

Company No. 200301022614 (625034 X)

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

**QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**  
**(UNAUDITED)**

This Report is dated 27 November 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 30 SEPTEMBER 2023**  
(The figures have not been audited)

	<b>As at 30 SEP 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	4,742	4,873
Investment properties	91,479	91,479
Land held for property development	217,932	221,493
Other receivables	1,798	1,798
<b>TOTAL NON-CURRENT ASSETS</b>	<u>315,951</u>	<u>319,643</u>
<b>Current Assets</b>		
Inventories	49,943	43,451
Land and development expenditure	41,729	60,431
Receivables	32,957	10,924
Current tax assets	1,357	2,017
Cash and bank balances	60,845	47,454
<b>TOTAL CURRENT ASSETS</b>	<u>186,831</u>	<u>164,277</u>
<b>TOTAL ASSETS</b>	<u>502,782</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	211,043	193,954
<b>TOTAL EQUITY</b>	<u>398,847</u>	<u>381,758</u>
<b>Non-current liabilities</b>		
Borrowings	31,108	33,755
Deferred tax liabilities	6,990	7,024
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>38,098</u>	<u>40,779</u>
<b>Current Liabilities</b>		
Payables	14,793	14,471
Borrowings	47,975	46,043
Current tax payables	3,069	869
<b>TOTAL CURRENT LIABILITIES</b>	<u>65,837</u>	<u>61,383</u>
<b>TOTAL LIABILITIES</b>	<u>103,935</u>	<u>102,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>502,782</u>	<u>483,920</u>
Net Assets (NA) per share (RM)	<u>1.06</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 30 SEPTEMBER 2023**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 SEP 2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEP 2022 RM'000	CURRENT YEAR TO DATE 30 SEP 2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 SEP 2022 RM'000
Revenue	24,992	13,955	68,430	44,749
Cost of sales	(10,746)	(6,378)	(36,084)	(23,383)
Gross Profit	14,246	7,577	32,346	21,366
Investment revenue	25	12	60	46
Other income	226	697	562	1,677
Administrative expenses	(3,916)	(4,631)	(9,588)	(9,987)
Finance costs	(215)	(189)	(709)	(743)
Other expenses	-	-	(15)	-
<b>Profit before tax</b>	10,366	3,466	22,656	12,359
Income tax expense	(2,797)	(1,178)	(5,567)	(3,285)
<b>Profit for the period</b>	7,569	2,288	17,089	9,074
<b>Other comprehensive income, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	7,569	2,288	17,089	9,074
<b>Profit attributable to: Owners of the Company</b>	7,569	2,288	17,089	9,074
<b>Earnings per share (sen)</b>				
- Basic	2.02	0.61	4.55	2.42
- 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.

**GROMUTUAL BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE QUARTER ENDED 30 SEPTEMBER 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	-	17,089	17,089
Balance as at 30 September 2023	<u>187,804</u>	<u>211,043</u>	<u>398,847</u>
Balance as at 1 January 2022	187,804	186,722	374,526
Total comprehensive income for the period	-	9,074	9,074
Balance as at 30 September 2022	<u>187,804</u>	<u>195,796</u>	<u>383,600</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 30 SEPTEMBER 2023**

(The figures have not been audited)

	30 SEP 2023 RM'000	30 SEP 2022 RM'000
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Receipts from customers	49,021	47,364
Payments to suppliers and employees	(24,479)	(23,206)
Cash From Operations	24,542	24,158
Finance costs paid	(1,866)	(1,397)
Income taxes paid	(3,557)	(3,216)
Income taxes refunded	814	-
Net Cash From Working Capital	19,933	19,545
Additions to Land held for property development	(5,838)	(10,422)
Net Cash From Operating Activities	14,095	9,123
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Other investments	60	46
Proceeds from disposal of property, plant and equipment	1	733
Proceeds from disposal of investment property	-	6,300
Additions to property, plant and equipment	(65)	(372)
Net Cash (Used In) From Investing Activities	(4)	6,707
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	3,768	14,500
Repayment of bank borrowings	(2,058)	(8,262)
Net Cash From Financing Activities	1,710	6,238
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>15,801</b>	<b>22,068</b>
<b>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF PERIOD</b>	<b>22,270</b>	<b>(2,227)</b>
<b>CASH AND CASH EQUIVALENTS AS OF END OF PERIOD</b>	<b>38,071</b>	<b>19,841</b>
Cash and cash equivalents comprise of:		
Fixed deposits with licenced bank	1,337	1,312
Cash and bank balances	59,508	47,970
Bank overdraft	(21,437)	(28,129)
Less : Fixed deposits pledged to banks	(1,337)	(1,312)
	38,071	19,841

