

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 2006. There was no qualification in the audited financial statements for the year ended 31 December 2006.

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 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for the financial period beginning 1 January 2007.

FRS 117 : Leases
FRS 124 : Related Party Disclosures
FRS 139 : Financial Instruments : Recognition and Measurement

The adoption of FRS 117 has resulted in a prior year adjustment as discussed below:-

FRS 117 : Leases

The adoption of FRS 117 requires the classification of leasehold land as prepaid land lease payments.

The adoption of FRS 117 has been applied retrospectively and comparatives have been restated. The effects of the change are as follows:

Effects on balance sheet

As at 31 December 2006

	Property, Plant & Equipment RM'000	Prepaid Land Lease RM'000
As previously stated	53,051	-
Reclassification	(831)	831
As restated	<u>52,220</u>	<u>831</u>

A2. Seasonal or cyclical factors

The production of fresh fruits bunches of oil palms (“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.

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Notes to the interim financial statements

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 except for the implementation and incorporation of the revaluation surplus of RM27,687,098 arising from the revaluation of the freehold property in the current quarter. Reversal of deferred taxation arising from revaluation surplus in the current year to-date amounts to RM1,910,000.

A9. Capital commitments

There are no capital commitments as at 31 December 2007

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 RM20.94 million for the current financial year to date, an increase of 74.83% as compared to the preceding year corresponding period. The Company also recorded a pre-tax profit in the financial year to date of RM22.43 million against pre-tax profit of RM9.43 million in the preceding year corresponding period. The higher revenue was mainly due to an increase in the selling price of fresh fruit bunches of oil palms due to buoyant CPO prices. The higher pre-tax profit was also due to gains from disposal of quoted investments and to contributions from associate companies.

B2. Variation of results against preceding quarter

The current quarter's recorded pre-tax profit of RM7.42 million on revenue of RM7.42 million as compared to pre-tax profit of RM7.26 million on revenue of RM6.64 million posted in the immediate preceding quarter. The higher revenue was mainly due to an increase in the selling price of fresh fruit bunches of oil palms due to buoyant CPO prices. The higher pre-tax profit was also due to contributions from associate companies.

B3. Current year prospects

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

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Tax expense

	12 months ended	
	31.12.2007	31.12.2006
	RM'000	RM'000
Current tax expense		
- of the company	3,847	1,879
- of the associates	918	952
	<u>4,765</u>	<u>2,831</u>

The effective rate of taxation of the Company is lower than the statutory rate of taxation for the current financial period to date principally due to certain income which is not taxable.

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 period

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.

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B12. Dividends

On 21 December 2007, the Company announced the following dividends:

- i. Interim dividend of 5% less 27% taxation
- ii. Special dividend of 7% less 27% taxation

These dividends were paid on 20th February 2008.

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 RM17.67 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 RM164,500. The financial assistance provided has no financial impact on the Company.

By Order of the Board

Adrian Tsen
Company Secretary

Dated: 26 February 2008