39.6 Million writeback in the same period on inventories written down in previous years, thanks to higher selling prices.

- The Group's inventory level is expected to decline further, in line with the Group's target of a 50% reduction by the end of FY 2023.

4. **Cautious on overseas ventures**

- The Group remains cautious on overseas ventures, which currently account for only a small portion of the property segment's earnings. The company typically forms joint ventures ("JVs") to reduce the project risk of the ventures.

- Regulatory differences in overseas markets also pose execution and operational risks. The Group aims to reduce the inventories of its maiden London project (The Royal Mint Gardens), which was completed in late 2019, before embarking on any new project – 90% of the units were sold as at end-June 2022.

5A. **BORROWER FINANCIAL HIGHLIGHTS AND COMMENTARY**

KEY FINANCIAL INDICATORS – MURNI LAPISAN SDN BHD			
	Auditor: PWC		
	Financial Year Ended 31 March		
	FYE2020	FYE2021	FYE2022
RM'000	Audited	Audited	Audited
Revenue	193,493	73,960	44,784
EBITDA	(26,892)	30,621	5,434
Pre-Tax Profit / (Loss)	(36,974)	13,736	(10,408)
Net Profit	(30,396)	14,047	(18,062)
Paid Up Capital	1,000	1,000	1,000
Shareholders' Funds	(69,017)	(62,286)	(80,350)
Total Bank Borrowings	145,255	134,171	81,761
Cash and Bank Balances	388	5,414	4,147
Current Assets	1,224,030	1,182,111	1,163,076
Total Assets	1,247,973	1,208,616	1,182,793
Current Liabilities	282,008	172,461	156,590
Total Liabilities	1,316,990	1,270,902	1,263,144
Contingent Liabilities	-	-	-
Current Ratio (x)	4.34	6.85	7.43
Gearing Ratio (x)	-ve	-ve	-ve
Leverage Ratio (x)	-ve	-ve	-ve
Interest Cover (x)	-ve	1.91	0.28
EBITDA DSC (x)	-ve	0.32	0.10
Receivable days	162	548	885
Inventory days	220	787	528
Payable days	48	193	379
Net Cash After Operations*	19,899	31,777	26,926

*From Audited Accounts

Note: The Borrower contributed 4% to the Group Revenue (under IJM Land) as at FY 2022.

FY 2022

Profitability Analysis

- Lower Revenue recorded in FY 2022 amounting to RM 44.5 Million due to lower revenue from existing launches then with new launches being delayed given the pandemic i.e. Parcel 1 (Innwood Residence, 100% take up rate as at December 2021), Parcel 2 (Secoya Residence, 100% take up rate as at December 2021) and Parcel 7 (Suria Pantai, 100% take up rate as at December 2021).

- In tandem with the lower Revenue, the Borrower has reported a Pre-tax Loss of RM 10.4 Million also taking into account the higher operating costs. It is expected that their Revenue will increase further in the next financial years with new phases to be launched (Parcel 3 has started its construction at the time of writing) and hence, may report a profit.

Balance Sheet Analysis

- The Borrower has incurred lower borrowings to support the requirement of their current development of the project. Breakdown of borrowings is as follows:-

	FY 2021 (RM'Million)	FY 2022 (RM'Million)
Current		
TL	40.0	40.0
RC	23.1	10.3
Non-current		
TL	71.1	31.5
Total	**134.2**	**81.8**

Note:-

The TLs were rescheduled in August 2020 which entails the revision in principal repayment and extension of the maturity date of the TLs by a further 24 months to expire 30/12/2023. Based on the revised repayment schedule, the TLs will be fully paid by 30/12/2023.

- Despite the weak Gearing Ratio, WBC takes comfort that unbilled sales based on locked- in sales from Parcels 1 and 2 totalling RM 12.1 Million as at January 2023, ending cash balance of RM 4.1 Million and advances from corporate shareholders are more than sufficient to meet the remaining TL instalments (including PBB's TL) due totalling RM 41.8 Million and interest servicing totalling RM 6.0 Million (at 6% interest rate) on its RM 100.0 Million RCs. To note that that the corporate shareholders i.e. RB Land Sdn Bhd and IJML have injected around RM 983.9 Million in FY 2022 (with interest of around 5% and no fixed repayment term) (FY 2021: RM 899.1 Million) to the Borrower to support the Project.

- Although receivables days has lengthened to 885 days (FY 2021: 548 days) mainly due to the Project, this is largely from Amona Development Sdn Bhd, a joint venture partner of the Borrower in Amona-Murni Lapisan Joint Venture. The receivables are monitored on an on-going basis via the Borrower's management reporting procedures. This amount is not subjected to significant credit risk as this amount is recoverable from Housing Development Accounts on on-going property development projects, and receivables from property purchasers with end financing facilities from reputable financiers.

- Please refer below for full financial analysis on IJML by virtue of the Corporate Guarantee provided to support the facilities granted to the Borrower. Additionally, we can take comfort based on the letter of undertaking provided by IJML where IJML shall ensure that the Borrower is able to cover any cost overruns in relation to the Project and shortfall in meeting its financial obligation under the Facilities.