

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 2024**  
**(UNAUDITED)**

This Report is dated 25 November 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 SEPTEMBER 2024**  
(The figures have not been audited)

	As at 30 SEP 2024 (Unaudited) RM'000	As at 31 DEC 2023 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,509	5,060
Right-of-use assets	312	-
Investment properties	114,865	92,441
Land held for property development	188,092	223,276
<b>TOTAL NON-CURRENT ASSETS</b>	<u>307,778</u>	<u>320,777</u>
<b>Current Assets</b>		
Inventories	52,728	55,646
Land and development expenditure	71,896	37,535
Receivables	38,898	17,045
Current tax assets	2,286	1,986
Cash and bank balances	55,292	61,147
<b>TOTAL CURRENT ASSETS</b>	<u>221,100</u>	<u>173,359</u>
<b>TOTAL ASSETS</b>	<u>528,878</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	218,736	205,888
<b>TOTAL EQUITY</b>	<u>407,056</u>	<u>394,208</u>
<b>Non-current liabilities</b>		
Other payables	3,678	4,203
Borrowings	35,846	30,972
Lease liabilities	228	-
Deferred tax liabilities	6,454	7,023
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>46,206</u>	<u>42,198</u>
<b>Current Liabilities</b>		
Payables	18,645	16,787
Borrowings	53,907	39,961
Lease liabilities	91	-
Current tax payables	2,973	982
<b>TOTAL CURRENT LIABILITIES</b>	<u>75,616</u>	<u>57,730</u>
<b>TOTAL LIABILITIES</b>	<u>121,822</u>	<u>99,928</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>528,878</u>	<u>494,136</u>
Net Assets (NA) per share (RM)	<u>1.08</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 SEPTEMBER 2024**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 SEP 2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEP 2023 RM'000	CURRENT YEAR TO DATE 30 SEP 2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 SEP 2023 RM'000
Revenue	23,857	24,992	43,587	68,430
Cost of sales	(11,339)	(10,746)	(21,222)	(36,084)
Gross profit	12,518	14,246	22,365	32,346
Investment revenue	19	25	126	60
Other income	5,805	226	6,286	562
Administrative expenses	(4,437)	(3,916)	(10,044)	(9,588)
Finance costs	(407)	(215)	(1,150)	(709)
Other expenses	-	-	(34)	(15)
Profit before tax	13,498	10,366	17,549	22,656
Income tax expense	(3,253)	(2,797)	(4,701)	(5,567)
Profit for the period	10,245	7,569	12,848	17,089
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	10,245	7,569	12,848	17,089
Profit attributable to: Owners of the Company	10,245	7,569	12,848	17,089
Total comprehensive income attributable to: Owners of the Company	10,245	7,569	12,848	17,089
Earnings per share (sen)				
- Basic	2.73	2.02	3.42	4.55
- 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 SEPTEMBER 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	-	-	12,848	12,848
Balance as at 30 September 2024	187,804	516	218,736	407,056
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	187,804	-	211,043	398,847

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 SEPTEMBER 2024**  
(The figures have not been audited)

	30 SEP 2024 RM'000	30 SEP 2023 RM'000
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Receipts from customers	53,330	49,021
Payments to suppliers and employees	<u>(54,350)</u>	<u>(24,479)</u>
Cash (Used In) From Operations	(1,020)	24,542
Finance costs paid	(1,878)	(1,866)
Income taxes paid	(3,833)	(3,557)
Income taxes refunded	<u>254</u>	<u>814</u>
Net Cash (Used In) From Working Capital	(6,477)	19,933
Additions to land held for property development	<u>(7,395)</u>	<u>(5,838)</u>
Net Cash (Used In) From Operating Activities	<u>(13,872)</u>	<u>14,095</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Other investments	126	60
Proceeds from disposal of property, plant and equipment	125	1
Proceeds from disposal of investment property	4,800	-
Additions to property, plant and equipment	(138)	(65)
Additions to investment property	(80)	-
Acquisition of land	<u>(15,560)</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(10,727)</u>	<u>(4)</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	13,225	3,768
Repayment of bank borrowings	<u>(2,656)</u>	<u>(2,058)</u>
Net Cash From Financing Activities	<u>10,569</u>	<u>1,710</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(14,030)</b>	<b>15,801</b>
<b>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF PERIOD</b>	<b><u>39,676</u></b>	<b><u>22,270</u></b>
<b>CASH AND CASH EQUIVALENTS AS OF END OF PERIOD</b>	<b><u>25,646</u></b>	<b><u>38,071</u></b>
Cash and cash equivalents comprise of:		
Fixed deposits with licenced bank	1,366	1,337
Cash and bank balances	53,926	59,508
Bank overdraft	(28,280)	(21,437)
Less : Fixed deposits pledged to banks	<u>(1,366)</u>	<u>(1,337)</u>
	<u>25,646</u>	<u>38,071</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 THIRD QUARTER ENDED 30 SEPTEMBER 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
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

