

MENTIGA CORPORATION BERHAD
(Company No. 10289-K)

Condensed Consolidated Statement Of Comprehensive Income
For the financial period ended 30 September 2011
(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30 September 2011 RM'000	Comparative quarter ended 30 September 2010 RM'000	Current year to date 30 September 2011 RM'000	Comparative year to date 30 September 2010 RM'000
(a) Revenue	5,022	2,517	14,894	4,901
(b) Cost of sales	(1,113)	(976)	(3,388)	(2,902)
(c) Gross profit	<u>3,909</u>	<u>1,541</u>	<u>11,506</u>	<u>1,999</u>
(d) Other income	12	776	468	1,339
(e) Administrative expenses	(1,445)	(1,966)	(6,944)	(5,644)
(f) Finance costs	(155)	(148)	(465)	(443)
(g) Profit/(loss) before Tax	<u>2,321</u>	<u>203</u>	<u>4,565</u>	<u>(2,749)</u>
(h) Income tax expenses	(267)	-	(803)	-
(i) Profit/(loss) for the period	<u>2,054</u>	<u>203</u>	<u>3,762</u>	<u>(2,749)</u>
(j) Other comprehensive income/(loss) net of tax	-	-	-	-
(k) Total comprehensive income / (loss) for the period	<u>2,054</u>	<u>203</u>	<u>3,762</u>	<u>(2,749)</u>
(l) Attributable to:				
Equity holders of the parent	2,054	211	3,762	(2,737)
Minority interest	-	(8)	-	(12)
	<u>2,054</u>	<u>203</u>	<u>3,762</u>	<u>(2,749)</u>
(m) Basic earning per share (based on weighted average 60,000,000 ordinary shares) (sen)	3.42	0.34	6.27	(4.58)
(n) Fully diluted	2.83	0.45	5.42	(2.96)

(The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Statements)

MENTIGA CORPORATION BERHAD
(Company No. 10289-K)

Condensed Consolidated Statement Of Financial Position (unaudited)
As at 30 September 2011

	UNAUDITED AS AT END OF CURRENT QUARTER 30 SEPTEMBER 2011 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31 DECEMBER 2010 RM'000
ASSETS		
1 Non-current assets		
Property, plant and equipment	93,232	91,021
	<u>93,232</u>	<u>91,021</u>
2 Current assets		
Inventories	192	286
Trade and other receivables	5,015	5,777
Cash and bank balances	5,826	8,594
	<u>11,033</u>	<u>14,657</u>
Land held for development	926	926
	<u>11,959</u>	<u>15,583</u>
3 Total assets	<u><u>105,191</u></u>	<u><u>106,604</u></u>
EQUITY		
4 Capital and reserves attributable to equity holders of the Company		
Share Capital	60,000	60,000
Revaluation and other reserves	51,847	51,847
Retained loss	(60,664)	(64,426)
Equity attributable to equity holders of the parent	51,183	47,421
Minority interest	157	157
Total equity	<u><u>51,340</u></u>	<u><u>47,578</u></u>
LIABILITIES		
5 Non current liabilities		
Deferred tax liabilities	16,903	16,903
Borrowings (interest bearing)	11,403	10,135
Redeemable Convertible Preference Shares	9,420	9,420
	<u>37,726</u>	<u>36,458</u>
6 Current liabilities		
Trade and other payables	16,125	22,568
	<u>16,125</u>	<u>22,568</u>
7 Total liabilities	<u>53,851</u>	<u>59,026</u>
8 Total equity and liabilities	<u><u>105,191</u></u>	<u><u>106,604</u></u>
9 Net assets per share (RM)	0.86	0.79

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Statements)

MENTIGA CORPORATION BERHAD
(Company No. 10289-K)

Condensed Consolidated Statement Of Changes In Equity (unaudited)
As at 30 September 2011

