MENTIGA CORPORATION BERHAD (Company No. 10289-K)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the second quarter and period ended 30 June 2019 (These figures have not been audited)

		INDIVIDUAL Q	UARTER	CUMULATIVE Q	UARTER
	Note	Current quarter ended 30 June 2019 RM'000	Comparative quarter ended 30 June 2018 RM'000	Current year to date 30 June 2019 RM'000	Comparative year to date 30 June 2018 RM'000
(a)	Revenue	1,062	6,413	2,262	7,542
(b)	Cost of sales	(1,140)	(1,146)	(2,217)	(2,188)
(c)	Gross profit	(78)	5,267	45	5,354
(d)	Other income	10	312	18	319
(e)	Net gain arising from changes in fair value of biological assets	113	(4)	495	1,333
(f)	Administrative expenses	(1,633)	(2,602)	(3,766)	(4,366)
(g)	Finance costs	(67)	(72)	(137)	(142)
(h)	Share of loss of associates	19	3		3
(i)	Profit/(Loss) before tax	(1,655)	2,904	(3,345)	2,501
(j)	Income tax expenses	(2)	(2)	(2)	(3)
(k)	Profit/(Loss) for the period	(1,657)	2,902	(3,347)	2,498
(I)	Other comprehensive income	3 4	×	*	35
(m)	Total comprehensive income/(loss) for the period	(1,657)	2,902	(3,347)	2,498
(n)	Profit/(Loss) for the year attributable to:				
	Equity holders of the parent	(1,657)	2,902	(3,347)	2,498
	Non-controlling interest	(1,657)	2,902	(3,347)	2,498
(0)	Total comprehensive income/(loss) attributable to:				
	Equity holders of the parent	(1,657)	2,902	(3,347)	2,498
	Non-controlling interest	(1,657)	2,902	(3,347)	2,498
(p)	Basic earning per share (based on weighted average 70,000,000 ordinary shares) (sen)	(2.37)	4,15	(4.78)	3.57

(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 2018 and the accompanying explanatory notes attached to the Interim Financial Statements)

(Company No. 10289-K)

Condensed Consolidated Statement of Financial Position (unaudited) As at 30 June 2019

As	at 30 June 2019	Described	Ward Mark
		Unaudited	Audited
		As at end of	As at preceeding
		Current Quarter	Financial Year Ended
		30 June 2019	31 December 2018
		RM'000	RM'000
1	Non-current assets		
	Property, plant and equipment	184,253	181,584
	Associates	30	30
	Land held for development	2,637	2,637
		186,920	184,251
2	Current Assets		
	Inventories	548	248
	Biological assets	1,633	1,138
	Receivables, deposits and prepayments	1,049	4,758
	Tax recoverable	10	7
	Cash and bank balances	3,510 6,750	2,581 8,732
3	Total assets	193,670	192,983
	FOURTY		
4	EQUITY Capital and reserves attributable to equity holders		
	of the Company		
	Share Capital	71,789	71,789
	Revaluation and other reserves	65,766	65,766
	Accumulated (loss)/profit	(3,200)	147_
	Equity attributable to equity holders of the parent	134,355	137,702
	Minority interest	(5)	(5)
	Total equity	134,350	137,697
	LIABILITIES		
5	Non current liabilities		
	Deferred tax liabilities	19,015	19,015
	Borrowings (interest bearing)	18,485	16,104
		37,500	35,119
6	Current Liabilities		
	Trade and other payables	18,249	17,043
	Bank overdraft	828	831
	Borrowings (interest bearing)	2,743	2,293
	Dorrowings (interest bearing)	21,820	20,167
7	Total liabilities	59,320	55,286
8	Total equity and liabilities	193,670	192,983
	12 350 at arose	40000	
9	Net assets per share (RM)	1.87	1.92

(The Condensed Consolidated Statement of Financial Position should be read in conjuction with the Audited Financial Statements for the year ended 31 December 2018 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 30 June 2019

