

**RIVERVIEW RUBBER ESTATES, BERHAD**

(Company No. : 820-V)

(Incorporated in Malaysia)

**Interim Financial Report**

**31 December 2021**

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**Riverview Rubber Estates, Berhad**

(Company No. : 820-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Comprehensive Income****31 December 2021***(the figures have not been audited)*

	Current quarter ended		Cummulative 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	13,730	9,447	55,960	36,478
Cost of sales	(5,449)	(4,300)	(21,114)	(17,110)
<b>Gross profit</b>	8,281	5,147	34,846	19,368
<b>Items of expense</b>				
Administrative expenses	(1,104)	(756)	(3,720)	(3,024)
	7,177	4,391	31,126	16,344
<b>Items of income</b>				
Interest income	252	158	807	841
Other income	43	31	118	101
	7,472	4,580	32,051	17,286
<b>Other items</b>				
Depreciation of bearer plants	(229)	(220)	(916)	(882)
Depreciation of property, plant & equipment	(212)	(262)	(1,019)	(1,057)
Loss on disposal of investment properties	554	(569)	393	(778)
Fair value changes in investment properties	-	(2,642)	-	(2,642)
Fair value changes in agriculture produce	2,587	2,479	1,146	2,341
<b>Results from operating activities</b>	10,172	3,366	31,655	14,268
<b>Foreign exchange loss</b>	(5)	-	(5)	(168)
<b>Profit before tax for the period</b>	10,167	3,366	31,650	14,100
Taxation	(1,928)	(120)	(8,138)	(3,367)
<b>Profit for the period</b>	8,239	3,246	23,512	10,733
<b>Other comprehensive income, net of tax</b>				
Revaluation reserve	111,174	-	111,174	-
Deferred taxation	(7,877)	21	(7,877)	21
Exchange fluctuation reserve	(199)	2,754	(690)	1,974
<b>Other comprehensive income for the period</b>	103,098	2,775	102,607	1,995
<b>Total comprehensive income for the period</b>	111,337	6,021	126,119	12,728
<b>Profit attributable to:</b>				
Equity holders of the Company	7,746	3,879	22,672	11,255
Non-controlling interests	493	(633)	840	(522)
	8,239	3,246	23,512	10,733
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	107,804	4,694	122,403	12,584
Non-controlling interests	3,533	1,327	3,716	144
	111,337	6,021	126,119	12,728
<b>Earnings per share (sen)</b>				
Basic	11.94	5.98	34.96	17.36

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**Riverview Rubber Estates, Berhad**

(Company No. 820 - V)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position****31 December 2021***(the figures have not been audited)*

	As at end of current quarter 31.12.2021 RM'000	As at preceding financial year end 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	319,830	209,443
Bearer plants	13,151	13,163
Investment properties	-	21,890
Goodwill on consolidation	2,732	2,732
Deferred taxation	105	90
	<u>335,818</u>	<u>247,318</u>
<b>Current assets</b>		
Agriculture produce	6,262	5,116
Inventories	95	83
Trade and other receivables	5,965	8,527
Cash and cash equivalents	18,063	8,351
Deposits with financial institutions	68,062	45,667
	<u>98,447</u>	<u>67,744</u>
<b>TOTAL ASSETS</b>	<u>434,265</u>	<u>315,062</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	17,252	11,177
<b>NET CURRENT ASSETS</b>	<u>81,195</u>	<u>56,567</u>
<b>Non-current liabilities</b>		
Deferred taxibilities	24,250	17,285
Provision for retirement benefits	578	465
	<u>24,828</u>	<u>17,750</u>
<b>TOTAL LIABILITIES</b>	<u>42,080</u>	<u>28,927</u>
<b>NET ASSETS</b>	<u>392,185</u>	<u>286,135</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	64,850	64,850
Reserves	211,588	111,857
Retained earnings	101,681	94,573
	<u>378,119</u>	<u>271,280</u>
Non-controlling interests	14,066	14,855
<b>TOTAL EQUITY</b>	<u>392,185</u>	<u>286,135</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>434,265</u>	<u>315,062</u>
<b>Net Assets per share (RM)</b>	<u>5.83</u>	<u>4.18</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**Riverview Rubber Estates, Berhad**

(Company No. 820 - V)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity****31 December 2021***(the figures have not been audited)*

