

Company No. 200301022614 (625034 X)

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

**QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**(UNAUDITED)**

This Report is dated 19 August 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 30 JUNE 2024**  
(The figures have not been audited)

	As at 30 JUN 2024 (Unaudited) RM'000	As at 31 DEC 2023 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,668	5,060
Right-of-use assets	337	-
Investment properties	92,441	92,441
Land held for property development	209,328	223,276
<b>TOTAL NON-CURRENT ASSETS</b>	<u>306,774</u>	<u>320,777</u>
<b>Current Assets</b>		
Inventories	50,050	55,646
Land and development expenditure	75,473	37,535
Receivables	23,718	17,045
Current tax assets	2,761	1,986
Cash and bank balances	52,459	61,147
<b>TOTAL CURRENT ASSETS</b>	<u>204,461</u>	<u>173,359</u>
<b>TOTAL ASSETS</b>	<u>511,235</u>	<u>494,136</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	187,804	187,804
Revaluation reserves	516	516
Retained earnings	208,491	205,888
<b>TOTAL EQUITY</b>	<u>396,811</u>	<u>394,208</u>
<b>Non-current liabilities</b>		
Other payables	4,203	4,203
Borrowings	28,036	30,972
Lease liabilities	247	-
Deferred tax liabilities	7,100	7,023
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>39,586</u>	<u>42,198</u>
<b>Current Liabilities</b>		
Payables	18,383	16,787
Borrowings	55,763	39,961
Lease liabilities	96	-
Current tax payables	596	982
<b>TOTAL CURRENT LIABILITIES</b>	<u>74,838</u>	<u>57,730</u>
<b>TOTAL LIABILITIES</b>	<u>114,424</u>	<u>99,928</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>511,235</u>	<u>494,136</u>
Net Assets (NA) per share (RM)	<u>1.06</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.

**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 30 JUNE 2024**  
 (The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 JUN 2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUN 2023 RM'000	CURRENT YEAR TO DATE 30 JUN 2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 JUN 2023 RM'000
Revenue	10,472	23,035	19,730	43,438
Cost of sales	(5,555)	(13,380)	(9,883)	(25,338)
Gross profit	4,917	9,655	9,847	18,100
Investment revenue	27	22	107	35
Other income	270	187	481	336
Administrative expenses	(2,822)	(3,205)	(5,607)	(5,672)
Finance costs	(466)	(262)	(743)	(494)
Impairment loss on other receivable	-	(15)	-	(15)
Other expenses	-	-	(34)	-
Profit before tax	1,926	6,382	4,051	12,290
Income tax expense	(741)	(1,315)	(1,448)	(2,770)
Profit for the period	1,185	5,067	2,603	9,520
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	1,185	5,067	2,603	9,520
Profit attributable to: Owners of the Company	1,185	5,067	2,603	9,520
Total comprehensive income attributable to: Owners of the Company	1,185	5,067	2,603	9,520
Earnings per share (sen)				
- Basic	0.32	1.35	0.69	2.53
- 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 30 JUNE 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	-	-	2,603	2,603
Balance as at 30 June 2024	<u>187,804</u>	<u>516</u>	<u>208,491</u>	<u>396,811</u>
Balance as at 1 January 2023	187,804	-	193,954	381,758
Total comprehensive income for the period	-	-	9,520	9,520
Balance as at 30 June 2023	<u>187,804</u>	<u>-</u>	<u>203,474</u>	<u>391,278</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**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2024**  
(The figures have not been audited)

