MENTIGA CORPORATION BERHAD (Company No. 10289-K)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the first quarter and period ended 31 March 2018

(These figures have not been audited)

			INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Note	Current quarter ended 31 Mar 2018 RM'000	Comparative quarter ended 31 Mar 2017 RM'000	Current year to date 31 Mar 2018 RM'000	Comparative year to date 31 Mar 2017 RM'000
(a)	Revenue		1,129	1,587	1,129	1,587
(b)	Cost of sales		(1,042)	(966)	(1,042)	(966)
(c)	Gross profit	Parkin	87	621	87	621
(d)	Other income		7	302	7	302
(e)	Administrative expenses		(1,764)	(1,378)	(1,764)	(1,378)
(f)	Finance costs		(70)	(69)	(70)	(69)
(g)	Loss before tax		(1,740)	(524)	(1,740)	(524)
(h)	Income tax expenses		(1)	(15)	(1)	(15)
(i)	Loss for the period	_	(1,741)	(539)	(1,741)	(539)
(j)	Other comprehensive income		-	-	-	-
(k)	Total comprehensive loss for the period		(1,741)	(539)	(1,741)	(539)
(I)	Loss for the year attributable to:					
	Equity holders of the parent		(1,741)	(539)	(1,741)	(539)
	Non-controlling interest		(1,741)	(539)	(1,741)	(539)
(m)	Total comprehensive loss attributable to:					
	Equity holders of the parent		(1,741)	(539)	(1,741)	(539)
	Non-controlling interest	_	(1,741)	(539)	(1,741)	- (539)
(n)	Basic earning per share (based on weighted average 70,000,000 ordinary shares) (sen)	26	(2.49)	(0.77)	(2.49)	(0.77)

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements)

(Company No. 10289-K)

Condensed Consolidated Statement of Financial Position (unaudited) As at 31 March 2018

7.0		Unaudited As at end of Current Quarter 31 March 2018 RM'000	Audited As at preceeding Financial Year Ended 31 December 2017 RM'000
1	Non-current assets		
	Property, plant and equipment	174,119	173,464
	Associates	30	30
	Land held for development	2,637	2,637
		176,786	176,131
2	Current assets		
	Inventories	178	188
	Receivables, deposits and prepayments	3,748	6,025
	Tax recoverable	16	17
	Cash and bank balances	3,163	3,420
_	-	7,105	9,650
3	Total assets	183,891	185,781
4	EQUITY Capital and reserves attributable to equity holders of the Company Share Capital Revaluation and other reserves Accumulated losses Equity attributable to equity holders of the parent Minority interest Total equity	71,789 65,766 (6,381) 131,174 132 131,306	71,789 65,766 (4,640) 132,915 132 133,047
	LIABILITIES		
5	Non current liabilities		
	Deferred tax liabilities	19,512	19,512
	Borrowings (interest bearing)	18,152	18,490
		37,664	38,002
6	Current liabilities		
	Trade and other payables	12,750	12,769
	Bank overdraft	786	578
	Borrowings (interest bearing)	1,385	1,385
		14,921	14,732
7	Total liabilities	52,585	52,734
8	Total equity and liabilities	183,891	185,781
9	Net assets per share (RM)	1.83	1.85

(The Condensed Consolidated Statement of Financial Position should be read in conjuction with the Audited Financial Statements for the year ended 31 December 2017 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) For the period ended 31 March 2018

	Attributable to equity holders of the parent						
Group	Share Capital RM'000	Revaluation Reserves RM'000	Share Premium Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 31 December 2016	70,000	65,766	1,789	(5,478)	132,077	134	132,211
Other comprehensive income	-	-	-	-	-	-	-
Profit for the financial year	- ·	-	-	1,538	1,538	(2)	1,536
Total comprehensive income for the period	-	-	-	1,538	1,538	(2)	1,536
Transfer to Share Capital upon implementation Companies Act 2016	1,789	-	(1,789)	-	-	-	-
Dividend paid for the year ended 31 December 2016	-	-	-	- (700)	- (700)	-	- (700)
At 31 December 2017	71,789	65,766		(4,640)	132,915	132	133,047
At 31 December 2017	71,789	65,766	-	(4,640)	132,915	132	133,047
Other comprehensive income	-	-	-	-	-	-	-
Profit for the financial year	-	<u>-</u>	-	(1,741)	(1,741)	-	(1,741)
Total comprehensive loss for the period	-	-	-	(1,741)	(1,741)	-	(1,741)
At 31 March 2018	71,789	65,766		(6,381)	131,174	132	131,306