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the parent

Group	Share Capital RM'000	Share options Reserves RM'000	Revaluation Reserves RM'000	Other Reserves RM'000	Accumulated Loss RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 31 December 2009	60,000	5,293	41,653	-	(56,128)	50,818	177	50,995
Transfer from deferred tax liability	-	-	4,321	-	-	4,321	-	4,321
Equity component of Redeemable Convertible Preference Shares	-	-	-	580	-	580	-	580
Dividend paid for the year ended 31 December 2009	-	-	-	-	(900)	(900)	-	(900)
Total comprehensive loss for the period	-	-	-	-	(7,398)	(7,398)	(20)	(7,418)
Balance as at 31 December 2010	<u>60,000</u>	<u>5,293</u>	<u>45,974</u>	<u>580</u>	<u>(64,426)</u>	<u>47,421</u>	<u>157</u>	<u>47,578</u>
At 31 December 2010	60,000	5,293	45,974	580	(64,426)	47,421	157	47,578
Transfer from deferred tax liability	-	-	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	3,762	3,762	-	3,762
Balance as at 30 September 2011	<u>60,000</u>	<u>5,293</u>	<u>45,974</u>	<u>580</u>	<u>(60,664)</u>	<u>51,183</u>	<u>157</u>	<u>51,340</u>

(The Condensed Consolidated Statements Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Statements)

MENTIGA CORPORATION BERHAD
(Company No. 10289-K)

Condensed Consolidated Statement Of Cash Flows
For the financial period ended 30 September 2011
(These figures have not been audited)

	Current year to date 30 September 2011 RM'000	Comparative year to date 30 September 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the year attributable to equity holders of Company	3,762	(2,749)
Adjustments for :		
Property, plant and equipment - depreciation	1,576	1,829
Interest expense	465	443
Provision for retirement benefit	-	334
	<u>5,803</u>	<u>(143)</u>
Changes in working capital		
-inventories	94	422
-receivables, deposits and prepayment	762	7,401
-payables	(6,908)	(5,425)
Cash flow from operations	<u>(249)</u>	<u>2,255</u>
Dividend paid	-	(900)
Retirement benefits paid	-	(649)
Net cash flow (used in) / from operating activities	<u>(249)</u>	<u>706</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment - additions	(3,787)	(5,126)
Net cash flow (used in) / from investing activities	<u>(3,787)</u>	<u>(5,126)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from borrowings	1,268	1,329
Net cash flow (used in) / from financing activities	<u>1,268</u>	<u>1,329</u>
Net (decrease)/increase in Cash & Cash Equivalents	(2,768)	(3,091)
Cash & Cash Equivalents as at 1 January	8,594	8,206
Cash & Cash Equivalents at end of period	<u>5,826</u>	<u>5,115</u>

(The Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Statements)

MENTIGA CORPORATION BERHAD
(Company No. 10289-K)
Selected Explanatory Notes On Quarterly Financial Report
For Third Quarter Ended 30 September 2011

A. Explanatory Notes Pursuant to FRS 134

A1 Basis of Preparation

The financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the unaudited financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

A2 Changes in Accounting Policies

The accounting policies, methods of computation and basis of consolidation adopted by the Group in this unaudited financial report are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2010.

A3 Auditors' Report on the Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

A4 Seasonal or Cyclical Factors

The businesses of the group are in oil palm development, timber related activities and mining. The group businesses are subjected to seasonal or cyclical factors.

A5 Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period.

A6 Material Changes in Estimated of Amounts

There were no material changes in estimates, which would materially affect the results of the current unaudited financial period.

A7 Changes in Debt and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities during the unaudited financial period.

A8 Dividend Paid

There were no dividends paid or declared during the financial period.

A9 Segmental Information

The Group is organised into three main business segments:

Manufacturing	-	timber extraction, manufacturing and trading in timber products
Plantation	-	Oil palm plantation
Mining	-	Sales of iron ore

Period ended 30 September 2011	Manufacturing	Plantation	Mining	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	6,108	4,886	3,900	-	14,894
Results					
Segment results (external)	802	929	3,492	(193)	5,030
Finance cost					(465)
Profit from ordinary activities before tax					4,565
Tax expenses					(803)
Profit for the year					3,762

Period ended 30 September 2010	Manufacturing	Plantation	Mining	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	-	3,101	1,800	-	4,901
Results					
Segment results (external)	(3,350)	(292)	1,485	(149)	(2,306)
Finance cost					(443)
Loss from ordinary activities before tax					(2,749)
Tax expenses					-
Loss for the year					(2,749)

A10 Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the audited financial statements for the year ended 31 December 2010.