	30 JUN 2024 RM'000	30 JUN 2023 RM'000
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Receipts from customers	19,524	31,636
Payments to suppliers and employees	<u>(25,708)</u>	<u>(15,528)</u>
Cash (Used In) From Operations	(6,184)	16,108
Finance costs paid	(1,188)	(1,324)
Income taxes paid	(2,786)	(2,311)
Income taxes refunded	<u>254</u>	<u>356</u>
Net Cash (Used In) From Working Capital	(9,904)	12,829
Additions to land held for property development	(7,006)	(3,042)
Part payments for purchase of land	(4,727)	-
Net Cash (Used In) From Operating Activities	<u>(21,637)</u>	<u>9,787</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Other investments	107	35
Proceeds from disposal of property, plant and equipment	125	1
Additions to property, plant and equipment	(121)	(1)
Net Cash From Investing Activities	<u>111</u>	<u>35</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Net proceeds from bank borrowings	4,191	707
Repayment of lease liabilities	(46)	-
Net Cash From Financing Activities	<u>4,145</u>	<u>707</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(17,381)	10,529
<b>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF PERIOD</b>	<u>39,676</u>	<u>22,270</u>
<b>CASH AND CASH EQUIVALENTS AS OF END OF PERIOD</b>	<u>22,295</u>	<u>32,799</u>
Cash and cash equivalents comprise of:		
Fixed deposits with licenced bank	1,361	1,330
Cash and bank balances	51,099	57,225
Bank overdraft	(28,804)	(24,426)
Less : Fixed deposits pledged to banks	<u>(1,361)</u>	<u>(1,330)</u>
	<u>22,295</u>	<u>32,799</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 SECOND QUARTER ENDED 30 JUNE 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 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

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

		<u>Effective Date</u>
MFRS 19	Subsidiaries without Public	1 January 2027
Amendments to MFRS 10 and MFRS 128	Accountability: Disclosures 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 Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the current and cumulative financial quarter ended 30 June 2024.

**A4. Significant Changes in Accounting Estimates**

There were no changes in estimates that have any material effect on the current for the current and cumulative financial quarter ended 30 June 2024.

**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 June 2024 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	14,239	4,633	858	-	19,730
Inter-segment income	25	167	738	(930)	-
<b>Total revenue</b>	<b>14,264</b>	<b>4,800</b>	<b>1,596</b>	<b>(930)</b>	<b>19,730</b>
<b>Results</b>					
Investment revenue	101	43	616	(653)	107
Finance costs	667	259	274	(457)	743
Depreciation	128	53	162	21	364
Unallocated corporate expenses	-	-	177	(59)	118
<b>Profit before tax</b>	<b>842</b>	<b>2,894</b>	<b>378</b>	<b>(63)</b>	<b>4,051</b>
<b>Assets</b>					
Addition to property, plant and equipment	4	136	-	(19)	121
Segment assets	408,996	113,553	9,643	(21,072)	511,120
Unallocated corporate assets					115
<b>Consolidated assets</b>					<b>511,235</b>
<b>Liabilities</b>					
Segment liabilities	138,156	26,011	9,919	(59,923)	114,163
Unallocated liabilities					261
<b>Consolidated liabilities</b>					<b>114,424</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 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 Current Year Quarter 30.06.2024 RM'000	Preceding Year Corresponding Quarter 30.06.2023 RM'000	Change %	Cumulative Quarter Current Year To Date 30.06.2024 RM'000	Preceding Year Corresponding Period 30.06.2023 RM'000	Change %
<b>Revenue</b>						
Property Development	7,485	20,755	(63.9)	14,239	39,303	(63.8)
Property Management	2,503	1,927	29.9	4,633	3,524	31.5
Others	484	353	37.1	858	611	40.4
	10,472	23,035		19,730	43,438	
<b>Profit (Loss) before tax</b>						
Property Development	956	5,490	(82.6)	1,678	10,781	(84.4)
Property Management	1,434	1,167	22.9	3,013	2,031	48.4
Others	(464)	(275)	(68.7)	(640)	(522)	(22.6)
	1,926	6,382		4,051	12,290	

**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 RM10.472 million and profit before tax of RM1.926 million respectively, representing a 54.5% drop in revenue from previous year's corresponding quarter revenue of RM23.035 million and decline profit before tax of 69.8% from RM6.382 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 63.9% in revenue to RM7.485 million compared to RM20.755 million previously; whilst the segment's profit before tax declined by 82.6% to RM0.956 million, from RM5.490 million previously. The decrease was mainly due to the delay in new property launches and softer demand for the completed residential houses.

