MENTIGA

MENTIGA CORPORATION BERHAD

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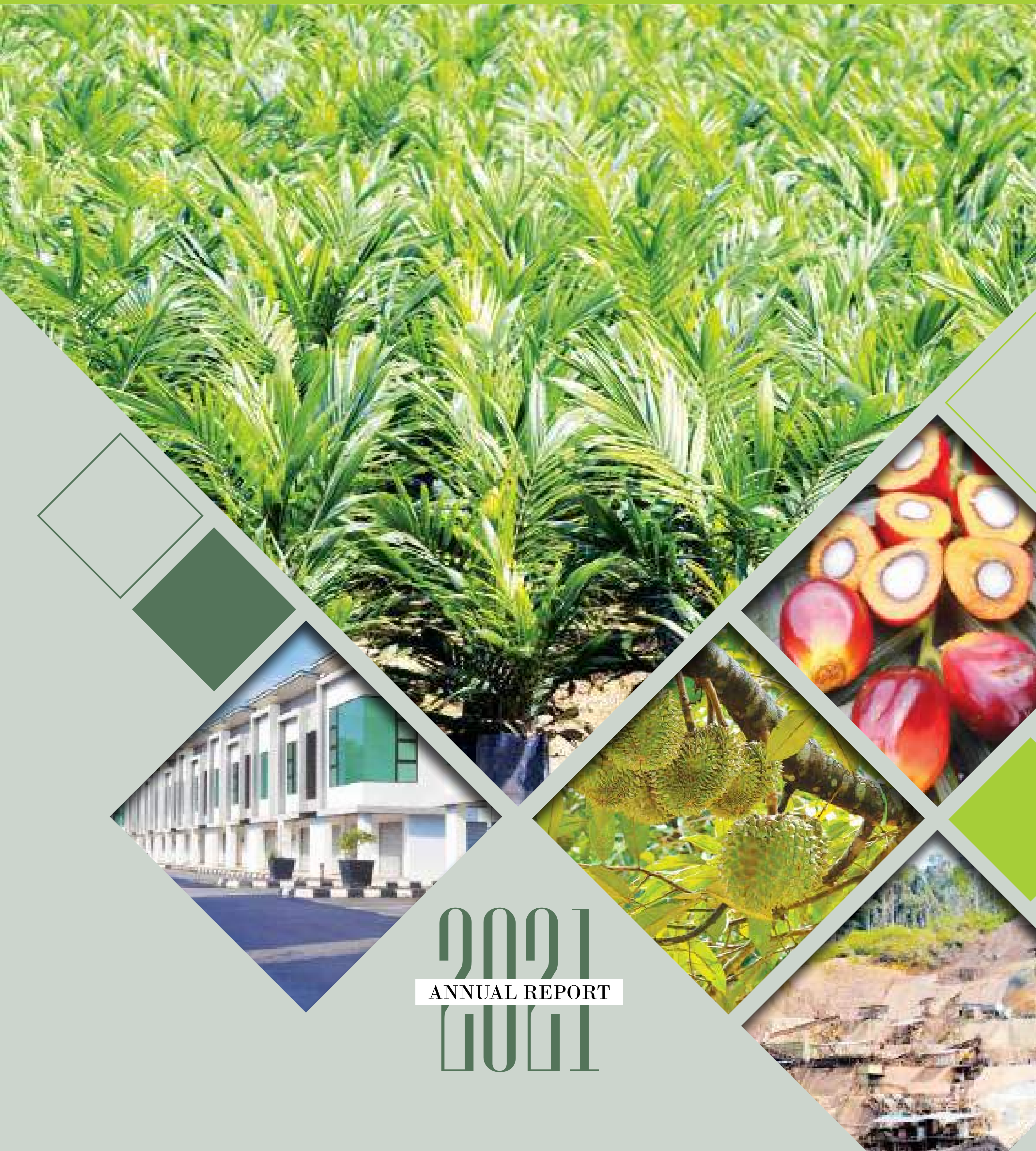
- ADAPTING WITH TIME -



2021 ANNUAL REPORT

About Us

The principal activities of the Company are investment holding, oil palm and durian plantation, timber extraction and trading in timber related products. The principal activities of the Group are oil palm and durian plantation, other agricultural activities, mining and general construction and developer.

The Company is a public company limited by shares, incorporated and domiciled in Malaysia, and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The holding company is Amanah Saham Pahang Berhad, which is wholly owned by the State Government of Pahang Darul Makmur.

Vision

We aspire to become a leading Mid-Cap company in the ASEAN Region.

Mission

Maximise our business potential in Plantation, Mining and Investment Holding by capitalising on our strengths.

Core Value

INTEGRITY

FOCUS

COMMITTED

TEAMWORK

What We Do

Contents

NOTICE IS HEREBY GIVEN that the Fifty-First Annual General Meeting ("51st AGM") of Mentiga Corporation Berhad ("the Company") will be conducted on a **fully virtual basis** by way of live streaming and online remote voting through the Remote Participation and Voting ("RPV") facilities via TIIH Online websites at https://tiih.online or http://tiih.com.my (Domain Registration No. with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on **Thursday, 9 June 2022** at **10.30 a.m.** for the following purposes:

AGENDA

ORDINARY BUSINESS

1. To receive the Statutory Financial Statements for the year ended 31 December 2021 and the Reports of the Directors and Auditors thereon.
   [Please refer to Explanatory Note a]

2. To re-elect the following Directors who retire in accordance with Clause 93 of the Company's Constitution:

   i. YH. Dato' Hazli Bin Ibrahim **(Ordinary Resolution 1)**
   ii. YH. Dato' Haji Mohd Nazari Bin Yunus **(Ordinary Resolution 2)**
   iii. Tuan Haji Yaacob Bin Sa'rani **(Ordinary Resolution 3)**
   [Please refer to Explanatory Note b]

3. To re-elect YH. Dato' Haji Hamdan Bin Salim who retires in accordance with Clause 98 of the Company's Constitution and being eligible, has offered himself for re-election. **(Ordinary Resolution 4)**
   [Please refer to Explanatory Note b]

4. To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**
   [Please refer to Explanatory Note c]

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

5. To approve the payment of Directors' fees to the following Directors for the financial period from 1 July 2022 to 30 June 2023:

   i. YB. Dato' Sri DiRaja Haji Adnan Bin Haji Yaakob: RM120,000 **(Ordinary Resolution 6)**
   ii. YH. Dato' Haji Muhammad Nasir Bin Puteh: RM48,000 **(Ordinary Resolution 7)**
   iii. YH. Dato' Bahudin Bin Mansor: RM72,000 **(Ordinary Resolution 8)**
   iv. YH. Dato' Hazli Bin Ibrahim: RM48,000 **(Ordinary Resolution 9)**
   v. YH. Dato' Haji Mohd Nazari Bin Yunus: RM48,000 **(Ordinary Resolution 10)**
   vi. Tuan Haji Yaacob Bin Sa'rani: RM48,000 **(Ordinary Resolution 11)**
   vii. YH.Dato' Haji Hamdan Bin Salim: RM48,000 **(Ordinary Resolution 12)**
   viii. Additional Directors' fee: RM120,000 **(Ordinary Resolution 13)**
   [Please refer to Explanatory Note d]

6. To approve the payment of Directors' benefits of up to RM263,500 for the financial period from 1 July 2022 to 30 June 2023. **(Ordinary Resolution 14)**
   [Please refer to Explanatory Note e]

7. To retain the following Directors who have served the Board as Independent Directors of the Company for a cumulative term of more than twelve years as Independent Directors:

   i. YH. Dato' Bahudin Bin Mansor **(Ordinary Resolution 15)**
   ii. YH. Dato' Hazli Bin Ibrahim **(Ordinary Resolution 16)**
   [Please refer to Explanatory Note f]

8. **PROPOSED RENEWAL OF AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **(Ordinary Resolution 17)**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 20% General Mandate").

THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2022.

THAT with effect from 1 January 2023, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").

THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "Proposed General Mandate".)

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

[Refer to Explanatory Note g]

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

Yeap Kok Leong (SSM PC No. 202008001750) (MAICSA No. 0862549)
Lim Hooi Mooi (SSM PC No. 201908000134) (MAICSA No. 0799764)
Ong Wai Leng (SSM PC No. 202008003219) (MAICSA No. 7065544)
Company Secretaries

Dated this 29th day of April, 2022
Kuala Lumpur

Notes:-

1. As part of the initiative to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the 51st AGM will be conducted on a fully virtual basis by way of live streaming and online remote voting through the Remote Participation and Voting ("RPV") facilities via TIIH Online websites at https://tiih.online or https://tiih.com.my provided by Tricor Investor & Issuing House Services Sdn Bhd ("Share Registrar", "Tricor" or "TIIH") in Malaysia.

   According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.

2. A member of a Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at meeting of members of the Company. A member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints more than one (1) proxy in respect of each omnibus account to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

6. The instrument appointing a proxy shall be in writing signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing proxy(ies) must be made either under its common seal or signed by an officer or an attorney duly authorised.

7. A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 51st AGM must request his/her proxy or attorney or corporate representative to register their attendance for RPV at **TIIH Online** website at https://tiih.online. Please follow the Procedures for RPV in the Administrative Details for the 51st AGM.

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 51st AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

   i. In hard copy form

      In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   ii. By electronic form

      The Proxy Form can be electronically lodged via TIIH Online website at https://tiih.online. Kindly refer to the Administrative Details on the procedure for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

10. Last date and time for lodging the form of proxy is on **Tuesday, 7 June 2022 at 10.30 a.m**.

11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia **not less than forty-eight (48) hours** before the time appointed for holding the 51st AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

    i. If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

    ii. If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
        a. at least two (2) authorised officers, of whom one shall be a director; or
        b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

13. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the **Record of Depositors as at 1 June 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this 51st AGM or appoint proxies to attend and vote in his stead.

Explanatory Notes:

a. <u>Agenda Item No. 1</u>

This item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting ("AGM"). As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

b. <u>Ordinary Resolutions No. 1 to 4</u>

The Nomination and Remuneration Committee ("NRC") had conducted a Board Effectiveness Assessment ("BEA") of the Directors, in the areas of qualification, experience, skills, corporate governance, contribution, competence and independence.

Based on the results of the BEA for the financial year ended 31 December 2021, the Board approved the NRC's recommendation on the re-election of YH. Dato' Hazli Bin Ibrahim, YH. Dato' Haji Mohd Nazari Bin Yunus and Tuan Haji Yaacob Bin Sa'rani who are due to retire at the 51st AGM in accordance with Clause 93 and YH. Dato' Haji Hamdan Bin Salim who is due to retire in accordance with Clause 98 of the Company's Constitution ("Retiring Directors").

The Board is satisfied with the performance and contribution of the Retiring Directors as they have the relevant mix of experience, skills, industry knowledge in plantation and mining, as well as banking and finance expertise that are beneficial to the Company. YH. Dato' Hazli Bin Ibrahim remained objective and independent in expressing his views and participating in Board deliberations and decision-making. Therefore, the Board would like to recommend their re-election for the shareholders' approval at the 51st AGM.

c. <u>Ordinary Resolution No. 5</u>

The Board had its meeting held on 22 April 2022 approved the recommendation by the Audit Committee to re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT ("Salihin"). The Board and Audit Committee collectively agreed that Salihin has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

d. <u>Ordinary Resolutions No. 6 to 13</u>

Resolutions no. 6 to 13 are to facilitate payment of Directors' fees for the period from 1 July 2022 to 30 June 2023 (the due date for which the next AGM should be held).

Resolution no. 13 is to facilitate payment of additional Directors' fees for the period from 1 July 2022 to 30 June 2023 (the due date for which the next AGM should be held) in the event the Company appoints additional Independent Non-Executive Director(s).

e. <u>Ordinary Resolution No. 14</u>

This resolution is to facilitate payment of Directors' benefits for the period from 1 July 2022 to 30 June 2023 (the due date for which the next AGM should be held). In the event the Directors' benefits proposed are insufficient (e.g., due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

Directors' benefits include meeting allowances and other emoluments payable to Directors and in determining the estimated total the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees, and covers the period from 1 July 2022 to 30 June 2023 (the due date for which the next AGM should be held).

f. Ordinary Resolutions No. 15 & 16

This item is tabled pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance.

YH. Dato' Bahudin Bin Mansor and YH. Dato' Hazli Bin Ibrahim are Independent Directors of the Company who have served the Company for a cumulative term of more than twelve years. The NRC and Board of Directors had assessed the independence of both of them and recommended them to be retained as Independent Non-Executive Directors of the Company based on the following justifications:

i. They have met the criteria under the definition of Independent Director as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
ii. They do not have any conflict of interest with the Company and have not been entering/are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiaries;
iii. Their vast experience and expertise in finance and banking industry would enable them to provide independent judgement and invaluable contributions to the Board in their roles as Independent Non-Executive Directors;
iv. They have been with the Company for more than nine years and were familiar with the Company's business operations; and
v. They had actively participated in all Committee and Board's discussion and able to provide constructive opinions and acted in the best interest of the Company.

Therefore, the Board has recommended that the shareholders' approval be sought through a two-tier voting process at the 51st AGM.

g. Ordinary Resolution No. 17

The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2022. With effect from 1 January 2023, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed 10% General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The authority for the Proposed 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The Board of Directors of the Company is of the view that the Proposed 20% General Mandate is in the best interest of the Company and its shareholders as it is useful for the Company to meet its financial needs due to the unprecedented uncertainty surrounding the recovery of the COVID-19 pandemic and it will enable the Board to take swift action during the challenging time to ensure long term sustainability and interest of the Company and its shareholders.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 50th AGM held on 3 June 2021 and will lapse at the conclusion of the 51st AGM to be held 9 June 2022. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

1. The profile of the Retiring Directors who are standing for re-election as per Agenda Item No. 2 and Agenda Item No. 3 of the Notice of 51st AGM:

    i. YH. Dato' Hazli Bin Ibrahim

    The profile of YH. Dato' Hazli Bin Ibrahim can be viewed on page 19 of the Company's Annual Report.

    ii. YH. Dato' Haji Mohd Nazari Bin Yunus

    The profile of YH. Dato' Haji Mohd Nazari Bin Yunus can be viewed on page 18 of the Company's Annual Report.

    iii. Tuan Haji Yaacob Bin Sa'rani

    The profile of Tuan Haji Yaacob Bin Sa'rani can be viewed on page 17 of the Company's Annual Report.

    iv. YH. Dato' Haji Hamdan Bin Salim

    The profile of YH. Dato' Haji Hamdan Bin Salim can be viewed on page 17 of the Company's Annual Report.

2. General mandate for issue of securities

    Kindly refer to the Explanatory Notes on Special Business - Proposed Renewal of Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 under Explanatory Note (g) to the Notice of the 51st AGM.

FIFTY-FIRST ANNUAL GENERAL MEETING ("51ST AGM")

Day, Date, Time	:	**Thursday, 9 June 2022 at 10.30 a.m.**
Online Meeting Platform	:	**TIIH Online websites at https://tiih.online or https://tiih.com.my** **(Domain registration number with MYNIC: D1A212781)** **Provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia**

MODE OF MEETING

In view of the COVID-19 outbreak and as part of the safety measures, the Company's 51st AGM will be conducted on a fully virtual basis using the above Online Meeting Platform provided by TIIH, where all meeting participants including the Chairman of the meeting, Board members, senior management and members are required to participate the meeting via online. Physical gatherings are strictly prohibited regardless of the crowd of any size.

According to the Revised Guidance Note and FAQs on the conduct of General Meeting for Listed Issuers issued by the Securities Commission Malaysia, an online meeting platform can be recognised as the meeting venue or place under Section 372(2) of Companies Act 2016 if the online platform is located in Malaysia. Members or proxies or corporate representatives or attorneys **WILL NOT BE ALLOWED** to attend the Annual General Meeting ("AGM") in person on the day of meeting.

REMOTE PARTICIPATION AND VOTING

The RPV facilities are available on Tricor's TIIH Online website at https://tiih.online.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the AGM using RPV facilities from Tricor.

Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

Members/proxies/corporate representatives/attorneys who wish to attend and vote at the 51st AGM are to follow the requirements and procedures as summarised below:

	Procedure	Action
BEFORE THE 51ST AGM DAY		
i.	Register as a user with TIIH Online	• Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services" select the "Sign Up" button and followed by "**Create Account by Individual Holder**". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
ii.	Submit your request to attend AGM remotely	• Registration is open from Friday, 29 April 2022. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV facilities. • Login with your user ID (i.e. e-mail address) and password and select the corporate event: "**(REGISTRATION) MENTIGA CORPORATION BERHAD 51ST AGM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an **e-mail to notify** that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors as at **1 June 2022**, the system will send you an **e-mail on or after 7 June 2022 to approve or reject** your registration for remote participation. *(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).*

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES (CONTINUED)

	Procedure	Action
ON THE 51ST AGM DAY (9 JUNE 2022)		
i.	Login to TIIH Online	• Login with your user ID and password for remote participation at the AGM at any time from **9.30 a.m.** i.e. 1 hour before the commencement of meeting at **10.30 a.m.** on Thursday, 9 June 2022.
ii.	Participate through Live Streaming	• Select the corporate event: "**(LIVE STREAM MEETING) MENTIGA CORPORATION BERHAD 51ST AGM**" to engage in the proceedings of the AGM remotely. • If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii.	Online remote voting	• Voting session commences from 10.30 a.m. on Thursday, 9 June 2022 until a time when the Chairman announces the end of the session. • Select the corporate event: "**(REMOTE VOTING) MENTIGA CORPORATION BERHAD 51ST AGM**" or if you are on the live stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
iv.	End of remote participation	• Upon the announcement by the Chairman on the conclusion of the AGM, the Live Streaming will end.

NOTE TO USERS OF THE RPV FACILITIES:

1. Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

3. In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-4080 5616/ 011-4080 3168/ 011-4080 3169/ 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

NO DOOR GIFT OR FOOD VOUCHER

There will be **no distribution/provision of door gifts or food vouchers** for the 51st AGM.

We would like to thank our members for your kind co-operation and understanding during this challenging time.

GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

Only a depositor whose name appears on the ROD as at **1 June 2022** shall be entitled to attend, speak and vote at the 51st AGM or appoint proxies to attend and/or vote on his/her behalf.

APPOINTMENT OF PROXY/ CORPORATE REPRESENTATIVE/ ATTORNEY

- In view that the 51st AGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

- If you wish to participate in the 51st AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.

- Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 51st AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Tuesday, 7 June 2022 at 2.30 p.m.**:

  (i) In Hard copy:

  By hand or post to the office of the Poll Administrator of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the Form of Proxy shall not be treated as valid.

  (ii) By Electronic form:

  All shareholders can have the option to submit Proxy Form electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "**MENTIGA CORPORATION BERHAD 51ST AGM - SUBMISSION OF PROXY FORM**". • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy(s) and insert the required details of your proxy(s) or appoint the Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects the "Sign Up" button and followed by "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. *(Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)*

APPOINTMENT OF PROXY/ CORPORATE REPRESENTATIVE/ ATTORNEY (CONTINUED)

(ii) By Electronic form: (continued)

Procedure	Action
ii. Steps for corporation or institutional shareholders	
Proceed with submission of form of proxy	• Login to TIIH Online at https://tiih.online. • Select the corporate event name: "**MENTIGA CORPORATION BERHAD 51ST AGM - SUBMISSION OF PROXY FORM**". • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIIH Online, select corporate event name: "**MENTIGA CORPORATION BERHAD 51ST AGM - SUBMISSION OF PROXY FORM**". • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Members may submit questions for the Board prior to the 51st AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login, pose questions and submit electronically no later than **Tuesday, 7 June 2022 at 10.30 a.m.** The Board will endeavor to answer the questions received at the 51st AGM.

POLL VOTING

The Voting at the 51st AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting and Asia Securities Sdn. Bhd. as Scrutineers to verify the poll results.

During this AGM, the Chairman will invite the Poll Administrator to brief on the Voting procedures. The voting session will commence as soon as the Chairman calls for the poll to be opened.

Upon completion of the voting session for the 51st AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

ANNUAL REPORT 2021

The Company's Annual Report 2021 is available at the Company's website at https://mentiga.com.my.

Should you require a printed copy of the Annual Report 2021, please request at our Share Registrar's website at https://tiih.online by selecting "Request for Annual Report" under the "Investor Services". Alternatively, you may also make your request through telephone/e-mail to our Share Registrar at the number/e-mail addresses given below. We will send it to you by ordinary post as soon as possible upon receipt of your request. Nevertheless, we hope that you would consider the environment before you decide to request for the printed copy.

RECORDING OR PHOTOGRAPHY

Strictly **NO** unauthorised recording or photography of the proceedings of the 51st AGM is allowed.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.
General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com

Board of Directors

YB. DATO' SRI DIRAJA HAJI ADNAN BIN HAJI YAAKOB

Chairman

Non-Independent Non-Executive

YH. DATO' HAJI MUHAMMAD NASIR BIN PUTEH

Non-Independent Non-Executive Director

Member of the ESOS Committee
Member of the Tender Committee
Member of the Risk Management Committee

YH. DATO' HAJI MOHD NAZARI BIN YUNUS

Non-Independent Non-Executive Director

Member of the Audit Committee
Member of the Nomination and Remuneration Committee

YH. DATO' HAJI HAMDAN BIN SALIM

Group Managing Director

YH. DATO' BAHUDIN BIN MANSOR

Senior Independent Non-Executive Director

Chairman of the Audit Committee
Member of the Nomination and Remuneration Committee
Member of the Whistleblower Committee
Member of the ESOS Committee
Member of the Tender Committee
Member of the Risk Management Committee

YH. DATO' HAZLI BIN IBRAHIM

Independent Non-Executive Director

Member of the Audit Committee
Chairman of the Nomination and Remuneration Committee
Chairman of the Whistleblower Committee
Chairman of the ESOS Committee
Chairman of the Tender Committee
Chairman of the Risk Management Committee

TUAN HAJI YAACOB BIN SA'RANI

Non-Independent Non-Executive Director

AUDIT COMMITTEE

YH. Dato' Bahudin bin Mansor *(Chairman)*
Senior Independent Non-Executive Director

YH. Dato' Hazli bin Ibrahim
Independent Non-Executive Director

YH. Dato' Haji Mohd Nazari bin Yunus
Non-Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

YH. Dato' Hazli bin Ibrahim *(Chairman)*
Independent Non-Executive Director

YH. Dato' Haji Mohd Nazari bin Yunus
Non-Independent Non-Executive Director

YH. Dato' Bahudin bin Mansor
Senior Independent Non-Executive Director

WHISTLEBLOWER COMMITTEE

YH. Dato' Hazli bin Ibrahim *(Chairman)*
Independent Non-Executive Director

YH. Dato' Bahudin bin Mansor
Senior Independent Non-Executive Director

ESOS COMMITTEE

YH. Dato' Hazli bin Ibrahim *(Chairman)*
Independent Non-Executive Director

YH. Dato' Haji Muhammad Nasir bin Puteh
Non-Independent Non-Executive Director

YH. Dato' Bahudin bin Mansor
Senior Independent Non-Executive Director

TENDER COMMITTEE

YH. Dato' Hazli bin Ibrahim *(Chairman)*
Independent Non-Executive Director

YH. Dato' Haji Muhammad Nasir bin Puteh
Non-Independent Non-Executive Director

YH. Dato' Bahudin bin Mansor
Senior Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

YH. Dato' Hazli bin Ibrahim *(Chairman)*
Independent Non-Executive Director

YH. Dato' Haji Muhammad Nasir bin Puteh
Non-Independent Non-Executive Director

YH. Dato' Bahudin bin Mansor
Senior Independent Non-Executive Director

COMPANY NO.

