

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

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

<b>CONTACT DETAIL</b>			
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<b>MAIN</b>	
<b>Type</b>	Announcement
<b>Subject</b>	OTHERS
<b>Description</b>	Fima Corporation Berhad (FimaCorp or the Company) - Deviation of 10% or more between the announced unaudited financial statements and the audited financial statements for the financial year ended 31 March 2017
<b>Shareholder Approval</b>	No

<b>Announcement Details/Table Section</b>			
<p>The Board of Directors of FimaCorp wishes to announce that the Company had on 24 May 2017 submitted its unaudited results for the 4th quarter ended 31 March 2017 ("4QFYE2017") to Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>The Company had on 22 June 2017 submitted its Audited Financial Statements for the financial year ended 31 March 2017 ("AFS 2017") to Bursa Securities.</p> <p>In compliance with Paragraph 9.19(35) of the Main Market Listing Requirements of Bursa Securities, the Company wishes to announce that there is a deviation of more than 10% between the Group's profit after tax and minority interest for 4QFYE2017 and the AFS 2017.</p> <p>The explanation and reconciliation for the deviation is attached herein.</p>			
<b>Attachment</b>	<b>No</b>	<b>File Name</b>	<b>Size</b>
	1	<a href="#">Announcement - deviation of results FYE 31 March 2017.pdf</a>	95.1KB

**FIMA CORPORATION BERHAD (“FimaCorp” or “the Company”)  
 DEVIATION OF 10% OR MORE BETWEEN THE ANNOUNCED UNAUDITED FINANCIAL STATEMENTS  
 AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**1. INTRODUCTION**

The Board of Directors of FimaCorp wishes to announce that the Company had on 24 May 2017 submitted its unaudited results for the 4<sup>th</sup> quarter ended 31 March 2017 (“4QFYE2017”) to Bursa Malaysia Securities Berhad (“Bursa Securities”).

**2. DEVIATION BETWEEN UNAUDITED RESULTS AND THE AUDITED RESULTS**

In compliance with Paragraph 9.19(35) of the Main Market Listing Requirements of Bursa Securities, the Company wishes to announce that there is a deviation of more than 10% between the Group’s profit after tax, total comprehensive income and minority interest for 4QFYE2017 and the audited financial statements for the financial year ended 31 March 2017 (“AFS 2017”) as follows:

	<b>4QFYE2017</b>	<b>AFS 2017</b>	<b>Variance</b>	
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>%</b>
<b>Profit net of tax attributable to:</b>				
Equity holders of the Company	58,146	37,715	(20,431)	-35
Non-controlling interests	3,166	(2,708)	(5,874)	-186
<b>Profit net of tax for the year</b>	<b>61,312</b>	<b>35,007</b>	<b>(26,305)</b>	<b>-43</b>

<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	67,301	37,652	(29,649)	-44
Non-controlling interests	5,452	(2,726)	(8,178)	-150
<b>Total comprehensive income for the year</b>	<b>72,753</b>	<b>34,926</b>	<b>(37,827)</b>	<b>-52</b>

The cause of the variance is solely due to impairment of property, plant and equipment and biological assets of subsidiary in Indonesia, PT Nunukan Jaya Lestari (“PTNJL”) arising from the dismissal of PTNJL’s application to annul an order by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional (“Ministerial Order”) to revoke PTNJL’s land title Hak Guna Usaha (“HGU”).

The Ministerial Order dated 25 July 2016, which was received on 23 August 2016 was on the basis that the HGU was improperly issued due to administrative irregularities performed by certain officers of the Badan Pertanahan Nasional Provinsi Kalimantan Timur at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with forestry zones.

On 21 October 2016, PTNJL filed an application in the Pengadilan Tata Usaha (“State Administrative Court”) in Jakarta, Indonesia seeking an order to annul the Ministerial Order. On 13 June 2017, the State Administrative Court delivered an oral judgment and dismissed the application filed by PTNJL to annul the Ministerial Order. The written judgment was received on 20 June 2017. Subsequently on 21 June 2017, PTNJL filed an application to Pengadilan Tinggi Tata Usaha Negara, Jakarta (hereafter referred to as “Court of Appeal”) to appeal against the decision of the State Administrative.

Despite the aforementioned decision, PTNJL expects the local government in Kabupaten, Nunukan to continue to allow PTNJL to operate its plantation operations until the final determination of the matter by the Indonesian Courts, as what they have undertaken since the issuance of the Ministerial Order. PTNJL's business and operations have not been affected to date.

Although the outcome of our appeal to the Court of Appeal is pending, the Company had decided to recognise the impairment losses of the assets affected by the State Administrative Court's decision on 13 June 2017 to dismiss PTNJL's appeal to annul the Ministerial Order as the matter indicates a material uncertainty that may cast an adverse effect on the manner in which the assets is expected to be used.

The reconciliation of the deviation is set out below:

	<b>RM'000</b>
<b>Profit net of tax attributable to equity holders of the Company as per 4QFYE2017 (unaudited)</b>	<b>58,146</b>
Less: Impairment losses	(23,498)
Add: Adjustment to deferred tax	3,067
<b>Profit net of tax attributable to equity holders of the Company as per AFS 2017 (audited)</b>	<b>37,715</b>

<b>Total comprehensive income attributable to equity holders of the Company as per 4QFYE2017 (unaudited)</b>	<b>67,301</b>
Less: Deviation in profit net of tax as above	(20,431)
Less: Reversal of revaluation surplus of property, plant and equipment previously recognised	(9,218)
<b>Total comprehensive income attributable to equity holders of the Company as per AFS 2017 (audited)</b>	<b>37,652</b>

This announcement is dated 22 June 2017.