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 THIRD QUARTER ENDED 30 SEPTEMBER 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
Amendments to MFRS 112	International Tax Reform: Pillar Two Model Rules	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	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
MFRS 121	Lack of Exchangeability	1 January 2025
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 period 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 period 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 period to date.

**A6. Dividend Paid**

There are no dividends paid during the current quarter and the financial period 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 30 September 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	61,498	5,827	1,105	-	68,430
Inter-segment income	-	396	3,274	(3,670)	-
Total revenue	<u>61,498</u>	<u>6,223</u>	<u>4,379</u>	<u>(3,670)</u>	<u>68,430</u>
<b>Results</b>					
Investment revenue	94	5	900	(939)	60
Finance costs	1,174	266	27	(758)	709
Depreciation	199	79	77	40	395
Unallocated corporate expenses	-	-	249	(90)	159
Profit before tax	<u>18,253</u>	<u>3,525</u>	<u>3,083</u>	<u>(2,205)</u>	<u>22,656</u>
<b>Assets</b>					
Addition to property, plant and equipment	<u>60</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>65</u>
Segment assets	384,041	111,714	14,641	(17,933)	492,463
Unallocated corporate assets					<u>10,319</u>
Consolidated assets					<u>502,782</u>
<b>Liabilities</b>					
Segment liabilities	115,832	26,332	9,918	(48,258)	103,824
Unallocated liabilities					<u>111</u>
Consolidated liabilities					<u>103,935</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 period 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 period 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	
	30.09.2023	Quarter		30.09.2023	Period	
	RM'000	30.09.2022		RM'000	30.09.2022	
		RM'000			RM'000	
<b>Revenue</b>						
Property Development	22,195	12,054	84.1	61,498	39,196	56.9
Property Management	2,303	1,380	66.9	5,827	3,730	56.2
Others	494	521	(5.2)	1,105	1,823	(39.4)
	<u>24,992</u>	<u>13,955</u>		<u>68,430</u>	<u>44,749</u>	
<b>Profit (Loss) before tax</b>						
Property Development	9,160	3,356	172.9	19,941	11,199	78.1
Property Management	1,433	338	324.0	3,464	1,182	193.1
Others	(227)	(228)	0.4	(749)	(22)	(3304.5)
	<u>10,366</u>	<u>3,466</u>		<u>22,656</u>	<u>12,359</u>	

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

**(a) 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 RM24.992 million and RM10.366 million respectively, representing a 79.1% increase in revenue and a 199.1% spike in profit before tax as compared to the previous year's corresponding quarter revenue and profit before tax of RM13.955 million and RM3.466 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 84.1% increase in revenue to RM22.195 million compared to RM12.054 million previously; whilst the segment's profit before tax surged by 172.9% to RM9.160 million, from RM3.356 million previously. The higher revenue and profit were mainly due to the sales of completed industrial projects.

**Property Management**

The property management segment saw an increase of 66.9% in rental revenue to RM2.303 million from the previous corresponding quarter of RM1.380 million; whilst the segment's profit before tax increased by 324.0% to RM1.433 million due to improved occupancy rate and lower administrative expenses, as compared to preceding year corresponding quarter of RM0.338 million.

