

**General Announcement for PLC (v13)****SUBMITTED**

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COMPANY INFORMATION SECTION			
Announcement Type	<input checked="" type="radio"/> New Announcement <input type="radio"/> Amended Announcement		
Company Name	FIMA CORPORATION BERHAD		
Stock Name	FIMACOR		
Stock Code	3107		
Board	Main Market		

CONTACT DETAIL			
Contact Person	Designation	Contact No	Email Address
FIMA CORPORATION BERHAD		012-3086611	susan@fimacorp.com
JASMIN BINTI HOOD	Secretary	03-2092-1211	secretarial@fima.com.my

MAIN	
Type	Announcement
Subject	MATERIAL LITIGATION
Description	Application to the Pengadilan Tata Usaha Negara for the Annulment of the Ministerial Order issued by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertahanan Nasional Republik Indonesia
Shareholder Approval	No

Announcement Details/Table Section
<p>We refer to our announcement dated 26 August 2016 in relation to the Company's Indonesian subsidiary, PT Nunukan Jaya Lestari's ("PTNJL") land title Hak Guna Usaha No. 01/Nunukan Barat ("HGU"). Unless otherwise defined, all terms and abbreviations used in this announcement shall have the same meaning ascribed in the aforesaid announcement.</p> <p>The Company wishes to announce that PTNJL after seeking legal advice, has instituted legal proceedings to challenge the Ministerial Order issued by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertahanan Nasional Republik Indonesia (the "Defendant") to revoke PTNJL's HGU with immediate effect.</p> <p>As previously disclosed, the Ministerial Order was issued on the basis that the HGU was improperly issued due to administrative irregularities made by certain officers of the Badan Pertanahan Nasional Provinsi Kalimantan Timur ("BPN") at the time of the issuance of the HGU in 2003; resulting in parts of the area within the HGU to overlap with forestry areas. PTNJL's planted area affected by the Ministerial Order measures 3,691.9 hectares.</p> <p>On 21 October 2016, PTNJL filed an application in the Pengadilan Tata Usaha Negara ("PTUN") in Jakarta, Indonesia seeking an order to annul the Ministerial Order inter alia on the grounds that:</p> <p>(1) PTNJL who is a bonafide owner of the HGU for value, has good title to the HGU as it has complied with and fulfilled all procedural requirements and obligations in obtaining the HGU;</p> <p>(2) the reasons raised by the Defendant upon which the Ministerial Order was issued <i>i.e.</i> the administrative irregularities occasioned by the BPN officers at the time of the issuance of the HGU in 2003, are invalid as they are not within the contemplation of nor fall within the reasons set out in various substantive laws that would allow a HGU to be revoked and therefore could not form the legal basis for the Ministerial Order; and</p> <p>(3) the Ministerial Order contravenes the principles of Asas-asas Umum Pemerintahan Yang Baik ("General Principles of Good Governance") and violates the provisions of various substantive laws in Indonesia.</p>

Simultaneously in the said application, PTNJL has also sought an order from PTUN to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts.

Notwithstanding the Ministerial Order, the local government in Kabupaten Nunukan, in the interest of good order, has given its undertaking and allowed PTNJL to continue to lawfully operate its plantation operations until the final determination of the matter by the Indonesian courts. Based on current circumstances, the Board is of the opinion that this suit will not have any immediate material operational and financial impact on the Group.

The Company will make further announcements on material development on this matter from time to time.

This announcement is dated 21 October 2016.

Attachment	No	File Name	Size
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