

RIVERVIEW RUBBER ESTATES, BERHAD
(Company No. : 820-V)
(Incorporated in Malaysia)

Interim Financial Report
31 March 2023

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Condensed Consolidated Statement of Comprehensive Income
31 March 2023
(the figures have not been audited)

	Current quarter ended		Cummulative 3 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	8,642	16,284	8,642	16,284
Cost of sales	(4,856)	(5,790)	(4,856)	(5,790)
Gross profit	3,786	10,494	3,786	10,494
Items of expense				
Administrative expenses	(826)	(770)	(826)	(770)
	2,960	9,724	2,960	9,724
Items of income				
Interest income	340	208	340	208
Other income	8	34	8	34
	3,308	9,966	3,308	9,966
Other items				
Depreciation of bearer plants	(222)	(203)	(222)	(203)
Depreciation of property, plant & equipment	(352)	(283)	(352)	(283)
Gain on disposal of property, plant & equipment	-	-	-	-
Loss on disposal of investment properties	-	-	-	-
Fair value changes in agriculture produce	251	(2,282)	251	(2,282)
Results from operating activities	2,985	7,198	2,985	7,198
Foreign exchange loss	-	-	-	-
Profit before tax for the period	2,985	7,198	2,985	7,198
Taxation	(743)	(2,406)	(743)	(2,406)
Profit for the period	2,242	4,792	2,242	4,792
Other comprehensive income, net of tax				
Revaluation reserve	-	-	-	-
Deferred taxation	-	-	-	-
Exchange fluctuation reserve	-	546	-	546
Other comprehensive income for the period	-	546	-	546
Total comprehensive income for the period	2,242	5,338	2,242	5,338
Profit attributable to:				
Equity holders of the Company	2,117	4,666	2,117	4,666
Non-controlling interests	125	126	125	126
	2,242	4,792	2,242	4,792
Total comprehensive income attributable to:				
Equity holders of the Company	2,117	5,030	2,117	5,030
Non-controlling interests	125	308	125	308
	2,242	5,338	2,242	5,338
Earnings per share (sen)				
Basic	3.26	7.20	3.26	7.20

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Financial Position
31 March 2023
(the figures have not been audited)

	As at end of current quarter 31.03.2023 RM'000	As at preceding financial year end 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	319,626	319,878
Bearer plants	17,561	16,660
Goodwill on consolidation	2,732	2,732
Deferred taxation	142	142
	<u>340,061</u>	<u>339,412</u>
Current assets		
Inventories	774	170
Agriculture produce	3,277	3,026
Trade and other receivables	4,514	5,162
Cash and cash equivalents	7,018	4,977
Deposits with financial institutions	51,810	64,412
	<u>67,393</u>	<u>77,747</u>
TOTAL ASSETS	<u>407,454</u>	<u>417,159</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	4,186	16,133
NET CURRENT ASSETS	<u>63,207</u>	<u>61,614</u>
Non-current liabilities		
Deferred taxibilities	24,284	24,284
Provision for retirement benefits	782	782
	<u>25,066</u>	<u>25,066</u>
TOTAL LIABILITIES	<u>29,252</u>	<u>41,199</u>
NET ASSETS	<u>378,202</u>	<u>375,960</u>
Equity attributable to owners of the Company		
Share capital	64,850	64,850
Reserves	212,699	212,699
Retained earnings	91,389	89,272
	<u>368,938</u>	<u>366,821</u>
Non-controlling interests	9,264	9,139
TOTAL EQUITY	<u>378,202</u>	<u>375,960</u>
TOTAL EQUITY AND LIABILITIES	<u>407,454</u>	<u>417,159</u>
Net Assets per share (RM)	<u>5.69</u>	<u>5.66</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2022 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 March 2023***(the figures have not been audited)*