A11 Subsequent Events

Other than the matter mentioned in note B8 below relating to proposed surrender of Pekan land, there were no material events subsequent to the end of the current quarter financial period ended 30 September 2011 up to the date of this report that have been reflect in the interim financial statements.

A12 Changes in the Composition of the Group

There were no changes in composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A13 Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual financial position as at 31 December 2010.

A14 Capital Commitments

The amount of commitments for the development cost for new area at Sungai Lembing Estate not provided for in the financial statements as at 30 September 2011 is as follows:

Approved and contracted for

RM
4,510,058

B. Bursa Malaysia listing requirements (part A of Appendix 9B)

B1 Review of Performance

The revenue for the financial period ended 30 September 2011 was higher at RM14.89 million compared to RM4.90 million for the corresponding period last year. The increase in revenue for the financial period was due to increase in sales of exclusive logging works and fellable timber, sale of fresh fruit bunches and sales of iron ore.

The Group recorded RM4.56 million profits before tax for the financial period ended 30 September 2011 as compared to RM2.75 million losses for the corresponding period last year. The higher profit during the financial period was due to increase in sale of exclusive logging works and fellable timber, sale of fresh fruit bunches and sales of iron ore.

B2 Material Changes in the Quarterly Results

For the quarter under review, the Group made RM2.32 million profits before tax compared to RM2.29 million losses for the previous quarter. The substantial increase of profits during the quarter was due to sales of exclusive logging works and fellable timber and sales of iron ore.

B3 Current Year Prospects

The Company expects continuous contribution from the plantation sector to the overall performance of the Company. The annual timber concession quota granted by the State Government will improve the company's earnings for the current year. The Company ceased plywood manufacturing operation due to escalating cost. The Company also expects revenue from mining activities in iron ore to contribute positively the group's earnings.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group will record favorable performance for the financial year ending 31 December 2011.

B4 Variance from Profit Forecast/Profit Guarantee

Not applicable in this quarterly report.

B5 Taxation

	3 months ended		12 months ended	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	267	-	803	-
Deferred tax	-	-	-	-
Total income tax expense	<u>267</u>	<u>-</u>	<u>803</u>	<u>-</u>

B6 Profit/Loss on sale of investments and / or properties

There were no profits or losses on sales of investments and / or properties for the current financial period.

B7 Particulars of purchase or disposal quoted securities

There was no purchase or disposal of quoted securities of the group for the financial period.

B8 Status of the Corporate Proposals

The corporate proposals were announced but not completed at the date of this report are as follows:

On 26 August 2011, the Company made an announcement that the State Government of Pahang has vide its letter dated 22 August 2011 (ref no. SUK.PHG/UPEN.002(s)/7.243JLD.2(37)), which was received on 24 August 2011, approved the following in relation to the Proposed Surrender of Pekan Land (“Approval Letter”):

- (a) Subject to the Mentiga shareholders’ approval at an Extraordinary General Meeting (“EGM”) to be convened later, the State Government of Pahang is agreeable to the proposed surrender of two (2) parcels of Land owned by Mentiga identified as HS(D) 145 PT 1449 and HS(D) 3364 PT2204 located at Mukim Langgar, District of Pekan, Pahang Darul Makmur (“Pekan Land”) to the State Government of Pahang, in accordance with Section 197 of the National Land Code. In consideration thereto, the State Government of Pahang will compensate Mentiga with the following four (4) parcels of land with an aggregate land size of 13,112.00 acres valued at not less than RM20.00 million for the development of oil palm estate (“Consideration Land”):
 - (i) Two (2) parcels of land with land area of 4,767.00 acres and 1,833.00 acres respectively located at Mukim Ulu Lepar, District of Kuantan, Pahang Darul Makmur valued at RM1,525.00 per acre;
 - (ii) One (1) parcel of land with land area of 3,881.00 acres located at Mukim Hulu Cheka, District of Jerantut, Pahang darul Makmur valued at RM1,525.00 per acre; and
 - (iii) One (1) parcel of land with land area of 2,631.00 acres located at Mukim Penor, District of Kuantan, Pahang Darul Makmur valued at RM1,525.00 per acre,(herein referred to as “Proposed Surrender of Pekan Land”)
- (b) Mentiga to convene an EGM to obtain shareholders’ approval in relation to the Proposed Surrender of Pekan Land expeditiously;
- (c) The Directors of Lands and Minerals of Pahang to remove and uplift the Malay Reserve restriction on the 3,881 acres land located in Hulu Cheka, District of Jerantut, Pahang Darul Makmur and the aforementioned status to be accorded on a replacement land to be identified later by the said Department; and
- (d) Mentiga to procure assistance from the Land Administration of the District of Jerantut to resolve the illegal development on the land located in Hulu Cheka, District of Jerantut, Pahang Darul Makmur.

