

Company No. 200301022614 (625034 X)

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

**QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**  
**(UNAUDITED)**

This Report is dated 23 February 2024

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

	As at 31 DEC 2023 (Unaudited) RM'000	As at 31 DEC 2022 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,060	4,873
Investment properties	92,441	91,479
Land held for property development	223,276	221,493
Other receivable	-	1,798
<b>TOTAL NON-CURRENT ASSETS</b>	<u>320,777</u>	<u>319,643</u>
<b>Current Assets</b>		
Inventories	55,646	43,451
Land and development expenditure	37,535	60,431
Receivables	17,045	10,924
Current tax assets	1,986	2,017
Cash and bank balances	61,147	47,454
<b>TOTAL CURRENT ASSETS</b>	<u>173,359</u>	<u>164,277</u>
<b>TOTAL ASSETS</b>	<u>494,136</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
Revaluation reserves	516	-
Retained earnings	205,888	193,954
<b>TOTAL EQUITY</b>	<u>394,208</u>	<u>381,758</u>
<b>Non-current liabilities</b>		
Other payables	4,203	-
Borrowings	30,972	33,755
Deferred tax liabilities	7,023	7,024
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>42,198</u>	<u>40,779</u>
<b>Current Liabilities</b>		
Payables	16,787	14,471
Borrowings	39,961	46,043
Current tax payables	982	869
<b>TOTAL CURRENT LIABILITIES</b>	<u>57,730</u>	<u>61,383</u>
<b>TOTAL LIABILITIES</b>	<u>99,928</u>	<u>102,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>494,136</u>	<u>483,920</u>
Net Assets (NA) per share (RM)	<u>1.05</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.

**GROMUTUAL BERHAD**  
(Company No. 200301022614 (625034 X))  
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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2023**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 DEC 2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 DEC 2022 RM'000	CURRENT YEAR 31 DEC 2023 RM'000	PRECEDING YEAR 31 DEC 2022 RM'000
Revenue	10,440	9,442	78,870	54,191
Cost of sales	(5,836)	(4,815)	(41,920)	(28,198)
Gross Profit	4,604	4,627	36,950	25,993
Investment revenue	21	14	81	60
Other income	293	188	855	1,865
Administrative expenses	(4,019)	(3,850)	(13,607)	(13,837)
Finance costs	(181)	(215)	(890)	(958)
Impairment loss on other receivable	(1,798)	-	(1,798)	-
Other expenses	(58)	(141)	(73)	(141)
<b>(Loss) Profit before tax</b>	<b>(1,138)</b>	<b>623</b>	<b>21,518</b>	<b>12,982</b>
Income tax expense	(261)	(587)	(5,828)	(3,872)
<b>(Loss) Profit for the year</b>	<b>(1,399)</b>	<b>36</b>	<b>15,690</b>	<b>9,110</b>
<b>Other comprehensive income will not be reclassified subsequently to profit or loss</b>				
Revaluation of owner-occupied properties upon transfer of properties to investment properties	516	-	516	-
<b>Other comprehensive income, net of tax</b>	<b>516</b>	<b>-</b>	<b>516</b>	<b>-</b>
<b>Total comprehensive (loss) income for the year</b>	<b>(883)</b>	<b>36</b>	<b>16,206</b>	<b>9,110</b>
<b>Profit attributable to:</b>				
<b>Owners of the Company</b>	<b>(1,399)</b>	<b>36</b>	<b>15,690</b>	<b>9,110</b>
<b>Total comprehensive (loss) income attributable to:</b>				
<b>Owners of the Company</b>	<b>(883)</b>	<b>36</b>	<b>16,206</b>	<b>9,110</b>
<b>(Loss) Earnings per share (sen)</b>				
- Basic	(0.37)	0.01	4.18	2.43
- 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 31 DECEMBER 2023**

(The figures have not been audited)

	←	Attributable to Owners of the Company		→
	Share Capital RM'000	Non-Distributable Revaluation Reserve RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 January 2023	187,804	-	193,954	381,758
Profit for the year	-	-	15,690	15,690
Revaluation adjustment arising from transfer owner-occupied properties to investment properties, net of tax	-	516	-	516
Total comprehensive income for the year	-	516	15,690	16,206
Interim dividend - Year Ended 31 December 2023	-	-	(3,756)	(3,756)
Balance as at 31 December 2023	<u>187,804</u>	<u>516</u>	<u>205,888</u>	<u>394,208</u>
Balance as at 1 January 2022	187,804	-	186,722	374,526
Total comprehensive income for the year	-	-	9,110	9,110
Interim dividend - Year Ended 31 December 2022	-	-	(1,878)	(1,878)
Balance as at 31 December 2022	<u>187,804</u>	<u>-</u>	<u>193,954</u>	<u>381,758</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**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE QUARTER ENDED 31 DECEMBER 2023**  
 (The figures have not been audited)