	Attrib					
Group	Share Capital RM'000	Revaluation Reserves RM'000	Accumulated Profit/(losses) RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 January 2018 (Restated)	71,789	65,766	(2,375)	135,180	132	135,312
Other comprehensive income					141	- 2
Profit for the financial year		*	2,498	2,498		2,498
Total comprehensive profit for the period	15 5 3	= #3	2,498	2,498	П	2,498
At 30 June 2018	71,789	65,766	123	137,678	132	137,810
At 1 January 2019	71,789	65,766	147	137,702	(5)	137,697
Other comprehensive income			·*	-		
Loss for the financial year		70	(3,347)	(3,347)		(3,347)
Total comprehensive loss for the period	(4)		(3,347)	(3,347)	-	(3,347)
At 30 June 2019	71,789	65,766	(3,200)	134,355	(5)	134,350

(The Condensed Consolidated Statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 June 2019

For the financial period ended 30 June 2019	C	
(These figures have not been audited)	Cummulativ	700 P
	Current year	Comparative year to date
	to date	
	30 June 2019	30 June 2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit for the year attributable to equity holders of Company	(3,347)	2,498
Adjustments for :		
Property, plant and equipment		
- depreciation	1,201	1,186
Fair value movement in biological asset	(495)	(1,333)
Interest expense	70	142
Tax expense	(3)	3
Operating (loss)/profit before working capital changes Changes in working capital	(2,574)	2,496
-inventories	(300)	(284)
-receivables, deposits and prepayment	3,709	901
-payables	1,207	(215)
Cash flow from operations	2,042	2,898
Interest paid	(70)	(142)
Tax refund	(3)	(3)
Net cash flow from operating activities	1,969	2,753
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Acquisition	(234)	(91)
- Plantation expenditure	(3,636)	(3,174)
Net cash flow used in investing activities	(3,870)	(3,265)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,174)	(664)
Proceed from term loan	4,026	
Proceed from overdraft facility	-	23
Repayment of overdraft facility	(1)	
Repayment of hire purchase creditors	(21)	(19)
Net cash flow from/(used in) financing activities	2,830	(660)
Net (decrease)/increase in Cash & Cash Equivalents	929	(1,172)
Cash & Cash Equivalents as at 1 January	2,581	3,420
Cash & Cash Equivalents at end of period	3,510	2,248

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 30 June 2019

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 2018. 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 2018.

2 Changes in Accounting Policies

The accounting policies applied in this interim financial report is the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

3 Auditors' Report on the Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2018 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.

(Company No. 10289-K)

Notes To The Condensed Consolidated Interim Financial Statements

For The Period Ended 30 June 2019

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 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 30 June 2019 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 2018.

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 extraction, trading in related timber products and reforestation project

Plantation - Oil palm plantation

Mining - Extraction and exploration of mining ores

Period ended 30 June 2019	Timber Products RM'000	Plantation RM'000	Mining RM'000	Others RM'000	Group RM'000
Revenue		0.400	400		0.000
External sales		2,136	126	-	2,262
Results Segment results (external) Finance cost	(3,108)	(131)	38	(7)	(3,208) (137)
Loss from ordinary activities before tax Tax expense					(3,345)
Loss for the financial year					(3,347)

(Company No. 10289-K) Notes To The Condensed Consolidated Interim Financial Statements For The Period Ended 30 June 2019

14 Segmental Information (con't)

Period ended 30 June 2018	Timber Products RM'000	Plantation RM'000	Mining RM'000	Others RM'000	Group RM'000
Revenue					
External sales	5,006	2,536			7,542
Results					
Segment results (external)	1,769	(286)	(170)	(6)	1,307
Finance cost					(142)
Other gains-net					1,333
Share of results from associate					3
Profit from ordinary activities before tax					2,501
Tax expense					(3)
Profit for the financial year					2,498

15 Review of Performance

	Quarter			Yea	r To Date	
	30.06.19 RM'000	30.06.18 RM'000	Change (%)	30.06.19 RM'000	30.06.18 RM'000	Change (%)
Revenue	1,062	6,413	(83%)	2,262	7,542	(70%)
Operating profit	(78)	5,267	(>100%)	45	5,354	(99%)
(Loss)/Profit before interest and tax	(1,587)	2,976	(>100%)	(3,208)	2,643	(>100%)
(Loss)/Profit before tax	(1,655)	2,904	(>100%)	(3,345)	2,501	(>100%)
(Loss)/Profit after tax	(1,657)	2,902	(>100%)	(3,347)	2,498	(>100%)
(Loss)/Profit attributable to ordinary equity holders of the parents	(1,657)	2,902	(>100%)	(3,347)	2,498	(>100%)

The Group's revenue and operating profit for the financial period was lower compared to last year. The significant profit during the previous financial period was due to sales of timber extraction and trading in timber related products.