197001001000 (10289-K)

COMPANY SECRETARIES

Yeap Kok Leong
(SSM PC NO.202008001750)
(MAICSA No. 0862549)

Lim Hooi Mooi
(SSM PC NO.201908000134)
(MAICSA No. 0799764)

Ong Wai Leng
(SSM PC NO.202008003219)
(MAICSA No. 7065544)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : 03-2783 9191
Fax : 03-2783 9111

BUSINESS ADDRESS

No. 26 & 26A, Jalan Putra Square 1,
Putra Square, 25200 Kuantan,
Pahang Darul Makmur.
Tel : 09-517 3710
Fax : 09-517 3709

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : 03-2783 9299
Fax : 03-2783 9222

Tricor Customer Service Centre
Unit G-3, Ground Floor,
Vertical Podium, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

AUDITORS

Al Jafree Salihin Kuzaimi PLT (AF1522)
Chartered Accountant,
555 Jalan Samudra Utara 1,
Taman Samudra,
68100 Batu Caves,
Selangor Darul Ehsan.
Tel : 03-6185 9970
Fax : 03-6184 2524

BANKERS

Bank Islam Malaysia Berhad
Maybank Islamic Berhad
CIMB Bank Berhad

SOLICITORS

Abraham Ooi & Partners
No. 106, 8th Floor, Wisma Harwant,
Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur.
Tel : 03-2691 0654
Fax : 03-2691 0644

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

STOCK NAME

MENTIGA

STOCK CODE

5223

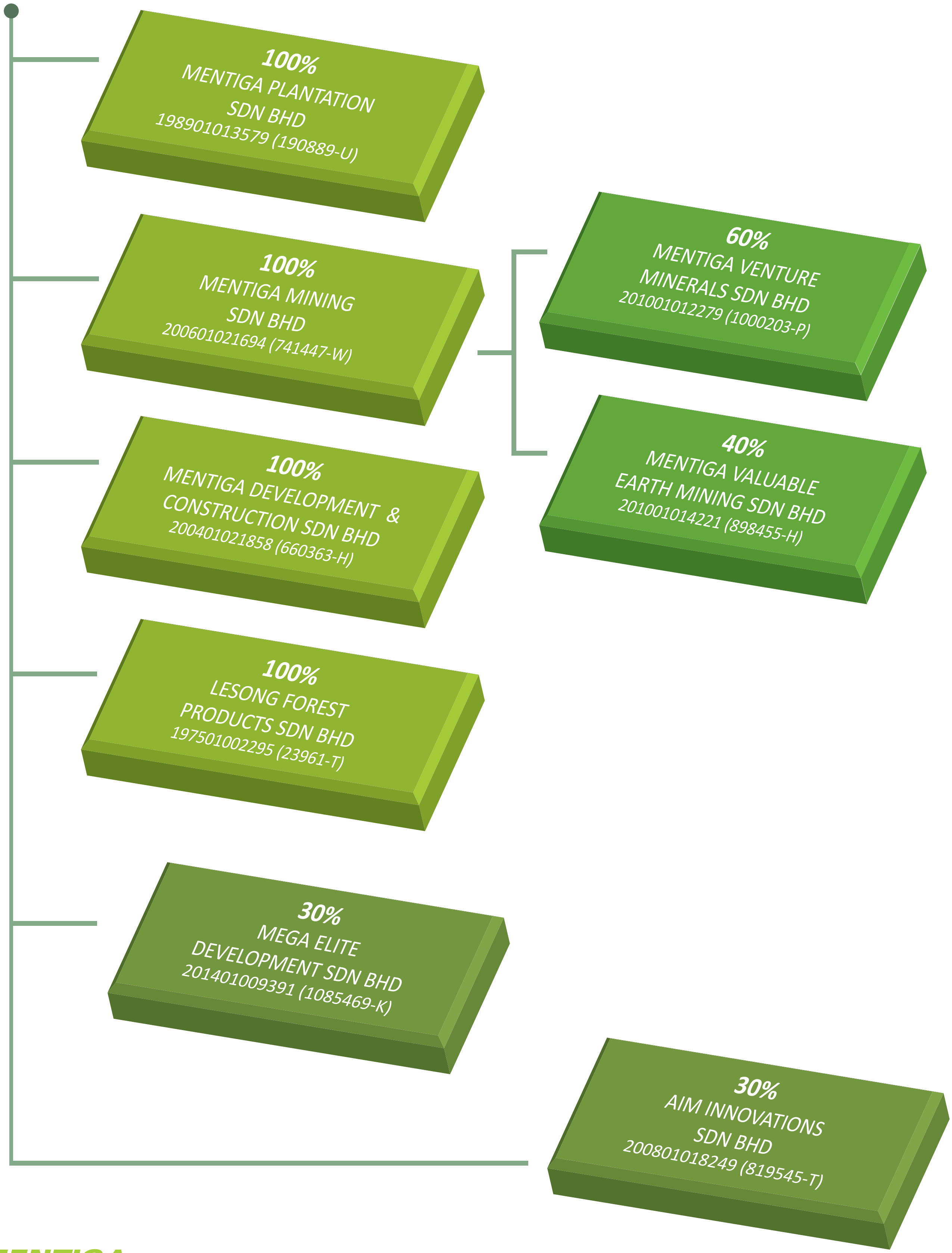
WEBSITE ADDRESS

www.mentiga.com.my

MENTIGA

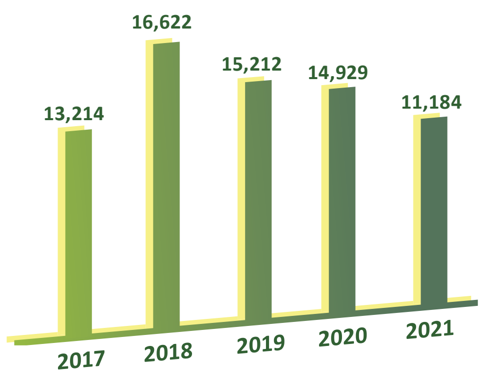
MENTIGA CORPORATION BERHAD

197001001000 (10289-K)

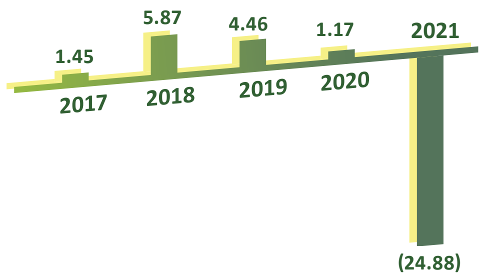


	2017 RM'000	2018 RM'000 Restated	2019 RM'000 Restated	2020 RM'000	2021 RM'000
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Revenue	13,214	16,622	15,212	14,929	**11,184**
Profit/(Loss) Before Tax	653	3,712	4,669	1,496	**(18,739)**
Profit/(Loss) Attributable to Owners of the Company	1,041	4,212	3,201	838	**(17,860)**
STATEMENTS OF FINANCIAL POSITION					
Share Capital	71,789	71,789	71,789	71,789	**71,789**
Shareholders' Equity	133,990	138,202	186,424	187,262	**193,825**
Total Assets	186,856	193,483	258,405	263,630	**279,782**
PER SHARE DATA					
Earnings/(loss) Per Share (sen)	1.45	5.87	4.46	1.17	**(24.88)**
Net Assets Per Share (sen)	186.64	192.51	259.68	260.85	**269.99**
Dividend Per Share (sen)	-	-	-	-	**-**

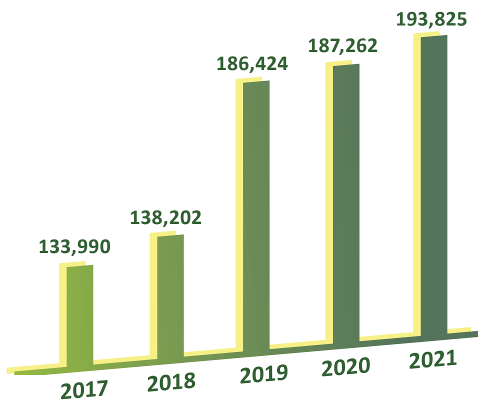
REVENUE
(RM'000)



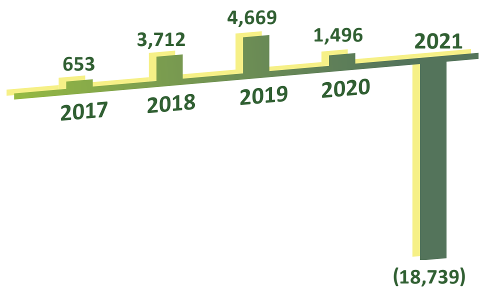
EARNINGS/(LOSS) PER SHARE
(Sen)



SHAREHOLDERS' EQUITY
(RM'000)



PROFIT/(LOSS) BEFORE TAX
(RM'000)



YB. DATO' SRI DIRAJA HAJI ADNAN BIN HAJI YAAKOB
Chairman
Non-Independent Non-Executive Director

Age: 72
Gender: Male
Nationality: Malaysian

YB. Dato' Sri DiRaja Haji Adnan bin Haji Yaakob was appointed as Chairman and Director of Mentiga Corporation Berhad ("MCB") on 4th December 2002.

He holds a B.A (Hons) and Diploma in Education from University of Malaya. In October 2010, he was conferred a degree of Honorary Doctorate in Education Administration by Yarmouk University, Jordan. Dato' Sri DiRaja Haji Adnan is the first ever Malaysian to receive such honour from the most prestigious and oldest university in Jordan as a recognition towards his contribution to education especially in providing opportunity to the financially less fortunate students of Pahang to pursue higher education locally and internationally. In the same month, he was also conferred the Honorary Doctorate in Technology Management by Malaysia Pahang University (UMP).

Dato' Sri DiRaja Haji Adnan is the first recipient of the newly-introduced award of Darjah Sri DiRaja Sultan Ahmad Shah Pahang (SDSA) which was bestowed upon him in 2010 by His Royal Highness The Sultan of Pahang on His Royal Highness' 80th birthday and carries the title Dato' Sri DiRaja.

A well-known politician, he is a member of the Pahang State Legislative Assembly representing the Pelangai Constituency since 1986. Dato' Sri DiRaja Haji Adnan was the Chief Minister of Pahang since May 1999 until May 2018.

Dato' Sri DiRaja Haji Adnan is the Chairman of YP Plantation Holdings Sdn Bhd and PKNP Agro Sdn Bhd.

He has no other directorship in public companies/ listed issuers. He wishes to declare interest that the present Group Managing Director, Dato' Haji Hamdan bin Salim is his second cousin. He has no conflict of interest with the Company. He has not been convicted for any offences (other than traffic offences) within the past five (5) years.

YH. DATO' HAJI HAMDAN BIN SALIM
Group Managing Director

Age: 57
Gender: Male
Nationality: Malaysian

YH. Dato' Haji Hamdan bin Salim graduated with a Bachelor of Technology from University Science Malaysia. He also holds a Master in Business Administration from International Islamic University, Malaysia. He was appointed as Chief Operating Officer of the Company in August 2021 and subsequently was appointed as Group Managing Director on 1st January 2022.

He began his career in 1991 as an Executive with Malayan Banking Berhad. He joined DMIB Berhad (Sime Darby Tyre Division) in January 1993, where his last position was as Head of Procurement Department. In March 2006, he was appointed as Senior Manager of Sime Darby Berhad's newly formed Group Procurement Department. In July 2009, he moved to Sime Darby Plantation Sendirian Berhad as Head of Procurement for the Plantation and Agribusiness Division. Following the demerger of Sime Darby Group in 2018, his designation was changed to Head of Group Procurement at Sime Darby Plantation Berhad. He had extensive exposure in Procurement at corporate, oil palm plantation and tyre sectors throughout his 29 years with Sime Darby Group then.

He has no other directorship in public companies/ listed issuers. He is second cousin to Chairman of MCB and has no conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences.

TUAN HAJI YAACOB BIN SA'RANI
Non-Independent Non-Executive Director

Age: 62
Gender: Male
Nationality: Malaysian

Tuan Haji Yaacob bin Sa'rani, a Malaysian holds a Bachelor of Economics (Hons) from University Malaya. He was appointed as Chief Operating Officer of the Company in 2013 and was a former Managing Director of the Company appointed on 1st March 2019 until 31st December 2021. Subsequently, in 1st January 2022, he was re-designated as a Non-Independent Non-Executive Director of the Company.

He started his career as a credit officer in Affinbank Berhad in 1984. He was promoted as a Branch Manager in 1992 and served in that capacity for a few branches before being promoted to a Business Centre Manager in 2002. In 2004, he left Affinbank to join Southern Bank as Regional Manager Operations. He was a business consultant before joining Mentiga Corporation Berhad in 2013.

He has no other directorship in public companies/ listed issuers and there is no family relationship between him and any directors or major shareholders of the Company or any conflicts of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences.

YH. DATO' HAJI MUHAMMAD NASIR BIN PUTEH
Non-Independent Non-Executive Director

Age: 64
Gender: Male
Nationality: Malaysian

YH. Dato' Haji Muhammad Nasir bin Puteh was a former Managing Director of the Company appointed on 3rd November 2002 until 28th February 2019 when he was re-designated to a Non-Independent Non-Executive Director of the Company. He holds a Bachelor's Degree in Physics from University Malaya. He is also a member of the ESOS Committee, Tender Committee and Risk Management Committee of the Company.

Upon graduation he commenced his career in 1983 as a production supervisor with Texas Instrument (M) Berhad and later he joined Affin Bank Berhad on 3rd August 1984. During his tenure in the bank he acquired vast experience serving various units and departments including the Audit Department as well as branches. His strong background in the banking and financial sector is an added advantage to the Company and he is the key person in negotiating for the successful hefty loan haircut with various banks and Pengurusan Danaharta Nasional Berhad ("Danaharta") (a national asset management company of Malaysia).

He has no other directorship in public companies/ listed issuers and there is no family relationship between him and any directors or major shareholders of the Company or any conflicts of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences.

YH. DATO' HAJI MOHD NAZARI BIN YUNUS
Non-Independent Non-Executive Director

Age: 61
Gender: Male
Nationality: Malaysian

YH. Dato' Haji Mohd Nazari bin Yunus was appointed to the Board on 3rd June 2016 as a Non-Independent Non-Executive Director. He holds a Bachelor of Accountancy (Hons.) from Universiti Kebangsaan Malaysia and is a member of Malaysian Institute of Accountants (MIA). He is a member of the Audit Committee, and Nomination and Remuneration Committee.

He started his career as an Accountant at Jabatan Akauntan Negara from July 1985 until September 1985. He was responsible for accounting, auditing and other related matters.

He joined Amanah Saham Pahang Berhad ("ASPA") in October 1985 as an Internal Audit Officer until December 1991. From January 1992 until March 2015 he was a Finance and Administration Manager/Company Secretary. He was appointed as the General Manager of ASPA in April 2015 until now. He is also a Director of a Pascorp Paper Industries Berhad and Pengurusan Kumipa Berhad.

There is no family relationship between him and any directors or major shareholders of the Company or any conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences.

YH. DATO' BAHUDIN BIN MANSOR
Senior Independent Non-Executive Director

Age: 62
Gender: Male
Nationality: Malaysian

YH. Dato' Bahudin bin Mansor was appointed to the Board on 3rd November 2003 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee, a member of the Nomination and Remuneration, Tender, ESOS, Whistleblower and Risk Management Committees of the Company.

He holds a Bachelor of Science Degree majoring in Finance and Accounting from Drake University, Des Moines, Iowa, USA and an Advance Diploma in Accountancy from Institute of Technology MARA and a member of Malaysian Institute of Accountants (MIA) and CPA Australia. He has more than 30 years' experience in Audit, Finance and Administration.

He has no other directorship in public companies/ listed issuers and there is no family relationship between him and any directors or major shareholders of the Company or any conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences.

YH. DATO' HAZLI BIN IBRAHIM
Independent Non-Executive Director

Age: 59
Gender: Male
Nationality: Malaysian

YH. Dato' Hazli bin Ibrahim graduated with a Bachelor of Finance with Accounting from University of East London and is a Fellow of the Association of Chartered Certified Accountants. He also holds a MBA (Finance) from CASS Business School, London. He was appointed as an Independent Non-Executive Director of the Company on 20th February 2004. He is also the Chairman of the ESOS, Nomination and Remuneration, Risk Management, Whistleblower and Tender Committees, and a member of the Audit Committee of the Company.

He started his career in London as an Audit Senior with several chartered accountant firms. Upon his return to Malaysia in August 1994, he joined Aseambankers Malaysia Berhad, the investment banking arm of Maybank Berhad as Manager in Corporate Finance division.

Subsequently in November 1996, he moved to Amanah Merchant Bank Berhad as the Assistant General Manager. He left Amanah Group in September 1998 to join Pengurusan Danaharta Nasional Berhad ("Danaharta"), a national asset management company of Malaysia, as the Head of Corporate Planning and Corporate Services Division. He left Danaharta in October 2002 to set-up Haz-iq Capital Sdn Bhd, a consultancy firm, specializing in corporate finance, where he is currently the Managing Director. He is also an Independent Non-Executive Director of DutaLand Berhad and Lebtech Bhd.

There is no family relationship between him and any directors or major shareholders of the Company or any conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences.

SUFIAN BIN JUSOH
Group General Manager

Age: 50
Gender: Male
Nationality: Malaysian

Qualification:

- Bachelor of Actuarial Science
  - Universiti Kebangsaan Malaysia
- Certificate Credit Personnel (CCP)
  - by Bank Negara Malaysia ("BNM")

Skills and experience

He started his career as Credit Officer in Affin Bank Berhad in 1996. He joins Pacific Bank Berhad also as Credit Officer in 1997. In 2001, he left Pacific Bank Berhad and join Maybank Berhad as officer, credit officer, Senior Account Manager, Deputy Head and last position as Business Centre Head at Mentakab, Kuantan and Kota Bharu. He subsequently joined MCB as a Group General Manager in June 2019 until present.

He does not hold any directorship in public companies and listed companies. There is no family relationship between him and any directors or major shareholders of the Company or any conflict of interest with the Company. He has not been convicted with any offence within the past five (5) years other than traffic offences.

NORAZALI BIN MOHD ALI
Head of Finance

Age: 48
Gender: Male
Nationality: Malaysian

Qualification:

- Diploma in Accountancy
  - University Teknologi Mara
- Bachelor of Accountancy (Hons)
  - Universiti Teknologi Mara
- Chartered Accountants (CA), Malaysian Institute of Accountants

Skills and experience

He started his career in an audit firm in 2000 and was holding the position of a Branch Manager when he left in 2004. He subsequently joined MCB as an Accountant and was later promoted as the Head of Finance in 2013 until present.

He does not hold any directorship in public companies and listed companies. There is no family relationship between him and any directors or major shareholders of the Company or any conflict of interest with the Company. He has not been convicted with any offence within the past five (5) years other than traffic offences.

MOHD IZUAN BIN MOHD KADIR
Head of Plantation

Age: 41
Gender: Male
Nationality: Malaysian

Qualification:

- Bachelor of Mass Communication (Hons)
  - Universiti Utara Malaysia

Skills and experience

He started his career as Cadet, Assistant Manager, and last position Senior Assistant In-Charge officer in Tradewind Plantation Berhad in 2007 until 2015. He subsequently joined MCB as a Senior Assistant Manager In-Charge at Ladang Batu Putih, Penor in July 2017. Later in the year 2018, he transferred to Ladang Ulu Lepar (Development stage) and was later promoted as the Head of Plantation in 2020 until the present.

He does not hold any directorship in public companies and listed companies. There is no family relationship between him and any directors or major shareholders of the Company or any conflict of interest with the Company. He has not been convicted of any offense within the past five (5) years other than traffic offences.

NORSHALIZA BINTI ABDULL RAZAB
Senior Manager Finance & Human Resources

Age: 41
Gender: Female
Nationality: Malaysian

Qualification:

- Diploma in Accountancy
  - University Teknologi Mara
- Bachelor of Accountancy (Hons)
  - Universiti Teknologi Mara
- Chartered Accountants (CA), Malaysian Institute of Accountants

Skills and experience

She started her career as an Audit Associates with several audit firms and in 2011, she joined Bina Darulaman Berhad as Senior Executive Group Accounts and left the company as Assistant Manager Group Accounts. She left Bina Darulaman Berhad to join Kuantan Port Consortium Sdn Bhd as the Cost Accountant. Subsequently in 2019, she joined MCB as an Accountant and later promoted as the Senior Manager of Finance and Human Resources in 2021 until present.

She does not hold any directorship in public companies and listed companies. There is no family relationship between her and any directors or major shareholders of the Company or any conflict of interest with the Company. She has not been convicted with any offence within the past five (5) years other than traffic offences.

Dear Shareholders,

On behalf of the Board of Directors, it is my great pleasure to present the Annual Report and the Audited Financial Statements of Mentiga Corporation Berhad and its Subsidiaries ("the Group") for the Financial Year ended 31st December 2021.

In 2021, the COVID-19 pandemic is still a threat to the global economy. The Malaysian economy saw a moderate recovery, expanding by 3.1% in 2021 (2020: -5.6%), supported by strong exports and continued policy aid for households and businesses which contributed to domestic growth.

Moving forward, Malaysia's economy is expected to grow by between 5.3 - 6.5% in 2022. Growth will be underpinned by the expansion in global demand, full implementation of containment measures, reopening of international borders and a further improvement in labour market conditions.

GROUP'S PERFORMANCE

The Group was facing challenging periods for the last two financial years in 2020 and 2021 due to very tight cashflows since 2019. The COVID-19 pandemic has affected our operations and acute shortage of foreign labour has significantly delayed the program of rehabilitation of our estates.

In 2021, the income was from oil palm 90% (2020: 37%), timber 2% (2020: 59%) and mining 8% (2020: 4%). The overall decrease in Group income was due to lower contribution from the timber segment and the income from oil palm is increased due to the higher CPO price.

During the year under review, the Group recorded revenue of RM11.18 million and a loss after taxation of RM17.86 million compared to revenue of RM14.93 million and profit after taxation of RM0.84 million in the previous year. The significant increase of loss was due to the net impairment of plantation assets of RM13.62 miilion at our wholly-owned subsidiary namely, Mentiga Plantation Sdn Bhd.

PROSPECTS

Oil palm activity is expected to continue contributing to our revenue with the average forecast price of fresh fruit bunches at RM3,800 per metric ton. We anticipate our sales of fresh fruit bunches will continue to improve in 2022 as an additional 717 hectares (1,772 acres) in Ladang Ulu Lepar are expected to mature. In 2023, Ladang Ulu Lepar will mature fully with 1,665 hectares (4,114 acres).

The durian joint venture project is expected to contribute income in 2024 from the reafforestation project at Jerantut and Kemasul.

The Group requires between 2-3 years to recover and it is anticipated that the Group will achieve favourable performance by the Financial Year 2024, the earliest.

DIVIDEND

As the Group prioritises its financial resources primarily to enhance our oil palm estates, we need to preserve cash to carry out this plan. Accordingly, the Board is not recommending any dividend payment for the year.

ACKNOWLEDGEMENT

On behalf of the Board members, I would like to thank Dato' Haji Mohd Ali Hanafiah bin Sh. Ruji for his valuable contribution during his tenure as Director of the Group for 32 years.

I wish to convey my greatest appreciation to the management and staff for their diligence, dedication, loyalty and contribution towards sustaining the businesses during this challenging year.

I also wish to express my gratitude to the shareholders, financiers, business associates, regulatory authorities and other stakeholders for their continued support and confidence in the Group.

Finally, I would like to express my appreciation to the Board Members for their continuous contributions and unwavering support during the year. I look forward to their continued enthusiasm, wisdom and cooperation in guiding the Group through the challenges in the years ahead.

Wassalam,

YB. Dato' Sri DiRaja Haji Adnan bin Haji Yaakob
SDSA., SSAP., DSAP., DGSM.
Chairman

Dear Shareholders,

Malaysia's economy returned to growth in the 4th quarter 2021 despite the risks of further disruptions caused by the coronavirus pandemic. Risks remain to the downside, however, mainly due to concerns over "severe and vaccine-resistant COVID-19 variants" that could trigger new containment curbs "globally and domestically. The total economy and all sectors remained smaller than in 2019, except for manufacturing, which faced fewer closures during the pandemic.

The domestic palm oil industry has staged a remarkable performance for 2021, especially the price of crude palm oil, with the average price surging by 64.1 percent to RM4,407.00 per tonne, its highest in the history of palm oil, from RM2,685.50 per tonne in 2020. The higher price was due to lower production of CPO and acute supply of foreign workers.

REVENUE

Our revenues are primarily derived from sales of FFB and mining activities. For financial years ended 31 December 2021 and 31 December 2020, our total revenues were RM11.18 million and RM14.93 million respectively. The table below sets forth our revenue by each business segment and as percentage of total revenue for the periods indicated:

Business Segment	Financial Year Ended 31 December			
	2021		2020	
	RM	%	RM	%
	(in thousands, except percentages)			
Timber	250	2.2	8,850	59.3
Plantation	10,016	89.6	5,506	36.9
Mining	918	8.2	572	3.8
Total	**11,184**	**100.0**	**14,928**	**100.0**

In MCB, the revenue was slightly lower at RM11.18 million as compared to RM14.93 million last year due to lower income from timber segment.

The following table sets forth our revenue from the sale of major products by each business segment and the relevant percentage of total revenue for the periods indicated:

Segment/ Product	Financial Year Ended 31 December			
	2021		2020	
	RM	%	RM	%
	(in thousands, except percentages)			
Timber				
Sales of timber	-	-	8,700	58.3
Rental	250	2.2	150	1.0
Sub-total	250	2.2	8,850	59.3
Plantations				
FFB[1]	8,537	76.3	4,750	31.8
PK	1,479	13.3	756	5.1
Sub-total	10,016	89.6	5,506	36.9
Mining				
Sales of iron ore	918	8.2	572	3.8
Sub-total	918	8.2	572	3.8
Total	**11,184**	**100.0**	**14,928**	**100.0**

[1] Revenue from our FFB sales presented net after deducting processing costs.

REVENUE (CONTINUED)

Revenue from the timber segment was lower compared to previous year which contributed only 2.2% from total income of the year.

The income recognition from plantation segment for financial year 2021 was higher attributable to higher average price of CPO of RM4,420 (2020:RM2,766). However, the factors of flood and shortage supply of labour to harvest the FFB had caused 2.5% decline in the FFB production to 10,068 tonne (2020:10,328 tonne).

