



Management's Discussion and Analysis (cont'd)

Cash Flow

In FY2017, the Group generated higher net cash from operating activities of RM48.55 million as compared to RM32.69 million in the previous financial year, mainly due to higher sales volume and prices of oil palm products.

The net cash used in investing activities amounted to RM15.72 million in FY2017, primarily relating to the Group's capital expenditure requirements and deposit in short term investments.

The net cash used in financing activities in FY2017 amounted to RM34.07 million, primary relating to the repayment of bank borrowings.

Overall, the Group registered a decrease in cash and cash equivalents of RM1.40 million during the year, bringing total cash and cash equivalents to RM24.87 million as at 31 December 2017.

OPERATIONAL REVIEW

Plantation Operations

As at 31 December 2017, the Group's total plantation land stood at approximately 14,000 hectares, of which 82% or 11,413 hectares are planted with oil palms. From the total planted area, approximately 83% or 9,494 hectares are mature, while the remaining 17% or 1,919 hectares are immature. The Group recorded higher FFB production of 171,219 MT (2016 – 162,202 MT) due to recovery in yield after the end of the El-Nino dry spell which started two years ago. The average yield per hectare for the year was higher at 18.03 MT/hectare as compared to 17.03 MT/hectare in 2016.

For productivity improvement, the Group will enhance human capital development by providing comprehensive training to employees, and mechanisation of key processes in the estates, including harvesting, in-field collection and crop evacuation.

The age profile of the developed area is shown below:

Particulars	Hectare	%
0 – 3 years (Immature)	1,919	17
4 – 7 years (Young)	1,217	11
8 – 18 years (Prime)	5,085	44
> 19 years (Past Prime)	3,192	28
Total	11,413	100

Oil Palm Age Profile

