

6.37% over the previous financial year. The increase was in line with the increase of the Group's net earnings.

Return on Equity (ROE) for FYE2019 of 8.1% (FYE2018: 4.7%) is based on total equity of RM1,056.96 million (FYE2018: RM999.93 million).

Capital employed is the total amount of capital utilises to generate profits. **Return on Capital Employed (ROCE)** during FYE2019 improved to 10.5% from 7.7% registered in the previous year.

Liquidity and Capital Resources

Typically, over the course of a year, cash, short-term investments and short-term debt may fluctuate in order to manage the Group's

liquidity. The Group believes it has sufficient operating flexibility, cash flow, cash and short-term investment balances to meet future operating needs of the business as well as any scheduled payments of debt. The net gearing ratio of the Group as at 31 March 2019 remained low at 0.17 times.

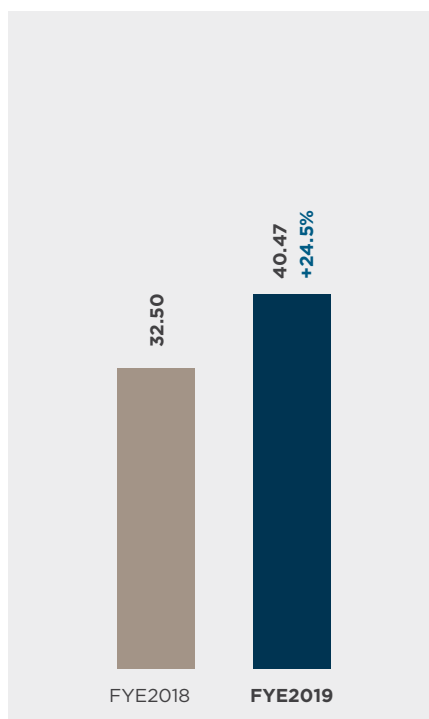
The Group's **Cash and Bank Balances** and **Short-Term Cash Investments** stood at RM290.32 million in total, 1.1% higher than the previous year.

Despite a reduction in revenue, the Group continue to generate strong cash flow. The **Net Cash Flow Generated from Operating Activities** recorded a surplus of RM52.78 million (FYE2018: deficit of RM7.52 million) resulting from operating profit of RM104.77

million offset by net changes in inventories balances and payment on taxation.

The Group's CAPEX of RM40.47 million (FYE2018: RM32.50 million) was incurred to meet ongoing CAPEX commitments during the year. Notably, Plantation division accounted for 70.6% of the Group's total CAPEX spend which was largely utilised towards plantation development works, new planting, construction of workers quarters and purchase/replacements of fixed assets. Sources of funds for CAPEX during the year were generated internally.

Group CAPEX (RM Million)



CAPEX Breakdown by Division (RM Million)

