

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year under review other than those disclosed in the financial statements.

Issue of Shares and Debentures

During the financial year, the Company increased its issued and paid-up share capital from RM21,017,000 to RM67,714,000 by the issuance of the following ordinary shares of RM0.25 each:

- (a) Rights issue of 84,069,603 ordinary shares of RM0.25 each; and
- (b) 102,717,300 shares at an issue price of RM0.25 each pursuant to conversion of 102,717,300 redeemable convertible secured loan stocks (“RCSLS”) of RM0.25 each.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There were no issues of debentures during the financial year under review.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from issue of RCSLS and Employees’ Share Option Scheme (“ESOS”).

Redeemable Convertible Secured Loan Stocks

At an extraordinary general meeting held on 24 June 2011, the Company’s shareholders had approved the issuance of 102,717,300 units of 5 years 3.5% per annum RCSLS of RM25,679,325 nominal value of RCSLS at 100% of the nominal value of RM0.25 each.

On 5 December 2011, the Company made announcement to Bursa Malaysia Securities Berhad that 102,717,300 RCSLS had been fully converted into 102,717,300 new ordinary shares of RM0.25 each. The RCSLS had been removed from the official list of Bursa Malaysia Securities Berhad on 5 December 2011.

Warrants

The warrants 2003/2013 were constituted under the Deed Poll dated 1 August 2003. On 25 October 2011, an additional of 873,871 warrants were issued and allotted to the holders of the existing warrants which are not exercised prior to 26 September 2011 and the exercise price of the existing warrants 2003/2013 was revised downwards from RM1.00 to RM0.98. The additional warrants were listed and quoted simultaneously with the Rights Shares on 25 October 2011.

As at 31 July 2012, the total numbers of warrants that remain unexercised are 35,358,171 (2011: 34,484,300).

26. Profit/(Loss) before Taxation

Profit/(Loss) before taxation is derived after charging/(crediting):

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Auditors' remuneration				
- statutory				
- current year	98	70	30	21
- over provision in prior years	(69)	-	(21)	-
- other	6	30	6	30
Bad debts written off	1,377	1,156	-	786
Company's Directors				
- fee	104	96	104	96
- salaries and other emoluments	1,345	1,082	986	986
- EPF	160	130	118	118
- Benefits-in-kind	42	18	42	18
Deposits written off	2	37	-	-
Depreciation of property, plant and equipment	5,494	5,506	-	-
Incorporation fee	3	-	-	-
Impairment on property, plant and equipment	715	-	-	-
Impairment on amount owing by a subsidiary company	-	-	7,000	-
Impairment on investment in subsidiary companies	-	-	-	23
Impairment on trade receivables	461	158	-	-
Investment in subsidiary companies written off	-	-	-	2,045
Loss on disposal of treasury shares	-	29	-	29
(Gain)/Loss on disposal of property, plant and equipment	(177)	519	-	-
Other investments written off	-	5,500	-	5,500
Property, plant and equipment written off	1,504	-	-	-
Prepayment written off	-	1,175	-	-
Rental of land and premises paid/payable				
- a subsidiary companies	-	-	72	72
- Company's Director	526	526	-	-
- third parties	1,994	954	-	-
Restructuring expenses	433	966	433	966
Waiver of debts owing by a subsidiary company	-	-	3,624	-

31. Related Party Disclosures (Cont'd)

(c) Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Short-term employee benefits	2,729	1,989	1,301	1,104
Benefits-in-kind	42	18	42	18
	<u>2,771</u>	<u>2,007</u>	<u>1,343</u>	<u>1,122</u>

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any Director of the Company.

32. Segmental Information

The main business segments of the Group comprise the following:

Rubberwood furniture	Manufacture and trading of rubberwood furniture and component parts
Property development	Property development
Others	Investment holding and others

Performance is measured based on segment profit before taxation, interest and depreciation, as included in the internal management reports that are reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

Segment assets information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment assets.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment liability.