

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 2024
(UNAUDITED)

This Report is dated 27 May 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 MARCH 2024
(The figures have not been audited)

	As at 31 MAR 2024 (Unaudited) RM'000	As at 31 DEC 2023 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,912	5,060
Investment properties	92,441	92,441
Land held for property development	211,864	223,276
TOTAL NON-CURRENT ASSETS	<u>309,217</u>	<u>320,777</u>
Current Assets		
Inventories	54,105	55,646
Land and development expenditure	60,676	37,535
Receivables	19,976	17,045
Current tax assets	2,380	1,986
Cash and bank balances	56,407	61,147
TOTAL CURRENT ASSETS	<u>193,544</u>	<u>173,359</u>
TOTAL ASSETS	<u>502,761</u>	<u>494,136</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	187,804	187,804
Revaluation reserves	516	516
Retained earnings	207,306	205,888
TOTAL EQUITY	<u>395,626</u>	<u>394,208</u>
Non-current liabilities		
Other payables	4,203	4,203
Borrowings	29,525	30,972
Deferred tax liabilities	7,086	7,023
TOTAL NON-CURRENT LIABILITIES	<u>40,814</u>	<u>42,198</u>
Current Liabilities		
Payables	16,934	16,787
Borrowings	48,978	39,961
Current tax payables	409	982
TOTAL CURRENT LIABILITIES	<u>66,321</u>	<u>57,730</u>
TOTAL LIABILITIES	<u>107,135</u>	<u>99,928</u>
TOTAL EQUITY AND LIABILITIES	<u>502,761</u>	<u>494,136</u>
Net Assets (NA) per share (RM)	<u>1.05</u>	<u>1.05</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MAR 2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2023 RM'000	CURRENT YEAR TO DATE 31 MAR 2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 MAR 2023 RM'000
Revenue	9,258	20,403	9,258	20,403
Cost of sales	(4,328)	(11,958)	(4,328)	(11,958)
Gross Profit	4,930	8,445	4,930	8,445
Investment revenue	80	13	80	13
Other income	211	149	211	149
Administrative expenses	(2,785)	(2,467)	(2,785)	(2,467)
Finance costs	(277)	(232)	(277)	(232)
Impairment loss on other receivable	-	-	-	-
Other expenses	(34)	-	(34)	-
Profit before tax	2,125	5,908	2,125	5,908
Income tax expense	(707)	(1,455)	(707)	(1,455)
Profit for the period	1,418	4,453	1,418	4,453
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	1,418	4,453	1,418	4,453
Profit attributable to: Owners of the Company	1,418	4,453	1,418	4,453
Total comprehensive income attributable to: Owners of the Company	1,418	4,453	1,418	4,453
Earnings per share (sen)				
- Basic	0.38	1.19	0.38	1.19
- 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 2023 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 2024**
 (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 2024	187,804	516	205,888	394,208
Total comprehensive income for the period	-	-	1,418	1,418
Balance as at 31 March 2024	<u>187,804</u>	<u>516</u>	<u>207,306</u>	<u>395,626</u>
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>-</u>	<u>198,407</u>	<u>386,211</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 2023 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 2024**
 (The figures have not been audited)

	31 MAR 2024 RM'000	31 MAR 2023 RM'000
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers	6,897	11,634
Payments to suppliers and employees	<u>(15,789)</u>	<u>(8,681)</u>
Cash (Used In) From Operations	(8,892)	2,953
Finance costs paid	(547)	(676)
Income taxes paid	(1,797)	(1,434)
Income taxes refunded	<u>186</u>	<u>-</u>
Net Cash (Used In) From Working Capital	(11,050)	843
Additions to Land held for property development	(1,279)	(1,252)
Net Cash Used In Operating Activities	<u>(12,329)</u>	<u>(409)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Other investments	80	13
Additions to property, plant and equipment	(68)	-
Net Cash From Investing Activities	<u>12</u>	<u>13</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds (repayments) of bank borrowings	6,426	154
Net Cash From Financing Activities	<u>6,426</u>	<u>154</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,891)	(242)
CASH AND CASH EQUIVALENTS AS OF BEGINNING OF PERIOD	<u>39,676</u>	<u>22,270</u>
CASH AND CASH EQUIVALENTS AS OF END OF PERIOD	<u><u>33,785</u></u>	<u><u>22,028</u></u>
Cash and cash equivalents comprise of:		
Fixed deposits with licenced bank	1,349	1,324
Cash and bank balances	55,058	46,674
Bank overdraft	(21,273)	(24,646)
Less : Fixed deposits pledged to banks	<u>(1,349)</u>	<u>(1,324)</u>
	<u><u>33,785</u></u>	<u><u>22,028</u></u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

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 2023.

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 2023, except for the following amendments to MFRS:

Adoption of new and amendments to MFRS

	<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
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

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>
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 results.

