

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

Interim Financial Report
31 December 2023

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

	Current quarter ended		Cummulative 12 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	8,169	10,410	34,427	54,923
Cost of sales	(4,572)	(5,571)	(19,103)	(24,631)
Gross profit	3,597	4,839	15,324	30,292
Items of expense				
Administrative expenses	(1,253)	(714)	(4,530)	(3,877)
	2,344	4,125	10,794	26,415
Items of income				
Interest income	288	343	1,160	1,043
Other income	102	(16)	179	80
	2,734	4,452	12,133	27,538
Other items				
Depreciation of bearer plants	(226)	(201)	(892)	(810)
Depreciation of property, plant & equipment	(334)	(353)	(1,352)	(1,231)
Gain on disposal of property, plant & equipment	-	-	-	32
Fair value changes in agriculture produce	(1,044)	(3,593)	(328)	(3,805)
Results from operating activities	1,130	305	9,561	21,724
Foreign exchange loss	-	14	(15)	14
Profit before tax for the period	1,130	319	9,546	21,738
Taxation	(554)	(738)	(3,037)	(7,067)
Profit from continuing operations	576	(419)	6,509	14,671
Loss from discontinued operations	-	-	-	(279)
Profit for the year	576	(419)	6,509	14,392
Other comprehensive income, net of tax				
Deferred taxation	(51)	(51)	(51)	(51)
Exchange fluctuation reserve	-	(374)	-	(190)
Other comprehensive income for the period	(51)	(425)	(51)	(241)
Total comprehensive income for the period	525	(844)	6,458	14,151
Profit attributable to:				
Equity holders of the Company	563	(322)	6,387	14,079
Non-controlling interests	13	(97)	122	313
	576	(419)	6,509	14,392
Total comprehensive income attributable to:				
Equity holders of the Company	496	(918)	6,320	13,885
Non-controlling interests	29	(205)	138	266
	525	(1,123)	6,458	14,151
Earnings per share (sen)				
Basic	0.87	(0.50)	9.85	21.71

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 December 2023
(the figures have not been audited)

	As at end of current quarter 31.12.2023 RM'000	As at preceding financial year end 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	294,284	294,973
Right-of-use assets	24,654	24,905
Bearer plants	23,252	16,660
Goodwill on consolidation	2,732	2,732
Deferred taxation	149	142
	<u>345,071</u>	<u>339,412</u>
Current assets		
Inventories	186	170
Agriculture produce	2,698	3,026
Trade and other receivables	6,808	5,162
Cash and cash equivalents	4,013	4,977
Deposits with financial institutions	40,624	64,412
	<u>54,329</u>	<u>77,747</u>
TOTAL ASSETS	<u>399,400</u>	<u>417,159</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	6,746	16,133
NET CURRENT ASSETS	<u>47,583</u>	<u>61,614</u>
Non-current liabilities		
Deferred taxibilities	25,655	24,284
Provision for retirement benefits	794	782
	<u>26,449</u>	<u>25,066</u>
TOTAL LIABILITIES	<u>33,195</u>	<u>41,199</u>
NET ASSETS	<u>366,205</u>	<u>375,960</u>
Equity attributable to owners of the Company		
Share capital	64,850	64,850
Reserves	212,632	212,699
Retained earnings	79,446	89,272
	<u>356,928</u>	<u>366,821</u>
Non-controlling interests	9,277	9,139
TOTAL EQUITY	<u>366,205</u>	<u>375,960</u>
TOTAL EQUITY AND LIABILITIES	<u>399,400</u>	<u>417,159</u>
Net Assets per share (RM)	<u>5.50</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 December 2023
(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
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
Profit or loss	-	-	14,079	14,079	313	14,392
Other comprehensive income	-	912	(1,106)	(194)	(47)	(241)
Transactions with owners	-	-	(25,940)	(25,940)	(5,174)	(31,114)
Dividends	-	-	(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	-	(67)	6,387	6,320	138	6,458
Profit or loss	-	-	6,387	6,387	122	6,509
Other comprehensive income	-	(67)	-	(67)	16	(51)
Transactions with owners	-	-	(16,213)	(16,213)	-	(16,213)
Dividends	-	-	(16,213)	(16,213)	-	(16,213)
As at 30 June 2023	<u>64,850</u>	<u>212,632</u>	<u>79,446</u>	<u>356,928</u>	<u>9,277</u>	<u>366,205</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.

Condensed Consolidated Statement of Cash Flows
31 December 2023
(the figures have not been audited)

	Group	
	31.12.2023	31.12.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,546	21,738
Adjustments for:		
Amortisation	892	810
Depreciation	1,352	1,229
Interest income	(1,160)	(1,045)
Gain on disposal of property, plant & equipment	-	(32)
Fair value changes in agriculture produce	328	3,805
Provision of retirement benefits	12	204
Loss on foreign exchange	15	-
Operating cashflow before working capital changes	<u>10,985</u>	<u>26,709</u>
Changes in working capital:		
Inventories	(16)	(75)
Receivables	205	311
Payables	3,584	11,561
Cash generated from operating activities	<u>14,758</u>	<u>38,506</u>
Taxes paid	(6,827)	(6,496)
Net cash generated from operating activities	<u>7,931</u>	<u>32,010</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(411)	(1,265)
Addition of bearer plants	(7,484)	(4,320)
Proceeds from disposal of property, plant & equipment	-	32
Interest received	1,160	1,045
Net cash generated used in investing activities	<u>(6,735)</u>	<u>(4,508)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(25,940)	(38,910)
Dividends paid to non-controlling interest of a subsidiary	-	(5,174)
Net cash used in financing activities	<u>(25,940)</u>	<u>(44,084)</u>
Net decrease in cash and cash equivalents	(24,744)	(16,582)
Effects of exchange rate changes	7	(154)
Cash and cash equivalents at beginning of period	<u>69,389</u>	<u>86,125</u>
Cash and cash equivalents at end of period	<u>44,652</u>	<u>69,389</u>
Cash and cash equivalents comprise:		
Cash on hand and at banks	4,013	4,977
Deposits with financial institutions	40,639	64,412
	<u>44,652</u>	<u>69,389</u>
	-	-

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 2022. 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 2022.