(Company No. 10289-K)

Notes To The Condensed Consolidated Interim Financial Statements

For The Period Ended 30 June 2019

16 Material Changes in the Loss Before Taxation for the Quarter Compared to the Immediate Preceding Quarter

	Current Year Quarter 30.06.2019 RM'000	Immediate Preceding Quarter 31.03.2019 RM'000	Changes
Revenue	1,062	1,200	(11.5%)
Operating (loss)/profit	(78)	123	(>100%)
Loss before interest and tax	(1,588)	(1,620)	(32%)
Loss before tax	(1,655)	(1,690)	(35%)
Loss after tax	(1,657)	(1,690)	(33%)
Loss attributable to ordinary equity holders of the parents	(1,657)	(1,690)	(33%)

For the quarter under review, the Group reported RM1.66 million loss before tax compared to RM1.69 million loss for the previous quarter.

17 Taxation

	Current quar 30 Ju		Year to date 30 Ju	
	2019	2018	2019	2018
Current tax:	RM'000	RM'000	RM'000	RM'000
- Malaysian income tax	2	2	2	3
Total tax expenses	2	2	2	3

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 2019.

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 30 June 2019

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 30 June 2019

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 30 June 2019

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.

On 30 June 2016, 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 2016 as opposed to the second quarter of calendar year 2016 which was announced on 30 December 2015.

On 30 December 2016, 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 2017 as opposed to the fourth quarter of calendar year 2016 which was announced on 30 June 2016.

(Company No. 10289-K) Notes To The Condensed Consolidated Interim Financial Statements For The Period Ended 30 June 2019

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.

On 3 January 2019, 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 2019 as opposed to the fourth quarter of calendar year 2018 which was announced on 28 December 2017.

23 Group Borrowings

As at 30 June 2019, the Group borrowings are as follows:

	Long term	As at 30.6.2019 Short term	Total borrowings
Secured	RM'000	RM'000	RM'000
Term Loan	18,436	2,697	21,133
Hire Purchase	49	46	95
Total	18,485	2,743	21,228
Bank Overdraft		828	828
Grand Total	18,485	3,571	22,056
		As at 30.6.2018	σ.
	Long term	Short term	Total borrowings
Secured	RM'000	RM'000	RM'000
Term Loan	17,756	1,346	19,102
Hire Purchase	108	32 -	140
Total	17,864	1,378	19,242
Bank Overdraft		809	809
Grand Total	17,864	2,187	20,051

(Company No. 10289-K) Notes To The Condensed Consolidated Interim Financial Statements For The Period Ended 30 June 2019

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.

26 Earnings Per Share

	Individua end		Year to da	te ended
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Basic earnings per share (Loss)/Profit for the period				
(RM'000)	(1,657)	2,902	(3,347)	2,498
Number of shares in issue				
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 (loss)/profit per share (sen)	(2.37)	4.15	(4.78)	3.57

27 Realised and Unrealised Profit or Losses Disclosure

	As at 30 June 2019	As at 30 June 2018
Total accumulated losses of the Company and it's subsidiaries		
-Realised (RM'000)	11,517	711
-Unrealised (RM'000)	(19,015)	(19,512)
	(7,498)	(18,801)
Consolidation adjustments	4,298	18,924
Total group accumulated losses as per consolidated accounts (RM'000)	(3,200)	123

(Company No. 10289-K) Notes To The Condensed Consolidated Interim Financial Statements For The Period Ended 30 June 2019

28 Authorisation for Issue of Report

The unaudited interim financial statements were authorised for issue on 29 August 2019 by the Board of Directors.

On behalf of the Board
MENTIGA CORPORATION BERHAD

YEAP KOK LEONG Company Secretary Kuala Lumpur