	31 DEC 2023 RM'000	31 DEC 2022 RM'000
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Receipts from customers	78,246	60,240
Payments to suppliers and employees	<u>(36,868)</u>	<u>(27,886)</u>
Cash From Operations	41,378	32,354
Finance costs paid	(2,300)	(1,872)
Income taxes paid	(6,693)	(4,746)
Income taxes refunded	<u>1,009</u>	<u>-</u>
Net Cash From Working Capital	33,394	25,736
Additions to Land held for property development	(6,106)	(11,672)
Net Cash From Operating Activities	<u>27,288</u>	<u>14,064</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Other investments	81	60
Proceeds from disposal of property, plant and equipment	86	733
Proceeds from disposal of investment property	-	6,300
Additions to property, plant and equipment	(820)	(501)
Net Cash (Used In) From Investing Activities	<u>(653)</u>	<u>6,592</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	1,000	14,500
Repayment of bank borrowings	(6,473)	(8,781)
Dividend paid	(3,756)	(1,878)
Net Cash (Used In) From Financing Activities	<u>(9,229)</u>	<u>3,841</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	17,406	24,497
<b>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR</b>	<u>22,270</u>	<u>(2,227)</u>
<b>CASH AND CASH EQUIVALENTS AS OF END OF YEAR</b>	<u>39,676</u>	<u>22,270</u>
Cash and cash equivalents comprise of:		
Fixed deposits with licenced bank	1,341	1,318
Cash and bank balances	59,806	46,136
Bank overdraft	(20,130)	(23,866)
Less : Fixed deposits pledged to banks	(1,341)	(1,318)
	<u>39,676</u>	<u>22,270</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 FOURTH QUARTER ENDED 31 DECEMBER 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	Refer paragraph 98M of MFRS 112

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 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**

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.



**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 December 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	69,442	7,852	1,576	-	78,870
Inter-segment income	-	528	3,792	(4,320)	-
<b>Total revenue</b>	<b>69,442</b>	<b>8,380</b>	<b>5,368</b>	<b>(4,320)</b>	<b>78,870</b>
<b>Results</b>					
Investment revenue	137	7	1,306	(1,369)	81
Finance costs	1,611	343	30	(1,094)	890
Depreciation	281	101	124	53	559
Impairment loss on other receivable	1,798	-	-	-	1,798
Unallocated corporate expenses	-	-	693	(120)	573
<b>Profit before tax</b>	<b>15,876</b>	<b>4,614</b>	<b>3,354</b>	<b>(2,326)</b>	<b>21,518</b>
<b>Assets</b>					
Addition to property, plant and equipment	725	5	490	-	1,220
Segment assets	385,980	112,371	7,338	(18,192)	487,497
Unallocated corporate assets					6,639
<b>Consolidated assets</b>					<b>494,136</b>
<b>Liabilities</b>					
Segment liabilities	120,873	26,102	2,259	(49,817)	99,417
Unallocated liabilities					511
<b>Consolidated liabilities</b>					<b>99,928</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 Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Change %	Cumulative Quarter Current Year 31.12.2023 RM'000	Preceding Year 31.12.2022 RM'000	Change %
<b>Revenue</b>						
Property Development	7,944	7,409	7.2	69,442	46,605	49.0
Property Management	2,025	1,662	21.8	7,852	5,392	45.6
Others	471	371	27.0	1,576	2,194	(28.2)
	10,440	9,442		78,870	54,191	
<b>(Loss) Profit before tax</b>						
Property Development	(1,686)	924	(282.5)	18,255	12,123	50.6
Property Management	1,088	453	140.2	4,552	1,635	178.4
Others	(540)	(754)	28.4	(1,289)	(776)	(66.1)
	(1,138)	623		21,518	12,982	

**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 of RM10.440 million and loss before tax of RM1.138 million respectively, representing a 10.6% increase in revenue and a 282.7% decline in profit before tax as compared to the previous year's corresponding quarter revenue and profit before tax of RM9.442 million and RM0.623 million respectively.