(The Condensed Consolidated Statements of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements)

(Company No. 10289-K)

Condensed Consolidated Statement of Cash Flows For the financial period ended 31 March 2018

(These figures have not been audited)	Cummulative Quarter			
,	Current year	Comparative year		
	to date	to date		
	31 March 2018	31 March 2017		
	RM'000	RM'000		
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year atrributable to equity holders of Company	(1,741)	(539)		
Adjustments for :				
Property, plant and equipment				
- depreciation	622	568		
Reversal of impairment loss on receivables	-	(294)		
Interest expense	70	69		
Tax expense/(credit)	1	15		
Operating profit before working capital changes Changes in working capital	(1,047)	(181)		
-inventories	10	(12)		
-receivables, deposits and prepayment	2,277	1,487		
-payables	(19)	(916)		
Cash flow from operations	1,221	378		
Interest paid	(70)	(69)		
Tax refund/(paid)	(1)	(15)		
Net cash flow generated from operating activities	1,150	294		
CASH FLOWS FROM INVESTING ACTIVITIES				
Property, plant and equipment				
- Acquisition	(91)	(39)		
- Plantation expenditure	(1,182)	(760)		
 Proceed from disposal of property, plant and equipment 	<u> </u>	44		
Net cash flow used in investing activities	(1,272)	(755)		
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	(329)	(137)		
Proceed from overdraft facility	786	451		
Repayment of overdraft facility	(583)	-		
Repayment of hire purchase creditors	(9)	(94)		
Net cash flow (used)/from in financing activities	(135)	220		
Net (decrease)/increase in Cash & Cash Equivalents	(258)	(241)		
Cash & Cash Equivalents as at 1 January	3,420	2,741		
Cash & Cash Equivalents at end of period	3,162	2,500		

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements)

(Company No. 10289-K)
Notes To The Condensed Consolidated Interim Financial Statements
For The Period Ended 31 March 2018

1 Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 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 2017. 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 2017.

2 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 2017 except for the adoption of new Malaysian Financial Reporting Standards ("MFRS") that are effective for financial period beginning on or after 1 January 2018. The adoption of these new MFRSs does not have any material impact on the financial statements of the Group.

3 Auditors' Report on the Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

4 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.

5 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.

6 Material Changes in Estimated of Amounts Reported

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

7 Changes in Share Capital

There were no cancellations, repurchases, resale of equity securities for the current quarter.

8 Dividend Paid

No dividend was paid during the period.

9 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 2017.

(Company No. 10289-K)

Notes To The Condensed Consolidated Interim Financial Statements

For The Period Ended 31 March 2018

10 Subsequent Events

Other than the matter mentioned in note 22 below relating to proposed surrender of Pekan land, there were no material events subsequent to the end of the current quarter financial period ended 31 March 2018 up to the date of this report that have been reflected in the interim financial statements.

11 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.

12 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets since the last annual financial position as at 31 December 2017.

13 Capital Commitments

There were no capital commitments incurred by the company for the current financial period.

14 Segmental Information

The Group is organised into three main business segments:

Timber - Timber

Timber extraction, trading in related timber products and reforestation project

Products p

- Oil palm plantation

Mining - Extraction and exploration of mining ores

Period ended 31 March 2018	Timber Products	Plantation	Mining	Others	Group
Watch 2010	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	40	1,089	<u> </u>	<u> </u>	1,129
Results Segment results (external) Finance cost	(1,294)	(286)	(87)	(3)	(1,670) (70)
Loss from ordinary activities before tax Tax expense Loss for the financial year	-				(1,740) (1) (1,741)

(Company No. 10289-K) Notes To The Condensed Consolidated Interim Financial Statements For The Period Ended 31 March 2018

14 Segmental Information (con't)

Period ended 31 March 2017	Timber Products	Plantation	Mining	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales		1,587			1,587
Results Segment results (external) Finance cost	(676)	450	(181)	(48)	(455) (69)
Loss from ordinary activities before tax Tax expense Loss for the financial year					(524) (15) (539)

15 Review of Performance

	Year To Date			
	31.03.18 RM'000	31.03.17 RM'000	Change (%)	
Revenue	1,129	1,587	-28.9%	
Operating profit	87	621	-86.0%	
Loss before				
interest and tax	(1,669)	(455)	>100%	
Loss before tax	(1,740)	(524)	>100%	
Loss after tax	(1,741)	(539)	>100%	
Loss attributable to ordinary equity holders of				
the parents	(1,741)	(539)	>100%	

The Group's revenue for the financial period ended 31 March 2018 was lower at RM1.13 million compared to RM1.59 million recorded last year. The lower revenue compared to the previous year was due to lower sales of fresh fruit bunch ("FFB").

