

Riverview Rubber Estates, Berhad
 (Company No. 820-V)
 (Incorporated in Malaysia)

Notes to the interim financial statements

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134, Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2005. There was no qualification in the audited financial statements for the year ended 31 December 2005.

The accounting policies and methods of computation adopted by the Company in the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for the financial period beginning 1 January 2006.

FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investment in Associates
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings per shares
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of FRS 128 has resulted in prior year adjustments as discussed below

FRS 128 : Investment in Associates

The adoption of FRS 128 has resulted in the Company recognising its share of results from its associates, previously the share of results of the associates were not equity accounted as the group financial statements were not prepared and the effect on the income statement and investment in associates had the equity method been adopted were disclosed by way of a note in the audited financial statements.

The adoption of FRS 128 has been applied retrospectively and comparatives have been restated. The effects of the change is as follows:

	2005	2004
	RM ‘000	RM ‘000
Effect on retained profits		
At 1 January – as previously stated	7,087	4,690
Effects of adopting FRS 128	5,145	2,569
At 1 January – as restated	<u>12,232</u>	<u>7,259</u>
Effect on net profit for the year		
Net profit before changes in accounting policy	4,979	7,988
Effects of adopting FRS 128	929	2,576
Net profit for the year	<u>5,908</u>	<u>10,564</u>

A2. Seasonal or cyclical factors

The production of fresh fruits bunches (“FFB”) is dependent on weather conditions; hence is seasonal in nature.

A3. Items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A4. Change in estimates

There were no changes in estimates that have a material effect in the current quarter.

A5. Debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities in the current quarter.

A6. Dividend paid

There was no dividend paid in the current quarter.

A7. Segment information

Segmental information is not presented as the principal activity of the Company is the cultivation of oil palm wholly carried out within Malaysia.

A8. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A9. Capital commitments

There are no capital commitments as at 31 March 2006

A10. Events subsequent to the balance sheet date

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements under review.

A11. Changes in composition

There were no changes in the composition of the Company for the current quarter.

A12. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the last annual balance sheet date and the latest practicable date.

A13. Related party transactions

There were no significant related party transactions of the Company for the current quarter.

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Additional information required by Bursa Malaysia Securities Berhad's Listing Requirements

B1. Review of performance

The Company registered revenue of RM1.82 million for the current financial year, a decrease of 30.46% as compared to the preceding year corresponding quarter. The Company also recorded a pre-tax profit in the financial year of RM0.12 million against pre-tax profit of RM2.12 million in the preceding year corresponding quarter. The lower revenue was mainly due to a decrease in production and higher costs of production. In addition to the lower revenue and higher costs of production which contributed to the lower profit, the result was also affected by the loss on foreign exchange translation of RM0.69 million.

B2. Variation of results against preceding quarter

The current quarter's recorded pre-tax profit of RM0.12 million on revenue of RM1.82 million as compared to pre-tax profit of RM1.75 million on revenue of RM2.15 million posted in the immediate preceding quarter. The lower revenue was mainly due to a decrease in production and higher costs of production.

B3. Current year prospects

Barring any unforeseen circumstances, the directors expect the performance of the Company for the current financial year to be satisfactory.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Tax expense

	3 months ended	
	31.03.2006	31.03.2005
	RM'000	RM'000
Current tax expense		
- of the company	378	359
- of the associates	202	572
	<u>580</u>	<u>931</u>

The effective rate of taxation of the Company is higher than the statutory rate of taxation for the current financial year to date principally due to certain expenses not allowable for tax deduction.

B6. Unquoted investments and properties

There were no sales of unquoted investments or properties for the current financial year to date.

B7. Quoted investments

There were no purchases or disposals of quoted securities for the current quarter.

B8. Status of corporate proposal announced

There were no corporate proposals announced and not completed as at the latest practicable date.

B9. Borrowing and debt securities

There were no borrowings and debt securities as at the end of the current quarter.

B10. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the latest practicable date.

B11. Changes in material litigation

There was no pending material litigation as at the latest practicable date.

B12. Dividends

The directors do not recommend any payment of dividend for the current financial year to date.

B13. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the financial year is based on the net profit attributable to ordinary shareholders of RM0.26 million and the weighted average number of ordinary shares in issue during the current quarter of 64,850,448 shares.

Diluted earnings per shares

Not applicable.

B14. Financial assistance in the ordinary course of business

The outstanding amount of financial assistance provided in the form of loan to the FFB transporter contractors as at the end of the current quarter was RM312,900. The financial assistance provided has no financial impact on the Company.

By Order of the Board

Adrian Tsen
Company Secretary

Dated: 26 May 2006