u>
<b>Assets</b>					
Addition to property, plant and equipment	<u>211,633</u>	<u>26,238</u>	<u>2,850</u>	<u>-</u>	<u>240,721</u>
Segment assets	343,021,513	113,797,672	9,313,482	(20,572,821)	445,559,846
Unallocated corporate assets					683,610
Consolidated assets					<u>446,243,456</u>
<b>Liabilities</b>					
Segment liabilities	82,604,385	27,472,570	9,443,401	(49,182,379)	70,337,977
Unallocated liabilities					334,000
Consolidated liabilities					<u>70,671,977</u>

**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 significant 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	
	31.03.2022	Quarter		31.03.2022	Period	
	RM'000	31.03.2021		RM'000	31.03.2021	
		RM'000			RM'000	
<b>Revenue</b>						
Property Development	5,669	16,840	(66.3)	5,669	16,840	(66.3)
Property Management	1,131	871	29.9	1,131	871	29.9
Others	612	298	105.4	612	298	105.4
	<u>7,412</u>	<u>18,009</u>		<u>7,412</u>	<u>18,009</u>	
<b>Profit (Loss) before tax</b>						
Property Development	909	4,436	(79.5)	909	4,436	(79.5)
Property Management	322	(11)	3027.3	322	(11)	3027.3
Others	112	(179)	162.6	112	(179)	162.6
	<u>1,343</u>	<u>4,246</u>		<u>1,343</u>	<u>4,246</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 RM7.412 million and RM1.343 million respectively, representing a 58.8% decrease in revenue and 68.4% in profit before tax compared to the previous year's corresponding quarter of RM18.009 million and RM4.246 million.

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

Property Development

The revenue for property development segment saw a decrease of 66.3% in revenue of RM5.669 million compared to RM16.840 million previously; whilst the segment's profit before tax declined by 79.5% to RM0.909 million, from RM4.436 million previously. The decrease in revenue is caused by slower construction in progress as result of shortage of material and labour.

Property Management

The property management segment saw an increase of 29.9% in rental revenue to RM1.131 million from the previous corresponding quarter of RM0.871 million; whilst the segment's profit before tax increased to RM0.322 million as compared to loss before tax of RM0.011 million previously. The higher rental revenue and profit was mainly due to students returning to in campus learning, letting out of certain units as worker accommodation and lower finance costs.

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

	<b>Current Quarter 31.03.2022 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2021 RM'000</b>	<b>Change %</b>
<b>Revenue</b>			
Property Development	5,669	10,648	(46.8)
Property Management	1,131	810	39.6
Others	612	433	41.3
	7,412	11,891	(37.7)
<b>Profit (Loss) before tax</b>			
Property Development	909	1,830	(50.3)
Property Management	322	(130)	347.7
Others	112	(412)	127.2
	1,343	1,288	4.3

Compared to the preceding quarter's results ended 31 December 2021, the Group recorded 37.7% lower revenue to RM7.412 million from RM11.891 million as a result of most sales from the residential project under construction were captured in the immediate preceding quarter and slower recognition of revenue due to shortage of material and labour in current quarter. Nevertheless, the profit before tax increased by 4.3% to RM1.343 million from RM1.288 million due to lower administrative and finance costs.

**B3. Prospects**

Malaysia is in the transition from Covid-19 pandemic phase to endemic phase.

As the economic recovers, we are experiencing an acute shortage in construction supplies and labour due to increase in demand from the property development. We expect the price of construction material to continue soaring in view of the depletion of supplies.

For property sector, the Group will continue exercise prudence in planning its property launches to meet the market demand. The Group shall monitor closely our cash flow, the progress and delivery of development projects. At the same time, the Group will actively look out for alternate sources of tenants for its property management sector as well as providing quality services to our existing tenants at all times.

Notwithstanding the challenges ahead, the Group is confident that the Group will achieve satisfactory performance for the financial year ending 31 December 2022.

**B4. Profit for the year**

	<b>Current Quarter 31.03.2022 RM'000</b>	<b>Year to Date 31.03.2022 RM'000</b>
Profit for the year is arrived at after crediting/(charging):-		
Interest income	19	19
Other income including investment income	215	215
Interest expense	(271)	(271)
Depreciation and amortization	<u>(142)</u>	<u>(142)</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 31.03.2022 RM'000</b>	<b>Year to Date 31.03.2022 RM'000</b>
Income Tax		
- Current Year	(281)	(281)
Deferred Tax		
- Current Year	(17)	(17)
	<u>(298)</u>	<u>(298)</u>
Profit Before Tax	1,343	1,343
Effective tax rate	22.2%	22.2%

The effective rate of the Group for the current quarter and period to date is lower than the statutory tax rate as certain income of the subsidiary companies are not assessable for tax purposes.

**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 31.03.2022 RM'000</b>	<b>As at 31.03.2021 RM'000</b>
<b>Short term -Secured</b>		
Lease liabilities	77	102
Term loans	2,634	2,912
Revolving credits	6,000	3,000
Bank overdrafts	38,992	41,678
	<u>47,703</u>	<u>47,692</u>
<b>Long term -Secured</b>		
Lease liabilities	120	47
Term loans	5,807	8,399
	<u>5,927</u>	<u>8,446</u>
<b>Total</b>	<u>53,630</u>	<u>56,138</u>

All borrowings are denominated in Ringgit Malaysia.

As at 31 March 2022, the Group's borrowings decreased by 4.5% to RM53.630 million as compared to RM56.138 million previously mainly due to the decrease in term loans balances after the repayments, net off the increase in revolving credits balances, which were utilised for acquisition of lands or on-going projects developments.

The interest rates for the Group's borrowings range from 1.38% to 6.45% (also 1.38% to 6.45% in 2021).

**B9. Material Claims**

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

**B10. Proposed Dividend**

The Board of Directors do not propose any payment of dividend during the current quarter and the financial year to date.

**B11. Earnings Per Share**

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

	<b>Current Quarter 31.03.2022</b>	<b>Year to Date 31.03.2022</b>
Profit for the year	RM 1,045,315	RM 1,045,315
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)	0.28 sen	0.28 sen

**B12. Audit Qualification**

The audited financial statements of the Group for the financial year ended 31 December 2021 were not subject to any audit qualifications.