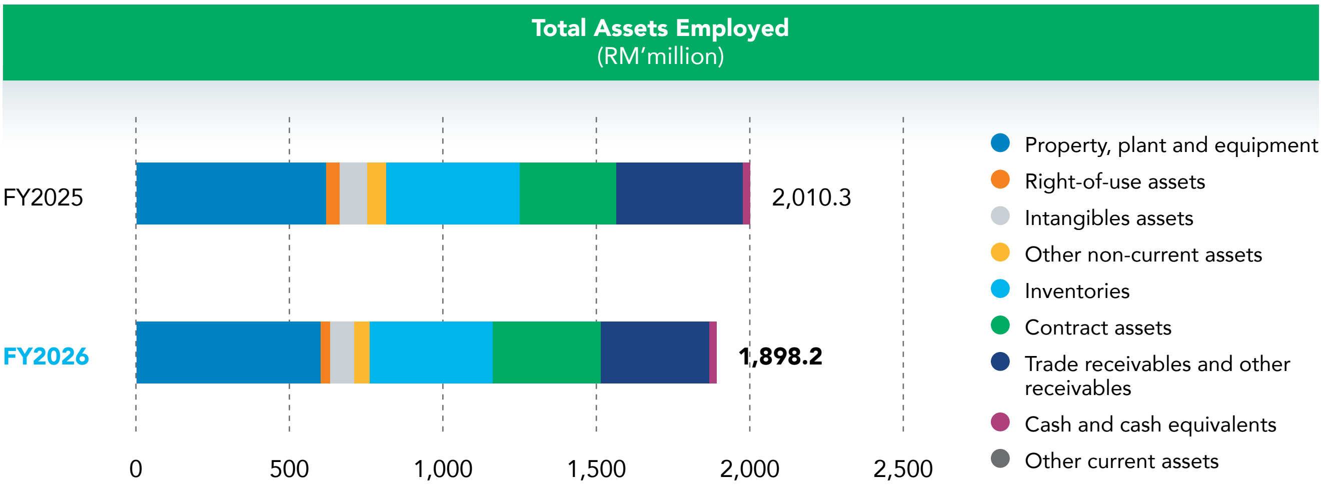
MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

FINANCIAL POSITION

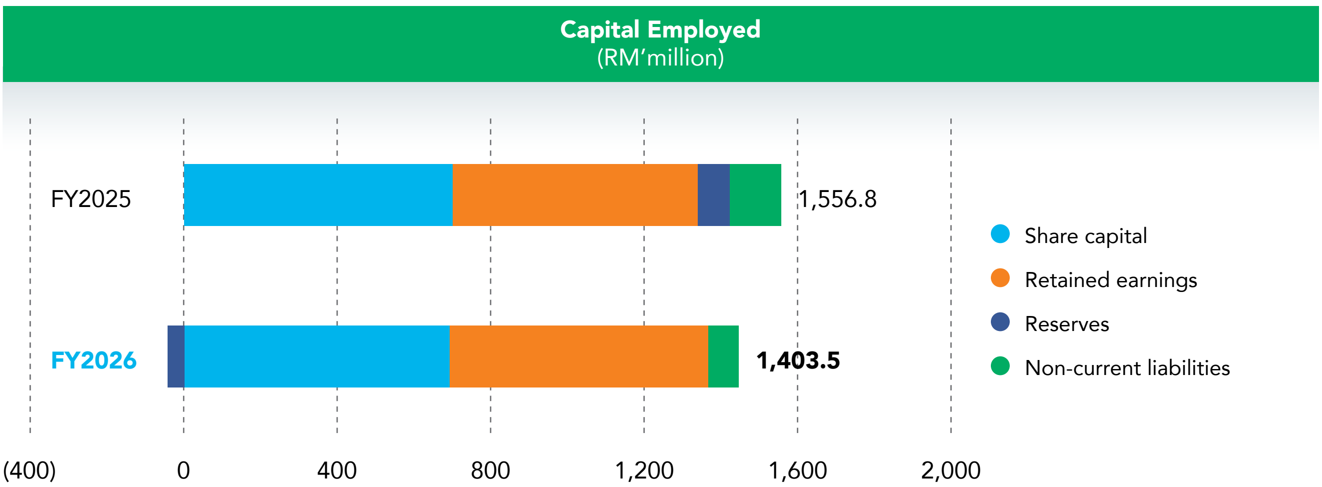
TOTAL ASSETS

As at 31 March 2026, the Group's total assets stood at RM1,898.2 million, representing a decrease of 5.6% from the preceding financial year. The decline was mainly attributable to the lower carrying value of USD-denominated assets following the weakening of the USD against the RM. This was partially offset by higher inventory in anticipation of stronger customer demand.



CAPITAL EMPLOYED AND SOURCE OF FUNDS

As at 31 March 2026, the Group's capital employed stood at RM1,403.5 million, a decrease of RM153.3 million from RM1,556.8 million as at 31 March 2025. The reduction was mainly due to lower translation reserves resulting from the weaker USD against the RM, as well as lower long-term borrowings following repayments made during the year. This was partially offset by higher retained earnings arising from the current year's profit.



CAPITAL EXPENDITURE

The Group invested RM103.1 million in FY2026 to support its long-term growth initiatives, primarily for the relocation of casing operations from Singapore to Thailand, as well as its ongoing expansion in Thailand.

BANKING FACILITIES

As at 31 March 2026, the Group had utilised RM280.4 million, representing 39.2% of available banking facilities.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

DEBT RATIO

Net Gearing and Interest Coverage Ratio

The Group's net gearing ratio stood at 0.19 times as at 31 March 2026 and interest coverage ratio remained healthy at 8.4 times.

Total borrowings increased to RM271.5 million as at 31 March 2026 (31 March 2025: RM253.0 million), mainly due to higher utilisation of banking facilities to finance the purchase of property, plant and equipment, as well as working capital requirements.

CASH FLOWS

Operating Activities

The Group generated net cash from operating activities of RM98.1 million in FY2026, compared with RM171.4 million in the preceding financial year. The decline was mainly attributable to lower PBT and higher working capital requirements.

(RM'million)	FY2025	FY2026
Operating activities before changes in working capital	226.9	**176.1**
Changes in working capital	(4.5)	**(50.1)**
Income tax paid	(51.0)	**(27.9)**
Net cash generated from Operating Activities	171.4	**98.1**

Investing Activities

Net cash used in investing activities amounted to RM102.7 million, mainly for the purchase of property, plant and equipment to support the relocation of casing operations from Singapore to Thailand, as well as the Group's ongoing expansion in Thailand.

Financing Activities

Net cash generated from financing activities was RM5.7 million, mainly due to net drawdown of bank borrowings amounting to RM45.1 million, offset by dividend payments of RM19.0 million and interest payments of RM14.8 million.

The Group ended the financial year with cash and cash equivalents of RM24.6 million, a decrease of RM3.4 million from the preceding financial year.