

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 2023**  
**(UNAUDITED)**

This Report is dated 29 May 2023

Company No. 200301022614 (625034 X)

**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 2023**  
(The figures have not been audited)

	<b>As at 31 MAR 2023 (Unaudited) RM'000</b>	<b>As at 31 DEC 2022 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,738	4,873
Investment properties	91,479	91,479
Land held for property development	223,008	221,493
Other receivables	1,798	1,798
<b>TOTAL NON-CURRENT ASSETS</b>	<u>321,023</u>	<u>319,643</u>
<b>Current Assets</b>		
Inventories	41,189	43,451
Land and development expenditure	54,853	60,431
Receivables	19,281	10,924
Current tax assets	2,026	2,017
Cash and bank balances	47,998	47,454
<b>TOTAL CURRENT ASSETS</b>	<u>165,347</u>	<u>164,277</u>
<b>TOTAL ASSETS</b>	<u>486,370</u>	<u>483,920</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	187,804	187,804
Retained earnings	198,407	193,954
<b>TOTAL EQUITY</b>	<u>386,211</u>	<u>381,758</u>
<b>Non-current liabilities</b>		
Borrowings	32,748	33,755
Deferred tax liabilities	6,934	7,024
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>39,682</u>	<u>40,779</u>
<b>Current Liabilities</b>		
Payables	11,496	14,471
Borrowings	47,991	46,043
Current tax payables	990	869
<b>TOTAL CURRENT LIABILITIES</b>	<u>60,477</u>	<u>61,383</u>
<b>TOTAL LIABILITIES</b>	<u>100,159</u>	<u>102,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>486,370</u>	<u>483,920</u>
Net Assets (NA) per share (RM)	<u>1.03</u>	<u>1.02</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023**  
 (The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MAR 2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2022 RM'000	CURRENT YEAR TO DATE 31 MAR 2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 MAR 2022 RM'000
Revenue	20,403	7,412	20,403	7,412
Cost of sales	(11,958)	(3,420)	(11,958)	(3,420)
Gross Profit	8,445	3,992	8,445	3,992
Investment revenue	13	19	13	19
Other income	149	215	149	215
Administrative expenses	(2,467)	(2,612)	(2,467)	(2,612)
Finance costs	(232)	(271)	(232)	(271)
Other expenses	-	-	-	-
<b>Profit before tax</b>	<b>5,908</b>	<b>1,343</b>	<b>5,908</b>	<b>1,343</b>
Income tax expense	(1,455)	(298)	(1,455)	(298)
<b>Profit for the period</b>	<b>4,453</b>	<b>1,045</b>	<b>4,453</b>	<b>1,045</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>4,453</b>	<b>1,045</b>	<b>4,453</b>	<b>1,045</b>
<b>Profit attributable to: Owners of the Company</b>	<b>4,453</b>	<b>1,045</b>	<b>4,453</b>	<b>1,045</b>
<b>Earnings per share (sen)</b>				
- Basic	1.19	0.28	1.19	0.28
- 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 2022 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 2023**

(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 2023	187,804	193,954	381,758
Total comprehensive income for the period	-	4,453	4,453
Balance as at 31 March 2023	<u>187,804</u>	<u>198,407</u>	<u>386,211</u>
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>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 CASH FLOWS  
FOR THE QUARTER ENDED 31 MARCH 2023**

(The figures have not been audited)