There was contribution from mining sector of 8.2% from total revenue of the Group. The total production of iron ore was increased to 38,421 tonne from 32,894 tonne.

COST OF SALES

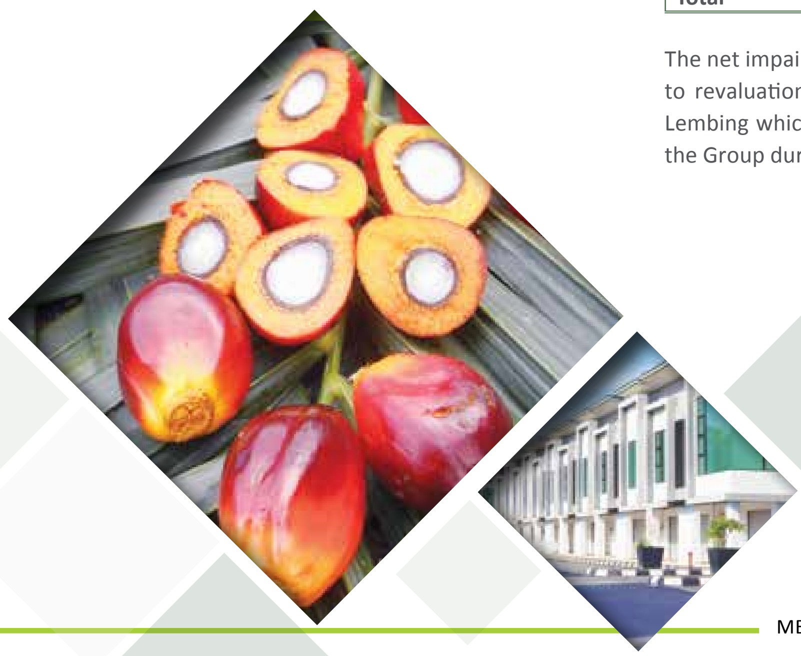
Our cost of sales consists of estates costs comprising upkeep and cultivation, harvesting and collection, depreciation and amortisation and distribution costs. The following table sets forth the major components of our cost of sales and as a percentage of total cost of sales for the periods indicated:

	Financial Year Ended 31 December			
	2021		2020	
	RM	%	RM	%
	(in thousands, except percentages)			
Upkeep and cultivation[1]	3,670	45.6	2,294	32.9
Harvesting and collection[2]	1,434	17.8	1,655	23.8
Depreciation and amortisation	2,874	35.7	2,941	42.2
Distribution	78	0.9	78	1.1
Total	**8,056**	**100.0**	**6,968**	**100.0**

(1) Upkeep and cultivation primarily consist of weeding, roads and bridges, pruning and manuring costs.

(2) Harvesting and collection costs primarily consists of collection cost and transportation costs.

The cost of upkeep and cultivation was significantly increased due to works of maintenance road, pruning and manuring at Penor estate.



GROSS PROFIT

The following table sets forth our gross profit by each business segment and as a percentage of our total gross profit for the periods indicated:

Business Segment	Financial Year Ended 31 December			
	2021		2020	
	RM	%	RM	%
	(in thousands, except percentages)			
Plantation	1,960	62.7	(1,462)	(18.4)
Timber	250	8.0	8,850	111.2
Mining	918	29.3	572	7.2
Total	**3,128**	**100.0**	**7,960**	**100.0**

For the year ended 31 December 2021, the Group's gross profit decreased by 60.7% from RM7.96 million to RM3.13 million. The significant profit in previous year was mainly derived from timber segment.

ADMINISTRATIVE EXPENSES

The table below sets forth our administrative expenses as a percentage of total administrative expenses for the periods indicated:

	Financial Year Ended 31 December			
	2021		2020	
	RM	%	RM	%
	(in thousands, except percentages)			
Net impairment of plantation assets	13,628	60.6	-	-
Staff costs	2,723	12.1	2,518	35.8
Depreciation and amortisation	361	1.6	313	4.4
Director's benefit	2,037	9.1	1,940	27.6
Professional fees	277	1.2	285	4.1
Quit rent and assessment	1,093	4.9	1,101	15.7
Impairment of receivables	864	3.9	14	0.2
Duty & cess	615	2.7	103	1.5
Others	877	3.9	753	10.7
Total	**22,475**	**100.0**	**7,027**	**100.0**

The net impairment of plantation assets of RM13.6 million was due to revaluation carried out in January 2022 at our Ladang Sungai Lembing which had impacted the overall financial performance of the Group during the year.

FINANCE COSTS

Finance costs consist mainly of interest expenses related to term loans, bank overdrafts and hire purchase. These costs are affected by the level of our financing activities and the applicable interest rates. Our finance costs for the financial years ended 31 December 2021 and 2020 were RM0.13 million and RM0.11 million respectively.

TAXATION

The Group had recorded a tax credit of RM0.88 million this year compared to tax expenses of RM0.66 million in 2020. The main reason for the tax credit was due to impact of temporary differences of deferred tax in prior years. We recognise deferred tax asset for the carry forward of unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that future taxable profit will be available against which the unabsorbed tax losses and unutilised capital allowances can be applied.

RECEIVABLES

The Group receivables decreased by 44% to RM4.66 million compared to RM8.29 million in 2020 as we managed to collect debts as scheduled.

PAYABLES

Total payables increased by 11% to RM21.03 million compared to RM18.89 million in 2020.

BORROWINGS

Total borrowing increased to RM27.8 million from RM26.04 million due to the drawdown of term loan of RM1.63 million for the development of Ulu Lepar estate.

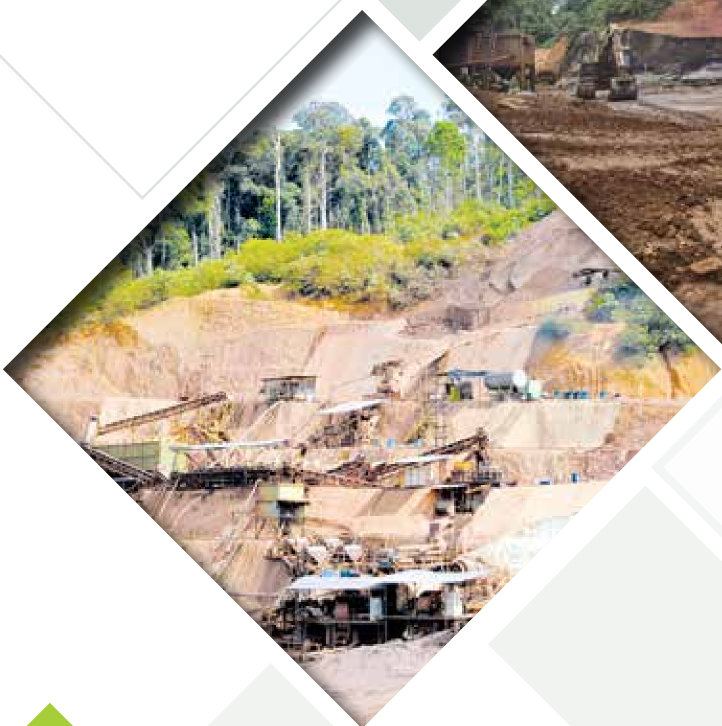
DIVIDEND

For financial year ended 31 December 2021, we did not propose any dividend payment due to MCB's financial needs for development of oil palm estates.

SUMMARY

Plantation segment showed better performance due to favourable commodity prices for the year ended 31 December 2021. The negative result of the financial performance of the Group was mainly due to impairment of oil palm plantation assets at Ladang Sg. Lembing.

Despite the fact that we recorded a negative result during the financial year, management are optimistic that financial performance of the Group will be better in future. We are of the view that the Group will record favourable performance with additional mature plantation area at Ladang Ulu Lepar.



SUSTAINABILITY COMMITTMENT

- **Introduction**

  The Group is committed in ensuring business sustainability and strives to manage natural resources for the long-term benefit and wellbeing of the society.

  The Group integrates the importance of sustainability practices with our core values in all aspects of our business operations in our pursuit to achieve our Company's vision and mission.

  Our business strategy takes into consideration the risks and rewards impacting the industries we are in and at the same time keeping abreast with the expectations of all stakeholders.

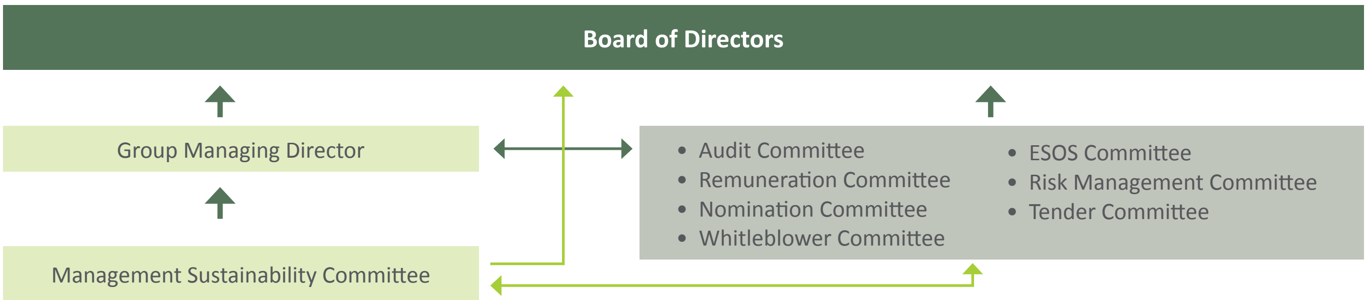
  - **Our Commitment To Sustainability**

    - We advocate Environmental, Social and Governance (ESG) risks and opportunities awareness to our business associates as part of our business dealings with them.
    - We protect environment by adopting biological controls to promote efficient usage of resources and materials.
    - We improve quality of life of local communities where the Group has business operations.

  - **Scope and Boundary**

    - This Statement is prepared to cover the financial period from 1 January 2021 to 31 December 2021.
    - There are no changes to the reporting boundary for financial year ended 31 December 2021, which consisted of **timber, plantations and mining operations** in Malaysia.

SUSTAINABILITY GOVERNANCE STRUCTURE



The Company's Management Sustainability Committee is headed by the Group Managing Director and comprises the Company's key management team, as well as heads from the plantation, timber and mining business segments.

The detailed responsibilities of the Board of Directors, Group Managing Director and Management Sustainability Committee in relation to sustainability matters, are as follows:

Board of Directors

- Responsible for the governance and implementing sustainability matters of the Group
- Reviewing the overall sustainability strategies and achievements
- Approves sustainability framework and Sustainability Statement

Group Managing Director

- Advise the Board on sustainability strategies
- Reports overall sustainability progress and achievements of the Groups to the Board
- Addresses the Group's material sustainability risks and opportunities
- Approves sustainability related matters

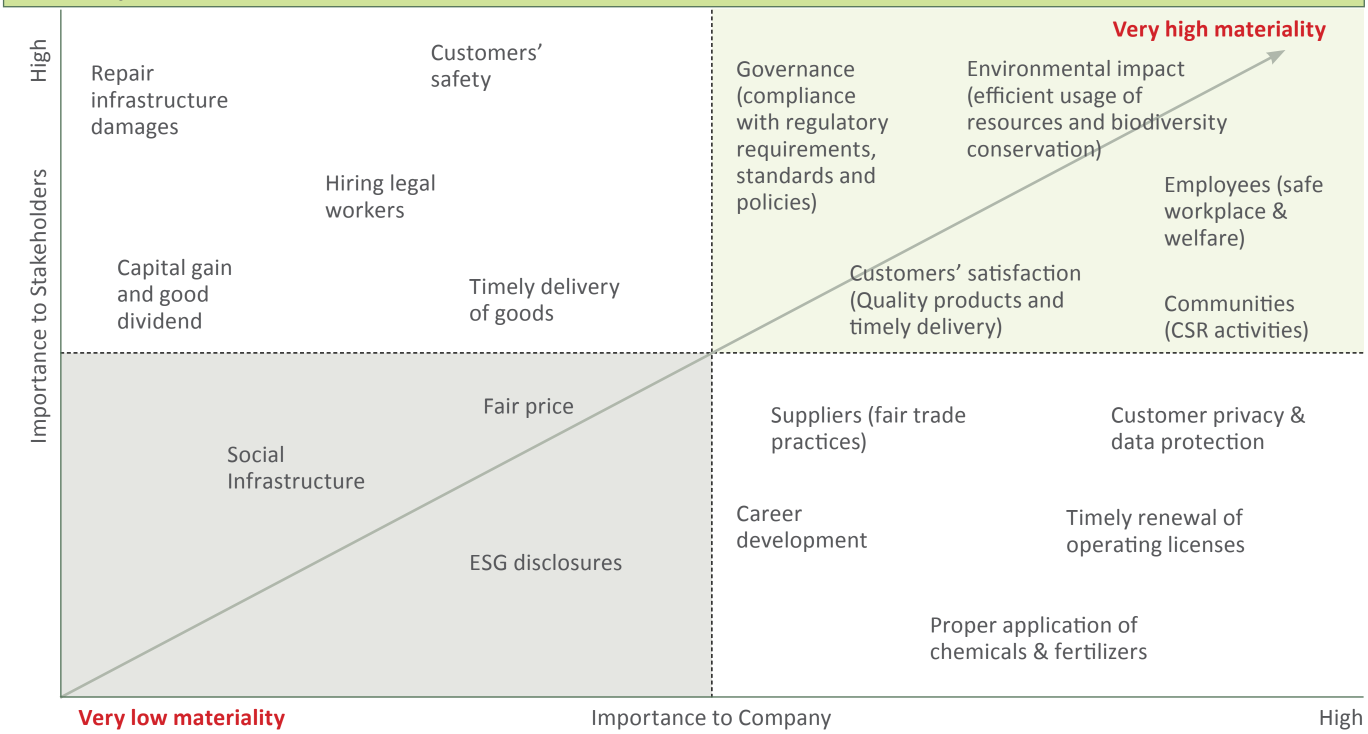
Management Sustainability Committee

- Monitoring the implementation of sustainability strategies as approved by the Board
- Oversee stakeholder engagement, to ensure that all issues, grievance and suggestions raised are into consideration in managing sustainability matters
- Recommending to the Board for its approval on material sustainability matters identified, sustainability-related policies and its goals or targets
- Monitoring the implementation of policies and intiatives
- Overseeing the management of sustainability matters, with particular focus on matters material to the organisation
- Overseeing the preparation of Sustainability Statement and recommending it for Board's approval

SUSTAINABILITY GOVERNANCE STRUCTURE (CONTINUED)

Key Stakeholder Groups and Types of Engagement Conducted			
	Stakeholder Group	**Types of Engagement**	**Sustainability Matters Discussed/Focus Areas**
1.	Shareholders	• General meetings, quarterly reporting and annual report • Company website	• Capital gain of share price and good dividend • ESG disclosure
2.	Customers	• Meetings and discussion • Correspondences • Renewal of contract agreements	• Quality product • Timely delivery of goods • Customer safety
3.	Suppliers	• Periodic meetings and discussion • Performance review meetings • Process improvement • Site visits	• Fair trade practices - timely payments & quality products • Fair prices
4.	Employees	• Weekly team discussion session and monthly management meetings • Internal communications and sports & recreational activities • Training and development programme • Annual appraisal	• Career development • Employees welfare • Safe working condition • Hiring legal workers
5.	Regulatory Bodies	• Meetings and discussions • Correspondences • On-site inspections • Applications/submissions/compliance/certifications	• Compliance with regulatory requirements, standards and procedures, and EIA reports • Timely renewal of operating licenses • Compliance with reforestation guidelines • Proper application of chemicals & fertilizers • Protect natural habitat
6.	Local communities	• Meetings (discussion) and dialogue involved in community programs • Donations/sponsorships	• Contributions to local communities (CSR) • Environmental impact - minimise floods and river contamination • Repair infrastructure damages

Materiality Matrix Assessment



SUSTAINABILITY GOVERNANCE STRUCTURE (CONTINUED)

Why the sustainability matters selected is importance to Mentiga?

- Governance - The Group believes adopting good governance practices such as compliance with regulatory requirements, standards and policies, provide long-term benefits and value creation towards sustainable growth and profitability.

- Customer Satisfaction - The Group commits to meet our customers' expectations by delivering our goods on a timely basis and in good quality.

- Environment Responsibility - The Group supports reducing environmental impact arising from our business operations through biodiversity conservation, minimise deforestation and reduce wastages by adopting good agriculture practice on utilisation of resources and material.

- Workplace - As employees are the Group's most valuable assets and strength, the Group respects human rights by providing adequate employees' welfare, safe workplace and equal job opportunities.

- Local Communities - As a responsible corporate citizen, the Group continuously supports corporate social responsibility by carrying out various activities to improve the quality of life of our local communities.

GOVERNANCE PRACTICE

Regulatory Compliance

The Group fully complied with the following regulatory compliance certifications, inspections and regulations in our Group's business operations:

- EIA Standards and Guidelines;
- Reforestation Guidelines;
- Employment Act 1955;
- Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) Regulation 2000; and
- Workers' Minimum Standards of Housing and Amenities Act 1990.

Board Charter

The Board Charter is prepared for the Board of Directors of Mentiga and its subsidiaries, insofar as it is applicable, to provide a concise overview of:

- The roles, functions, responsibilities and powers of the Board and senior management;
- An awareness to the various legislations and regulations affecting their conduct;
- The powers delegated to various Board Committees of Mentiga; and
- The policies and practices of the Board in respect of matters such as corporate governance, code of conduct, conflict and declaration of interest, board meeting procedures, appointment and assessment of Directors.

Whistleblower Policy

This policy addresses Mentiga's commitment on integrity and ethical behaviour by providing an environment where employees can act appropriately without fear of retaliation.

Code Of Business Conduct and Ethics

The core principles which the Board and senior management are committed to uphold are capsulated in the Company's Code of Business Conduct and Ethics.

Anti-bribery and Corruption Policy

The objective of this Policy is to provide information and guidance to our Directors, employees and business associates on anti-bribery and corruption to which they must adhere. The Directors, employees and business associates shall always observe and ensure compliance with all applicable laws and regulatory requirements on anti-bribery and corruption in discharging their duties. All Directors, employees and business associates of the Group are required to act professionally and with integrity.

Award Received

The Malaysian Institute of Integrity with co-operation of Yayasan Pahang held Integrity & Anti-Corruption Award and the Group was awarded with silver award on the event held on 26 October 2021.

Group Managing Director is receiving the award from YAB. Dato' Sri Wan Rosdy Bin Wan Ismail

Our commitment to reduce environmental impact arising from our business operations include:

Environmental Protection and Biodiversity

The highest rate of erosion and sedimentation mostly occur during land preparation, involving forest clearance or replanting, depending on the slope with the rate increasing with the slope.

Actions taken to control soil erosion:

- Construct Terracing area where the gradient exceeds 6 degrees.
- Building stop bunds along terraces every 20m to reduce the speed of the runoff as well as to distribute the water to the palm.
- Introducing fast-growing Legume Cover Crop (LCC) with 50% planting with Pueraria Javanica and 50% planting Centrosema Pubescens during the immature phase of planting to cover the soil and reduce the impact of rain, thus minimizing soil erosion. 100% area in our estate are planted with legume cover crop. Allowing the natural soft plant cover to grow when LCC die during the mature phase of plantation.
- Maintenance of riparian reserves along the streams.
- Retained natural grasses to improve soil properties.


The area covered by cover crop to prevent erosion of terraces at Ladang Ulu Lepar

Biological control in our estate

Using biological control to eliminate plantation pests by installing barn owl instead of using pesticides which may be harmful to the habitats and environment or natural resources.

- Total of 50 barn owl has been constructed with ratio 1:20 hectares. The occupation rate is 49% of total barn owl (2020 : 40%).

Minimize Wastage and Recycle

Biomass Wastes

- Apply zero burning technique concepts. The zero burning technique is a method of land clearing whereby the tree stand, either logged over secondary forests or an old area of plantation tree crops such as oil palm are felled, shredded, stacked and left in situ to decompose naturally.
- Our estate has installed signage "No Burning" at places that can be seen by workers.

Solid Wastes

- Our estate management has provided composting area to dispose food wastes from worker camp.
- Non-degradable wastes such as plastics, food containers, drink cans, glass and bottles are disposed at an approved landfill site.
- Solid waste was segregated by the waste type.
- Our management frequently reminded our workers not to burn the solid waste and not to discharge into river systems.

Hazardous Materials

Chemical used in oil palm estate are pesticides and fertilizers.

The Best Management Practices (BMP) for chemical in our estate:

- Follow all label direction for storing and mixing the agricultural chemical and all empty containers are re-used for the mixing of the chemical.
- Our workers mix the amount of chemical that only will be used for the current job.
- Ensure to clean spray tanks and spray equipment at the application site.
- Our estate ensures to keep accurate fertilizer and pesticide used records.
- Pesticides material are selective toward the target species and organically.
- Our chemical store is locked, well-marked building with impermeable floors and located safe distance from any water source.
- Our management ensure the workers are be train before doing the spraying job.

Protect Nature Habitat

- Prohibited from poaching on any wildlife species.
- Warning posts 'No Hunting' has been placed at strategic locations along the access road to alert workers.
- Our management has constructed a guard post at the entrance of the work site with 24 hours monitoring to prevent hunters or trappers using the access road for hunting or trapping of wildlife species.
- Construction of ditch and electric fencing.

SOCIAL (CUSTOMERS)

Customers' expectation

Mechanisation of FFB collection

- This system will be implemented in financial year 2022.
- To implement mechanisation for internal transport of FFB. This process will ensure effective and efficient evacuation of FFB.
- To implement FFB delivery to customers by using bin system.
- Delivery FFB from sub road to main road using 3MT scissors lift with grabber trailer.
- Prime mover will deliver the bin to the mill.
- FFB will be less contaminated (better quality).
- The mechanization system will contribute:
  - Utilization of 60% less workers.
  - Less wastage of FFB (loose fruits).
  - Less fuel usage as no backhoe is required to load FFB to the lorries.
  - Reduce the delivery process by eliminating the manual loading of FFB to the lorries.

This system will replace the manual handling of FFB from the sub road to the main road. Currently, FFB are loaded at the sub road to the tractor and dump at designated area (at the main road). The FFB is then loaded to the truck by using backhoe.

The new system will reduce wastage of loose fruits as well as reduce carbon footprint to protect and conserve the environment.

EMPLOYEE WELFARE

Employee welfare

a) Insurance Coverage

We offered insurance plan to our employees and the types of insurance are as follows:

- SMI Group Medical Family Takaful (family coverage of RM40,000 per employee);
- Personal accident; and
- Director and Officer Liability.

b) Management and Staff Training

Training contributes in the development of employees. Therefore, we provide and equip them with knowledge and skills needed. In 2021, we have provided trainings to Directors, management & staff and the details are as follows:

No.	Types of training	Number of participants		
		Directors	Management	Staff
1.	Revised Malaysian Code on Corporate Governance & Sustainability Reporting	5	9	16
2.	Malaysian Certified Inspector of Sediment & Erosion (MY-CISEC) Training & Certification Examination	-	-	2
3.	HR Talent & Performance Management	-	1	-
4.	Reimagine Leadership and Governance, Not Capitalism	-	1	-
5.	Circular Economy and Sustainability Strategies	-	2	-

EMPLOYEE WELFARE (CONTINUED)

c) Provide Equal Job Opportunities to All Employees

i) <u>No discrimination on gender, age and ethnicity in workplace</u>

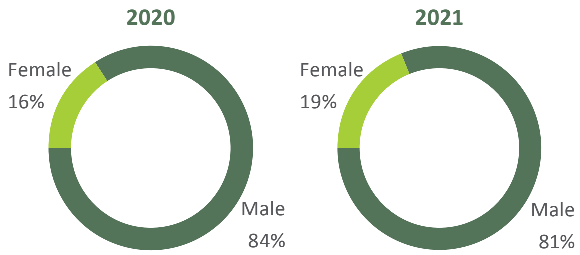
At our Company, we value all of our employees as unique individuals and we welcome the variety of experiences they bring to our Company. As such, we have a strict non-discrimination policy. We believe everyone should be treated equally regardless of gender identification, age, marital status, ethnicity, religion or any other characteristic protected by law.

This is our responsibility to provide an equal opportunities and conducive environment free from all forms of discrimination, discriminatory practices and beliefs.

These will contribute to promote personal respects, values diversity and provides physical and emotional safety.

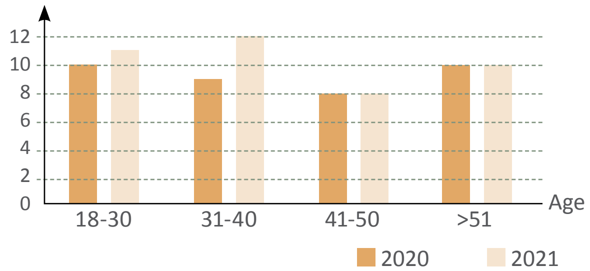
If the employees feel that have been discriminated against, they require to report to Human Resources Department and every complaint will be appropriately investigated.