	Share capital RM '000	Capital reserve RM '000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>As at 1 January 2020</b>	64,850	(376,060) 110,528	90,452	265,830	16,972	282,802
<b>Total comprehensive income</b>	-	1,329	11,255	12,584	144	12,728
<i>Profit or loss</i>	-	-	11,255	11,255	(522)	10,733
<i>Other comprehensive income</i>	-	1,329	-	1,329	666	1,995
<b>Transactions with owners</b>	-	-	(7,134)	(7,134)	(2,261)	(9,395)
<i>Dividends</i>	-	-	(7,134)	(7,134)	(2,261)	(9,395)
<b>As at 31 December 2020</b>	<u>64,850</u>	<u>111,857</u>	<u>94,573</u>	<u>271,280</u>	<u>14,855</u>	<u>286,135</u>
<b>As at 1 January 2021</b>	64,850	111,857	94,573	271,280	14,855	286,135
<b>Total comprehensive income</b>	-	99,731	22,672	122,403	3,716	126,119
<i>Profit or loss</i>	-	-	22,672	22,672	840	23,512
<i>Other comprehensive income</i>	-	99,731	-	99,731	2,876	102,607
<b>Transactions with owners</b>	-	-	(15,564)	(15,564)	(4,505)	(20,069)
<i>Dividends</i>	-	-	(15,564)	(15,564)	(4,505)	(20,069)
<b>As at 31 December 2021</b>	<u>64,850</u>	<u>211,588</u>	<u>101,681</u>	<u>378,119</u>	<u>14,066</u>	<u>392,185</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**Riverview Rubber Estates, Berhad**

(Company No. 820 - V)

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**Condensed Consolidated Statement of Cash Flows****31 December 2021****(the figures have not been audited)**

	<b>Group</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	31,650	14,100
Adjustments for:		
Amortisation	916	882
Depreciation	1,019	1,057
Interest income	(807)	(841)
Loss on disposal of investment properties	(393)	778
Fair value changes in investment properties	-	2,642
Fair value changes in agriculture produce	(1,146)	(2,341)
Provision of retirement benefits	114	107
Loss on foreign exchange	5	168
Operating cashflow before working capital changes	<u>31,358</u>	<u>16,552</u>
Changes in working capital:		
Inventories	(11)	(7)
Receivables	103	(608)
Payables	12,561	908
Cash generated from operating activities	<u>44,011</u>	<u>16,845</u>
Taxes paid	(5,740)	(5,301)
Net cash generated from operating activities	<u>38,271</u>	<u>11,544</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(231)	(623)
Addition of bearer plants	(904)	(706)
Proceeds from disposal of investment properties	21,836	6,448
Interest received	807	841
Net cash generated from investing activities	<u>21,508</u>	<u>5,960</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	(22,049)	(1,298)
Dividends paid to non-controlling interest of a subsidiary	(4,505)	(2,261)
Net cash used in financing activities	<u>(26,554)</u>	<u>(3,559)</u>
<b>Net increase in cash and cash equivalents</b>	<b>33,225</b>	<b>13,945</b>
<b>Effects of exchange rate changes</b>	<b>(1,113)</b>	<b>(243)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>54,018</b>	<b>40,316</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>86,130</u></b>	<b><u>54,018</u></b>
<b>Cash and cash equivalents comprise:</b>		
Cash on hand and at banks	18,063	8,351
Deposits with financial institutions	68,067	45,667
	<u>86,130</u>	<u>54,018</u>
	-	-

The condensed consolidated cash flow statement should be read in conjunction with the annual financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

## **Riverview Rubber Estates, Berhad**

(Company No. 820-V)

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### **Part A : Explanatory Notes Pursuant to FRS 134**

#### **A1. Basis of preparation**

The unaudited interim financial statements have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies and in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

These financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

The financial statements of the Group have been prepared in accordance with Financial Reporting Standards ("FRS"), generally accepted accounting principles and the Companies Act, 2016 in Malaysia.

#### **A2. Significant accounting policies**

The accounting policies applied by the Group and the Company are consistent with those applied in the previous financial year other than the application of the new MFRSs and IC Interpretation and amendments to MFRSs as disclosed below.