	31 MAR 2023 RM'000	31 MAR 2022 RM'000
<b>CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES</b>		
Receipts from customers	11,634	12,094
Payments to suppliers and employees	<u>(8,681)</u>	<u>(6,641)</u>
Cash From Operations	2,953	5,453
Finance costs paid	(676)	(554)
Income taxes paid	(1,434)	(1,310)
Income taxes refunded	<u>-</u>	<u>-</u>
Net Cash From Working Capital	843	3,589
Additions to Land held for property development	(1,252)	(2,876)
Net Cash (Used In) From Operating Activities	<u>(409)</u>	<u>713</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of investment property	-	6,300
Other investments	13	19
Additions to property, plant and equipment	<u>-</u>	<u>(91)</u>
Net Cash From Investing Activities	<u>13</u>	<u>6,228</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Net proceeds (Repayment) of bank borrowings	154	(2,124)
Net Cash From (Used In) Financing Activities	<u>154</u>	<u>(2,124)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(242)</b>	<b>4,817</b>
<b>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF PERIOD</b>	<b><u>22,270</u></b>	<b><u>(2,227)</u></b>
<b>CASH AND CASH EQUIVALENTS AS OF END OF PERIOD</b>	<b><u>22,028</u></b>	<b><u>2,590</u></b>
Cash and cash equivalents comprise of:		
Fixed deposits with licenced bank	1,324	1,302
Cash and bank balances	46,674	25,548
Bank overdraft	(24,646)	(22,958)
Less : Fixed deposits pledged to banks	<u>(1,324)</u>	<u>(1,302)</u>
	<u>22,028</u>	<u>2,590</u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023**

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

**A1. Basis of Preparation**

These interim financial statements are unaudited and are 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 2022.

The accounting policies and presentation adopted by the Group in these financial statements are consistent with those adopted in the latest audited financial statements of the Group for the financial year ended 31 December 2022, except for the following amendments to MFRS:

**Adoption of new and amendments to MFRS**

		<u>Effective Date</u>
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	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

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

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

		<u>Effective Date</u>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024

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

	<u>Effective Date</u>
Amendments to MFRS 101	1 January 2024
Amendments to MFRS 10 and MFRS 128	Deferred
Non-current Liabilities with Covenants	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	

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.

**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.

**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 2023 is as follows:

	<b>Property development RM'000</b>	<b>Property management RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External sales	18,548	1,597	258	-	20,403
Inter-segment income	-	132	372	(504)	-
<b>Total revenue</b>	<b>18,548</b>	<b>1,729</b>	<b>630</b>	<b>(504)</b>	<b>20,403</b>
<b>Results</b>					
Investment revenue	22	2	215	(226)	13
Finance costs	315	84	14	(181)	232
Depreciation	66	30	25	14	135
Unallocated corporate expenses	-	-	85	(30)	55
<b>Profit before tax</b>	<b>4,847</b>	<b>896</b>	<b>229</b>	<b>(64)</b>	<b>5,908</b>
<b>Assets</b>					
Addition to property, plant and equipment	-	-	-	-	-
Segment assets	376,790	111,722	14,758	(18,126)	485,144
Unallocated corporate assets					1,226
<b>Consolidated assets</b>					<b>486,370</b>
<b>Liabilities</b>					
Segment liabilities	118,782	26,876	9,539	(55,514)	99,683
Unallocated liabilities					476
<b>Consolidated liabilities</b>					<b>100,159</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 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	
	31.03.2023	Quarter		31.03.2023	Period	
	RM'000	31.03.2022		RM'000	31.03.2022	
		RM'000			RM'000	
<b>Revenue</b>						
Property Development	18,548	5,669	227.2	18,548	5,669	227.2
Property Management	1,597	1,131	41.2	1,597	1,131	41.2
Others	258	612	(57.8)	258	612	(57.8)
	<u>20,403</u>	<u>7,412</u>		<u>20,403</u>	<u>7,412</u>	
<b>Profit (Loss) before tax</b>						
Property Development	5,291	909	482.1	5,291	909	482.1
Property Management	864	322	168.3	864	322	168.3
Others	(247)	112	(320.5)	(247)	112	(320.5)
	<u>5,908</u>	<u>1,343</u>		<u>5,908</u>	<u>1,343</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 RM20.403 million and RM5.908 million respectively, representing a 175.3% increase in revenue and a 340.0% spike in profit before tax compared to the previous year's corresponding quarter revenue and profit before tax of RM7.412 million and RM1.343 million respectively.

