

Notes to the **Financial Statements**

As at 31 March 2019

**43. MATERIAL LITIGATION (CONT'D.)****(i) Hak Guna Usaha No. 01/Nunukan Utara (cont'd.)**

The Pengadilan Tinggi Tata Usaha Negara Jakarta vide its written decision dated 11 December 2017:

- has partly allowed PTNJL's appeal against the State Administrative Court's decision, with costs;
- has declared that the Ministerial Order revoking PTNJL's HGU to be void, save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares; and
- has ordered the Defendant to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares.

Subsequently, PTNJL filed its statement of appeal on 10 January 2018 and appeal on 23 January 2018 to the Mahkamah Agung Republik Indonesia ("Mahkamah Agung") in respect of the aforesaid decision.

Mahkamah Agung, vide its written decision dated 21 August 2018, has allowed PTNJL's appeal and ruled that the Ministerial Order revoking PTNJL's HGU be annulled. The Mahkamah Agung also ordered the Defendant, to simultaneously:

- (i) issue an order cancelling PTNJL's HGU rights over the areas overlapping with third party interests measuring 3,500 hectares; and
- (ii) issue a new HGU certificate in favour of PTNJL for an area measuring 16,474.130 hectares, (which is 19,974.130 hectares less the 3,500 hectares referred to in paragraph (i) above).

PTNJL is currently taking the necessary legal steps to enforce the court's decision.

The amount of write back relating to the impairment of property, plant and equipment previously affected by the Ministerial Order was RM23,631,000 which has been reflected in the Note 9 and Note 13.

On 18 February 2019, PTNJL's solicitors has received notice (which was subsequently forwarded to PTNJL on 19 February 2019) that the Defendant has filed an application for judicial review together with its judicial review memorandum at the Mahkamah Agung on 8 February 2019. The Defendant is seeking to set aside the Mahkamah Agung's written decision dated 21 August 2018 on grounds that the court had among others misapplied the law to the relevant facts in arriving at the decision. PTNJL has on 18 March 2019 filed a counter memorandum at the Mahkamah Agung in response to the said application. The decision is currently pending.

Under Indonesian laws and regulations, commencement of judicial review proceedings does not prevent the implementation of the Mahkamah Agung's written decision as aforesaid.