During the financial year, the Group and the Company have applied the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are effective for accounting period beginning on or after 1 January 2020:

- Amendments to MFRS 3, Business Combinations - Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments : Recognition and Measurement and MFRS 7, Financial Instruments : Disclosures - Interest Rate Benchmark Reform

The initial applications of the amendments to MFRSs did not have any significant impact on the Group's and the Company's financial statements.

The Group and the Company have not early adopted the following new MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective:

#### ***Effective for annual periods beginning on or after 1 June 2020***

Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions

#### ***Effective for annual periods beginning on or after 1 January 2021***

Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments : Recognition and Measurement, MFRS 7, Financial Instruments : Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases - Interest Rate Benchmark Reform - Phase 2

**Riverview Rubber Estates, Berhad**

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**Part A : Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A2. Significant accounting policies (cont'd)**

***Effective for annual periods beginning on or after 1 January 2022***

Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework

Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets of - Onerous

Contracts - Cost of Fulfilling a Contract

Amendments to MFRSs classified as "Annual Improvements to MFRS Standards 2018 - 2020" cycle

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards - Subsidiary as a First-time Adopter
- Amendments to MFRS 9, Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to Illustrative Examples accompanying MFRS 16, Leases - Lease Incentives
- Amendments to MFRS 141, Agriculture - Taxation in Fair Value Measurements

***Effective for annual periods beginning on or after 1 January 2023***

MFRS 17, Insurance Contracts

Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

Amendments to MFRS 101, Presentation of Financial Statements - Disclosure of Accounting Policies

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

***Effective for annual periods beginning on or after a date to be determined by MASB***

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will apply the above new MFRS and amendments to MFRSs that are applicable once they become effective. Their main features and impact on initial application are summarised below.

**Effective for annual periods beginning on or after 1 June 2020**

**Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions**

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

**Effective for annual periods beginning on or after 1 January 2022**

**a) Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use**

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company shall recognise such sales proceeds and related cost in profit or loss



**Part A : Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A2. Significant accounting policies (cont'd)**

**Effective for annual periods beginning on or after 1 January 2022 (Cont'd)**

**b) Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract**

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

**c) Amendments to MFRSs classified as "Annual Improvements to MFRS Standards 2018 - 2020" cycle**

**Amendments to MFRS 141, Agriculture - Taxation in Fair Value Measurements**

The Amendment removes the requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRSs. An entity shall apply that amendment to fair value measurements on or after the beginning of the first annual reporting period in which the entity first applies the Amendment.

**Effective for annual periods beginning on or after 1 January 2023**

**a) Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current and Non-current**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

**b) Amendments to MFRS 101, Presentation of Financial Statements - Disclosure of Accounting Policies**

The Amendments to MFRS 101 requires entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

**c) Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates**

The Amendments to MFRS 108 revises the definition of accounting estimates to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

**Financial impact on initial application**

The initial application of the new MFRSs, IC Interpretation and amendments to MFRSs is not expected to have any significant impact on the Group's and the Company's financial statements.

**Part A : Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A3. Comparatives**

The have been no material changes to the comparative figures.

**A4. Seasonal or cyclical factors**

Turnover is also dependent on price fluctuations of Crude Palm Oil (“CPO”) which are not within the Company’s control but are determined by the global supply and demand for edible oils.

Production of fresh fruits bunches of oil palms (“FFB”) is affected by weather conditions, the age of the palms and seasonal biological stress.

**A5. 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.

**A6. Change in estimates**

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

**A7. Debt and equity securities**

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

**A8. Dividend paid**

On 3 December 2021, the Company announced dividends as follows:

<b>Type</b>	<b>Dividend Per Share</b>	<b>Amount</b>
Single tier interim dividend	RM0.02	1,297,009
Single tier special dividend	RM0.18	11,673,081
	<u>RM0.20</u>	<u>12,970,090</u>

These dividends were paid on 4 February 2022.

**Riverview Rubber Estates, Berhad**  
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**Part A : Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A9. Segment information**

	<b>Group Cumulative Quarter</b>		<b>Variance</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>RM '000</b>	<b>%</b>
	<b>RM '000</b>	<b>RM '000</b>		
<b>Revenue</b>				
- Malaysia : Plantation				
- Company	37,342	24,274	13,068	54
- Subsidiaries	18,213	11,282	6,931	61
	<u>55,555</u>	<u>35,556</u>	<u>19,999</u>	56
- Australia : Real Estate	405	922	(517)	(56)
	<u>55,960</u>	<u>36,478</u>	<u>19,482</u>	53
<b>Profit before taxation</b>				
- Malaysia : Plantation				
- Company	19,560	14,622	4,938	34
- Subsidiaries	12,002	2,792	9,215	330
	<u>31,562</u>	<u>17,414</u>	<u>14,153</u>	81
- Australia : Real Estate	88	(3,314)	3,402	-
	<u>31,650</u>	<u>14,100</u>	<u>17,555</u>	125

**A10. Related party transactions**

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

**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. Capital commitments**

There are no material capital commitments as at 31 December 2021.