	Share capital RM '000	Capital reserve RM '000 (376,060)	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
As at 1 January 2022	64,850	211,787	102,239	378,876	14,047	392,923
Total comprehensive income	-	912	12,973	13,885	266	14,151
<i>Profit or loss</i>	-	-	14,079	14,079	313	14,392
<i>Other comprehensive income</i>	-	912	(1,106)	(194)	(47)	(241)
Transactions with owners	-	-	(25,940)	(25,940)	(5,174)	(31,114)
<i>Dividends</i>	-	-	(25,940)	(25,940)	(5,174)	(31,114)
As at 31 December 2022	<u>64,850</u>	<u>212,699</u>	<u>89,272</u>	<u>366,821</u>	<u>9,139</u>	<u>375,960</u>
As at 1 January 2023	64,850	212,699	89,272	366,821	9,139	375,960
Total comprehensive income	-	-	2,117	2,117	125	2,242
<i>Profit or loss</i>	-	-	2,117	2,117	125	2,242
<i>Other comprehensive income</i>	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
<i>Dividends</i>	-	-	-	-	-	-
As at 31 March 2023	<u>64,850</u>	<u>212,699</u>	<u>91,389</u>	<u>368,938</u>	<u>9,264</u>	<u>378,202</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 2022 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 March 2023****(the figures have not been audited)**

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,985	7,198
Adjustments for:		
Amortisation	222	203
Depreciation	352	283
Interest income	(340)	(208)
Fair value changes in agriculture produce	(251)	2,282
Operating cashflow before working capital changes	2,968	9,758
Changes in working capital:		
Inventories	(604)	(1,009)
Receivables	(111)	(2,292)
Payables	1,021	1,384
Cash generated from operating activities	3,274	7,841
Taxes refunded/(paid)	17	(2,020)
Net cash generated from operating activities	3,291	5,821
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(100)	(33)
Addition of bearer plants	(1,122)	(316)
Interest received	340	208
Net cash generated used in investing activities	(882)	(141)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(12,970)	(12,970)
Dividends paid to non-controlling interest of a subsidiary	-	-
Net cash used in financing activities	(12,970)	(12,970)
Net decrease in cash and cash equivalents	(10,561)	(7,290)
Effects of exchange rate changes	-	543
Cash and cash equivalents at beginning of period	69,389	86,125
Cash and cash equivalents at end of period	58,828	79,378
Cash and cash equivalents comprise:		
Cash on hand and at banks	7,018	21,973
Deposits with financial institutions	51,810	57,405
	58,828	79,378
	-	-

The condensed consolidated cash flow statement should be read in conjunction with the annual financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

Riverview Rubber Estates, Berhad

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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 2021. 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 2021.

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 financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the provisions of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of 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 amendments to MFRSs as disclosed below.

Application of Amendments to MFRSs

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 from the beginning of the current financial year :-

Amendments to MFRS 16 - Covid-19 Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 3 - Reference to the Conceptual Framework

Amendments to MFRS 116 - Proceeds before Intended Use

Amendments to MFRS 137 - 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 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to Illustrative Examples accompanying MFRS 16 - Lease Incentives
- Amendments to MFRS 141, Agriculture - Taxation in Fair Value Measurements

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

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

A2. Significant accounting policies (cont'd)

New MFRSs, IC Interpretation and Amendments to MFRSs That Are In Issue But Not Yet Effective

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 January 2023

MFRS 17, Insurance Contracts

Amendments to MFRS 17 - Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101, Presentation of Financial Statements - Classification of liabilities as Current and Non-current

Amendments to MFRS 101, Disclosure of Accounting Policies

Amendments to MFRS 108, Definition of Accounting Estimates

Amendments to MFRS 112, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16, Lease Liability in a Sale and Leaseback

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

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures 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 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 - 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 accounting policy information to be material to its financial statements.

c) Amendments to MFRS 108 - 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.

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 2024

Amendments to MFRS 16, Lease Liability in a Sale and Leaseback

The Amendments to MFRS 16 clarifies how companies should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

Other than described above, the initial application of the new MFRSs and amendments to MFRSs are not expected to have any significant impact on the financial statements of the Company and the Group.

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

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

A8. Dividend paid

On 2 December 2022, the Company announced dividends as follows:

Type	Dividend Per Share	Amount
Single tier interim dividend	RM0.03	1,945,514
Single tier special dividend	RM0.17	11,024,576
	<u>RM0.20</u>	<u>12,970,090</u>

These dividends were paid on 3 February 2023.

A9. Segment information

	Group			
	Cumulative Quarter			
	31.03.2023	31.03.2022	Variance	%
	RM '000	RM '000	RM '000	%
Revenue				
- Malaysia : Plantation				
- Company	5,616	11,150	(5,534)	(50)
- Subsidiaries	3,026	5,134	(2,108)	(41)
	<u>8,642</u>	<u>16,284</u>	<u>(7,642)</u>	<u>(47)</u>
Profit before taxation				
- Malaysia : Plantation				
- Company	1,695	4,833	(3,138)	(65)
- Subsidiaries	1,290	2,365	(1,075)	(45)
	<u>2,985</u>	<u>7,198</u>	<u>(4,213)</u>	<u>(59)</u>

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.