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 :-

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 or 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

Amendments to MFRS 112 -International Tax Reform -Pillar Two Model Rules

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

Riverview Rubber Estates, Berhad

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

A2. Significant accounting policies (cont'd)

MASB has issued the following new MFRSs and Amendments to MFRSs that are in issue that are effective in future accounting periods :

Effective for annual periods beginning on or after 1 January 2024

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

Amendments to MFRS 101 -Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants

Amendments to MFRS 107 and MFRS 7 -Supplier Finance Arrangements

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 -Lack of Exchangeability

Effective for annual periods beginning on or after a date to be determined by the 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 Associates and Joint Ventures

There was no early adoption of these standards by 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.

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

A8. Dividend paid

On 8 December 2023, the Company announced dividends as follows:

Type	Dividend Per Share	Amount
Single tier interim dividend	RM0.05	3,242,523

These dividends were paid on 2 February 2024.

A9. Segment information

	Group			
	Cumulative Quarter			
	31.12.2023	31.12.2022	Variance	%
	RM '000	RM '000	RM '000	%
Revenue				
- Malaysia : Plantation				
- Company	22,303	36,843	(14,540)	(39)
- Subsidiaries	12,124	18,080	(5,956)	(33)
	<u>34,427</u>	<u>54,923</u>	<u>(20,496)</u>	<u>(37)</u>
Profit before taxation				
- Malaysia : Plantation				
- Company	5,472	14,681	(9,209)	(63)
- Subsidiaries	4,074	7,057	(2,983)	(42)
	<u>9,546</u>	<u>21,738</u>	<u>(12,192)</u>	<u>(56)</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 December 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	411
Bearer plants	<u>7,484</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.

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	
	31.12.2023 RM '000	31.12.2022 RM '000	RM '000	%
Revenue				
- Malaysia : Plantation				
- Company	22,303	36,843	(14,540)	(39)
- Subsidiaries	12,124	18,080	(5,956)	(33)
	<u>34,427</u>	<u>54,923</u>	<u>(20,496)</u>	<u>(37)</u>
Profit before taxation				
- Malaysia : Plantation				
- Company	5,472	14,681	(9,209)	(63)
- Subsidiaries	4,074	7,057	(2,983)	(42)
	<u>9,546</u>	<u>21,738</u>	<u>(12,192)</u>	<u>(56)</u>
	RM	RM	RM	%
Average FFB price per MT	785	1,081	(296)	(27)
FFB cost per MT	435	485	50	10
	Metric Ton	Metric Ton	Metric Ton	%
Production	43,869	50,815	(6,946)	(14)
Yield per hectare	22.91	22.87	0.04	-

The Group registered plantation revenue of RM34.43 million for the period to-date, a decrease of 37% compared to the preceding year corresponding period. The decrease in revenue is primarily due to a decrease in the average selling price of fresh fruit bunches ("FFB") of palm oil by 27%. and a decrease in the production of FFB by 14%.

The drop in production is due to the replanting being carried out by the Group, despite the drop in production, the Group managed to maintain its yield per hectare at levels similar to the prior year as well as remain above the state and national average.

The Group also recorded a plantation pre-tax profit for the period to-date of RM9.55 million against pre-tax profit of RM21.74 million compared to the preceding year corresponding period, a decrease of RM12.19 million. The decrease in pre-tax profit as is due to the lower production and lower average price of FFB.

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	
	31.12.23 RM '000	30.09.23 RM '000	RM '000	%
Revenue				
- Malaysia : Plantation				
- Company	5,050	6,183	(1,133)	(18)
- Subsidiaries	3,119	3,266	(147)	(5)
	<u>8,169</u>	<u>9,449</u>	<u>(1,280)</u>	<u>(14)</u>
Profit before taxation				
- Malaysia : Plantation				
- Company	385	1,780	(1,395)	(78)
- Subsidiaries	745	1,143	(398)	(35)
	<u>1,130</u>	<u>2,923</u>	<u>(1,793)</u>	<u>(61)</u>
	RM	RM		
Average FFB price per MT	757	784	(27)	(3)
FFB cost per MT	424	404	(20)	(5)
	Metric Ton	Metric Ton		
Production	10,788	12,056	(1,268)	(11)
Yield per hectare	5.63	6.30	(0.67)	(11)

The current quarter's recorded pre-tax profit of RM1.13 million on revenue of RM8.17 million as compared to pre-tax profit of RM2.92 million on revenue of RM9.45 million posted in the immediate preceding quarter.

The decrease in revenue and profit is primarily due to the decrease in the average price and production of FFB.

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.

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	
	31.12.23 RM'000	31.12.22 RM'000
Taxation		
- Income tax	1,725	7,350
- Deferred tax	1,312	(283)
	<u>3,037</u>	<u>7,067</u>

The effective tax rate of the Group is higher than the statutory rate of taxation primarily due to certain expenses not allowed 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 2023.

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 8 December 2023, the Company announced dividends as follows:

Type	Dividend Per Share	Amount
Single tier interim dividend	RM0.05	3,242,523

These dividends were paid on 2 February 2024.

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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 RM6.39 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 28 February 2024.