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**Part A : Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A14. Property, plant and equipment**

**(i) Acquisitions and Disposals**

Details of acquisitions and disposals of the Group during the financial period are as follows:

**Acquisition**

	<b>Cost RM '000</b>
Property, plant and equipment	231
Bearer plants	<u>904</u>

**Disposals**

	<b>RM '000</b>
Investment properties	
- Book Value	21,443
- Proceeds from disposal	<u>21,836</u>

**(ii) Impairment of property, plant and equipment**

There was no material impairment nor reversal of such impairment during the current three-month financial period.

**(iii) Valuations**

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements except for the recognition of revaluation surplus of RM111.17 million arising from the revaluation of estate land in the current quarter.

**A15. 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.

**Riverview Rubber Estates, Berhad**  
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**Part B : Explanatory notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Analysis of performance against preceding year corresponding period**

	<b>Group Cumulative Quarter</b>		<b>Variance</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>RM '000</b>	<b>%</b>
	<b>RM '000</b>	<b>RM '000</b>		
<b>Revenue</b>				
- Malaysia : Plantation				
- Company	37,342	24,274	13,068	54
- Subsidiaries	<u>18,213</u>	<u>11,282</u>	<u>6,931</u>	61
	55,555	35,556	19,999	56
- Australia : Real Estate	<u>405</u>	<u>922</u>	<u>(517)</u>	(56)
	<u>55,960</u>	<u>36,478</u>	<u>19,482</u>	53
<b>Profit before taxation</b>				
- Malaysia : Plantation				
- Company	19,560	14,622	4,938	34
- Subsidiaries	<u>12,002</u>	<u>2,792</u>	<u>9,215</u>	330
	31,562	17,414	14,153	81
- Australia : Real Estate	<u>88</u>	<u>(3,314)</u>	<u>3,402</u>	-
	<u>31,650</u>	<u>14,100</u>	<u>17,555</u>	125
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
Average FFB price per MT	940	560	380	68
FFB cost per MT	349	251	98	39
	<b>Metric Ton</b>	<b>Metric Ton</b>	<b>Metric Ton</b>	<b>%</b>
Production	59,089	63,483	(4,394)	(7)
Yield per hectare	24.98	25.59	(0.61)	(2)

The Group registered revenue of RM55.96 million for the year to-date, an increase of 53% compared to the preceding year. The increase in revenue is primarily due to an increase in the average selling price of fresh fruit bunches of palm oil ("FFB") by 68%, this was partially set off by a decrease in the production of FFB by 7%.

The Group also recorded a pre-tax profit for the period to-date of RM31.65 million against pre-tax profit of RM14.10 million compared to the preceding year corresponding period, an increase of RM17.56 million or by 125%.

**Riverview Rubber Estates, Berhad**

(Company No. 820-V)

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**Part B : Explanatory notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)****B2. Variation of results against preceding quarter**

	3 Months Ended		Variance	
	31.12.21	30.09.21	RM '000	%
	RM '000	RM '000	RM '000	%
<b>Revenue</b>				
- Malaysia : Plantation				
- Company	9,002	9,081	(79)	(1)
- Subsidiaries	4,724	5,132	(408)	(8)
	13,726	14,213	(487)	(3)
- Australia : Real Estate	4	56	(52)	(93)
	13,730	14,269	(539)	(4)
<b>Profit before taxation</b>				
- Malaysia : Plantation				
- Company	6,558	3,660	2,898	79
- Subsidiaries	3,170	2,675	4,95	19
	9,728	6,335	3,393	54
- Australia : Real Estate	439	(152)	591	-
	10,167	6,183	3,984	63
	<b>RM</b>	<b>RM</b>	<b>RM</b>	
Average FFB price per MT	1,147	935	212	23
FFB cost per MT	453	337	116	34
	<b>Metric Ton</b>	<b>Metric Ton</b>	<b>Metric Ton</b>	
Production	11,971	15,208	(3,237)	(21)
Yield per hectare	5.06	6.18	(1.12)	(18)

The current quarter's recorded pre-tax profit of 10.17 million on revenue of RM13.73 million as compared to pre-tax profit of RM6.18 million on revenue of RM14.27 million posted in the immediate preceding quarter.