<u>Gender</u>



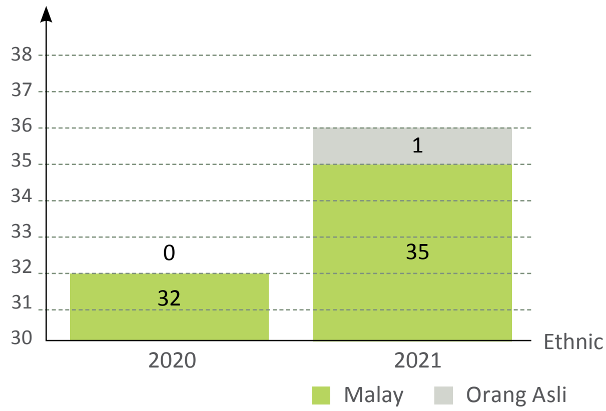
<u>Age Profile</u>

No. of employee



<u>Ethnicity Profile</u>

No. of employee



d) Estate Workers Welfare

i) <u>Workers Quarters</u>

We provide facilities/ benefits as follows:

- Workers quarters complete with the bathroom and furniture (bed, mattress and etc.) including free water and electrical supply.
- With Personal Protective Equipment (PPE) such as protective helmet, protective boots mask, VIS clothes and etc.
- Fuel allowance for our workers traveling daily to estate.

ii) <u>Providing travelling incentives for foreign workers</u>

- Travelling expenses will be rewarded to workers who has completed working for minimum of two (2) years.
- Cash reward for return home (RM500) and returning back (RM1,000).

EMPLOYEE WELFARE (CONTINUED)

e) *Safe Workplace*

A safe and conducive workplace not only protects workers from injury and illness, it can contribute to less medical costs, reduce absenteeism & turnover, increase productivity & quality, and raise employee morale.

We have implemented guideline/ SOP to reduce injury at workplace and for the record there is no injury happen in our estate during the year. The actions taken are as follows:

- Supply appropriate Personal Protective Equipment (PPE) such as protective helmet, protective boots mask, VIS clothes and etc.;
- New worker has been briefed and trained to ensure that they know how to operate or handle the equipment and machinery and properly follow workplace rules and procedures for safety;
- To ensure all workers to comply and follows with the SOP and adhere to safe work practices;
- To ensure that workers have all the physical and psychosocial capacities necessary for safe performance of their assigned tasks;
- To issue reminder/warning letter to workers who has not comply to the OSH policy;
- To ensure there are robust injury response processes in place (IRC).

We have established a Safety and Health Committee as per Section 30 of OSHA. The objective of Safety and Health Committee is to foster cooperation and consultation between employer and employee in identifying, evaluating and controlling hazards at place of work. The Occupation Health and Safety (OSH) policy has been issued to all estate and displayed at a strategic location in the office.

The practices on OHS management was implemented as below:

a. The SWP Safe Work Procedures (SWP) has been displayed at a strategic location at a workplace as a fast reference for the employer and the employees. It is advisable to display all the SWP for major works which are deemed fit and practical. SWP for estate, mill and construction could be referred to separate references as follows:

   - Safe Work Procedures for the Estate (SWPE);
   - Safe Work Procedures for the Mill (SWPM); and
   - Safe Work Procedures for the Construction (SWPC).

b. The employees shall use the appropriate Personal Protective Equipment (PPE) at workplace. All issuance to be recorded and kept for audit purposes.

c. Training and Re-training

   - Estate Managers organize occupational safety and health training for the respective estate.
   - All the employees to be trained on the OSH specifically to their job functions on periodical basis. All training programs shall be documented and kept for audit purposes.

   To prevent the spread of COVID-19 in the workplace, we have issued guidelines to the employees and action to be taken. The guidelines can be summarized as follows:

No.	Steps taken	Procedure	Action	Department
1.	Monitoring	To ensure body temperature employees/ contactors/ visitors not exceeding 37.50C and scan MySejahtera before entering the premises. Enforce hand sanitation at entrance.	Security Guard/ PIC	HQ/ Estate
2.	Record	Record details of staffs/contractors/ visitors in a log book for reference.	Security Guard/ PIC	HQ/ Estate

EMPLOYEE WELFARE (CONTINUED)

e) Safe Workplace (Continued)

No.	Steps taken	Procedure	Action	Department
3.	Prevention	Maintain good personal hygiene and supply Personal Protective Equipment (PPE) to the employees. Ensure the use of and supply adequate materials in the workplace such as face mask, face shield and rubber gloves. Carry out sanitation and disinfection using disinfectant liquid at least 3 times a day on frequently exposed surfaces.	Security Guard/ PIC	HQ/ Estate
		Keep all employees informed on the latest developments of COVID-19, by using some methods deemed appropriate such as e-mail, applications 'WhatsApp', or posters on signage at office and briefings by management. • Re-evaluate work activities exposed to outbreaks in the workplace from time to time. • Conduct online meeting. • Postpone the mass gathering activity program.	Corporate Communication Officer/ Estate Manager	HQ/ Estate
4.	Social Distancing & Safe Practices	Ensure social distancing and safe practices for employees, contractors and visitors are implemented when carrying out all tasks and work activities in the premises/ estates. • Staggering work schedules. • If in an enclosed space such as in the surau and pantry, only one (1) person is allowed at a time.	All Head of Department/ Estate Supervisor/ All employees	HQ/ Estate
5.	Report	To notify Human Resources Department or Estate Manager if any employees develop symptoms at work or have infected COVID-19, avoid contact with fellow employees (for screening/ home surveillance). If COVID-19 infection occurs among employees due to activities at workplace, the management should contact and report to Pejabat Kesihatan Daerah for contact tracing and placing of close contacts under Home Surveillance.	Estate Supervisor/ All employees	HQ/ Estate

SOCIAL - COMMUNITY INVESTMENT

Community Investments

Training Local Community

We trained and engaged with Orang Asli to be our skilled harvesters and field workers at our estates. This is a way of a solution not to depend on foreign workers on shortage of harvesters due to the COVID-19 pandemic and the government extended the freeze on new intake of foreign workers.

We are giving an opportunity for them to earn monthly salary and contribution to EPF & SOCSO. The details of numbers of Orang Asli hired by our estate are as follows:

Estates	Harvester	Field workers	Total
Sg Lembing	22	11	33

SOCIAL - COMMUNITY INVESTMENT (CONTINUED)

Donations

Flood Relief

Donations were made to ten (10) staff and their families affected by floods was RM7,900.

The details of donations made to those affected by the flood are as follows:

No.	Company/Estates	Employees RM1,000	Parents RM1,000	Family members RM300	Amount RM
1.	Mentiga Corporation Berhad	-	1	1	1,300
2.	Mentiga Plantation Sdn Bhd	2	2	-	4,000
3.	Ulu Lepar Estate	-	1	2	1,600
4.	Penor Estate	-	1	-	1,000
	TOTAL	10			**7,900**

Other than cash assistance to the employees, we also provided food for estate workers at Penor and Sg. Lembing estates during flood season.

The total contribution are as follows:

No.	Estates	Details	Amount (RM)
1.	Sg Lembing	30 pax x RM30	900
2.	Penor	40 pax x RM30	1,200
	TOTAL		**2,100**

We also donated RM24,000 to local communities through State Assemblymen and State Assembly Coordinators and the details as follows:

No.	State Assembly (SA)	RM
1.	Damak, Jerantut	3,000
2.	Panching, Kuantan	3,000
3.	Lanchang, Temerloh	5,000
4.	Sg. Lembing, Kuantan	5,000
5.	Inderapura, Kuantan	3,000
6.	Lepar, Kuantan	5,000
	TOTAL	**24,000**

Contributions to Schools and NGOs

Donations were made to schools & NGOs and the details as below:

No.	Schools & NGOs	Amount RM
1.	Kelab Sukan dan Sosial Alam Sekitar Pahang (Kaspa)	3,000
2.	PIBG SMK Lepar Utara (Sumbangan infaq Ramadhan)	500
3.	Pertubuhan Kebajikan Keluarga Istimewa (PKKI Pahang)	500
	Total	**4,000**


Food donations at Kg. Chenor, Maran


Cash donations at Kampung Batu Papan, Bera


Cash donation at Kg. Charuk Putting, Temerloh


Cash donations at Sg. Lembing, Kuantan

The Board is pleased to present this Corporate Governance Overview Statement to provide an overview of the CG practices adopted by the Company in achieving the intended outcomes as set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code") throughout the financial year ended 31 December 2021.

The Board of Directors ("The Board") of Mentiga Corporation Berhad ("the Company") is committed to ensuring that the highest standards of Corporate Governance ("CG") are practiced and applied throughout the Group towards enhancing business prosperity and corporate accountability to protect and enhance long term shareholders' value and financial performance of the Group.

The detailed application by Group for each practice as set out in the MCCG is disclosed in the Corporate Governance Report ("CG Report") which is available on the Company's website at www.mentiga.com.my as well as in the announcement made by the Company along with the Annual Report 2021 on the website of Bursa Malaysia Securities Berhad ("Bursa Securities").

BOARD LEADERSHIP AND EFFECTIVENESS

Principal roles and responsibilities of the Board

The Company is led and managed by a Board comprising seven (7) members with a wide range of business, financial, public service and corporate experience and expertise. The Directors bring a broad range of skills, experiences and knowledge required to successfully direct and supervise the Group's business activities.

The Board has overall responsibility for the strategic direction of the Group. For the financial year ended 31 December 2021, five (5) Board Meetings were held to review corporate strategies, operations and performance of business units within the Group. Every Board member brings an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board has delegated certain responsibilities to Board Committees which are necessary to facilitate efficient decision making to assist the Board in the execution of its duties, power and authorities. Each Committee operates under their respective approved terms of reference. The Chairman of various Committees will report to the Board the outcome of the respective Committees' meetings and such reports are incorporated into the minutes of the board meeting. Currently, the Board has established separate Board Committees, namely, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Whistleblower Committee, Tender Committee and ESOS Committee.

The Board delegates management of the Company's resources to the senior management team under the leadership of the Managing Director to deliver the strategic direction and goals determined by the Board for day-to-day management of the Group. The Board will monitor the performance of the senior management and the Managing Director will annually conduct a formal performance review of the senior management and report the same back to the Board.

The Management is guided by the Authority Limit ("AL") which sets out the approving limits of the various approving authorities for the daily operations and management of the Group.

Separation of positions of the Chairman and Chief Executive Officer ("CEO")

A clear division of responsibility between the Chairman and the Executive (Managing) Director exists to ensure a balance of power and authority. The Board is led by YB. Dato' Sri DiRaja Haji Adnan bin Haji Yaakob, who is primarily responsible for the proper conduct and working of the Board. During the financial year 2021, the Executive Management was led by Tuan Haji Yaacob bin Sarani, who was responsible for the day-to-day running of the business and the implementation of Board's policies and decisions. On 31st December 2021, Tuan Haji Yaacob bin Sarani resigned as Managing Director and subsequently was re-designated to a Non-Independent Non-Executive Director. His designation was replaced by Dato' Hamdan bin Salim with effect from 1st January 2022.

Details on the roles and responsibilities of the Chairman are provided in the Board Charter which is available on Company's website at www.mentiga.com.my.

Qualified and competent Company Secretaries

The Board is satisfied with the performance and support rendered by the three (3) Company Secretaries, who are qualified members of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and who play a vital role in advising the Board concerning all corporate governance matters.

The Company Secretaries are external Company Secretaries from Tricor Corporate Services Sdn Bhd with vast knowledge and experience from being in public practice.

The Company Secretaries are responsible for ensuring that Board and Board Committees' meetings are properly convened and keeping proper records of the proceedings of meetings and resolutions passed by the Board and its Committees.

The Company Secretaries update the Board regularly on any regulatory changes and developments in corporate governance during meetings and via emails.

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Access of information and advice by Board

Meeting Papers

Prior to each Board and Committee meeting, Directors will receive the agenda and accompanying meeting papers for each agenda item to be discussed at the meeting. At each meeting, there is a full financial and business review and discussion. Items reviewed and discussed include, amongst others, the following:

- Minutes of previous Board meeting (s);
- Minutes of meetings of Committees of the Board (the "Board Committees");
- Directors' circular resolutions passed since the previous meeting;
- Quarterly performance report of the Group;
- Quarterly financial statements to be submitted to Bursa Securities; and
- Major operational, financial and corporate issues.

The agenda and supporting papers are distributed in advance, i.e., at least seven (7) days prior to the date of meetings for all Board and Board Committee Meetings to allow time for appropriate review to facilitate full discussion at the meetings.

The Board has direct access to Senior Management and has full and unrestricted access to information relating to the Company's business and affairs in the discharge of their duties. The Senior Management Officers are invited to attend the Board meetings to update the Board on their respective areas of responsibility and to brief and provide details to the Directors on proposals submitted for the Board's consideration.

All directors have access to the advice and services of the Company Secretaries and may obtain independent professional advice, whenever necessary, at the expense of the Company. The Company Secretary attends all Board, Committees and general meetings and advises the Board on procedures and requirements under the Company's Constitution, the Companies' Act 2016 and the Main Market Listing Requirements, as well as the best practices recommended by the MCCG.

During financial year 2021, none of the Directors had sought independent professional advice.

Board Charter

Pursuant to Practice 2.1 of the Code, a Board Charter ("the Charter") was drawn up with the primary objective of setting out the roles, functions, composition, operations and processes of the Board. The Charter has incorporated the applicable and relevant recommendations of the Code. The Board will review the Charter on a regular basis to ensure that it is consistent with the Board's objective and responsibilities, as well as the relevant corporate governance standards.

More information on the Charter can be found on the Company's website at www.mentiga.com.my.

Directors' Code of Ethics

The Directors continue to adhere to the Directors' Code of Ethics incorporated into the Board Charter, which is based on principles in relation to integrity, sincerity, honesty, responsibility, social responsibility and accountability in order to enhance the standard of corporate governance and behavior.

The Group has established an anti-bribery and anti-corruption policy which prohibits all forms of bribery and corruption practice.

Whistleblowing Policy and Procedures

A formal Whistleblowing Policy had been established to address Mentiga Corporation Berhad's commitment to integrity and ethical behaviour by providing an environment where employees can act appropriately without fear of retaliation. The Company encourages its employees who have concerns about suspected serious misconduct or any breach or suspected breach of law, rule or regulations governing the Company and its subsidiaries' operations that may adversely impact the Company to come forward and report their concerns without fear of punishment or unfair treatment.

More information on the Whistleblowing Policy and Anti-Bribery & Corruption policy can be found on the Company's website at www.mentiga.com.my.

The presents members of the Whistleblower Committee are:

- YH. Dato' Hazli bin Ibrahim (Chairman) - Independent Non-Executive Directors
- YH. Dato' Bahudin bin Mansor - Senior Independent Non-Executive Directors

The Whistleblower Committee did not hold any meeting during the financial year 2021.

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Sustainability Leadership

The sustainability leadership has been emphasised greatly in accordance with MCCG enforced on 28 April 2021. The Board together with the Management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

The Balance and Composition of the Board

The Board composition during the financial year 2021, comprising four (4) Non-Independent Non-Executive Directors, two (2) Independent Non-Executive Directors and the Managing Director, was in compliance with paragraph 15.02 of Bursa Securities's Listing Requirements.

The composition of the Board is balanced by the presence of Independent Non-Executive Directors. Although all Directors have equal responsibility for the Group's business directions and operations, the role of these Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advice and judgment to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure the highest standards of conduct and integrity are maintained by the Group.

Tenure limit of independent directors

The Board recognised the importance of independence and objectivity in decision making. The Nomination and Remuneration Committee reviews the independence of the Independent Directors annually.

Practice 5.3 of the Code recommends that the tenure of an Independent Director should not exceed nine (9) years cumulatively. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the approval of shareholders at the Annual General Meeting ("AGM"). Notwithstanding that YH. Dato' Bahudin bin Mansor and YH. Dato' Hazli bin Ibrahim have served on the Board for more than twelve (12) years, the Board proposes to retain both of them as Independent Directors and will seek shareholders' approval through a two-tier voting process.

The Board will table a proposal to retain YH. Dato' Bahudin bin Mansor and YH. Dato' Hazli bin Ibrahim as Independent Directors for shareholders' approval at the upcoming AGM of the Company based on the following justifications:

i) They have met the criteria under the definition of Independent Director as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities;
ii) They do not have any conflict of interest with the Company and have not been entering/are not expected to enter into contract(s) especially material contract(s) with the Company and or/its subsidiaries;
iii) Their vast experience and expertise in finance and banking industry would enable them to provide independent judgement and invaluable contributions to the Board in their roles as Independent Non-Executive Directors;
iv) They have been with the Company for more than 9 years and were familiar with the Company's business operations; and
v) They had actively participated in all Committee and Board's discussion and able to provide constructive opinions and acted in the best interest of the Company.

The Board holds the view that a Director's independence cannot be determined arbitrarily with reference to a set period of time. The Company benefits from the long service of both of them who possess an incumbent knowledge of the Company and the Group's activities and corporate history and have provided invaluable contributions to the Board in their role as Independent Directors. In fact, they have been bringing their independent and objective judgment to board deliberations and the decision making process.

Gender diversity remains an essential aspect of Board composition and the Board expects to take necessary steps to ensure compliance with the best practice as recommended by the Code. The Board is expected to appoint female Director before 1st June 2023.

Board Meetings

There were five (5) Board of Directors' Meetings held during the financial year ended 31st December 2021. Details of attendance of the Directors at the Board of Directors' Meetings are as follows:

Directors	Total Meetings Attended
YB. Dato' Sri DiRaja Haji Adnan bin Haji Yaakob	5/5
Tuan Haji Yaacob bin Sarani	5/5
YH. Dato' Haji Muhammad Nasir bin Puteh	4/5
YH. Dato' Haji Mohd Ali Hanafiah bin Sh. Ruji (resigned on 31 December 2021)	5/5
YH. Dato' Bahudin bin Mansor	5/5
YH. Dato' Hazli bin Ibrahim	5/5
YH. Dato' Haji Mohd Nazari bin Yunus	5/5

All the Directors have complied with the requirement to attend at least 50% of the Board meetings held in the financial year pursuant to the Main Market Listing Requirements of Bursa Securities.

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Meetings (Continued)

The Board is satisfied with the level of time commitment given by the Directors toward fulfilling their duties and responsibilities as Directors of the Company. This is evidenced by their attendances at the Board and various Board Committees meetings held during the year. In addition, all the Directors of the Company do not hold directorships in more than five (5) public listed companies and thus, they are able to commit sufficient time to the Company.

Nomination and Remuneration Committee

On 23 February 2022, Nomination Committee ("NC") and Remuneration Committee ("RC") was combined to a single committee known as Nomination and Remuneration Committee ("NRC").

The present members of the NRC are:

- YH. Dato' Hazli bin Ibrahim (Chairman) - Independent Non-Executive Directors
- YB. Dato' Haji Mohd Nazari bin Yunus - Non-Independent Non-Executive Directors
- YH. Dato' Bahudin bin Mansor – Senior Independent Non-Executive Directors

The NRC's Terms of Reference are available at our website www.mentiga.com.my.

The primary functions of the NRC are as follows:

Nomination function

- To recommend nominations to the Board for appointment of the Board members, Committee members, as well as to evaluate and recommend to the Board the employment, promotion, discipline, and termination of senior management with the positions;
- To ensure the Board is effective in discharging its responsibilities in achieving the Company's goals and objectives;
- To ensure the successor plans are able to achieve diverse talent pipeline for the Board and senior management; and
- To ensure the appointment of Board members and senior management are based on objective criteria such as diversity in skills, experience, knowledge, core competences, responsibilities, contribution, age, and cultural background.

Remuneration function

- To review and recommend remuneration of Directors and senior management which are well-structured and consistent with the strategy, goals and long-term objectives of MCB;
- To review and recommend the remuneration packages for Directors and senior management to ensure fair and adequate rewards for their contributions to MCB; and
- To review and recommend the remuneration policies and procedures which are made through a transparent and independent process for Directors and senior management.

The Company Secretary ensures that all appointments are properly made and that legal and regulatory obligations are met.

The NC had two (2) meetings during the financial year 2021 and all members were present at the meeting and carried out the following activities:

- Reviewed and recommended for the Board approval of the appointment of the Group Managing Director;
- Reviewed and recommended Directors for re-election at the AGM;
- Assessed the overall effectiveness of the Board, its Committees and the contribution and performance of each individual Director including its size, structure and composition;
- Assessed the independence of the Independent Directors; and
- Discussed on Directors' training needs.

The RC had two (2) meetings during the financial year 2021 and all members were present at the meeting and carried out the following activities:

- Reviewed and recommended salary increment for the employees of the Group;
- Reviewed and recommended for the Board of Directors' approval of the proposed payment of bonus for the staff of the Company; and
- Reviewed and recommended for the Board of Directors' approval the remuneration package and the proposed payment of additional fees to the Directors of the Company.

Practice 5.8 of the code recommends that the chair of the NRC should be an Independent Director or the Senior Independent Director identified by the Board. YH. Dato' Hazli bin Ibrahim, the Chairman of the NRC, is an Independent Director although he is not the Senior Independent Director. The Board was of the view that the current structure and composition of the NRC was working well.

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Recruitment and assessment of Directors

The appointment of new Directors is under the purview of the NRC, who is responsible for making recommendations to the Board on suitable candidates for appointment. The NRC, in assessing a candidate's suitability, will look at the candidate's background, expertise, experience and skills as prescribed in Board Charter. The candidate should have professional skills that complement the skills of existing Board members and new Directors must be able to add strength in areas that are important to the Company's long-term goals.

The NRC is also responsible for evaluating the findings of the Board Performance Evaluation for the Board and relevant Board Committees. Each Director's ability and capability will be individually self-assessed by them, and any weaknesses identified will be discussed, and thereafter a plan will be formulated to address the gap. The selection criteria includes the following:

- Qualification, experience and skills;
- Corporate governance;
- Contribution and competence;
- Independence;
- Number of directorship and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and
- In the case for the position of Independent Non-Executive Directors, the NRC will also evaluate the candidates' ability to discharge responsibilities and functions as expected from Independent Non-Executive Directors.

The NRC, upon analyzing the result of the annual Board Performance Evaluation, is satisfied that the size of the Board is sufficiently appropriate and that there is a good mix of knowledge, skills, attributes and core competencies in the composition of the Board. The NRC is also satisfied that all the Board members are suitably qualified to maintain the positions as Directors of the Board and members of the Committees in view of their respective academic and professional qualifications, experience and qualities.

Re-election of Directors

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM subsequent to their appointment. The Constitution also provides that one third (1/3) of the Directors are subject to retirement by rotation at each AGM and all Directors are to offer themselves for re-election once in every three years. The re-election of Directors at a regular interval not only promotes the creation of an effective Board, but also presents the shareholders with the opportunity to gauge the performance of the Directors.

The retiring Directors who are seeking re-election would be subjected to performance assessment carried out by the NRC, which would then submit its recommendation to the Board for deliberation and approval. The Board would endorse a Director for re-election if his performance is considered satisfactory and meet the expected roles and responsibilities.

At the forthcoming Fifty-First AGM, the following Directors will stand for re-election in accordance with the Company's Constitution and being eligible, they have offered themselves for re-election:

Directors	Clause
YH. Dato' Hazli bin Ibrahim	93
YH. Dato' Haji Mohd Nazari bin Yunus	93
Tuan Haji Yaacob bin Sa'rani	93
YH. Dato' Haji Hamdan bin Salim	98

The Board has determined that the performance of the above Directors who are subject to re-election, have continued to exemplify and demonstrate the highest commitments towards strengthening the effectiveness of the governance framework. Hence, the Board unanimously recommends that the shareholders vote in favour of the re-election of the above Directors at the Company's coming AGM.

Directors' Training

The Company is mindful that appropriate and continuous trainings for Directors are important to equip the Directors with the necessary knowledge to enable them to discharge their duties effectively. The Directors will continue to participate in appropriate training programmes from time to time to keep abreast with relevant changes in the business environment, law and regulations.

The NRC had reviewed the proposed list of trainings to be attended by the Directors that are appropriate and relevant to the Company's needs. The Company Secretary will also forward the relevant training brochures to the Directors for considerations.

All the Directors of the Company have attended the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Securities for Directors of public listed companies.