Premised on the abovementioned decision, Mentiga is to undertake the following:

- (a) Mentiga to convene an EGM to obtain shareholders’ approval in relation to the Proposed Surrender of Pekan Land expeditiously;

B8 Status of the Corporate Proposals (con't)

(b) Subject to the EGM's decision, Mentiga is to:

- (i) Submit Form 12A Application for Surrender of Land to the Land Administrator of District of Pekan;
- (ii) Submit Form 1 Application for State Land to the relevant Land Administrator for the development of oil palm estate on the Consideration Land: and
- (iii) Apply officially to the Director of Lands and Minerals of Pahang to obtain approval for early access into the Consideration Land for survey and pre-development works.

On 30 September 2011, OSK Investment Bank Berhad had, on behalf of the Board of Directors of Mentiga, announced the details of the Proposed Surrender of Pekan Land to Bursa Malaysia Securities Berhad

B9 Group Borrowings

As at 30 September 2011, the Group borrowings are as follows:

	<u>30 September 2011</u> RM'000	<u>30 September 2010</u> RM'000
Borrowings:		
Term loan (secured)	11,403	10,135
	<u>11,403</u>	<u>10,135</u>

B10 Off Balance Sheet Financial Instruments

There is no financial instrument with off-balance sheet risk as at the date of this report.

B11 Material Litigation

The list of material litigation is attached as Annexure 1

B12 Dividend Payable

No interim dividend has been recommended for the current financial to date.

B13 Earnings per share

	Current quarter ended <u>30 September 2011</u>	Comparative quarter ended <u>30 September 2010</u>
<u>Basic earnings per share</u>		
Profit for the period (RM'000)	2,054	203
Number of shares in issue during the Period (RM'000)	60,000	60,000
Weighted average number of shares In issue (RM'000)	60,000	60,000
Basic earnings per share (sen)	3.42	0.34

	Current quarter ended <u>30 September 2011</u>	Comparative quarter ended <u>30 September 2010</u>
<u>Diluted earnings per share</u>		
Profit for the period (RM'000)	2,054	203
Add: RCPS interest	<u>155</u>	<u>148</u>
Profit for computation of diluted EPS	<u>2,209</u>	<u>351</u>
Weighted average number of shares In issue (RM'000)	60,000	60,000
Dilutive effect of conversion of Redeemable Convertible Preference Shares (RM'000)	10,000	10,000
Effect of conversion of ESOS at par value (RM'000)	7,969	7,969
Diluted earnings per share (sen)	2.83	0.45

B14 Realised and Unrealised Profit or Losses Disclosure

	Current quarter ended <u>30 September 2011</u>	Immediate quarter ended <u>31 December 2010</u>
Total accumulated losses of the Company and it's subsidiaries		
- Realised (RM'000)	(60,664)	(64,009)
- Unrealised in respect of deferred tax recognised in the comprehensive income (RM'000)	-	(417)
Total group accumulated losses as per consolidated accounts (RM'000)	<u>(60,664)</u>	<u>(64,426)</u>

On behalf of the Board
MENTIGA CORPORATION BERHAD

YEAP KOK LEONG
Company Secretary

Kuala Lumpur