**(b) Performance of the current period against the preceding corresponding period**

For the current financial period to date, the Group recorded a revenue of RM68.430 million and profit before tax of RM22.656 million, versus revenue of RM44.749 million and profit before tax of RM12.359 million of the preceding corresponding financial period.

**Property Development**

The revenue for property development registered a 56.9% increase in revenue to RM61.498 million compared to RM39.196 million previously; whilst the segment's profit before tax increased by 78.1% to RM19.941 million, from RM11.199 million previously due to the higher take up rate and recognition for both on-going and completed residential and industrial projects.

**Property Management**

The improved occupancy of student and worker accommodation enabled the property management segment to record a 56.2% increase in rental revenue to RM5.827 million, from RM3.730 million in the corresponding financial period last year; whilst the segment's profit before tax increased by 193.1% to RM3.464 million from RM1.182 million in the corresponding period last year.

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

	<b>Current Quarter 30.09.2023 RM'000</b>	<b>Immediate Preceding Quarter 30.06.2023 RM'000</b>	<b>Change %</b>
<b>Revenue</b>			
Property Development	22,195	20,755	6.9
Property Management	2,303	1,927	19.5
Others	494	353	39.9
	24,992	23,035	8.4
<b>Profit (Loss) before tax</b>			
Property Development	9,160	5,490	66.8
Property Management	1,433	1,167	22.8
Others	(227)	(275)	17.5
	10,366	6,382	62.4

Compared to the preceding quarter's results ended 30 June 2023, the Group recorded 8.4% increase in revenue to RM24.992 million from RM23.035 million mainly due to the higher sales of completed industrial projects. In tandem with this, the profit before tax increased by 62.4% to RM10.366 million from RM6.382 million.

**B3. Prospects**

For property development, the Group will continue to 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 30.09.2023 RM'000</b>	<b>Year to Date 30.09.2023 RM'000</b>
Profit for the year is arrived at after crediting/(charging):-		
Interest income	25	60
Other income including investment income	226	562
Interest expense	(215)	(709)
Depreciation and amortization	(131)	(395)

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 period 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 30.09.2023 RM'000</b>	<b>Year to Date 30.09.2023 RM'000</b>
Income Tax		
- Current Year	(2,799)	(5,602)
Deferred Tax		
- Current Year	2	35
	<u>(2,797)</u>	<u>(5,567)</u>
Profit Before Tax	10,366	22,656
Effective tax rate	27.0%	24.6%

The effective rate of the Group for the current quarter is higher than the statutory tax rate as certain expenses are not deductible for tax purposes and deferred tax assets not recognised during the current quarter.

**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:

	<b>As at 30.09.2023 RM'000</b>	<b>As at 30.09.2022 RM'000</b>
<b>Short term -Secured</b>		
Lease liabilities	98	78
Term loans	3,312	2,698
Revolving credits	8,000	8,000
Bank overdrafts	36,565	39,354
	<u>47,975</u>	<u>50,130</u>
<b>Long term -Secured</b>		
Lease liabilities	305	300
Term loans	30,803	17,022
	<u>31,108</u>	<u>17,322</u>
Total	<u>79,083</u>	<u>67,452</u>

**B8. Borrowings (continued)**

All borrowings are denominated in Ringgit Malaysia.

As at 30 September 2023, the Group's borrowings increased by 17.2% to RM79.083 million as compared to RM67.452 million previously mainly due to the increase in term loans for acquisition of lands.

The interest rates for the Group's borrowings range from 2.27% to 7.70% (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. Dividend**

At Board of Director's meeting held on 21 August 2023, the Board of Directors had declared an interim single tier dividend of 1 sen per share, amounting to RM3,756,080 for the financial year ending 31 December 2023. The dividend had been paid on 9 October 2023 to shareholders whose name appears in the Record of Depositors at the close of business on 14 September 2023.

**B11. Earnings Per Share**

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

	<b>Current Quarter 30.09.2023</b>	<b>Year to Date 30.09.2023</b>
Profit for the period	RM 7,569,086	RM 17,088,591
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)	2.02 sen	4.55 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.