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

A13. Capital commitments

There are no material capital commitments as at 31 March 2023.

(i) Acquisitions and Disposals

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

Acquisition

	Cost RM '000
Property, plant and equipment	100
Bearer plants	<u>1,122</u>

Disposal

Property, plant and equipment	
- Proceeds	-
- Book value	<u>-</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.

A14. 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**

	Group Cumulative Quarter		Variance	
	31.03.2023	31.03.2022	RM '000	%
	RM '000	RM '000		
Revenue				
- Malaysia : Plantation				
- Company	5,616	11,150	(5,534)	(50)
- Subsidiaries	3,026	5,134	(2,108)	(41)
	<u>8,642</u>	<u>16,284</u>	<u>(7,642)</u>	<u>(47)</u>
Profit before taxation				
- Malaysia : Plantation				
- Company	1,695	4,833	(3,138)	(65)
- Subsidiaries	1,290	2,365	(1,075)	(45)
	<u>2,985</u>	<u>7,198</u>	<u>(4,213)</u>	<u>(59)</u>
	RM	RM	RM	%
Average FFB price per MT	819	1,369	(550)	(40)
FFB cost per MT	460	487	27	6
	Metric Ton	Metric Ton	Metric Ton	%
Production	10,555	11,892	(1,337)	(11)
Yield per hectare	4.75	5.28	(0.53)	(10)

The Group registered plantation revenue of RM8.64 million for the period to-date, a decrease of 47% compared to the preceding year corresponding period. The decrease in revenue is primarily due to a decrease in the production of fresh fruit bunches of palm oil ("FFB") by 11% and a decrease in the average selling price of FFB by 40%.

The Group also recorded a plantation pre-tax profit for the period to-date of RM2.99 million against pre-tax profit of RM7.20 million compared to the preceding year corresponding period, a decrease of RM4.21 million. The decrease in pre-tax profit as is due to the lower production and lower average price of FFB.

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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	
	31.03.23	31.12.22	RM '000	%
	RM '000	RM '000	RM '000	%
Revenue				
- Malaysia : Plantation				
- Company	5,616	6,833	(1,217)	(18%)
- Subsidiaries	3,026	3,577	(551)	(15%)
	<u>8,642</u>	<u>10,410</u>	<u>(1,768)</u>	<u>(17%)</u>
Profit before taxation				
- Malaysia : Plantation				
- Company	1,695	543	1,152	212%
- Subsidiaries	1,290	(503)	1,793	(356%)
	<u>2,985</u>	<u>40</u>	<u>2,945</u>	<u>7363%</u>
	RM	RM	RM	
Average FFB price per MT	819	806	13	2%
FFB cost per MT	460	431	29	7%
	Metric Ton	Metric Ton	Metric Ton	(18%)
Production	10,555	12,916	(2,361)	(18%)
Yield per hectare	4.75	5.81	(1.06)	2%

The current quarter's recorded pre-tax profit of RM2.99 million on revenue of RM8.64 million as compared to pre-tax profit of RM0.04 million on revenue of RM10.41 million posted in the immediate preceding quarter.

The decrease in revenue is primarily due to the decrease in the production of FFB.

The increase in profit before tax of RM2.95 million primarily is a positive swing in the changes in value agriculture produce of RM3.84 million.

B3. Prospects

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.

The operating results are expected to remain satisfactory and that the cash flow position is adequate to meet the Group's requirements. In addition, the war in Ukraine continues to disrupt supply chains which have an impact on fertiliser supply and prices.

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.

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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)

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Tax expense

	months ended	
	31.03.23 RM'000	31.03.22 RM'000
Taxation		
- Income tax	743	2,406
- Deferred tax	-	-
	743	2,406

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 March 2022.

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 2 December 2022, the Company announced dividends as follows:

Type	Dividend Per Share	Amount
Single tier interim dividend	RM0.03	1,945,514
Single tier special dividend	RM0.17	11,024,576
	RM0.20	12,970,090

These dividends were paid on 3 February 2023.

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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)

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 RM2.12 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.

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 2022 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 30 May 2023.