The Group recorded RM1.74 million loss before tax for the financial year ended 31 March 2018 as compared to RM0.54 million loss for the same period last year due to lower FFB price, production and margin.

(Company No. 10289-K)

Notes To The Condensed Consolidated Interim Financial Statements

For The Period Ended 31 March 2018

16 Material Changes in the Profit/(Loss) Before Taxation for the Quarter Compared to the Immediate Preceding Quarter

	Current Year Quarter 31.03.2018	Immediate Preceding Quarter 31.12.2017	Changes
	RM'000	RM'000	(%)
Revenue	1,129	7,350	-84.64%
Operating profit	87	6,152	-98.58%
Profit/(Loss) before interest and tax	(1,669)	3,452	>100%
Profit /(Loss) before tax	(1,740)	3,388	>100%
Profit/(Loss) after tax	(1,741)	3,782	>100%
Profit/(Loss) attributable to ordinary			
equity holders of the parents	(1,741)	3,784	>100%

For the quarter under review, the Group reported RM1.74 million loss before tax compared to RM3.78 million profit for the previous quarter. The significant profit during the previous quarter was due to sales of timber extraction, trading in timber related products and reforestation project.

17 Taxation

	3 months 31 Ma		12 months ended 31 March	
	2018	2017	2018	2017
Current tax:	RM'000	RM'000	RM'000	RM'000
- Malaysian income tax	1	15	1	15
Total tax expenses	1	15	1	15

18 Prospects

For the current year, the Company expects revenue from palm oil will continue to contribute to 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 2018.

19 Variance from Profit Forecast/Profit Guarantee

Not applicable in this quarterly report.

20 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.

21 Particulars of Purchase or Disposal Quoted Securities

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

(Company No. 10289-K) Notes To The Condensed Consolidated Interim Financial Statements For The Period Ended 31 March 2018

22 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.

(Company No. 10289-K)
Notes To The Condensed Consolidated Interim Financial Statements
For The Period Ended 31 March 2018

22 Status of the Corporate Proposals (con't)

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;
- (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.

The proposed Surrender of Pekan Land had been approved in the Company's Extraordinary General Meeting held on 15 December 2011.

On 26 June 2012, OSK Investment Bank Berhad had, on behalf of the Board of Directors of Mentiga, announced that all relevant applications in relation to the alienation of the Consideration Land has been submitted to the relevant authorities and are currently pending the approval for the alienation of the Consideration Land in favour of Mentiga by the Director of Land and Minerals of Pahang. Following thereto, the Proposed Surrender of Pekan Land is expected to be completed by the fourth quarter of calendar year 2012 as opposed to the second quarter of calendar year 2012 as disclosed in the Circular.

On 31 December 2012, OSK Investment Bank Berhad had, on behalf of the Board of Directors of Mentiga, announce that as the date of this announcement, some of the requisite approvals for the alienation of the Consideration Land in favour of Mentiga by the Director of Land and Minerals of Pahang are still pending. Following thereto, the Proposed Surrender of Pekan Land is expected to completed by the second quarter of calendar year 2013 as opposed to the fourth quarter of calendar year 2012 which was announced on 26 June 2012.

(Company No. 10289-K) Notes To The Condensed Consolidated Interim Financial Statements For The Period Ended 31 March 2018

22 Status of the Corporate Proposals (con't)

On 28 June 2013, on behalf of the Board of Directors of Mentiga ("Board"), RHB Investment Bank Berhad ("RHBIB") wishes to announce that as at the date of this announcement, some of the requisite approvals for the alienation of the Consideration Land in favour of Mentiga by the Director of Land and Minerals of Pahang are still pending. Following thereto, the Proposed Surrender of Pekan Land is expected to be completed by the fourth quarter of calendar year 2013 as opposed to the second quarter of calendar year 2013 which was announced on 31 December 2012.