The decrease in revenue is primarily due to a decrease in the production of fresh fruit bunches of palm oil ("FFB") by 21% which was off-set by the increase in the average price by 23%.

The increase in profit before tax of RM3.98 million primarily due to the gain on disposal of investment properties and reversal of fair value changes in agriculture produce recognised in the current quarter.

By the fourth quarter of 2021, all properties in the Australian subsidiary had been fully disposed, the Australian subsidiary is currently dormant, all access funds will be distributed/repatriated to Malaysia, after which the Australian subsidiary will undergo a members voluntary winding up process.

**Riverview Rubber Estates, Berhad**

(Company No. 820-V)

(Incorporated in Malaysia)

**Part B : Explanatory notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**B3. Prospects**

The directors expect reasonable performance from the Group for the coming year as indicated in the prospects of the business divisions below:

***Plantation***

The prospects are very much dependent on weather conditions, the global edible oil and its related markets, global economic conditions and how they impact production of FFB and CPO prices.

On 11 March 2020, the World Health Organisation declared COVID 19 a global pandemic. To contain the spread and flatten the curve, the Malaysian Government imposed a Movement Control Order ("MCO") on 18 March 2020. The MCO necessitated that closure of non-essential business, the palm oil industry was deemed as essential and allowed to operate subject to state restrictions. The restriction in movement has not materially affected the Group's operations, in addition, the Group has implemented Standard Operating Procedures ("SOP") which has been practise since then.

The COVID 19 pandemic may result in a change in the supply and demand of vegetable oils. The Group has considered the impact of COVID 19 and the MCO on its operations and financials and is of the opinion that the operating results are expected to remain satisfactory and that the cash flow position is adequate to meet the Group's requirements.

Management will continue to monitor developments and take the required remedial actions where necessary. The Group will continue its operations taking into cognisance the health and safety of its employees and stakeholders.

***Real Estate Investment***

By the fourth quarter of 2021, all properties in the Australian subsidiary had been fully disposed, the Australian subsidiary is currently dormant, all access funds will be distributed/repatriated to Malaysia, after which the Australian subsidiary will undergo a members voluntary winding up process.

**B4. Profit forecast**

Not applicable as no profit forecast was published.

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**Part B : Explanatory notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**B5. Tax expense**

	<b>12 months ended</b>	
	<b>31.12.21</b>	<b>31.12.20</b>
	<b>RM'000</b>	<b>RM'000</b>
Taxation		
- Income tax	8,186	4,755
- Deferred tax	(48)	(1,388)
	<u>8,138</u>	<u>3,367</u>

The effective tax rate of the Group is higher than the statutory rate of taxation primarily due to certain expenses not being deductible for taxation purposes.

**B6. Status of corporate proposal announced**

There is no corporate proposal as at the latest practicable date.

**B7. Borrowing and debt securities**

There are no borrowing and debt securities as at 31 December 2021.

**B8. Derivative financial instruments**

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

**B9. Changes in material litigation**

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

**B10. Dividends**

On 3 December 2021, the Company announced dividends as follows:

<b>Type</b>	<b>Dividend Per Share</b>	<b>Amount</b>
Single tier interim dividend	RM0.02	1,297,009
Single tier special dividend	RM0.18	11,673,081
	<u>RM0.20</u>	<u>12,970,090</u>

These dividends were paid on 4 February 2022.



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**Part B : Explanatory notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

***Diluted earnings per shares***

Not applicable.

**B11. Earnings per share**

***Basic earnings per share***

The calculation of basic earnings per share for the financial period is based on the net profit attributable to equity holders of the Company of RM22.67 million and the weighted average number of ordinary shares in issue during the current quarter of 64,850,448 shares.

**B12. Auditor's report on preceding annual financial statements**

The auditor's report on the audited annual financial statements for the year ended 31 December 2020 was not qualified.

**B13. Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors as resolved at the Board of Directors Meeting held on 25 February 2022.