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Directors' Training (Continued)

The conferences, seminars and trainings programmes attended by the Directors of the Company during the financial year 2021 were as follows:

Directors	Trainings attended
Y B. Dato' Sri DiRaja Haji Adnan bin Haji Yaakob	• Presented Law Lectures at International Islamic University Malaysia • Judiciary seminar • Revised Malaysian Code on Corporate Governance and Sustainability Reporting
Tuan Haji Yaacob bin Sa'rani	• Corruption Risk: Political Financing and Accountability • Revised Malaysian Code on Corporate Governance and Sustainability Reporting
YH. Dato' Haji Muhammad Nasir bin Puteh	• Revised Malaysian Code on Corporate Governance and Sustainability Reporting
YH. Dato' Haji Mohd Ali Hanafiah bin Sh. Ruji	• Revised Malaysian Code on Corporate Governance and Sustainability Reporting
YH. Dato' Haji Mohd Nazari bin Yunus	• New Paradigm in Investing : Return, Risks, Industry Disruption & Investment Strategy • Anti Money Laundering, Anti Terrorism Financing & Corporate Liability under the MACC Act • Revised Malaysian Code on Corporate Governance and Sustainability Reporting
YH. Dato' Bahudin bin Mansor	• 2022 Budget Seminar • Budget 2022: Key Updates and Changes for Corporate Accountants • Virtual Bank Negara Malaysia (BNM) Data & Compliance Report (DCR) 2021 Clinic • MIA International Accountants Conference • Malaysian Tax Conference 2021 • Case Study-Based MFRS Webinar: Reporting Financial Performance for Public and Private Entities (MFRS/MPERS) • Malaysian Private Entities Reporting Standards (MPERS): A Complete Toolkit for SME Financial Reporting
YH. Dato' Hazli bin Ibrahim	• Khazanah Megatrend Forum 2021 • Revised Malaysian Code on Corporate Governance and Sustainability Reporting • The Hasanah Forum 2021 – From charity to justice

Remuneration Procedure

The NRC recommends to the Board the framework of the remuneration package for the Managing Director and Senior Management which includes, but not exhaustive, the basic salary, benefits in kind and service contract.

In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. The Company also reimburses reasonable expenses incurred by Directors where required, in the course of carrying out their duties as Directors. The ultimate responsibility to approve this remuneration package lies with the Board.

Directors' Remuneration

The Company has adopted the objectives as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains qualified Directors needed to run the Company successfully.

The aggregate remuneration of Directors (in Ringgit Malaysia) distinguishing between Executive and Non-Executive Directors for the Group and the Company for the financial year ended 31 December 2021 is set out below:

Group	Fees	Meeting allowances	Salaries & Other emoluments	Total
Executive Director				
Tuan Haji Yaacob Bin Sa'rani	102,000	-	964,750	1,066,750
Non-Executive Director ("NED")				
YB. Dato' Sri DiRaja Haji Adnan Bin Haji Yaakob	120,000	43,000	-	163,000
YH. Dato' Haji Muhammad Nasir Bin Puteh	126,000	24,000	6,240	156,240
YH. Dato' Haji Mohd Ali Hanafiah Bin Sh. Ruji	48,000	18,000	-	66,000
YH. Dato' Bahudin Bin Mansor	72,000	40,500	-	112,500
YH. Dato' Hazli Bin Ibrahim	48,000	40,000	-	88,000
YH. Dato' Haji Mohd Nazari Bin Yunus	84,000	31,000	4,680	119,680
Total for NED	498,000	196,500	10,920	705,420
Grand Total	600,000	196,500	975,670	1,772,170

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Directors' Remuneration(Continued)

Company	Fees	Meeting allowances	Salaries & Other emoluments	Total
Executive Director				
Tuan Haji Yaacob Bin Sa'rani	48,000	-	957,730	1,005,730
Non-Executive Director ("NED")				
YB. Dato' Sri DiRaja Haji Adnan Bin Haji Yaakob	120,000	43,000	-	163,000
YH. Dato' Haji Muhammad Nasir Bin Puteh	48,000	19,000	-	67,000
YH. Dato' Haji Mohd Ali Hanafiah Bin Sh. Ruji	48,000	18,000	-	66,000
YH. Dato' Bahudin Bin Mansor	72,000	40,500	-	112,500
YH. Dato' Hazli Bin Ibrahim	48,000	40,000	-	88,000
YH. Dato' Haji Mohd Nazari Bin Yunus	48,000	28,000	-	76,000
Total for NED	384,000	188,500	-	572,500
Grand Total	432,000	188,500	957,730	1,578,230

The number of Directors distinguishing between Executive and Non-Executive Directors whose remuneration falls into the following bands is set out below:

Range of Remuneration (RM)	Executive	Non-Executive
Less than RM50,000	0	0
RM50,000 to RM100,000	0	2
RM100,000 to RM200,000	0	4
>RM1,000,000	1	0

The Directors' fee and benefits (if any) recommended by the RC and the Board are tabled to the shareholders for approval at the Company's AGM.

Directors and officers of the Group are indemnified under a Directors and Officers Liability insurance scheme against any liability incurred by them in their discharge of duties while in office. However, they are not indemnified in event of any negligence, fraud, breach of duty or trust proven against them.

The number of key management personnel whose remuneration falls into the following bands is set out below:

Range of Remuneration (RM)	Key management personnel
Less than RM100,000	0
RM100,000 to RM200,000	3
RM200,000 to RM300,000	3
RM300,000 to RM600,000	0

Accountability and Audit

The Board is responsible to present a balanced, clear and comprehensive assessment of the Group's financial position, performance and prospects through the quarterly and annual financial statements released to the shareholders. It also ensures that the financial statements of the Group give a true and fair view of the state of affairs of the Group.

The Board is assisted by the AC to oversee the Group's financial reporting process, the quality of its financial reporting and also to ensure that the financial statements are drawn up following appropriate accounting policies and in accordance the provisions of the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 2016. The accounting policies, once adopted, are consistently applied and supported by reasonable judgments and estimates.

The AC is chaired by an Independent Director who is distinct from the Chairman of the Board. Two (2) of the AC members are members of the Malaysian Institute of Accountants. All members of the AC are financially literate. The role of the AC and the number of meetings held during the financial year as well as the attendance record of each member are set out in the Report of Audit Committee set out on pages 49 to 50 of this Annual Report.

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Suitability and independence of external auditors

The Board through the establishment of an AC has managed an appropriate relationship with the External Auditors and there are formal and transparent arrangements in reviewing of the External Auditor's audit plan, report, internal control issues and procedures. The key features and the roles of the AC in relation to the External Auditors are included in the AC's Term of Reference as described in the Audit Committee Report. The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regularity requirements.

The AC reviews the proposed re-appointment of the Messrs Al Jafree Salihin Kuzaimi PLT as External Auditor of the Company and their fees on annual basis to ensure that the independence and suitability of the External Auditors is not compromised based on stringent criteria adopted from best practices.

The AC noted that the External Auditors had expressed their willingness to continue in office for the ensuring year and having reviewed the suitability and independence of the External Auditors, the AC recommended to the Board to table the resolution for their re-appointment as External Auditors for the next financial year for shareholders' approval at the forthcoming 51st AGM of the Company.

Risk management and internal control

The Board acknowledges its overall responsibility in the establishment and oversight of the Group's risk management framework. The Board comprehends that its focus on effective risk oversight is critical to setting the tone and culture towards effective risk management and internal control. The risk management and internal control systems are intertwined with the Group's operating activities and exist for fundamental business reasons.

Details of the Risk Management and internal control Framework are disclosed in 'Statement on Risk Management and Internal Control' on pages 46 to 48 of this Annual Report which provides an overview of the state risk management and internal controls of the group.

The present members of the Risk Management Committee ("RMC") are:-

- YH. Dato' Hazli bin Ibrahim (Chairman) - Independent Non-Executive Directors
- YH. Dato' Haji Muhammad Nasir bin Puteh - Non-Independent Non-Executive Directors
- YH. Dato' Bahudin bin Mansor – Senior Independent Non-Executive Directors

The primary functions of the RMC are as follows:

- To review and recommend the Group's risk management policies and strategies for the Board's approval. This includes reviewing major investment business cases and management's assessment of the key associated risks, including funding options and costs, and investment returns prior to the Board's approval; and
- To monitor the implementation of post-spend transactions in accordance with established threshold in the approved Group Limits of Authority, which includes capital expenditure, acquisitions and project-based operational costs.

The RMC had two (2) meetings during the financial year 2021 and all members were present at the meeting. During the year, the RMC reviewed and updated key risks and controls at Mentiga Corporation Berhad and its Subsidiary Companies for:

- Updates on the position of existing risks
- Updates on significant risks
- Evaluated a new risk

The internal audit function of the Group is carried out by an external service provider, namely McMillan Wood Thomas. The outsourced Internal Auditors report directly to the AC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

The internal audit function is independent and performs audit assignments with impartially, proficiency and due professional care.

The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Timely disclosure and investor relationship

The Board recognizes the value of good investor relations and the importance of disseminating in a fair and equitable manner. Thus, the Board stresses on maintaining good relationship with shareholders through distribution of annual reports, announcement of all material information including quarterly financial performance of the Group to Bursa Securities, company websites and investor relations.

As there may be instances where investors and shareholders may prefer to express their concerns to an Independent director, the Board has identified YH. Dato' Bahudin bin Mansor as the Senior Independent Non-Executive Director to whom concerns may be directed. At all times, investors and shareholders may contact the Company Secretary for information on the Group.

Strengthen relationship between the Company and shareholders

The AGM is a platform for the Board and shareholders to communicate on the Group's performance and any other matters of concern or interest to shareholders. During the last year meeting, shareholders were given opportunity to seek clarification on any matters pertaining to the business and financial performance of the Group and all Directors and Managements were present at the AGM to answer question raised by shareholders. Extraordinary General Meetings are held as and when required.

The Board encourages shareholders to attend and participate in AGM by providing adequate advance notice and holding the AGM at a readily accessible location. Any item of special business included in the notice of AGM will be accompanied by an explanation of the effects of the proposed resolution.

Each shareholder can vote in person or by appointing a proxy to attend and vote on his/her behalf at general meetings. Separate issues are tabled in separate resolutions at general meetings. Voting for all resolutions at the AGM held in year 2021 was conducted by poll in accordance with the Listing Requirements and carried out systematically and resolutions are properly recorded.

The 50^{th} AGM has been conducted on a fully virtual basis through live streaming from the broadcast venue.

The Company Secretary ensures that the process and proceedings of the AGM comply with the relevant laws, guidelines, and rules and regulations.

Statements of Directors' Responsibility for preparing the annual audited financial statements

The Board is satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2021, the Directors have:

- adopted the appropriate accounting policies and applied them consistently;
- ensured compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016, and any material departures have been disclosed and explained in the financial statements;
- made estimates and judgments which are reasonable prudent; and
- ensured the financial statements have been prepared on a going concern basis.

Compliance Statement

The Board recognises and subscribes to the importance of the principles and best practices set out in MCCG. In this respect, where practical and appropriate, the Board has applied the principles and recommendations under the MCCG for the financial year ended 31^{st} December 2021.

INTRODUCTION

The Statement of Risk Management and Internal Control by the Board of Mentiga Corporation Berhad in respect of the Company and its group of subsidiaries ("the Group") is made pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad in accordance with the principles and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**"). Associated companies/material joint ventures are excluded and not dealt with in the Statement.

BOARD RESPONSIBILITY

The Board acknowledges and affirms its overall responsibility for the Group's system of risk management and internal controls practices for good corporate governance. The Board, through its various committees, has continuously reviewed the adequacy and effectiveness of the risk management and internal control system in particular the financial, operational, as well as compliance aspects of the Group throughout the financial year. It should however be noted that such systems of internal controls and risk management are only designed to manage rather than totally eliminate the risk of failure to achieve its business objectives. Accordingly, such systems can only provide reasonable rather than absolute assurance against material losses, misstatements or other significantly adverse consequences.

BOARD COMMITTEE

The Risk Management Committee ("RMC") has been delegated the responsibilities of overseeing the effectiveness of risk management and internal control systems on behalf of the Board, and also advise the Board on the principal risks facing the business including those that would threaten its solvency or liquidity. Supplementing the RMC, relevant Board Committees exist for oversight of specific risk areas. The Audit Committee has oversight of areas such as the financial matters and reporting, the Nomination and Remuneration Committee has oversight over senior management's performance and remuneration, whereas the Tender Committee has oversight over the Group's significant tender purchases.

RISK MANAGEMENT FRAMEWORK AND KEY FEATURES OF INTERNAL CONTROL SYSTEM

The group has formalised and has in place the Enterprise Risk Management ("ERM") solution to all operating business units and Head Office departments. The Group's ERM framework is aimed to link risks management to the Group's goals and objectives as well as to our Corporate Mission and Vision.

The Group Risk Management ("GRM") assists the RMC with oversight of the Group's ERM Framework and has the following responsibilities:

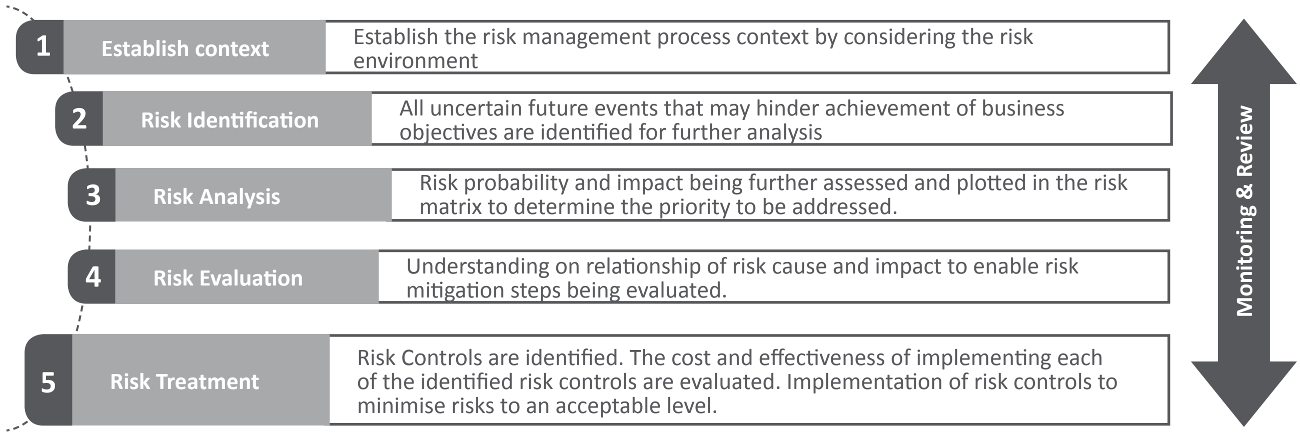
i. set goals and objective of each business units. The risks that may hinder the Group's achievement and their respective control measures are identified, the cost effectiveness are evaluated and implemented. The effectiveness of the control measures is continuously monitored.

ii. inculcated staff awareness on the link between risks and our corporate objectives through meetings and workshops. The Group engages every level of the organization as risk owners and risk management as a collective responsibility.

iii. discussed risk management issues monthly at business unit level and quarterly at Risk Management Committee level.

The Board RMC meets twice a year to review the strategies adopted by management and considers the effectiveness of the internal controls put in place to mitigate potential material risks.

RISK MANAGEMENT PROCESS



The management had identified amongst our key risks for 2021 includes:

Operational Risks

i. Natural disaster such as flood

Our estate was affected by the floods that hit in early 2021. This had damaged an existing black bunches for the 1st half of FY 2021 and the annual target had to be reviewed to a lower and more realistic target.

ii. Labour shortage

The intake of new foreign workers has been dragged as the country's borders are still closed due to the COVID-19 pandemic. However, the estate managed to hire and train some local wokers and Orang Asli to work with the estates.

iii. Health issue

All staff and estate workers have been fully vaccinated as required by the Ministry of Health. They were also encouraged to take additional doses/booster to further improve the body's immune system. Management has also issued guidelines for employees with infected and symptoms not to come to the workplace and sending them to clinic for COVID-19 test. The employees were also encourage to conduct self-tests at home.

INTERNAL CONTROL

In order to ensure the effectiveness of the system of internal control, the Board had outsourced the internal audit function of the Group to a professional accounting firm.

The internal audit function will independently review the control processes implemented by the Management and also advise on areas for improvement. The reports are submitted directly to the Audit Committee, who will discuss and review with the management the findings and actions on matters arising from the internal audit report. Internal audits are carried out periodically. Additional reviews will be commissioned based on significant issues that arise during the day to day operations of the Group.

In assessing the adequacy and effectiveness of the system of internal control and accounting control procedures of the Group, the Audit Committee reports to the Board of Directors the Internal Auditors' activities, significant results, findings and recommendations or changes. The costs incurred for the internal audit function for the financial year ended 31 December 2021 were RM30,000.

INTERNAL CONTROL (CONTINUED)

Main Features of Internal Control Structure

Apart from risk management and internal audit, the other key elements of the Group's internal control system are described below:

Authority and Responsibility

- There is in place a clearly defined Terms of Reference which clearly set out roles and responsibilities and authorities of Board Committee. These Committees report back to the Board with their recommendation for review and/or approval by the Board.

- The Group has organisation structure with clearly defined lines of responsibility and delegation of authority to ensure proper identification of accountability and segregation of duties.

- The Board meets regularly to review and to deliberate on issues that require the Board's approval and to approve the Group's quarterly financial performance before being released to Bursa Malaysia Securities Berhad.

- The Managing Director meets regularly with all divisional heads to review the Group's financial performance, operational effectiveness and efficiency, discusses and resolves significant business issues faced by the Group.

- The Group has an Authorisation Limit Policy in respect of organisational requirements such as purchasing of goods/services, cash management and disbursement, contracting and banking transactions and human resources which are clearly defined and documented. The guidelines also set out matters reserved for the Board's decision. The limits are periodically reviewed and updated to reflect the business environment, operational and structural changes.

Code of Ethics

- The Company's Code Ethics is established to set out the ethical standards to all employees in their dealings with fellow colleagues, customers, suppliers, shareholders, the wider community and the environment.

- The Whistleblowing Policy is in place with the objective of providing all stakeholders a mechanism to raise genuine concerns on any unethical behaviour or any misconduct.

- The Group has established an anti-bribery and anti-corruption policy which prohibits all forms of bribery and corruption practices.

Policies and procedures

- The Group has implemented Finance Policies and Procedures which will be improved from time to time.

- Estates Operation Manuals had been developed and implemented throughout the estates operations.

Information and Monitoring

- The Managing Director and the Head of Finance present the Group's Quarterly Report and the operational performance analysis to the Audit Committee prior to the Board's approval and subsequent release to Bursa Malaysia.

- Budgetary process had been coordinated across the Group to set targets for each business unit and regular review for actual performance against budget performed.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this statement for inclusion in the 2021 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is consistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control and risk management of the Group.

CONCLUSION

Based on the processed set out above, the Board is of the view that Group's system of risk management and internal control are adequate to safeguard the shareholders' investment and the group's assets and has received assurance from the Managing Director and Head of Finance in this respect. Nevertheless, the Board and Management are committed towards operating a sound system of risk management and internal control. The systems will continue to be reviewed, added or updated in line with the changes in the operating environment.

In the year under review, there has not been any material loss, contingencies or uncertainties that would require a separate disclosure in the Annual Report.

This statement was tabled and approved at the Board of Directors' meeting held on 22 April 2022.

MEMBERS AND MEETINGS

The Audit Committee ("AC") comprises two Independent Non-Executive Directors and a Non-Independent Non-Executive Director of the Company. The Committee had met Five (5) times during the financial year 2021 i.e. on 10 March 2021, 15 April 2021, 27 May 2021, 15 September 2021 and 17 November 2021. Details of the members and their respective attendance of meetings are as follows:

	No. of Meetings attended
YH. Dato' Bahudin Bin Mansor *(Chairman)* *(Senior Independent Non-Executive Director)*	5/5
YH. Dato' Hazli Bin Ibrahim *(Independent Non-Executive Director)*	5/5
YH. Dato' Haji Mohd Nazari Bin Yunus *(Non-Independent Non-Executive Director)*	5/5

YH. Dato' Bahudin Bin Mansor is a member of CPA Australia and a Chartered Accountant with the Malaysian Institute of Accountants ("MIA"). All members of AC are financially literate and are able to analyse and interpret financial statements effectively to discharge their duties and responsibilities. The AC, therefore meets the requirements of paragraph 15.09(1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which stipulates that at least one (1) member of the AC must be a qualified accountant.

The External Auditors were invited to attend AC meetings where the annual Audit Planning Memorandum and Annual Financial Statements were being tabled. Members of senior management of the Group attended some of these meetings upon invitation by the Chairman of the Committee. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The scope of duties and responsibilities of the Committee stated in the Terms of Reference is available at our website www.mentiga.com.my.

SUMMARY OF ACTIVITIES

The summary of the activities of the AC in the discharge of its duties and responsibilities for the financial year includes the following:

(a) Financial Reporting

Reviewed the following matters and subsequently recommend their approval to the Board:

(i) Quarterly unaudited financial reports for the financial year for announcement to Bursa Malaysia;

(ii) The Audited Financial Statements of the Group for the financial year ended 2020 to ensure that the financial reports presented a true and fair view of the Company's financial performance and complied with regulatory requirements;

(iii) Deliberated on the key audit matters on the Group highlighted by the external auditors in relation to the audit for the financial year ended 31 December 2020; and

(iv) The Report of AC to be included in the Annual Report for financial year 2020.

(b) External Auditors

(i) Evaluated the performance of External Auditors and make recommendation to the Board (subject to the shareholders' approval) on their appointment, scope of work, etc;

(ii) Reviewed the external audit fees proposed in respect of the scope of work required for the financial year and recommend the same for approval by the Board;

(iii) Reviewed the Audit Planning Memorandum and the results and issues arising from interim audit for the financial year;

(iv) Reviewed the results and issues arising from external audit for financial year ended 2020;

(v) Reviewed the audited financial statements with the External Auditors and Management before recommending it to the Board for approval; and

(vi) Held discussions with the External Auditors once without the presence of Management on matters concerning the audit.

SUMMARY OF ACTIVITIES (CONTINUED)

(c) Internal Audit

(i) Consider the appointment of the Internal Auditors and to review the internal audit programme and audit fees proposed in respect of the scope of work required for the financial year and recommend the same for approval by the Board; and

(ii) Reviewed the reports issued by the Internal Auditors on the effectiveness and adequacy of goverance, risk management and control process.

(d) Others activities

(i) Reviewed Statement on Risk Management and Internal Control, Management Discussion and Analysis, Sustainability Statement and Corporate Governance ("CG") Overview Statement to be included in the Annual Report for the financial year 2020 and recommended the same to the Board for approval;

(ii) Reviewed the proposed payment of a first and final dividend for the financial year ended 31 December 2020; and

(iii) Reviewed and recommend for the Board of Directors' approval for the budget of the Group.

INTERNAL AUDIT FUNCTION

The Committee is aware of the importance of an independent and adequately resourced internal audit function. It is essential to enhance effectiveness of the system of internal control.

The main role of the internal audit function is to review the effectiveness of the system of internal control and this is performed with impartiality, proficiency and due professional care.

In view of the Group's current level of activities and the risks the Group is exposed to, the Board has agreed to continue to outsource the Internal Audit function. An independent professional firm has been engaged to handle this function. Their report has been reviewed, discussed and perused by the Committee. The Internal Auditors' recommendations were implemented, where necessary and appropriate, to tighten the Group's internal control procedures.

SUMMARY OF ACTIVITIES

Summary of the work of the internal audit function for the financial year 2021 was as follows:

(i) Reviewed the payment procedures;

(ii) Reviewed the safety management of checkroll and workers for oil palm plantation;

(iii) Reviewed the management of property, plants and equipment for oil palm plantation; and

(iv) Reviewed the operation of the oil palm estates – harvesting and despatch of fruit fresh bunches, manuring and weeding.

REPORTS AND FINANCIAL STATEMENTS

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, timber extraction and trading in timber related products, mining and oil palm plantation activities. There has been no significant change in the nature of this activities during the financial year.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the year	(17,862,230)	(5,024,906)

RESERVES AND PROVISIONS

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

DIVIDENDS

There were no dividends proposed, declared or paid by the Group and the Company since the end of the previous financial year.

ISSUE OF SHARES AND DEBENTURES

There were no issuances of shares and debentures during the financial year.

OPTIONS

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The name of the directors of the Company who served since the beginning of the financial year to the date of this report are:

YB. Dato' Sri DiRaja Haji Adnan Bin Haji Yaakob
YH. Dato' Haji Hamdan Bin Salim (Appointed on 1st January 2022)
YH. Dato' Haji Muhammad Nasir Bin Puteh
YH. Dato' Bahudin Bin Mansor
YH. Dato' Hazli Bin Ibrahim
YH. Dato' Haji Mohd Nazari Bin Yunus
Tuan Haji Yaacob Bin Sa'rani
YH. Dato' Haji Mohd Ali Hanafiah Bin Sh. Ruji (Resigned on 31st December 2021)

The Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report (not including those directors listed above) are:

YH. Dato' Mohd Zaili Bin Besar
YB. Dato' Hj. Md. Sohaimi Bin Hj. Mohamed Shah
YH. Dato' Haji Baharuddin Bin Haji Ngah
Tuan Haji Aminuddin Bin Zainal

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that the Directors receive remuneration as directors/ executives of related corporations.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS

The interests and deemed interests in the shares and warrants of the Group and the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
The Company	**As at 1.1.2021**	**Bought**	**Sold**	**As at 31.12.2021**
Direct interest:				
Dato' Haji Mohd Nazari bin Yunus	8,900	-	-	8,900

DIRECTORS' REMUNERATION

The amounts of remunerations of the directors of the Company comprising remunerations received or receivable from the Group and Company during the year are as disclosed in Note 25 to the financial statements.