On 27 December 2013, on behalf of the Board of Directors of Mentiga ("Board"), RHB Investment Bank Berhad ("RHBIB") wishes to announce that as at the date of this announcement, some of the requisite approvals for the alienation of the Consideration Land in favour of Mentiga by the Director of Land and Minerals of Pahang are still pending. Following thereto, the Proposed Surrender of Pekan Land is expected to be completed by the fourth quarter of calendar year 2014 as opposed to the fourth quarter of calendar year 2013 which was announced on 28 June 2013.

On 31 December 2014, On behalf of the Board of Directors of Mentiga, RHB Investment Bank Berhad wishes to announce that as at the date of this announcement, some of the requisite approvals for the alienation of the Consideration Land in favour of Mentiga by the Director of Land and Minerals of Pahang are still pending. Following thereto, the Proposed Surrender of Pekan Land is expected to be completed by fourth quarter of calendar year 2015 as opposed to the fourth quarter of calendar year 2014 which was announced on 27 December 2013.

On 30 December 2015, the Board of Directors of Mentiga Corporation Berhad ("Mentiga" or "the Company") wishes to announce that as at the date of this announcement, some of the requisite approvals for the alienation of the Consideration Land in favour of Mentiga by the Director of Land and Minerals of Pahang are still pending. Following thereto, the Proposed Surrender of Pekan Land is expected to be completed by second quarter of calendar year 2016 as opposed to the fourth quarter of calendar year 2015 which was announced on 31 December 2014.

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(Company No. 10289-K)
Notes To The Condensed Consolidated Interim Financial Statements
For The Period Ended 31 March 2018

22 Status of the Corporate Proposals (con't)

On 28 December 2017, the Board of Directors of Mentiga Corporation Berhad ("Mentiga" or "the Company") wishes to announce that as at the date of this announcement, some of the requisite approvals for the alienation of the Consideration Land in favour of Mentiga by the Director of Land and Minerals of Pahang are still pending. Following thereto, the Proposed Surrender of Pekan Land is expected to be completed by fourth quarter of calendar year 2018 as opposed to the fourth quarter of calendar year 2017 which was announced on 30 December 2016.

23 Group Borrowings

As at 31 March 2018, the Group borrowings are as follows:

	Long term	As at 31.3.2018 Short term	Total borrowings
Secured	RM'000	RM'000	RM'000
Term Loan	18,087	1,350	19,437
Hire Purchase	65	35_	100
Total	18,152	1,385	19,537
Bank Overdraft	_	786_	786_
Grand Total	18,152	2,171	20,323
	Long term	As at 31.3.2017 Short term	Total borrowings
Secured	RM'000	RM'000	RM'000
Term Loan	19,672	1,250	20,922
Hire Purchase	90	47	137
Total	19,762	1,297	21,059
Bank Overdraft	-	451	451
Grand Total	19,762	1,748	21,510

24 Material Litigation

There is no material litigation for the current financial period to date.

25 Dividend Payable

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

(Company No. 10289-K) Notes To The Condensed Consolidated Interim Financial Statements For The Period Ended 31 March 2018

26 Earnings Per Share

Daois samings you share	Individual 3 months 31.03. 2018	ended	Comparativ 12 month <u>31.03. 2018</u>		
Basic earnings per share Loss for the period (RM'000) Number of shares in issue	(1,741)	(539)	(1,741)	(539)	
during the period (RM'000)	70,000	70,000	70,000	70,000	
Weighted average number of shares in issues (RM'000)	70,000	70,000	70,000	70,000	
Basic earnings per share (sen)	(2.49)	(0.77)	(2.49)	(0.77)	
Realised and Unrealised Profit or Losses Disclosure					
			As at	As at	

27 F

	As at <u>31 March</u> <u>2018</u>	As at <u>31 March</u> <u>2017</u>
Total accumulated losses of the Company and it's subsidiaries		
-Realised (RM'000)	1,030	25
-Unrealised (RM'000)	(19,512)	(19,899)
	(20,542)	(19,874)
Consolidation adjustments	14,161	13,857
Total group accumulated losses as per consolidated accounts (RM'000)	(6,381)	(6,017)

28 Authorisation for Issue of Report

The unaudited interim financial statements were authorised for issue on 28 May 2018 by the Board of Directors.

On behalf of the Board **MENTIGA CORPORATION BERHAD**

YEAP KOK LEONG **Company Secretary** Kuala Lumpur