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 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 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 31 March 2024 is as follows:

	Property development RM'000	Property management RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	6,754	2,130	374	-	9,258
Inter-segment income	-	65	387	(452)	-
Total revenue	<u>6,754</u>	<u>2,195</u>	<u>761</u>	<u>(452)</u>	<u>9,258</u>
Results					
Investment revenue	50	41	218	(229)	80
Finance costs	339	67	42	(171)	277
Depreciation	93	24	54	11	182
Unallocated corporate expenses	-	-	80	(30)	50
Profit before tax	<u>335</u>	<u>1,539</u>	<u>315</u>	<u>(64)</u>	<u>2,125</u>
Assets					
Addition to property, plant and equipment	-	87	-	(19)	68
Segment assets	394,280	112,859	16,624	(21,008)	502,755
Unallocated corporate assets					6
Consolidated assets					<u>502,761</u>
Liabilities					
Segment liabilities	128,032	25,423	9,767	(56,601)	106,621
Unallocated liabilities					514
Consolidated liabilities					<u>107,135</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 Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000		Current Year To Date 31.03.2024 RM'000	Preceding Year Corresponding Period 31.03.2023 RM'000	
Revenue						
Property Development	6,754	18,548	(63.6)	6,754	18,548	(63.6)
Property Management	2,130	1,597	33.4	2,130	1,597	33.4
Others	374	258	45.0	374	258	45.0
	<u>9,258</u>	<u>20,403</u>		<u>9,258</u>	<u>20,403</u>	
Profit (Loss) before tax						
Property Development	722	5,291	(86.4)	722	5,291	(86.4)
Property Management	1,579	864	82.8	1,579	864	82.8
Others	(176)	(247)	(28.7)	(176)	(247)	(28.7)
	<u>2,125</u>	<u>5,908</u>		<u>2,125</u>	<u>5,908</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 of RM9.258 million and profit before tax of RM2.125 million respectively, representing a 54.6% drop in revenue from previous year's corresponding quarter revenue of RM20.403 million and decline profit before tax of 64.0% from RM5.908 million.

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

Property Development

The revenue for property development saw a decrease of 63.6% in revenue to RM6.754 million compared to RM18.548 million previously; whilst the segment's profit before tax declined by 86.4% to RM0.722 million, from RM5.291 million previously. The decrease was mainly due to the slower construction progress and soften demand for the completed residential houses in the current quarter.

Property Management

The property management segment saw an increase of 33.4% in rental revenue to RM2.130 million from the previous corresponding quarter of RM1.597 million; whilst the segment's profit before tax increased by 82.8% to RM1.579 million due to improved occupancy rate and lower administrative expenses, as compared to preceding year corresponding quarter of RM0.864 million.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	Change %
Revenue			
Property Development	6,754	7,944	(15.0)
Property Management	2,130	2,025	5.2
Others	374	471	(20.6)
	9,258	10,440	(11.3)
Profit (Loss) before tax			
Property Development	722	(1,686)	142.8
Property Management	1,579	1,088	45.1
Others	(176)	(540)	67.4
	2,125	(1,138)	286.7

Compared to the preceding quarter's results ended 31 December 2023, the Group recorded 11.3% lower revenue to RM9.258 million from RM10.440 million mainly due to the lower take up rate and recognition for residential projects in the current quarter. Nevertheless, the profit before tax increased by 286.7% to RM2.125 million from loss before tax of RM1.138 million due to lower administrative expenses in the current quarter and there was a recognition of impairment loss on other receivable of RM1.8 million in the preceding quarter.

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 period

	Current Quarter 31.03.2024 RM'000	Period to Date 31.03.2024 RM'000
Profit for the period is arrived at after crediting/(charging):-		
Interest income	80	80
Other income including investment income	211	211
Interest expense	(277)	(277)
Depreciation and amortization	<u>(182)</u>	<u>(182)</u>

Other than the above items, there were no other material item to be disclosed 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 period.

B6. Taxation

	Current Quarter 31.03.2024 RM'000	Period to Date 31.03.2024 RM'000
Income Tax		
- Current Year	(644)	(644)
Deferred Tax		
- Current Year	<u>(63)</u>	<u>(63)</u>
	<u>(707)</u>	<u>(707)</u>
Profit Before Tax	2,125	2,125
Effective tax rate	33.3%	33.3%

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

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 31.03.2024 RM'000	As at 31.03.2023 RM'000
Short term -Secured		
Lease liabilities	174	96
Term loans	3,651	3,051
Revolving credits	9,000	8,000
Bank overdrafts	36,153	36,844
	<u>48,978</u>	<u>47,991</u>
Long term -Secured		
Lease liabilities	556	355
Term loans	28,969	32,393
	<u>29,525</u>	<u>32,748</u>
Total	<u><u>78,503</u></u>	<u><u>80,739</u></u>

All borrowings are denominated in Ringgit Malaysia.

As at 31 March 2024, the Group's borrowings decreased by 2.8% to RM78.503 million as compared to RM80.739 million previously mainly due to the decrease in term loans balances after the repayments.

The interest rates for the Group's borrowings range from 2.08% to 7.70% (also 2.08% to 7.70% in 2023) 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 period to date.

B11. Earnings Per Share

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

	Current Quarter 31.03.2024	Period to Date 31.03.2024
Profit for the period	RM 1,417,913	RM 1,417,913
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)	0.38 sen	0.38 sen

B12. Audit Qualification

The audited financial statements of the Group for the financial year ended 31 December 2023 were not subject to any audit qualifications.