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

		<u>Effective Date</u>
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 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 September 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 September 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 September 2024 is as follows:

	Property development RM'000	Property management RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
External sales	35,780	6,395	1,412	-	43,587
Inter-segment income	77	196	2,161	(2,434)	-
<b>Total revenue</b>	<b>35,857</b>	<b>6,591</b>	<b>3,573</b>	<b>(2,434)</b>	<b>43,587</b>
<b>Results</b>					
Fair value gain on investment property	4,579	-	-	-	4,579
Gain on disposal of investment property	-	979	-	-	979
Investment revenue	171	45	1,012	(1,102)	126
Finance costs	1,532	197	188	(767)	1,150
Depreciation	339	107	428	(260)	614
Unallocated corporate expenses	-	-	257	(88)	169
<b>Profit before tax</b>	<b>12,074</b>	<b>4,801</b>	<b>1,894</b>	<b>(1,220)</b>	<b>17,549</b>
<b>Assets</b>					
Additions to property, plant and equipment	7	140	10	(19)	138
Additions to investment property	80	-	-	-	80
Segment assets	426,500	114,800	8,588	(21,115)	528,773
Unallocated corporate assets					105
<b>Consolidated assets</b>					<b>528,878</b>
<b>Liabilities</b>					
Segment liabilities	151,241	26,330	13,977	(69,902)	121,646
Unallocated liabilities					176
<b>Consolidated liabilities</b>					<b>121,822</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**

The Group had the following transactions during the financial period to date with a related party:

	<b>Period to Date 30.09.2024 RM'000</b>
<u>With a company in which certain directors have substantial interest</u>	
Disposal of investment property	<u>4,800</u>

The above transaction had been entered into in the normal course of business under commercial terms on willing buyer and willing seller basis that are not materially different from those obtainable in transactions with independent parties.

**B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA SECURITIES**

**B1. Review of the Performance**

	<b>Individual Quarter Current Year Quarter 30.09.2024 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.09.2023 RM'000</b>	<b>Change %</b>	<b>Cumulative Quarter Current Year To Date 30.09.2024 RM'000</b>	<b>Preceding Year Corresponding Period 30.09.2023 RM'000</b>	<b>Change %</b>
<b>Revenue</b>						
Property Development	21,541	22,195	(2.9)	35,780	61,498	(41.8)
Property Management	1,762	2,303	(23.5)	6,395	5,827	9.7
Others	554	494	12.1	1,412	1,105	27.8
	<u>23,857</u>	<u>24,992</u>		<u>43,587</u>	<u>68,430</u>	
<b>Profit (Loss) before tax</b>						
Property Development	11,789	9,160	28.7	13,467	19,941	(32.5)
Property Management	2,026	1,433	41.4	5,039	3,464	45.5
Others	(317)	(227)	39.6	(957)	(749)	27.8
	<u>13,498</u>	<u>10,366</u>		<u>17,549</u>	<u>22,656</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 of RM23.857 million and profit before tax of RM13.498 million respectively, representing a 4.5% drop in revenue and a 30.2% increase in profit before tax as compared to the previous year's corresponding quarter revenue and profit before tax of RM24.992 million and RM10.366 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 decrease of 2.9% in revenue to RM21.541 million compared to RM22.195 million previously. Nevertheless, the segment's profit before tax increased by 28.7% to RM11.789 million, from RM9.160 million previously. The increase was mainly due to the fair value gain arising from the transfer of the land held for property development to investment properties.