None of the directors of the Company has received any other benefit otherwise than in cash from the Company during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors of the Company during the year.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for any Directors, officers and auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report:

(i) there are no charges on the assets of the Group and Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Group and Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and Company to meet its obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and Company which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

(i) the results of the operations of the Group and Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and Company for the financial year in which this report is made.

AUDITORS' REMUNERATIONS

Details of auditors' remunerations are disclosed in Note 24 to the financial statements.

AUDITORS

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 April 2022.

DATO' HAJI HAMDAN BIN SALIM
Director

DATO' HAZLI BIN IBRAHIM
Director

Pahang, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

We, **DATO' HAJI HAMDAN BIN SALIM** and **DATO' HAZLI BIN IBRAHIM**, being two of the directors of **MENTIGA CORPORATION BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on the accompanying pages are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 April 2022.

DATO' HAJI HAMDAN BIN SALIM
Director

DATO' HAZLI BIN IBRAHIM
Director

Pahang, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1)(b) OF THE COMPANIES ACT 2016

I, **NORAZALI BIN MOHD ALI**, being the officer primarily responsible for the financial management of **MENTIGA CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on page 59 to 97 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the above named at ***Kuantan***)
in the state of ***Pahang Darul Makmur***)
on 22 April 2022.)

NORAZALI BIN MOHD ALI
MIA Membership No. : CA 22068

Before me,

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mentiga Corporation Berhad, which comprise the statements of financial position as at 31 December 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on the accompanying pages.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
Carrying values of Plantation Assets a) **Long term leasehold land and oil palm plantations** Long term leasehold land and oil palm plantations are measured at fair value less accumulated depreciation and impairment losses recognised on the date of the revaluation. As at 31 December 2021, the long term leasehold land and oil palm plantations were revalued by registered independent valuers based on the present market value basis at Group and at the Company amounting to RM254,200,000 and RM149,600,000 respectively which resulted in surplus arising from valuation at Group and at Company amounting to RM18,509,042 and RM26,342,171 respectively. b) **Biological assets** Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. Cost to sell include all costs that would be necessary to sell the assets, including transportation cost. As at 31 December 2021, the biological assets were revalued by the management's expert at Group and at the Company amounting to RM3,064,419 and RM1,965,301 respectively which resulted in net gain of fair value changes for the financial year at Group and at Company amounting to RM564,562 and RM615,368 respectively. Due to the significance of long-term leasehold land, oil palm plantations and biological assets ("collectively referred as plantation assets") balances and involvement of judgement and estimates in the impairment assessment and the valuation of these plantation assets, we considered this is a key audit matter. Please refer to Note 3 (b) Significant Accounting Estimates and Judgements and disclosure of long-term leasehold land & oil palm plantations and biological assets in Note 4 and Note 10 to the financial statements.	We have performed the following in ensuring the carrying values of the plantation assets are recognised in accordance to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture and MFRS 136 Impairment of Assets: ● We have evaluated the competency, capabilities and objectivity of management's experts as well obtained an understanding of the workings done by management's experts, where necessary. ● We have reviewed the valuation reports prepared by the management's experts and have also assessed the reasonableness of the assumptions used and assessed whether adequate disclosures were made in the financial statements in compliance with MFRS 141. ● We have interviewed the management's experts to understand the assumptions and methods they applied in the valuations, where necessary, and reviewed the assumptions applied in the valuations against available market data for comparison and reasonableness. In relation to the impairment in accordance MFRS 136 on long term leasehold land and oil palm plantations, we have performed the following: ● Considered the appropriateness of impairment assessment on the existence of the impairment indicator for plantation assets; ● Reviewed and assessed the historical yield trend from previous years up to current year for the assessment on the existence of impairment indicator; ● Obtained, analysed and reviewed the reasonableness the key assumptions of the cash flow projections which comprise of projected revenue growth, growth rates and discounted rate.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

Auditors' responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & (AF 1522)
CHARTERED ACCOUNTANTS

AHMAD ALJAFREE BIN MOHD RAZALLI
NO. 01768/05/2023 J
CHARTERED ACCOUNTANTS

Dated : 22 April 2022

Selangor, Malaysia

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Non-current Assets					
Property, plant and equipment	4	257,029,407	248,998,258	151,837,233	134,815,994
Right-of-use assets	5	48,676	85,920	25,476	50,952
Investment in subsidiaries	6	-	-	27,876,379	27,876,379
Investment in associates	7	16,914	28,302	16,914	28,302
Land held for development	8	858,077	858,077	858,077	858,077
		257,953,074	249,970,557	180,614,079	163,629,704
Current Assets					
Inventories	9	103,182	513,956	38,654	428,034
Biological assets	10	3,064,419	2,499,857	1,965,301	1,349,933
Receivables, deposits and prepayment	11	4,656,259	8,294,940	950,980	3,109,744
Amount due from subsidiaries	12	-	-	253,577	4,026,308
Tax recoverable		12,798	11,702	11,702	11,702
Cash and bank balances	13	1,291,271	2,338,757	992,224	1,100,982
		9,127,929	13,659,212	4,212,438	10,026,703
Assets classified as held for disposal	14	12,701,254	-	12,701,254	-
		21,829,183	13,659,212	16,913,692	10,026,703
Total Assets		279,782,257	263,629,769	197,527,771	173,656,407
Equity					
Share capital	15	71,789,377	71,789,377	71,789,377	71,789,377
Revaluation reserves	16	135,213,710	110,790,649	65,651,293	45,632,189
(Accumulated loss)/Retained earnings		(13,178,043)	4,681,937	7,319,201	12,344,107
Equity attributable to owners of the Company		193,825,044	187,261,963	144,759,871	129,765,673
Non-controlling interests		(11,787)	(9,537)	-	-
		193,813,257	187,252,426	144,759,871	129,765,673
Non-current Liabilities					
Borrowings (interest bearing)	17	25,652,367	23,454,652	18,742,456	17,015,314
Lease liabilities	18	3,903	39,767	-	28,071
Deferred tax liabilities	19	35,532,254	28,709,250	16,097,170	10,230,295
		61,188,524	52,203,669	34,839,626	27,273,680
Current Liabilities					
Payables and accruals	20	21,030,057	18,896,355	11,640,347	8,968,149
Amount due to subsidiaries	21	-	-	5,268,517	6,680,005
Borrowings (interest bearing)	17	2,150,380	2,587,184	989,151	942,636
Lease liabilities	18	48,371	53,582	30,259	26,264
Bank Overdraft	13	712,922	987,278	-	-
Tax liabilities		838,746	1,649,275	-	-
		24,780,476	24,173,674	17,928,274	16,617,054
Total Liabilities		85,969,000	76,377,343	52,767,900	43,890,734
Total Equity and Liabilities		279,782,257	263,629,769	197,527,771	173,656,407

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Revenue	22	11,183,763	14,928,585	7,947,311	12,208,922
Cost of sales		(8,055,792)	(6,968,117)	(4,718,664)	(3,910,332)
Gross profit		3,127,971	7,960,468	3,228,647	8,298,590
Other operating income	23	179,541	318,626	65,869	1,291,253
Net gain arising from changes in fair value of biological assets		564,562	358,703	615,368	627,976
Administrative expenses		(22,474,781)	(7,027,267)	(9,385,393)	(6,161,828)
(Loss)/Profit from operations		(18,602,707)	1,610,530	(5,475,509)	4,055,991
Finance expenses		(134,589)	(113,151)	(4,066)	(6,477)
Share of result of associates		(1,523)	(1,699)	(1,523)	(1,699)
(Loss)/Profit before tax	24	(18,738,819)	1,495,680	(5,481,098)	4,047,815
Tax credit/(expense)	27	876,589	(659,873)	456,192	(1,123,102)
(Loss)/Profit for the year		(17,862,230)	835,807	(5,024,906)	2,924,713
Other comprehensive income:					
Items that will be not reclassified subsequently to profit or loss:					
Revaluation surplus of property, plant and equipment		24,423,061	-	20,019,104	-
Total comprehensive income for the year		6,560,831	835,807	14,994,198	2,924,713
(Loss)/Profit for the financial year attributable to:					
Owners of the Company		(17,859,980)	838,261		
Non-controlling interests		(2,250)	(2,454)		
		(17,862,230)	835,807		
Total comprehensive income for the financial year attributable to:					
Owners of the Company		6,563,081	838,261		
Non-controlling interests		(2,250)	(2,454)		
		6,560,831	835,807		
Basic (loss)/earnings per share to owners of the Company (Sen)	28	(24.88)	1.17		

The accompanying notes form an integral part of the financial statements.

Group - 31 December 2021

	Share capital (Note 15) RM	Revaluation reserves (Note 16) RM	(Accumulated loss)/ Retained earnings RM	Total RM	Non-controlling interests RM	Total RM
At 1 January 2020	71,789,377	110,790,649	3,843,676	186,423,702	(7,083)	186,416,619
Profit for the year	-	-	838,261	838,261	(2,454)	835,807
At 31 December 2020	71,789,377	110,790,649	4,681,937	187,261,963	(9,537)	187,252,426
Other comprehensive income	-	24,423,061	-	24,423,061	-	24,423,061
Loss for the year	-	-	(17,859,980)	(17,859,980)	(2,250)	(17,862,230)
At 31 December 2021	71,789,377	135,213,710	(13,178,043)	193,825,044	(11,787)	193,813,257

Company - 31 December 2021

	Share capital (Note 15) RM	Revaluation reserves (Note 16) RM	Retained earnings RM	Total RM
At 1 January 2020	71,789,377	45,632,189	9,419,394	126,840,960
Profit for the year	-	-	2,924,713	2,924,713
At 31 December 2020	71,789,377	45,632,189	12,344,107	129,765,673
Other comprehensive income	-	20,019,104	-	20,019,104
Loss for the year	-	-	(5,024,906)	(5,024,906)
At 31 December 2021	71,789,377	65,651,293	7,319,201	144,759,871

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash Flows from Operating Activities				
(Loss)/Profit before tax	(18,738,819)	1,495,680	(5,481,098)	4,047,815
Adjustments for:				
Depreciation of property, plant and equipment	3,576,222	3,702,655	1,455,147	1,573,860
Depreciation of right-of-use assets	52,851	50,160	25,476	25,476
(Gain)/Loss on disposal of property, plant and equipment	(53,998)	101,947	-	101,947
Impairment of property, plant and equipment	17,373,309	-	-	-
Reversal impairment of property, plant and equipment	(3,745,501)	-	-	-
Impairment of investment in associates	9,865	-	9,865	-
Write off of subsidiary	-	-	-	1,000,000
Reversal impairment of subsidiary	-	-	-	(1,000,000)
Gain arising from liquidation of a subsidiary	-	(26,873)	-	-
Fair value of biological assets	(564,562)	(358,703)	(615,368)	(627,976)
Allowance for impairment losses on receivables	864,400	14,400	864,400	14,400
Allowance for impairment losses on amount due from subsidiaries	-	-	2,445,011	-
Interest income	(791)	(56)	(773)	-
Interest expense	134,589	113,151	4,066	6,477
Share of result of associates	1,523	1,699	1,523	1,699
Operating (loss)/profit before working capital changes	(1,090,912)	5,094,060	(1,291,751)	5,143,698
Changes in working capital				
Inventories	410,774	(164,328)	389,380	(337,581)
Receivables, deposits and prepayments	2,778,663	(1,734,616)	1,293,044	(1,917,180)
Payables and accruals	2,123,698	2,157,176	2,671,887	(1,150,394)
Cash inflows from operations	4,222,223	5,352,292	3,062,560	1,738,543
Interest paid	(127,680)	(113,151)	(7,579)	(6,477)
Interest received	791	56	773	-
Taxes paid	(836,082)	(352,925)	-	(6,665)
Net cash inflows from operating activities	3,259,252	4,886,272	3,055,754	1,725,401
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	(964,692)	(468,314)	(805,148)	(461,667)
Plantation development expenditures incurred	(4,661,270)	(6,204,857)	(3,856,697)	(5,365,047)
Proceed from disposal of property, plant and equipment	54,000	-	-	-
Advances from subsidiaries	-	-	(83,868)	1,337,185
Net cash outflows from investing activities	(5,571,962)	(6,673,171)	(4,745,713)	(4,489,529)
Cash Flows from Financing Activities				
Proceeds from term loan	1,631,723	2,989,479	1,631,723	2,989,479
Repayments of hire purchase liabilities	(36,822)	(34,336)	(26,446)	(28,333)
Repayments of lease liabilities	(55,321)	(50,136)	(24,076)	(24,575)
Repayments of term loan	-	(1,117,624)	-	(609,941)
Net cash inflows from financing activities	1,539,580	1,787,383	1,581,201	2,326,630
Net (decrease)/increase in cash and cash equivalents	(773,130)	484	(108,758)	(437,498)
Cash and cash equivalents at beginning of year	1,351,479	1,350,995	1,100,982	1,538,480
Cash and cash equivalents at end of year (Note 13)	578,349	1,351,479	992,224	1,100,982

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company, Mentiga Corporation Berhad, is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding, timber extraction and trading in timber related products, mining and oil palm plantation activities. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There has been no significant change in the nature of this activity during the financial year.

The Company's registered office of business is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The Company's principal place of business is located at No. 26 & 26A, Jalan Putra Square 1, Putra Square, 25200 Kuantan, Pahang Darul Makmur.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors, in accordance with a resolution of the directors, on

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysia Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical cost basis, except for financial instruments that has been measured at their fair values.

The financial statements are presented in Ringgit Malaysia ("RM").

The preparation of financial statements in conformity with MFRSs requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and reported amounts of revenue and expenses during the reported financial period. It also requires directors' best knowledge of current events and action, and therefore actual results may differ.

2.2 Changes in accounting policies

On 1 January 2021, the Group and the Company adopted the following pronouncements mandatory for annual financial periods beginning on or after 1 January 2020:

Amendments to MFRS 7, MFRS 9, MFRS 139, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Instruments: Disclosures, MFRS 4 Insurance contract, MFRS 16 Leases)

2.3 Standards issued but not yet effective

The following pronouncements that have been issued by the Malaysian Accounting Standards Board will become effective in future financial reporting periods and have not been adopted by the Group and the Company in these financial statements:

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRS Standards 2018−2020

Amendments to MFRS 3	Business Combinations (Reference to the Conceptual Framework)
Amendments to MFRS 116	Property, Plant and Equipment (Proceeds before Intended Use)
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts−Cost of Fulfilling a Contract)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (Continued)

Effective for annual periods beginning on or after 1 January 2023

Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 112	Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 101	Presentation of Financial Statements (Disclosure of Accounting Policies)
Amendments to MFRS 108	Accounting Policies Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)

Effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements is not expected to have any material impacts to the financial statements of the Group and the Company.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable return from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including,

(a) The contractual arrangement with the other vote holders of the investee;

(b) Rights arising from other contractual arrangements; and

(c) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statements of financial position and statements of comprehensive income from the date Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parents of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(a) Business combinations

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (Continued)

(b) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(c) Loss of control

Upon the loss of control of subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(d) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.5 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment other than leasehold land and oil palm plantations are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognised such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold land and oil palm plantations are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed by professional independent valuer with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment and depreciation (Continued)

Long term leasehold land is amortised in equal instalments over the period of the leases ranging from 60 to 99 years. All other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets or their revalued amounts to their residual values over their estimated useful lives at the followings annual rates and useful life

Plantation	25 years
Buildings	3 to 50 years
Plant and machinery	5 to 20 years
Motor vehicles, equipment and fixtures	4 to 10 years

Work in progress is not depreciated until such time when the asset is available for use.

The residual values, useful lives and depreciation method of assets are reviewed at each financial year end, and adjusted prospectively, if appropriate.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.6 Planting expenditure - New planting

Planting expenditure of new oil palm plantations have been capitalised as immature plantation cost and shown as property, plant and equipment. As and when the new oil palm plantation matures the capitalisation of expenses will cease.

Interest costs on borrowings to finance the immature plantations are capitalised as part of the cost of the plantations until the plantations achieved maturity. The cost of matured plantations is amortised over the economic useful life of 25 years commencing from the year of maturity. Amortisation on immature plantations commences when the plantations achieved maturity.

2.7 Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. Cost to sell include all costs that would be necessary to sell the assets, including transportation cost.

2.8 Impairment of assets

Impairment of financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the assets. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instrument, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of assets (Continued)

Impairment of non-financial assets

The carrying value of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discontinued future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalue amount. Any impairment loss of a revalue asset is treated as revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

When there is change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalue amount. A reversal of an impairment loss on revalue asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalue asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

2.9 Financial instruments

(a) Financial assets – classification and measurement

Classification

The Company classifies its financial assets in the following measurement categories:

(i) those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and

(ii) those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade- date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest (SPPI).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments (Continued)

(b) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(c) Impairment of financial assets and financial guarantee contracts

Impairment for debt instruments and financial guarantee contracts.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Impairment for debt instruments and financial guarantee contracts

The Company assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has a type of financial instruments that is subjected to the ECL model, which is trade receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, loans to subsidiaries and financial guarantee contracts issued.

At each reporting date, the Company measures ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(ii) Simplified approach for trade receivables, contract assets and lease receivables.

The Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments (Continued)

(c) Impairment of financial assets and financial guarantee contracts (Continued)

Significant increase in credit risk (Continued)

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Company defines a financial instrument as default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria

The Company defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

(ii) Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Company considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Write off

(i) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments (Continued)

(c) Impairment of financial assets and financial guarantee contracts (Continued)

Write off (Continued)

(ii) Other receivables

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(d) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities comprise trade and other payables and amounts due to related parties.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective finance method except for the derivatives in a loss position which are measured at fair value through profit or loss at the end of each reporting period.

For financial liabilities other than the derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Foreign exchange differences are capitalised to the extent of the capitalisation of the related borrowing costs.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially difference terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Borrowings measured at amortised cost is modified without this resulting in derecognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, shall be recognised immediately in profit or loss in finance cost.

2.10 Inventories

Inventories are valued at the lower of cost and net realisable value on the weighted average cost basis. Cost of raw materials comprised the cost of purchase plus the cost of bringing the inventories to their present location and condition. For finished goods and work-in-progress cost consist of raw materials, direct labour and an appropriate proportion of production overheads.

2.11 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices.

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense over the lease term.

(iv) Extension options

The Group and the Company, in applying their judgement, determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Leases (Continued)

As a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.13 Interest-bearing borrowings

Interest-bearing bank borrowings are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use. All other borrowing costs are charged to the statement of comprehensive income as an expense in the period in which they are incurred.

2.14 Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds.

2.15 Share Capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, otherwise it is charged to the statement of comprehensive income.

Dividends to shareholders are recognised in equity in the period in which they are declared or approved by shareholders at general meeting.

2.16 Provision

Provisions are recognised when the Company has present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

2.17 Related Parties

A party is related to an entity if:

(i) directly or indirectly through one or more intermediaries, the party:
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity

(ii) directly the party is an associate of the entity
(iii) the party is a joint venture in which the entity is venture,
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is related party of the entity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payables in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

2.19 Employee benefits

(i) Short term benefits

Wages, salaries, bonus and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”) and Employment Insurance System (“EIS”). Such contributions are recognised as an expense in the profit or loss as incurred.

2.20 Revenue

Revenue is recognised to the extent that it is probable the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Revenue from sales of oil palm fresh fruit bunches are recognised net of discount and taxes collected on behalf at the point in time control of the goods has transferred to the customer. Depending on the term of the contract with the customer, control transfers either upon delivery of the goods to allocation specified by the customer and acceptance of the goods by the customer.

Sales of timbers and mining are recognised at invoiced price upon delivery of products and customer acceptance.

Revenue from sales of property development right is measured at the fixed transaction price agreed under the sale and purchase agreement. It is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

Interest, rental and other income are recognised on accrual basis.

2.21 Non-Current assets classified as held for disposal

The Group classifies non-current assets and disposal groups as held for disposal if their carrying amounts wil be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for disposal are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expenses.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment, right-of-use assets and intangible assets are not depreciated or amortised once classified as held for disposal.

Assets and liabilities classified as held for disposal are presented separately as current items in the statement of financial position.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Malaysia Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires Directors to exercise their judgements in the process of applying the Group's accounting policies. The estimates and judgements that effect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(a) Judgements made in applying the Group's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2.4-2.20 above, management in of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on the internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timings of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets. The estimate useful lives for mature plantation is 25 years.

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's receivable at the reporting date is disclosed in Note 11.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

Fair value of biological assets

Biological assets represent the produce growing on oil palms. Fresh fruit brunches ("FFB") are harvested from the oil palms. The growing produce are essentially FFB prior to harvesting.

An oil palm fruit typically starts to develop oil from approximately 22 weeks from pollination to reach maximum oil content to be ready for harvesting. The value of each FFB at each point of the FFB production cycle will vary based on the cumulative oil content in each fruit.

In determining the fair values of FFB, management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, the FFB prior to two weeks before harvesting are excluded in the valuation as the fair values are considered negligible.

Further details on biological assets may be found at Note 10 to the financial statements.

Fair value of leasehold land and oil palm plantations

The Group and the Company recognised its long-term leasehold land and oil palm plantations at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. In addition, any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve. The Group and the Company have engaged independent valuers to determine fair value during the financial year. For long term leasehold land and oil palm plantations the valuers used a valuation technique based on comparison approach with adjustments for differences.

Further details on long term leasehold land and oil palm plantations may be found at Note 4 to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Long term leasehold land RM	Oil palm plantation (Immature) RM	Oil palm plantation (Mature) RM	Buildings RM	Plant and machinery RM	Motor vehicles, equipment and fixtures RM	Work in progress RM	Total RM
2021								
Cost/Valuation								
At 1 January 2021	172,544,000	69,500,933	27,459,306	2,418,186	337,286	3,037,470	412,490	275,709,671
Additions	-	5,153,907	-	61,450	-	346,059	238,169	5,799,585
Revaluation	9,800,000	4,183,117	11,770,995	-	-	-	-	25,754,112
Transfers	-	(592,911)	592,911	402,538	12,000	111,306	(525,844)	-
Reclass to assets classified as held for disposal	(11,000,000)	(1,937,813)	-	-	-	-	-	(12,937,813)
Disposal	-	-	-	-	-	(232,002)	-	(232,002)
At 31 December 2021	171,344,000	76,307,233	39,823,212	2,882,174	349,286	3,262,833	124,815	294,093,553
Accumulated depreciation								
At 1 January 2021	3,810,620	-	2,288,817	1,131,787	319,997	2,737,930	-	10,289,151
Additions	2,001,115	-	1,347,124	53,677	8,846	165,460	-	3,576,222
Revaluation	(5,231,176)	-	(1,151,562)	-	-	-	-	(6,382,738)
Reclass to assets classified as held for disposal	(236,559)	-	-	-	-	-	-	(236,559)
Disposal	-	-	-	-	-	(232,000)	-	(232,000)
At 31 December 2021	344,000	-	2,484,379	1,185,464	328,843	2,671,390	-	7,014,076

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Long term leasehold land RM	Oil palm plantation (Immature) RM	Oil palm plantation (Mature) RM	Buildings RM	Plant and machinery RM	Motor vehicles, equipment and fixtures RM	Work in progress RM	Total RM
2021								
Accumulated impairment								
At 1 January 2021	-	10,004,583	6,417,679	-	-	-	-	16,422,262
Impairment loss	-	17,373,309	-	-	-	-	-	17,373,309
Reversal of impairment	-	-	(3,745,501)	-	-	-	-	(3,745,501)
At 31 December 2021	-	27,377,892	2,672,178	-	-	-	-	30,050,070
Carrying amounts								
At 31 December 2021	171,000,000	48,929,341	34,666,655	1,696,710	20,443	591,443	124,815	257,029,407
2020								
Cost/Valuation								
At 1 January 2020	172,544,000	66,437,244	24,420,085	2,418,186	336,900	3,050,072	-	269,206,487
Additions	-	6,204,857	-	-	386	48,379	419,549	6,673,171
Transfers	-	(3,039,221)	3,039,221	-	-	7,059	(7,059)	-
Disposals	-	(101,947)	-	-	-	-	-	(101,947)
Written off	-	-	-	-	-	(68,040)	-	(68,040)
At 31 December 2020	172,544,000	69,500,933	27,459,306	2,418,186	337,286	3,037,470	412,490	275,709,671
Accumulated depreciation								
At 1 January 2020	1,730,647	-	874,756	1,082,156	310,521	2,656,454	-	6,654,534
Additions	2,079,973	-	1,414,061	49,631	9,476	149,514	-	3,702,655
Written off	-	-	-	-	-	(68,038)	-	(68,038)
At 31 December 2020	3,810,620	-	2,288,817	1,131,787	319,997	2,737,930	-	10,289,151
Accumulated impairment								
At 1 January 2020	-	10,004,583	6,417,679	-	-	-	-	16,422,262
At 31 December 2020	-	10,004,583	6,417,679	-	-	-	-	16,422,262
Carrying amounts								
At 31 December 2020	168,733,380	59,496,350	18,752,810	1,286,399	17,289	299,540	412,490	248,998,258

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Long term leasehold land RM	Oil palm plantation (Immature) RM	Oil palm plantation (Mature) RM	Buildings RM	Motor vehicles, equipment and fixtures RM	Work in progress RM	Total RM
2021							
Cost/Valuation							
At 1 January 2021	89,800,000	33,945,444	11,487,092	1,578,404	1,738,045	412,490	138,961,475
Additions	-	4,349,335	-	36,751	223,215	238,168	4,847,469
Revaluation	9,600,000	4,183,117	9,172,825	-	-	-	22,955,942
Transfers	-	(540,083)	540,083	402,539	111,306	(525,845)	(12,000)
Reclass to assets classified as held for disposal	(11,000,000)	(1,937,813)	-	-	-	-	(12,937,813)
At 31 December 2021	88,400,000	40,000,000	21,200,000	2,017,694	2,072,566	124,813	153,815,073
Accumulated depreciation							
At 1 January 2021	1,593,800	-	734,575	304,751	1,512,355	-	4,145,481
Additions	877,426	-	416,987	43,945	116,789	-	1,455,147
Revaluation	(2,234,667)	-	(1,151,562)	-	-	-	(3,386,229)
Reclass to assets classified as held for disposal	(236,559)	-	-	-	-	-	(236,559)
At 31 December 2021	-	-	-	348,696	1,629,144	-	1,977,840
Carrying amounts							
At 31 December 2021	88,400,000	40,000,000	21,200,000	1,668,998	443,422	124,813	151,837,233
2020							
Cost/Valuation							
At 1 January 2020	89,800,000	31,469,436	8,700,000	1,578,404	1,688,868	-	133,236,708
Additions	-	5,365,047	-	-	42,118	419,549	5,826,714
Transfers	-	(2,787,092)	2,787,092	-	7,059	(7,059)	-
Disposals	-	(101,947)	-	-	-	-	(101,947)
At 31 December 2020	89,800,000	33,945,444	11,487,092	1,578,404	1,738,045	412,490	138,961,475
Accumulated depreciation							
At 1 January 2020	637,520	-	248,533	261,246	1,424,322	-	2,571,621
Additions	956,280	-	486,042	43,505	88,033	-	1,573,860
At 31 December 2020	1,593,800	-	734,575	304,751	1,512,355	-	4,145,481
Carrying amounts							
At 31 December 2020	88,206,200	33,945,444	10,752,517	1,273,653	225,690	412,490	134,815,994

Included in the property, plant and equipment of the Group and of the Company are long term leasehold land reclassified as right-of use assets following the adoption of MFRS 16.

