

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 2007. There was no qualification in the audited financial statements for the year ended 31 December 2007.

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

FRS 139	:	Financial Instruments - Recognition and Measurement
FRS 107	:	Cash Flow Statements
FRS 111	:	Construction Contracts
FRS 112	:	Income Taxes
FRS 118	:	Revenue
FRS 120	:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	:	Interim Financial Reporting
FRS 137	:	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	:	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	:	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	:	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	:	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	:	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	:	Scope of FRS 2

The above new and revised FRSs, amendment to FRS and IC Interpretations are expected to have no significant impact on the financial statements of the Company upon their initial application.

The Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

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. The turnover is also dependent on price fluctuations of Crude Palm Oil (“CPO”)

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.

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Notes to the interim financial statements

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 December 2008.

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 RM26.33 million for the current financial year, an increase of 25.78% as compared to the preceding year. The Company also recorded a gross profit of RM18.64 million for the current financial year, an increase of 27.28% compared to the preceding year. The higher revenue to-date is due to an increase in yield and an increase in the average selling price of fresh fruit bunch of oil palm ("FFB").

The Company also recorded a pre-tax profit in the financial year to date of RM17.35 million against pre-tax profit of RM19.34 million in the preceding year. The lower pre-tax profit is attributable to unrealised foreign exchange losses of RM4.12 million in the current year as compared to losses of RM0.62 million in the preceding year and also due to lower share of profits from associate of RM2.34 million as compared to a share of profit of RM2.96 million in the preceding year.

B2. Variation of results against preceding quarter

The current quarter's recorded pre-tax loss of RM0.58 million on revenue of RM4.08 million as compared to pre-tax profit of RM4.39 million on revenue of RM6.83 million posted in the immediate preceding quarter. The lower revenue was mainly due to a decrease in the selling price of fresh fruit bunches of oil palms in the current quarter as compared to the immediate preceding quarter. The pre-tax loss is due to lower other operating income, higher unrealised foreign exchange losses in the current quarter as compared to the immediate preceding quarter.

B3. Current year prospects

The Company's production of FFB for the financial year has improved as compared to the preceding year, barring any unforeseen circumstances, the directors expect the performance of the Company to be satisfactory.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Tax expense

	12 months ended	
	31.12.2008	31.12.2007
	RM'000	RM'000
Current tax expense		
- of the company	<u>5,298</u>	<u>3,847</u>

The effective rate of taxation is higher than the applicable statutory tax rate due to certain expenses which are not deductible for taxation purposes.

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.

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

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

On 31 October 2008, the Company announced the following dividends:

- i. Interim dividend of 5% less 26% taxation
- ii. Special dividend of 7% less 26% taxation

These dividends were paid on 16 January 2009.

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 RM12.05 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 RM91,000. The financial assistance provided has no financial impact on the Company.

By Order of the Board

Adrian Tsen
Company Secretary

Dated: 27 February 2009