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

**Property Development**

The revenue for property development saw a 7.2% increase in revenue to RM7.944 million compared to RM7.409 million previously. Nevertheless, the segment's profit before tax declined 282.5% from RM0.924 million previously to loss before tax of RM1.686 million. The decrease was mainly due to incremental development costs and higher administrative expenses as well as the recognition of impairment loss on amount due from a landowner of RM1.8 million.

**Property Management**

The property management segment saw an increase of 21.8% in rental revenue to RM2.025 million from the previous corresponding quarter of RM1.662 million; whilst the segment's profit before tax increased by 140.2% to RM1.088 million due to improved occupancy rate and lower administrative expenses, as compared to preceding year corresponding quarter of RM0.453 million.

**(b) Performance of the current year against the preceding year**

For the current year, the Group recorded a revenue of RM78.870 million and profit before tax of RM21.518 million, versus revenue of RM54.191 million and profit before tax of RM12.982 million of the preceding year.

**Property Development**

The revenue for property development registered a 49.0% increase in revenue to RM69.442 million compared to RM46.605 million previously; whilst the segment's profit before tax increased by 50.6% to RM18.255 million, from RM12.123 million previously due to the higher take up rate and recognition for residential and industrial projects.

**Property Management**

The improved occupancy of student and worker accommodation enabled the property management segment to record a 45.6% increase in rental revenue to RM7.852 million, from RM5.392 million in last year; whilst the segment's profit before tax increased by 178.4% to RM4.552 million from RM1.635 million previously.



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

	<b>Current Quarter 31.12.2023 RM'000</b>	<b>Immediate Preceding Quarter 30.09.2023 RM'000</b>	<b>Change %</b>
<b>Revenue</b>			
Property Development	7,944	22,195	(64.2)
Property Management	2,025	2,303	(12.1)
Others	471	494	(4.7)
	10,440	24,992	(58.2)
<b>(Loss) Profit before tax</b>			
Property Development	(1,686)	9,160	(118.4)
Property Management	1,088	1,433	(24.1)
Others	(540)	(227)	(137.9)
	(1,138)	10,366	(111.0)

Compared to the preceding quarter's results ended 30 September 2023, the Group recorded 58.2% lower revenue to RM10.440 million from RM24.992 million mainly due to the higher sales of completed industrial projects in the preceding quarter. In tandem with this and the recognition of impairment loss on amount due from a landowner of RM1.8 million in current quarter, the profit before tax declined 111.0% from RM10.366 million to loss before tax of RM1.138 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 2024.

**B4. Profit for the year**

	<b>Current Quarter 31.12.2023 RM'000</b>	<b>Year to Date 31.12.2023 RM'000</b>
Profit for the year is arrived at after crediting/(charging):-		
Interest income	21	81
Other income including investment income	293	855
Impairment loss on other receivable	(1,798)	(1,798)
Bad debts written off	(12)	(12)
Interest expense	(181)	(890)
Depreciation and amortization	(164)	(559)

Other than the above items, there were no other 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 31.12.2023 RM'000</b>	<b>Year to Date 31.12.2023 RM'000</b>
Income Tax		
- Current Year	(226)	(5,828)
Deferred Tax		
- Current Year	(35)	-
	<u>(261)</u>	<u>(5,828)</u>
 (Loss) Profit Before Tax	 (1,138)	 21,518
Effective tax rate	22.9%	27.1%

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

**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 31.12.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
<b>Short term -Secured</b>		
Lease liabilities	172	94
Term loans	3,028	2,723
Revolving credits	9,000	8,000
Bank overdrafts	27,761	35,226
	<u>39,961</u>	<u>46,043</u>
 <b>Long term -Secured</b>		
Lease liabilities	601	379
Term loans	30,371	33,376
	<u>30,972</u>	<u>33,755</u>
 Total	 <u>70,933</u>	 <u>79,798</u>

**B8. Borrowings (continued)**

All borrowings are denominated in Ringgit Malaysia.

As at 31 December 2023, the Group's borrowings decreased by 11.1% to RM70.933 million as compared to RM79.798 million previously mainly due to the decrease in bank overdrafts, which was utilized for on-going projects development.

The interest rates for the Group's borrowings range from 2.08% 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**

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>31.12.2023</b>	<b>Year to Date</b> <b>31.12.2023</b>
(Loss) Profit for the year	(RM1,398,147)	RM 15,690,444
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 (loss) earnings per share (sen)	(0.37) sen	4.18 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.