The long term leasehold land and oil palm plantation of the Group and of the Company were revalued in January 2022 by registered valuers, Rahim & Co, based on the present market value basis at an amount of RM254,200,000 and RM149,600,000 respectively.

Surplus arising from valuation was credited to revaluation reserve.

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying amounts of revalued long-term leasehold land and oil palm plantation had these assets been carried at cost model as at 31 December 2021 are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Long term leasehold land	29,147,339	29,478,483	25,931,666	26,217,581
Oil palm plantation	94,995,405	91,638,171	48,099,048	44,697,961
	124,142,744	121,116,654	74,030,714	70,915,542

The carrying amounts of long term leasehold land of the Group and of the Company amounted to RM142,100,000 (2020: RM141,298,885) and RM66,700,000 (2020: RM67,567,025) respectively pledged as security for bank overdraft facilities (Note 14) which are at the subsidiary and term loan facilities (Note 17).

Details of assets under hire purchase plans for motor vehicles are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Net book value at financial year end	318,311	94,943	210,173	83,329
Cash payment made during the year	36,822	31,389	26,446	25,386

5. RIGHT-OF-USE ASSETS

The Group and the Company has lease contracts for office with contract terms of 2 to 5 years and the lease contracts do not contain variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	85,920	136,080	50,952	76,428
Addition	15,607	-	-	-
Depreciation (Note 24)	(52,851)	(50,160)	(25,476)	(25,476)
At 31 December	48,676	85,920	25,476	50,952

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	93,349	143,485	54,335	78,910
Right-of-use assets recognised	12,916	-	-	-
Accretion of interest	6,509	9,864	3,424	5,425
Payment	(60,500)	(55,000)	(27,500)	(30,000)
Non-cash:				
Effects of rent concession received during the financial year	-	(5,000)	-	-
At 31 December	52,274	93,349	30,259	54,335

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current	48,371	53,582	30,259	26,264
Non-current	3,903	39,767	-	28,071
	52,274	93,349	30,259	54,335

The maturity analysis of lease liabilities are disclosed in Note 18.

5. RIGHT-OF-USE ASSETS (CONTINUED)

The following are the amounts recognised in profit or loss:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Depreciation expense of right-of-use assets	52,851	50,160	25,476	25,476
Interest expense on lease liabilities	6,509	9,864	3,424	5,425
	59,360	60,024	28,900	30,901

The Group and the Company have several lease contracts that include extension option. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's and the Company's business needs. Management exercises judegement in determining whether these extension option are reasonably certain to be exercised.

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
Unquoted shares, at cost		
At beginning of year	34,842,343	35,842,343
Accumulated impairment losses	(6,965,964)	(6,965,964)
Written off during the year	-	(1,000,000)
At end of year	27,876,379	27,876,379

The details of the subsidiaries are as follows:

Name of Subsidiaries	Place of incorporation	Effective Interest 2021 %	Effective Interest 2020 %	Principal Activities
Direct subsidiaries				
Mentiga Plantation Sdn Bhd*	Malaysia	100	100	Oil palm plantation
Mentiga Mining Sdn Bhd*	Malaysia	100	100	Mineral ores mining
Mentiga Development & Construction Sdn Bhd*	Malaysia	100	100	General construction and developer
Lesong Forest Products Sdn Bhd*	Malaysia	100	100	Logging and oil palm plantation
Mentiga Venture Minerals Sdn Bhd*	Malaysia	60	60	Dormant

* Audited by firms other than Al Jafree Salihin Kuzaimi PLT (AF 1522).

7. INVESTMENT IN ASSOCIATES

	Group/Company	
	2021	2020
	RM	RM
Unquoted shares, at cost	30,001	30,001
Share of post-acquisition reserves	(3,222)	(1,699)
Accumulated impairment losses	(9,865)	-
	16,914	28,302

7. INVESTMENT IN ASSOCIATES (CONTINUED)

The details of the associates are as follows:

Name of Associates	Place of incorporation	Effective Interest 2021 %	Effective Interest 2020 %	Principal Activities
Direct associates				
Mega Elite Development Sdn Bhd*	Malaysia	30	30	Dormant
Aim Innovations Sdn Bhd#“	Malaysia	30	30	Information technology services and general trading
Held through subsidiary, Mentiga Mining Sdn Bhd				
Mentiga Valuable Earth Mining Sdn Bhd*^	Malaysia	40	40	Mining, extraction, exploration and trading of minerals ores and related products

* Audited by firms other than Al Jafree Salihin Kuzaimi PLT (AF 1522).
\# Audited by Al Jafree Salihin Kuzaimi PLT (AF 1522).
^ Process of winding up.
“ Process of disposal.

The summarised financial information of the associates, not adjusted for proportion of ownership interest held by the Group, is as follows:

	Group/Company 2021 RM	Group/Company 2020 RM
Assets and liabilities		
Total assets	2,049,563	2,053,249
Total liabilities	2,035,599	1,944,179
Results		
Revenue	1,950,835	477,386
Net loss for the year	(113,179)	(160,773)

8. LAND HELD FOR DEVELOPMENT

	Group/Company 2021 RM	Group/Company 2020 RM
Leasehold land, at cost	723,401	723,401
Development expenditure	134,676	134,676
	858,077	858,077
At beginning/end of year	858,077	858,077

9. INVENTORIES

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Fertilisers and chemicals	57,117	487,459	37,030	428,034
Store, spares and consumable supplies	46,065	26,497	1,624	-
At cost	103,182	513,956	38,654	428,034

10. BIOLOGICAL ASSETS

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At beginning of year	2,499,857	2,141,154	1,349,933	721,957
Fair value changes	564,562	358,703	615,368	627,976
At end of year	3,064,419	2,499,857	1,965,301	1,349,933

Oil palm represents the fresh fruit bunches ("FFB") of up to two weeks prior to harvest for use in the Group's and the Company's palm product operations.

The Group and the Company attribute a fair value less cost to sell on the fresh fruit bunches ("FFB") prior to harvest at each statement of financial position date as required under MFRS 141 "*Agriculture*". FFB are production of oil palm trees and are harvested continuously throughout the financial year to be used in the production of crude palm oil ("CPO"). Each FFB takes approximately 22 weeks from pollination to reach maximum oil content to be ready for harvesting. The value of each FFB at each point of the FFB production cycle will vary based on the cumulative oil content in each fruit.

In determining the fair values of FFB, management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, the FFB prior to two weeks before harvesting are excluded in the valuation as the fair values are considered negligible.

The summarised information on the area of palm oil plantation and number of metric ton unit sold are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Areas (hectares)	2,761	2,716	910	866
Metric ton (MT)	10,068	10,328	7,664	6,362

11. RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade receivables	5,482,282	8,108,496	1,776,916	2,935,058
Allowance for impairment loss	(1,223,964)	(359,264)	(1,204,464)	(340,064)
	4,258,318	7,749,232	572,452	2,594,994
Other receivables	-	180,663	-	171,483
Deposits	213,901	199,637	196,163	179,698
Allowance for impairment loss	-	(300)	-	-
	213,901	199,337	196,163	179,698
Prepayments	650,449	632,117	648,774	629,978
Allowance for impairment loss	(466,409)	(466,409)	(466,409)	(466,409)
	184,040	165,708	182,365	163,569
	4,656,259	8,294,940	950,980	3,109,744

(a) Trade receivables

The Group and the Company's normal trade credit term of 30 days (2020: 30 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

11. RECEIVABLES, DEPOSITS AND PREPAYMENT (CONTINUED)

(a) Trade receivables (continued)

The ageing analysis of the Group and the Company's trade receivables is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current	477,801	670,080	315,794	639,637
30 to 60 days	12,588	36,187	2,200	2,200
61 to 90 days	2,200	75,309	2,200	2,200
More than 90 days	3,765,729	6,967,656	252,258	1,950,957
	4,258,318	7,749,232	572,452	2,594,994
Impaired	1,223,964	359,264	1,204,464	340,064
	5,482,282	8,108,496	1,776,916	2,935,058

(b) Other receivables

These balances are mainly unsecured, non-interest bearing and repayable on demand.

(c) Movement of allowances for impairment losses

The Group's receivables, deposits and prepayment that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At beginning of year	825,973	811,573	806,473	792,073
Impairment losses	864,400	14,400	864,400	14,400
At end of year	1,690,373	825,973	1,670,873	806,473

The total allowance for impairment losses consists of:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade receivables	1,223,964	359,264	1,204,464	340,064
Deposits	-	300	-	-
Prepayments	466,409	466,409	466,409	466,409
	1,690,373	825,973	1,670,873	806,473

12. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2021 RM	2020 RM
Nominal value	253,577	4,026,308

The amount due from subsidiaries are advances which are unsecured, interest free and repayable on demand.

12. AMOUNT DUE FROM SUBSIDIARIES (CONTINUED)

Movement of allowances for impairment losses

The amount due from subsidiaries that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2021 RM	2020 RM
At beginning of year	-	-
Impairment losses	2,445,011	-
At end of year	2,445,011	-

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash in hand	6,332	5,047	4,276	2,683
Cash at banks	1,284,939	2,333,710	987,948	1,098,299
Cash and bank balances	1,291,271	2,338,757	992,224	1,100,982
Bank overdraft (secured)	(712,922)	(987,278)	-	-
	578,349	1,351,479	992,224	1,100,982

The weighted average effective interest rate per annum of bank overdraft at the end of the year is 6.47% (2020: 6.47%).

14. ASSETS CLASSIFIED AS HELD FOR DISPOSAL

Group/Company	Note	Long term leasehold land RM	Oil palm plantation (Immature) RM	Total RM
Cost				
At 1 January		-	-	-
Reclassification from property, plant and equipment	4	11,000,000	1,937,813	12,937,813
At 31 December		11,000,000	1,937,813	12,937,813
Accumulated depreciation				
At 1 January		-	-	-
Reclassification from property, plant and equipment	4	236,559	-	236,559
At 31 December		236,559	-	236,559
Carrying amounts				
At 31 December 2021		10,763,441	1,937,813	12,701,254
At 31 December 2020		-	-	-

The assets classified as held for disposal which is included under the long term leasehold land that is expected to be completed in the next 12 months.

15. SHARE CAPITAL

	Group/Company	
	2021 RM	2020 RM
Issued and fully paid :		
At beginning/end of year	71,789,377	71,789,377

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

16. REVALUATION RESERVES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At beginning of year	110,790,649	110,790,649	45,632,189	45,632,189
Other comprehensive income:				
Revaluation surplus of property, plant and equipment	32,136,850	-	26,342,171	-
Deferred tax liabilities (Note 19)	(7,713,789)	-	(6,323,067)	-
	24,423,061	-	20,019,104	-
At end of year	135,213,710	110,790,649	65,651,293	45,632,189

Revaluation reserve represents surplus arising from revaluation of the long-term leasehold land and oil palm plantations of the Group and of the Company and is not distributable by way of the dividend.

17. BORROWINGS (INTEREST BEARING)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non current (Secured)				
Term loans	25,540,944	23,439,355	18,632,262	17,000,540
Hire purchase liabilities	111,423	15,297	110,194	14,774
	25,652,367	23,454,652	18,742,456	17,015,314
Current (Secured)				
Term loans	2,079,299	2,549,165	918,070	918,070
Hire purchase liabilities	71,081	38,019	71,081	24,566
	2,150,380	2,587,184	989,151	942,636
Total				
Term loans	27,620,243	25,988,520	19,550,332	17,918,610
Hire purchase liabilities	182,504	53,316	181,275	39,340
	27,802,747	26,041,836	19,731,607	17,957,950

Term loans

The average effective interest rate of the Group and the Company on the term loans for the year ranging from 4.97% to 5.40% (2020: 4.97% to 6.22%). The term loans of the Company and the subsidiary company bear interest at Base Financing Rate (BFR) -0.5% per annum and repayment is due on August 2026 and November 2024 respectively. These loans are secured by legal charges over certain long-term leasehold land of the Company and a subsidiary company (Note 4).

Hire purchase liabilities

The average effective interest rate on the hire purchase for the year ranging from 2.62% to 3.45% (2020: 2.62% to 3.45%). The interest rate is fixed at the inception of the lease liabilities arrangements.

Minimum hire purchase payments:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
- not later than 1 year	79,219	40,098	77,990	26,022
- later than 1 year and not later than 5 years	114,469	17,655	114,469	15,340
	193,688	57,753	192,459	41,362
Future finance charges	(11,184)	(4,437)	(11,184)	(2,022)
Present value	182,504	53,316	181,275	39,340

17. BORROWINGS (INTEREST BEARING) (CONTINUED)

Present value of hire purchase liabilities:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
- not later than 1 year	71,081	38,019	71,081	24,566
- later than 1 year and not later than 5 years	111,423	15,297	110,194	14,774
Present value	182,504	53,316	181,275	39,340

18. LEASE LIABILITIES

	Maturity	2021 RM	2020 RM
Group			
Non current			
Obligation under right-of-use assets (Note 34)	2023	3,903	39,767
		3,903	39,767
Current			
Obligation under right-of-use assets (Note 34)	2022	48,371	53,582
		48,371	53,582
Total lease liabilities		52,274	93,349
Company			
Non current			
Obligation under right-of-use assets (Note 34)	2023	-	28,071
		-	28,071
Current			
Obligation under right-of-use assets (Note 34)	2022	30,259	26,264
		30,259	26,264
Total lease liabilities		30,259	54,335

The remaining maturities of lease liability as at 31 December 2021 are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Within one year	46,032	53,582	30,259	26,264
More than 1 year and less than 2 years	6,242	39,767	-	28,071
	52,274	93,349	30,259	54,335

19. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

19. DEFERRED TAX LIABILITIES(CONTINUED)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred taxation	(35,532,254)	(28,709,250)	(16,097,170)	(10,230,295)
At 1 January	(28,709,250)	(28,050,091)	(10,230,295)	(9,107,192)
Credited/(Charged) to profit or loss:				
Property, plant and equipment	343,482	(3,914,935)	351,285	(3,828,082)
Revaluation reserve	(922,926)	2,656,975	(1,358,826)	2,127,422
Unabsorbed capital allowances	308,680	1,616,714	308,556	1,615,675
Unutilised tax losses	1,161,549	(1,017,913)	1,155,177	(1,038,118)
	890,785	(659,159)	456,192	(1,123,103)
Charged to other comprehensive income (Note 16)	(7,713,789)	-	(6,323,067)	-
At 31 December	(35,532,254)	(28,709,250)	(16,097,170)	(10,230,295)

Deferred tax liabilities provided in the financial statements are in respect of the tax effects of the following:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax asset (before offsetting):				
Unabsorbed capital allowances	14,873,912	14,356,082	6,604,791	6,296,235
Unutilised tax losses	6,809,560	5,625,238	5,487,915	4,332,737
	21,683,472	19,981,320	12,092,706	10,628,972
	(21,683,472)	(19,981,320)	(12,092,706)	(10,628,972)
Deferred tax asset (after offsetting)	-	-	-	-
Deferred tax liabilities (before offsetting):				
Property, plant and equipment	(27,158,370)	(23,073,607)	(18,262,156)	(14,405,667)
Revaluation of property, plant and equipment	(30,057,356)	(25,616,963)	(9,927,720)	(6,453,600)
	(57,215,726)	(48,690,570)	(28,189,876)	(20,859,267)
	21,683,472	19,981,320	12,092,706	10,628,972
Deferred tax liabilities (after offsetting)	(35,532,254)	(28,709,250)	(16,097,170)	(10,230,295)

20. PAYABLES AND ACCRUALS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade				
Third party	8,182,170	8,984,840	5,111,507	4,421,881
Non-trade				
Other payables	2,413,262	2,819,398	1,535,461	1,754,625
Accruals	2,404,688	1,623,211	1,608,763	1,068,057
Advances	1,935,333	3,285,333	785,333	785,333
Deposits	6,094,604	2,183,573	2,599,283	938,253
	12,847,887	9,911,515	6,528,840	4,546,268
	21,030,057	18,896,355	11,640,347	8,968,149

Credit terms of payables of the Group and of the Company range from 30 to 60 days (2020 : 30 to 60 days).

21. AMOUNT DUE TO SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
Non-trade related balances		
Holding company	5,268,517	6,680,005

The amount owing to holding company is unsecured, interest free and repayable on demand.

22. REVENUE

Revenue represents the invoice value of goods sold and services rendered less trade discounts and returns.

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Revenue recognised at point in time:				
Income from sales of log concession	-	8,700,000	-	8,700,000
Sales of iron ore	918,005	572,383	-	-
Sales of oil palm fresh fruit bunches	10,015,758	5,506,202	7,697,311	3,358,922
Rental income from reforestation	250,000	150,000	250,000	150,000
	11,183,763	14,928,585	7,947,311	12,208,922

23. OTHER OPERATING INCOME

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Gain on write off on payables	216	185,927	216	185,927
Gain on write off on subsidiary	-	26,872	-	-
Rental income	26,400	23,400	26,400	23,400
Reversal impairment of subsidiary	-	-	-	1,000,000
Sales from scout harvesting oil palm fresh fruit bunches	34,192	-	22,977	-
Sundries	118,733	82,427	16,276	81,926
	179,541	318,626	65,869	1,291,253

24. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before taxation has been arrived after (crediting)/charging:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
After (crediting)/charging:				
Auditors' remuneration				
- statutory audits	109,100	99,100	85,000	75,000
- other services	20,000	20,000	20,000	20,000
Property, plant and equipment				
- depreciation	3,576,222	3,702,655	1,455,147	1,573,860
- impairment	17,373,309	-	-	-
- reversal of impairment	(3,745,501)	-	-	-
Right-of-use assets				
- depreciation	52,851	50,160	25,476	25,476
Directors' remuneration (Note 25)				
- executive directors	1,066,750	815,445	1,005,730	754,425
- non-executive directors	862,575	1,124,414	572,500	846,814
Employee benefits cost (Note 26)	2,723,039	2,518,143	2,240,808	1,856,844
Finance expense	134,589	113,151	4,066	6,477

25. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by directors of the Group and Company during the financial year are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Executive Directors:				
Fees	102,000	102,000	48,000	48,000
Salaries and other emoluments	829,416	634,800	829,416	634,800
Bonus	45,000	-	45,000	-
Defined contribution plan	90,334	78,645	83,314	71,625
	1,066,750	815,445	1,005,730	754,425
Non-Executive Directors:				
Fees	631,500	624,000	384,000	384,000
Other emoluments	205,500	475,814	188,500	462,814
Defined contribution plan	25,575	24,600	-	-
	862,575	1,124,414	572,500	846,814

26. EMPLOYEES BENEFITS COST

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Salaries, bonus and other benefits	2,345,138	2,261,870	1,945,152	1,667,384
Defined contribution plan	377,901	256,273	295,656	189,460
	2,723,039	2,518,143	2,240,808	1,856,844

27. TAX (CREDIT)/EXPENSE

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Income tax expenses				
- current year	14,854	716	-	-
- Over provision in prior year	(658)	-	-	-
Deferred tax				
- current year	(884,687)	572,553	(475,883)	923,209
- overprovision in prior year	(6,098)	86,604	19,691	199,893
Tax (credit)/expense	(876,589)	659,873	(456,192)	1,123,102

27. TAX (CREDIT)/EXPENSE (CONTINUED)

The significant differences between the tax (credit)/expense and accounting profit multiplied by statutory tax rate are due to the tax affects arising from the following items:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(Loss)/Profit before tax	(18,738,819)	1,495,680	(5,481,098)	4,047,815
Tax at the statutory income tax rate 24% (2020: 24%)	(4,497,317)	358,963	(1,315,463)	971,475
Expenses not deductible for tax purposes	3,748,130	443,142	992,972	102,448
Income not taxable	(146,629)	(228,836)	(147,740)	(150,714)
Recognition of deferred tax assets previously not recognised	(179,565)	-	-	-
Over provision of income tax in prior year	(658)	-	-	-
Over provision of deferred tax in prior year	199,450	86,604	14,039	199,893
At 31 December	(876,589)	659,873	(456,192)	1,123,102

As of the end of the reporting year, the estimated amount of unabsorbed capital allowances and unabsorbed business loss (Notes 19) disclosed are available for offsetting against future taxable profits of the Group for which the deferred tax liabilities has been recognised in the financial statements. The unabsorbed capital allowances and unabsorbed business loss are subject to the agreement of the tax authorities.

28. EARNINGS PER SHARE

The calculation of earnings per share as at 31 December 2021 was based on the profit for the financial year attributable to owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2021	2020
(Loss)/Profit for the year attributable to owners of the Company (RM)	(17,859,980)	838,261
Weighted average number of ordinary shares in issue	71,789,377	71,789,377
Basic/Diluted (loss)/earnings per share (sen)	(24.88)	1.17

The Company does not have any outstanding convertible equity instrument as at the reporting date. Accordingly, the diluted earnings per share is presented as equal to the basic earnings per share.

29. RELATED PARTY DISCLOSURES

29.1 Control Relationship

The subsidiaries of the company are disclosed in Note 6 to the financial statements.

Key management personnel comprise of members of the senior management team who are directly responsible for the financial and operating policies and decision of the Group and of the Company.

29. RELATED PARTY DISCLOSURES (CONTINUED)

29.2 Key Management Personnel Compensation

Key management personnel's remuneration and emoluments excluding Directors:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries and short term employee benefits	955,116	712,890	852,021	611,720
Defined contribution plan	114,507	82,572	102,087	70,380

Directors' remuneration and emoluments are disclosed in Note 25 to the financial statements.

30. FINANCIAL INSTRUMENTS

The carrying amounts of the financial assets and liabilities of the Group and Company at the reporting date approximated their fair values.