**Property Management**

The property management segment saw an increase of 29.9% in rental revenue to RM2.503 million from the previous corresponding quarter of RM1.927 million; whilst the segment's profit before tax increased by 22.9% to RM1.434 million due to improved occupancy rate and lower administrative expenses, as compared to preceding year corresponding quarter of RM1.167 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 RM19.730 million and profit before tax of RM4.051 million, versus revenue of RM43.438 million and profit before tax of RM12.290 million of the preceding corresponding financial period.

**Property Development**

The delay in new property launches and softer demand for the completed residential houses resulted the revenue for property development registered a decrease of 63.8% in revenue to RM14.239 million compared to RM39.303 million previously; whilst the segment's profit before tax decreased by 84.4% to RM1.678 million, from RM10.781 million previously.

**Property Management**

The property management segment saw an increase of 31.5% in rental revenue to RM4.633 million from the previous corresponding financial period of RM3.524 million; whilst the segment's profit before tax increased by 48.4% to RM3.013 million due to improved occupancy rate and lower administrative expenses, as compared to preceding year corresponding financial period of RM2.031 million.

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

	<b>Current Quarter 30.06.2024 RM'000</b>	<b>Immediate Preceding Quarter 31.03.2024 RM'000</b>	<b>Change %</b>
<b>Revenue</b>			
Property Development	7,485	6,754	10.8
Property Management	2,503	2,130	17.5
Others	484	374	29.4
	10,472	9,258	13.1
<b>Profit (Loss) before tax</b>			
Property Development	956	722	32.4
Property Management	1,434	1,579	(9.2)
Others	(464)	(176)	(163.6)
	1,926	2,125	(9.4)

Compared to the preceding quarter's results ended 31 March 2024, the Group recorded 13.1% higher revenue to RM10.472 million from RM9.258 million mainly due to the higher sales of completed development projects as well as improved occupancy worker accommodation. Nevertheless, the profit before tax decreased by 9.4% to RM1.926 million from profit before tax of RM2.125 million due to higher administrative expenses and finance costs in the current 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**

	<b>Current Quarter 30.06.2024 RM'000</b>	<b>Period to Date 30.06.2024 RM'000</b>
Profit for the period is arrived at after crediting/(charging):-		
Interest income	27	107
Other income including investment income	270	481
Interest expense	(466)	(743)
Depreciation and amortization	(232)	(414)
	(401)	(569)

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**

	<b>Current Quarter 30.06.2024 RM'000</b>	<b>Period to Date 30.06.2024 RM'000</b>
Income Tax		
- Current Year	(727)	(1,371)
Deferred Tax		
- Current Year	(14)	(77)
	<u>(741)</u>	<u>(1,448)</u>
Profit Before Tax	1,926	4,051
Effective tax rate	38.5%	35.7%

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:

	<b>As at 30.06.2024 RM'000</b>	<b>As at 30.06.2023 RM'000</b>
<b>Short term -Secured</b>		
Hire-purchase payables	146	97
Term loans	4,175	3,251
Revolving credits	9,000	8,000
Bank overdrafts	42,442	37,859
	<u>55,763</u>	<u>49,207</u>
<b>Long term -Secured</b>		
Hire-purchase payables	455	330
Term loans	27,581	31,533
	<u>28,036</u>	<u>31,863</u>
<b>Total</b>	<u>83,799</u>	<u>81,070</u>

**B8. Borrowings (continued)**

All borrowings are denominated in Ringgit Malaysia.

As at 30 June 2024, the Group's borrowings increased by 3.4% to RM83.799 million as compared to RM81.070 million previously mainly due to increase in bank overdrafts 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 2.08% 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:

	<b>Current Quarter 30.06.2024</b>	<b>Period to Date 30.06.2024</b>
Profit for the period	RM 1,185,146	RM2,603,119
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)	0.32 sen	0.69 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.