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

Property Development

The revenue for property development registered a 227.2% increase, rising to RM18.548 million compared to RM5.669 million previously; whilst the segment's profit before tax surged by 482.1% to RM5.291 million, from RM0.909 million previously. The higher revenue and profit were mainly due to the higher take up rate and recognition for residential and industrial projects.

Property Management

The property management segment saw an increase of 41.2% in rental revenue to RM1.597 million from the previous corresponding quarter of RM1.131 million; whilst the segment's profit before tax increased by 168.3% to RM0.864 million, from RM0.322 million previously. The increase in rental revenue and profit was mainly due to the improved occupancy rate for students and workers accommodation.

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

	<b>Current Quarter 31.03.2023 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2022 RM'000</b>	<b>Change %</b>
<b>Revenue</b>			
Property Development	18,854	7,409	154.5
Property Management	1,597	1,662	(3.9)
Others	258	371	(30.5)
	20,403	9,442	116.1
<b>Profit (Loss) before tax</b>			
Property Development	5,291	924	472.6
Property Management	864	453	90.7
Others	(247)	(754)	67.2
	5,908	623	848.3

Compared to the preceding quarter's results ended 31 December 2022, the Group recorded 116.1% increase in revenue to RM20.403 million from RM9.442 million mainly due to the higher take up rate and recognition for residential and industrial projects. In tandem with this, the profit before tax surged by 848.3% to RM5.908 million from RM0.623 million.

**B3. Prospects**

For property development, the Group will continue exercise prudence in planning its property launches to meet the market demand. The Group shall monitor closely the progress and delivery of development projects. At the same time, the Group will actively look out for new tenants for its property management sector business and continue to provide quality services to our existing tenants.

The Group is confident that it will achieve satisfactory performance for the financial year ending 31 December 2023.

**B4. Profit for the year**

	<b>Current Quarter 31.03.2023 RM'000</b>	<b>Year to Date 31.03.2023 RM'000</b>
Profit for the year is arrived at after crediting/(charging):-		
Interest income	13	13
Other income including investment income	149	149
Interest expense	(232)	(232)
Depreciation and amortization	<u>(135)</u>	<u>(135)</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 31.03.2023 RM'000</b>	<b>Year to Date 31.03.2023 RM'000</b>
Income Tax		
- Current Year	(1,546)	(1,546)
Deferred Tax		
- Current Year	91	91
	<u>(1,455)</u>	<u>(1,455)</u>
Profit Before Tax	5,908	5,908
Effective tax rate	24.6%	24.6%

The effective rate of the Group for the current quarter and period to date is higher than the statutory tax rate as certain expense of the subsidiary companies are not deductible 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 at the end of the reporting quarter and preceding year corresponding quarter are as follows:

	As at 31.03.2023 RM'000	As at 31.03.2022 RM'000
<b>Short term -Secured</b>		
Lease liabilities	96	77
Term loans	3,051	2,634
Revolving credits	8,000	6,000
Bank overdrafts	36,844	38,992
	<u>47,991</u>	<u>47,703</u>
<b>Long term -Secured</b>		
Lease liabilities	355	120
Term loans	32,393	5,807
	<u>32,748</u>	<u>5,927</u>
Total	<u>80,739</u>	<u>53,630</u>

All borrowings are denominated in Ringgit Malaysia.

As at 31 March 2023, the Group's borrowings increased by 50.5% to RM80.739 million as compared to RM53.630 million previously mainly due to the increase in term loans and 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 2.27% to 7.45% (1.38% to 7.45% in 2022) per annum.

**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</b> <b>31.03.2023</b>	<b>Year to Date</b> <b>31.03.2023</b>
Profit for the period	RM 4,453,001	RM 4,453,001
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)	1.19 sen	1.19 sen

**B12. Audit Qualification**

The audited financial statements of the Group for the financial year ended 31 December 2022 were not subject to any audit qualifications.