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables/ Amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Group			
2021			
Financial assets			
Receivables and deposits (excluded prepayment)	4,472,219	-	4,472,219
Cash and bank balances	1,291,271	-	1,291,271
Total financial assets	5,763,490	-	5,763,490
Financial liabilities			
Payables	-	21,030,057	21,030,057
Bank overdraft	-	712,922	712,922
Borrowings (interest bearing)	-	27,802,747	27,802,747
Total financial liabilities	-	49,545,726	49,545,726
2020			
Financial assets			
Receivables and deposits (excluded prepayment)	8,129,232	-	8,129,232
Cash and bank balances	2,338,757	-	2,338,757
Total financial assets	10,467,989	-	10,467,989
Financial liabilities			
Payables	-	18,896,355	18,896,355
Bank overdraft	-	987,278	987,278
Borrowings (interest bearing)	-	26,041,836	26,041,836
Total financial liabilities	-	45,925,469	45,925,469

30. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (Continued)

	Loans and receivables/ Amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Company			
2021			
Financial assets			
Receivables and deposits (excluded prepayment)	768,615	-	768,615
Amount due from subsidiaries	253,577	-	253,577
Cash and bank balances	992,224	-	992,224
Total financial assets	2,014,416	-	2,014,416
Financial liabilities			
Payables	-	11,640,347	11,640,347
Borrowings (interest bearing)	-	19,731,607	19,731,607
Total financial liabilities	-	31,371,954	31,371,954
2020			
Financial assets			
Receivables and deposits (excluded prepayment)	2,946,175	-	2,946,175
Amount due from subsidiaries	4,026,308	-	4,026,308
Cash and bank balances	1,100,982	-	1,100,982
Total financial assets	8,073,465	-	8,073,465
Financial liabilities			
Payables	-	8,968,149	8,968,149
Borrowings (interest bearing)	-	17,957,950	17,957,950
Total financial liabilities	-	26,926,099	26,926,099

(b) Fair value of financial instruments carried at amortised cost and cost

The carrying amounts of the financial assets and financial liabilities are recognised at their fair values, except for the following financial assets and financial liabilities which are initially recognised at cost and amortised after initial recognition. However, the directors are of the opinion that the carrying amounts do not materially different from their values:

	2021		2020	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial assets				
Loan and receivables:				
Receivables and deposits	4,472,219	4,472,219	8,129,232	8,129,232
Cash and bank balances	1,291,271	1,291,271	2,338,757	2,338,757
Financial liabilities				
Other financial liabilities:				
Payables	21,030,057	21,030,057	18,896,355	18,896,355
Bank overdraft	712,922	712,922	987,278	987,278
Borrowings	27,802,747	26,775,548	26,041,836	26,037,555

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments carried at amortised cost and cost (Continued)

	2021		2020	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Company				
Financial assets				
Loan and receivables:				
Receivables and deposits	768,615	768,615	2,946,175	2,946,175
Amount due from subsidiaries	253,577	253,577	4,026,308	4,026,308
Cash and bank balances	992,224	992,224	1,100,982	1,100,982
Financial liabilities				
Other financial liabilities:				
Payables	11,640,347	11,640,347	8,968,149	8,968,149
Borrowings	19,731,607	19,002,604	17,957,950	17,957,300

The following methods and assumptions are used to estimate the fair value of each item of financial instruments:

(i) Cash and bank balances and other short term receivables

The carrying amounts approximated their fair values due to the relatively short term maturity of these instruments.

(ii) Short term bank borrowings and other current liabilities

The carrying amounts approximated their fair values because of the short period to maturity of these instruments.

(iii) Long term borrowings

The carrying amounts approximated the fair value as this instrument bears interest at variables and fixed rates.

(iv) Hire purchase obligations

The fair value of hire purchase payables are determined by discounting the relevant cash flows using current interest rates similar types of instruments. There is no material difference between their fair values and the carrying values of these liabilities as at the statement of financial position.

(v) Amount due from subsidiaries

The Company does not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the value that would eventually be paid or settled.

31. FINANCIAL RISK MANAGEMENT AND POLICIES

Financial risk management objectives and policies

The operations of the Group and Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group and Company does not have any written risk management policies and guidelines, in managing the above risks. The directors monitor these financial risks based on past practices and believe the risks associated with these instruments are minimal.

Interest rate risk

The Group and Company's primary exposure to interest rate risk arises from its hire purchase from a licensed financial institution (financial liability) which is subject to fixed interest rate.

31. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position after deducting any impairment allowance.

(i) Receivables

Exposure to credit risk

Majority of the Group and Company's receivables represents trade balances, of which these are regular customers that the Company has trading activities with and their outstanding balances are monitored on an ongoing basis, to ensure that the Company's exposure to bad debts is not significant. The Company only trades with recognised and creditworthy third parties. Credit period is extended to customers based upon careful evaluation of the customer's financial condition and credit history. The average credit of 30 days.

At the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

(ii) Cash and cash equivalents

Exposure to credit risk

Cash and cash equivalents are placed with reputable financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amounts in the statement of financial position.

(iii) Financial guarantees

The Company provides financial guarantees to bank in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayment made by the subsidiary.

The maximum exposure to credit risk amounts to RM8,069,910 (2020: RM8,069,910) representing banking facilities utilised by the subsidiary as at the end of the financial year.

As at reporting date, there was no indication that the subsidiary would default on repayment. Financial guarantees have not been recognised since the fair value on initial recognition was not material as the probability of the subsidiaries defaulting on its banking facilities is remote.

(iv) Intercompany balances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of its subsidiaries regularly.

As at reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position as disclosed in Note 12.

Management has taken reasonable steps to ensure that intercompany receivables restated at the realisable values. As at reporting date, there was no indication that the loans and advances extended to the subsidiaries are not recoverable.

Liquidity and cash flow risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure as far as possible, that it will have sufficient liquidity to meet its liability as and when they fall due.

31. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Liquidity and cash flow risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Cash flows				
Group	**On demand or within one year RM**	**One to five years RM**	**More than five years RM**	**Contractual cash flows RM**	**Carrying amount RM**
At 1 January 2021					
Financial Liabilities					
Payables	21,030,057	-	-	21,030,057	21,030,057
Hire purchase liabilities	79,219	114,469	-	193,688	182,504
Lease liabilities	57,523	-	-	57,523	52,274
Bank overdraft	712,922	-	-	712,922	712,922
Term loans	2,489,570	27,905,995	55,753,114	86,148,679	27,620,243
Total undiscounted financial liabilities	24,369,291	28,020,464	55,753,114	108,142,869	49,598,000
At 1 January 2020					
Financial Liabilities					
Payables	18,896,355	-	-	18,896,355	18,896,355
Hire purchase liabilities	40,098	17,655	-	57,753	53,316
Lease liabilities	60,000	42,500	-	102,500	93,349
Bank overdraft	987,278	-	-	987,278	987,278
Term loans	4,536,457	25,674,980	57,942,525	88,153,962	25,988,520
Total undiscounted financial liabilities	24,520,188	25,735,135	57,942,525	108,197,848	46,018,818
Company					
At 1 January 2021					
Financial Liabilities					
Payables	11,640,347	-	-	11,640,347	11,640,347
Lease liabilities	32,500	-	-	32,500	30,259
Hire purchase liabilities	77,388	116,392	-	193,780	181,275
Term loans	1,329,570	19,377,981	55,753,114	76,460,665	19,550,332
Total undiscounted financial liabilities	13,079,805	19,494,373	55,753,114	88,327,292	31,402,213
At 1 January 2020					
Financial Liabilities					
Payables	8,968,149	-	-	8,968,149	8,968,149
Lease liabilities	30,000	30,000	-	60,000	54,335
Hire purchase liabilities	26,022	15,340	-	41,362	39,340
Term loans	2,506,304	17,418,225	57,942,525	77,867,054	17,918,610
Total undiscounted financial liabilities	11,530,475	17,463,565	57,942,525	86,936,565	26,980,434

Finance rate risk

Finance rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market finance rates.

The Group's income and operating cash flows are substantially dependent to changes in market interest rate. The Group's exposure to finance rate risk for relate primarily to the Group's interest-bearing debts which are being monitored regularly. The Group does not use derivative financial instruments to hedge its debts obligation.

If finance rate on floating rate borrowings increase/(decrease) by 10 basis points with all other variables held constant, the profit/(loss) before tax of the Group will decrease/(increase) by approximately RM5,387 and capitalisation of interest cost as immature plantation cost in statement of financial position will increase/(decrease) by approximately RM15,785.

31. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Commodity price risk

The Group is exposed to commodity price risk since the prices of fresh fruit bunch ("FFB") and palm kernel ("PK") are determined by crude palm oil price ("CPO") which subject to fluctuations due to unpredictable factors such as weather, changes in global demand and production, crude oil prices and global production of similar and competing crops.

Revenue of the Group is therefore subject to price fluctuations of the commodity market. The Group always negotiate the best oil extraction rate ("OER") rate for the FFB sold to the oil mill.

As at 31 December 2021, sensitivity analysis had been performed based on Group's exposure to commodity prices. A RM100 increase/(decrease) in CPO and PK prices, with all other variables being held constant would increase/(decrease) Group's profit/(loss) before tax by approximately RM579,111 (2020: RM237,700).

32. SEGMENTAL REPORTING

For management purposes, the Group's business is organised on the activities, products, and services. For each of the segments, the Managing Directors reviews the internal management reports on a quarterly basis, at least. The following summary describes the operations of each of the Group's segments:

- timber products - timber extraction, trading in related timber products and reforestation project
- plantation - oil palm plantation
- mining - extraction and exploration of mining ores

Inter-segments transaction is based on arm's length basis under term, conditions and policies not materially different from transactions with unrelated parties. These transactions are eliminated on consolidation.

Segment results, assets, and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, overheads and deferred tax.

2021	Timber products RM	Plantation RM	Mining RM	Others RM	Elimination RM	Group RM
Revenue						
External revenue	250,000	10,015,758	918,005	-	-	11,183,763
	250,000	10,015,758	918,005	-	-	11,183,763
Result						
Segment results	-	(13,471,406)	744,842	(5,876,143)	-	(18,602,707)
Finance expenses	-	(127,842)	(2,681)	(4,066)	-	(134,589)
Share of result of associates						(1,523)
Profit from ordinary activities before tax						(18,738,819)
Tax expenses						876,589
Profit for the financial year						(17,862,230)
Other information						
Segment assets	3,410,861	260,992,360	2,634,270	7,162,822	(7,994,301)	266,206,012
Unallocated assets						13,576,245
						279,782,257
Segment liabilities	8,329,514	19,387,636	1,270,071	875,882	(7,994,301)	21,868,802
Unallocated liabilities						64,100,198
Total liabilities						85,969,000
Capital expenditures on property, plant and and equipment and immature oil palm plantation	-	4,622,406	-	-	-	4,622,406
Depreciation	-	3,474,120	32,584	81,053	-	3,587,757

32. SEGMENTAL REPORTING (CONTINUED)

2020	Timber products RM	Plantation RM	Mining RM	Others RM	Elimination RM	Group RM
Revenue						
External revenue	8,850,000	5,506,202	572,383	-	-	14,928,585
	8,850,000	5,506,202	572,383	-	-	14,928,585
Result						
Segment results	3,873,409	(2,639,480)	390,964	(14,363)	-	1,610,530
Finance expenses	(6,477)	(102,235)	(4,439)	-	-	(113,151)
Share of result of associates						(1,699)
Profit from ordinary activities before tax						1,495,680
Tax expenses						(659,873)
Profit for the financial year						835,807
Other information						
Segment assets	8,766,475	252,993,210	3,209,771	8,507,443	(10,733,509)	262,743,390
Unallocated assets						886,379
						263,629,769
Segment liabilities	16,011,730	9,486,399	2,599,427	3,274,932	(10,733,509)	20,638,979
Unallocated liabilities						55,738,364
Total liabilities						76,377,343
Capital expenditures on property, plant and and equipment and immature oil palm plantation	461,667	6,211,504	-	-	-	6,673,171
Depreciation	61,830	3,614,100	26,725	-	-	3,702,655

33. CAPITAL COMMITMENT

No capital expenditure of the Group that is not provided for in the financial statements during the financial year.

34. LEASE COMMITMENT

The minimum of lease liability payment as at 31 December 2021 are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Not later than 1 year	57,523	60,000	32,500	30,000
Later than 1 year but not later than 2 years	-	42,500	-	30,000
	57,523	102,500	32,500	60,000
Future finance charges	(5,249)	(9,151)	(2,241)	(5,665)
Present value	52,274	93,349	30,259	54,335

34. LEASE COMMITMENT (CONTINUED)

Present value of lease liabilities:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Not later than 1 year	48,371	53,582	30,259	26,264
Later than 1 year but not later than 2 years	3,903	39,767	-	28,071
Present value	52,274	93,349	30,259	54,335

The Group has entered into rental agreement for building as disclosed in Note 5. The lease liabilities payable of the Group and the Company bore effective interest rate of 6.88% (2020: 6.88%).

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or procedures during the financial years ended 31 December 2021 and 31 December 2020.

	Group	
	2021	**2020**
	RM	**RM**
Total borrowings	27,802,747	26,041,836
Less: Cash and cash equivalents	(578,349)	(1,351,479)
Net debt	27,224,398	24,690,357
Total equity	193,813,257	187,252,426
Debt-to-equity ratio (%)	14	13

36. SUBSEQUENT EVENT

Proposed surrender of land

The State Government of Pahang vide its letter dated 22 August 2011 approved the proposed surrender of two (2) parcels of land owned by the Company identified as HS(D) 145 PT 1449 (now known as PN 2490 Lot 1449) and HS(D) 3364 PT 2204 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 of which the State Government of Pahang will compensate the Company with four (4) parcels of land with an aggregate land size of 13,112 acres valued not less than RM20 million ("Proposed Surrender of Pekan Land").

The Proposed Surrender of Pekan Land had been approved by shareholders at the Extraordinary General Meeting held on 15 December 2011. As at reporting date, some of the requisite approvals for the alienation of the consideration land in favour of the Company by the Director of Land and Minerals of Pahang are still pending.

37. SIGNIFICANT EVENT

Coronavirus (COVID-19) pandemic

The emergence and spread of coronavirus (COVID-19) in early 2020 has affected business and economic activities in Malaysia and beyond. The Group will monitor the developments of COVID-19 situation closely, assess and react actively to its impacts on the financial position and operating results of the Group.

Landed properties of Mentiga Group as at 31 December 2021 are set out below:

Description/ Location	Usage As at 31.12.2021	Area (Acres)	Date of land valuation	Net Book Value As at 31.12.2021 RM'000	Approximate Age of Building (Year)
1. **Mentiga Corporation Berhad** Leasehold land known, as Lot					
I. **No.PT 12862** HS (D) 43797 Mukim of Penor District of Kuantan Pahang, Darul Makmur **(Lease for term of 99 years expiring on 20.5.2112)**	Agriculture (Oil Palm)	2,631	31.01.2022	31,700	-
II **No.PT 4314** HS (D) 44434 Mukim of Ulu Lepar District of Kuantan Pahang, Darul Makmur **(Lease for term of 99 years expiring on 28.10.2112)**	Agriculture (Oil Palm)	4,165	31.01.2022	35,000	-
III. **No.PN 22155** HS (D) 44400 Mukim of Ulu Lepar District of Kuantan Pahang, Darul Makmur **(Lease for term of 99 years expiring on 8.9.2112)**	Agriculture (Oil Palm)	1,605	31.01.2022	10,763	-
IV. **No.PT 9965** HS(D) 5750 Mukim of Hulu Cheka District of Jerantut Pahang, Darul Makmur **(Lease for term of 99 years expiring on 09.08.2116)**	Agriculture	3,881	31.01.2022	21,700	-
2. **Mentiga Plantation Sdn Bhd** **No.PT 906** HS (D) No. 13287 Mukim Ulu Kuantan District of Kuantan Pahang, Darul Makmur **(Lease for term of 99 years expiring on 29.8.2094)**	Agriculture (Oil Palm) Jungle Land	11,997	31.01.2022	75,400	-
3. **Lesong Forest Products Sdn Bhd** HS (D) 13 No. PN 25381 District of Rompin Mukim of Rompin Pahang, Darul Makmur **(Lease of term 99 years expiring on 3.2.2076)**	Agriculture (Oil Palm)	57	31.01.2022	7,200	-

SHAREHOLDING AS AT 31 MARCH 2022

The total number of Issued Shares of the Company stand at 70,000,000 ordinary shares with voting right of one vote per ordinary share.

ANAYSIS OF ORDINARY SHAREHOLDING STRUCTURE AS AT 31 MARCH 2022 ARE AS FOLLOWS :

Size of Shareholding	Shares	Percentage	Holdings	Percentage
1-99	3,672	0.01	239	10.38
100-1,000	770,628	1.10	932	40.49
1,001-10,000	3,707,300	5.30	896	38.92
10,001-100,000	6,388,700	9.13	220	9.56
100,001-3,499,999 (*)	7,394,100	10.56	13	0.56
3,500,000 and above (**)	51,735,600	73.90	2	0.09
Total	70,000,000	100.00	2,302	100.00

**-Less than 5% of issued shares*
***-5% and above of issued shares*

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2022

No.	Name of shareholders	Direct	Indirect	Percentage
1	Amanah Saham Pahang Berhad	51,735,600	-	73.91
2	Kerajaan Negeri Pahang Darul Makmur	-	51,735,600	73.91

DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2022

No.	Name of shareholders	Direct	Indirect	Percentage
1	Dato' Haji Mohd Nazari bin Yunus	8,900	-	0.01

THIRTY LARGEST SHAREHOLDERS AS AT 31 MARCH 2022

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shares	Percentage of Issued Capital
1.	AMANAH SAHAM PAHANG BERHAD	39,878,000	56.97
2.	AMANAH SAHAM PAHANG BERHAD	11,857,600	16.94
3.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAM HENG MING (E-KTN/RAU)	2,325,500	3.32
4.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP YEE PING	2,114,900	3.02
5.	LAI HONG CHOO	1,030,000	1.47
6.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR FARIDAH BINTI MOHD FUAD STEPHENS (PB)	500,000	0.71
7.	OSPAC GROUP SDN BHD	265,000	0.38
8.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHER KEAM (E-SRB/KKG)	209,000	0.30
9.	CHUA HOCK CHIN	190,000	0.27

THIRTY LARGEST SHAREHOLDERS AS AT 31 MARCH 2022 (CONTINUED)

No.	Name of Shareholders	No. of Shares	Percentage of Issued Capital
10.	WONG KAM SENG	166,000	0.24
11.	ONG BENG KAI	160,000	0.23
12.	AMANAHRAYA TRUSTEES BERHAD KUMIPA BALANCED FUND	115,000	0.16
13.	TIONG SHEUE YNG	110,600	0.16
14.	YEW AH HAN @ YAU AH HAN	106,000	0.15
15.	LEE TEIK MING	102,100	0.15
16.	LEE MENG ONN	100,000	0.15
17.	LOW MOI SANG @ LOH MOI SUNG	100,000	0.14
18.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH KIM HONG	100,000	0.14
19.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN GAIK SUAN	91,000	0.13
20.	ONG BENG TIONG	90,000	0.13
21.	GOH YOKE AIE	85,000	0.12
22.	MOHD ALI HANAFIAH BIN SH RUJI	85,000	0.12
23.	SHEIKH OTHMAN BIN SHEIKH ABDUL RAHMAN	85,000	0.12
24.	QUAH CHENG LIEW	81,000	0.12
25.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SOH KIAN	80,000	0.11
26.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK YATT KONG	76,400	0.11
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG LIN CHIN (E-BPT)	75,700	0.11
28.	CHUA CHIN CHYANG	74,000	0.11
29.	CHEW KAM WAH	70,500	0.10
30.	LAU SOO HAN	70,000	0.10
TOTAL		**60,393,300**	**86.28**

1. Utilisation of Proceeds from Corporate Proposal

The Company did not undertake any corporate proposal to raise proceeds during the financial year ended 31 December 2021.

2. Options, Warrants or Convertible Securities

No options and warrants were issued or exercised by the Company during the financial year ended 31 December 2021.

3. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR program.

4. Share Buy-Back

During the financial year, the Company did not enter into any share buy-back transaction.

5. Sanctions and Penalties

There were no sanctions, and/or penalties imposed on the Company and/or its Subsidiaries, Directors or Management by any regulatory bodies during the financial year.

6. Audit Fees and Non-Audit Fees

During the financial year under review, the amount of audit fees paid or payable by the Group and the Company are RM109,100 and RM75,000 respectively. The amount of non-audit fee paid and payable to the external auditors was RM10,000 for review of the Company's Statement on Risk Management and Internal Control and Annual Report for both Group and Company and another RM10,000 for review of others auditors' working papers for subsidiary companies.

7. Profit Guarantee

There were no profit guarantees given by the Company and its subsidiary for the financial year ended 31 December 2021.

8. Material Contracts

There were no material contracts of the Company or its subsidiaries involving directors and major shareholders interest, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

9. Revaluation Policy on Landed Properties

The Company adopted revaluation policy on landed properties during the financial year ended 31 December 2021.

10. Variations in Results

There were no material variation between the audited results for the financial year ended 31 December 2021 and the unaudited results previously announced.

11. Recurrent Related Party Transactions

There were no recurrent related party transactions entered into by the Company and its subsidiaries during the financial year ended 31 December 2021 except for those as disclosed on pages 89 to 90 of the Annual Report.

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CDS Account No.	
No. of Shares Held.	

MENTIGA

MENTIGA CORPORATION BERHAD
197001001000 (10289-K)
(INCORPORATED IN MALAYSIA)

PROXY FORM

I/We.. (Name of Shareholder as per NRIC, in capital letters)

NRIC No./Company No... (New) .... (Old)

of...

being a Member(s) of MENTIGA CORPORATION BERHAD, hereby appoint ....

(Name of proxy as per NRIC, in capital letters) NRIC No...(New)..(Old) or failing him/her

.... (Name of proxy as per NRIC, in capital letters)

NRIC No... (New) .... (Old) or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fifty-First Annual General Meeting ("51st AGM") of Mentiga Corporation Berhad ("the Company") to be conducted on a **fully virtual basis** by way of live streaming and online remote voting through the Remote Participation and Voting ("RPV") facilities via TIIH Online websites at https://tiih.online or http://tiih.com.my (Domain Registration No. with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on **Thursday, 9 June 2022** at **10.30 a.m**. and any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X".

RESOLUTIONS	DESCRIPTION OF RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1	Re-election of YH. Dato' Hazli Bin Ibrahim as Director		
Ordinary Resolution 2	Re-election of YH. Dato' Haji Mohd Nazari Bin Yunus as Director		
Ordinary Resolution 3	Re-election of Tuan Haji Yaacob Bin Sa'rani as Director		
Ordinary Resolution 4	Re-election of YH. Dato' Haji Hamdan Bin Salim as Director		
Ordinary Resolution 5	To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration		
Ordinary Resolution 6	To approve Directors' fees of RM120,000 to YB. Dato' Sri DiRaja Haji Adnan Bin Haji Yaakob for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 7	To approve Directors' fees of RM48,000 to YH. Dato' Haji Muhammad Nasir Bin Puteh for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 8	To approve Directors' fees of RM72,000 to YH. Dato' Bahudin Bin Mansor for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 9	To approve Directors' fees of RM48,000 to YH. Dato' Hazli Bin Ibrahim for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 10	To approve Directors' fees of RM48,000 to YH. Dato' Haji Mohd Nazari Bin Yunus for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 11	To approve Directors' fees of RM48,000 to Tuan Haji Yaacob Bin Sa'rani for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 12	To approve Directors' fees of RM48,000 to YH. Dato' Haji Hamdan Bin Salim for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 13	To approve addition Directors' fees of RM120,000 for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 14	To approve the payment of Directors' benefits of up to RM263,500 for the financial period from 1 July 2022 to 30 June 2023		
Ordinary Resolution 15	Retention of Independent Director – YH. Dato' Bahudin Bin Mansor		
Ordinary Resolution 16	Retention of Independent Director – YH. Dato' Hazli Bin Ibrahim		
Ordinary Resolution 17	Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 And 76 of the Companies Act 2016		

Dated this... day of 2022

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

....

Signature/ Common Seal of Shareholder(s)

Contact:

Notes:-

1. As part of the initiative to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the 51st AGM will be conducted on a fully virtual basis by way of live streaming and online remote voting through the Remote Participation and Voting ("RPV") facilities via TIIH Online websites at https://tiih.online or https://tiih.com.my provided by Tricor Investor & Issuing House Services Sdn Bhd ("Share Registrar", "Tricor" or "TIIH") in Malaysia.

   According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.

2. A member of a Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at meeting of members of the Company. A member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints more than one (1) proxy in respect of each omnibus account to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

6. The instrument appointing a proxy shall be in writing signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing proxy(ies) must be made either under its common seal or signed by an officer or an attorney duly authorised.

7. A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 51st AGM must request his/her proxy or attorney or corporate representative to register their attendance for RPV at **TIIH Online** website at https://tiih.online. Please follow the Procedures for RPV in the Administrative Details for the 51st AGM.

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 51st AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) By electronic form

   The Proxy Form can be electronically lodged via **TIIH Online** website at https://tiih.online. Kindly refer to the Administrative Details on the procedure for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

10. Last date and time for lodging the form of proxy is on **Tuesday, 7 June 2022** at **10.30 a.m.**

11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 51st AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

   (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

   (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

      (a) at least two (2) authorised officers, of whom one shall be a director; or

      (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

13. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the **Record of Depositors as at 1 June 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this 51st AGM or appoint proxies to attend and vote in his stead.

Fold here to seal

STAMP

THE SHARE REGISTRAR

MENTIGA CORPORATION BERHAD

197001001000 (10289-K)

Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Malaysia

Fold here to seal

MENTIGA

MENTIGA CORPORATION BERHAD

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