Property Management

The property management segment saw a drop of 23.5% in rental revenue to RM1.762 million from the previous corresponding quarter of RM2.303 million. Nevertheless, the segment's profit before tax increased by 41.4% to RM2.026 million mainly due to a gain on disposal of an investment property as compared to preceding year corresponding quarter of RM1.433 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 RM43.587 million and profit before tax of RM17.549 million, versus revenue of RM68.430 million and profit before tax of RM22.656 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 41.8% in revenue to RM35.780 million compared to RM61.498 million previously; whilst the segment's profit before tax decreased by 32.5% to RM13.467 million, from RM19.941 million previously.

Property Management

The property management segment saw an increase of 9.7% in rental revenue to RM6.395 million from the previous corresponding financial period of RM5.827 million; whilst the segment's profit before tax increased by 45.5% to RM5.039 million due to improved occupancy rate and a gain on disposal of an investment property, as compared to preceding year corresponding financial period of RM3.464 million.

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

	<b>Current Quarter 30.09.2024 RM'000</b>	<b>Immediate Preceding Quarter 30.06.2024 RM'000</b>	<b>Change %</b>
<b>Revenue</b>			
Property Development	21,541	7,485	187.8
Property Management	1,762	2,503	(29.6)
Others	554	484	14.5
	23,857	10,472	127.8
<b>Profit (Loss) before tax</b>			
Property Development	11,789	956	1133.2
Property Management	2,026	1,434	41.3
Others	(317)	(464)	31.7
	13,498	1,926	600.8

Compared to the preceding quarter's results ended 30 June 2024, the Group recorded 127.8% higher revenue to RM23.857 million from RM10.472 million; whilst the profit before tax surged by 600.8% to RM13.498 million, from RM1.926 million. The higher revenue and profit before tax were mainly due to the sales of completed industrial projects, the fair value gain arising from the transfer of the land held for property development to investment properties as well as a gain on disposal of investment property.

**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, sales 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 30.09.2024 RM'000</b>	<b>Period to Date 30.09.2024 RM'000</b>
Profit for the period is arrived at after crediting/(charging):-		
Interest income	19	126
Other income inclusive:		
Gain on disposal of investment property	979	979
Fair value gain on investment property	4,579	4,579
Interest expense	(407)	(1,150)
Depreciation and amortization	(200)	(614)
	(200)	(614)

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 30.09.2024 RM'000</b>	<b>Period to Date 30.09.2024 RM'000</b>
Income Tax		
- Current Year	(3,550)	(4,921)
Real Property Gain Tax	(349)	(349)
Deferred Tax		
- Current Year	646	569
	<u>(3,253)</u>	<u>(4,701)</u>
Profit Before Tax	13,498	17,549
Effective tax rate	24.1%	26.8%

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 30.09.2024 RM'000</b>	<b>As at 30.09.2023 RM'000</b>
<b>Short term -Secured</b>		
Hire-purchase payables	195	98
Term loans	4,851	3,312
Revolving credits	9,000	8,000
Bank overdrafts	39,861	36,565
	<u>53,907</u>	<u>47,975</u>
<b>Long term -Secured</b>		
Hire-purchase payables	371	305
Term loans	35,475	30,803
	<u>35,846</u>	<u>31,108</u>
<b>Total</b>	<u>89,753</u>	<u>79,083</u>

**B8. Borrowings (continued)**

All borrowings are denominated in Ringgit Malaysia.

As at 30 September 2024, the Group's borrowings increased by 13.5% to RM89.753 million as compared to RM79.083 million previously mainly due to increase in bank overdrafts, revolving credits and term loan 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. Proposed Dividend**

The Board of Directors has declared an interim single tier dividend of 0.50 sen per share, amounting to RM1,878,040 for the financial year ending 31 December 2024. The dividend is to be paid on 20 December 2024 to shareholders whose name appears in the Record of Depositors at the close of business on 10 December 2024.

**B11. Earnings Per Share**

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

	<b>Current Quarter 30.09.2024</b>	<b>Period to Date 30.09.2024</b>
Profit for the period	RM10,245,077	RM12,848,196
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)	2.73 sen	3.42 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.