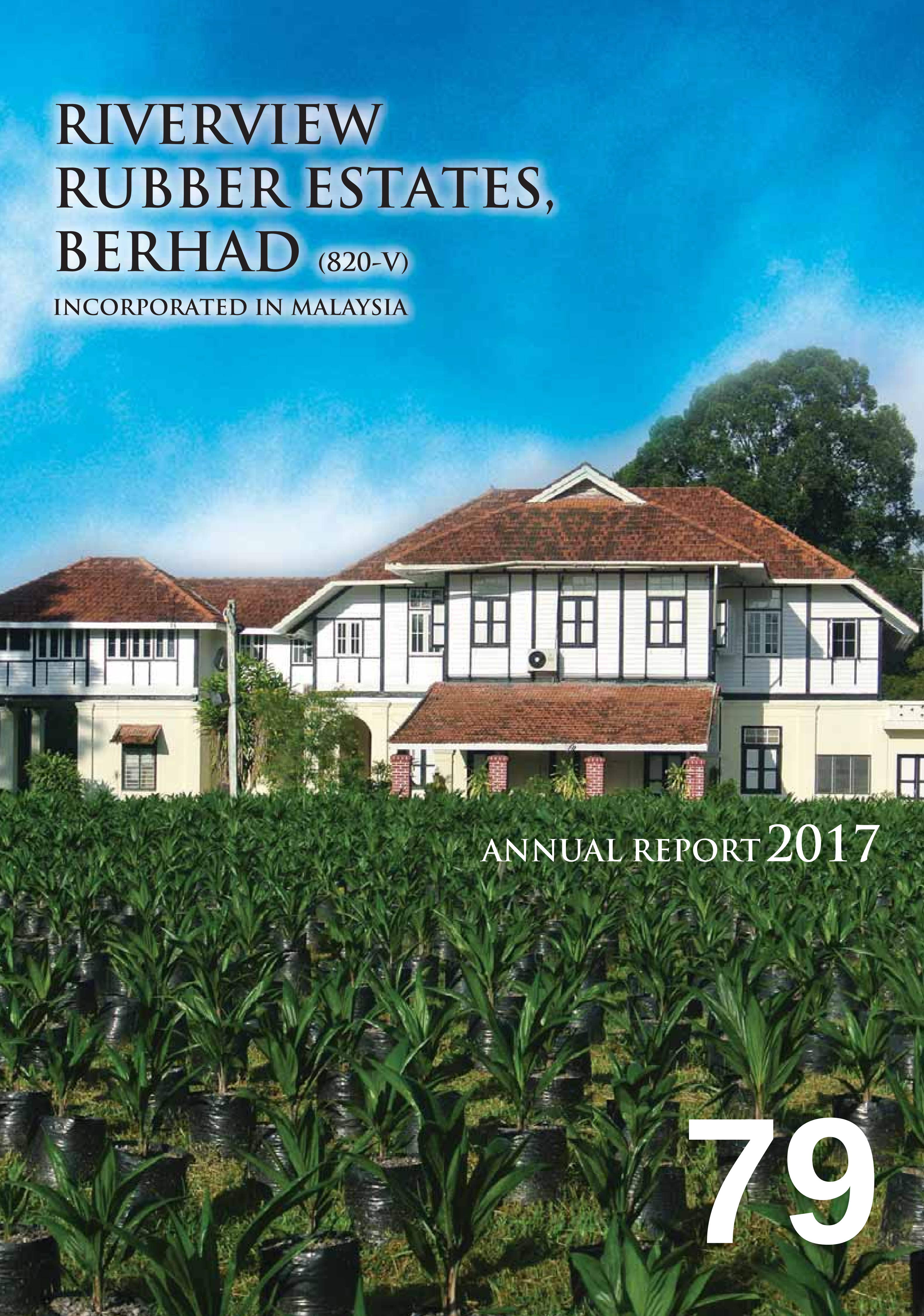
RIVERVIEW RUBBER ESTATES, BERHAD (820-V)

INCORPORATED IN MALAYSIA



ANNUAL REPORT 2017

79

2017 Annual Report

79th Annual General Meeting

Riverview Rubber Estates, Berhad

Company No. 820-V — Incorporated In Malaysia

Contents

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventy Ninth Annual General Meeting of Riverview Rubber Estates, Berhad will be held at 33 (1st Floor) Jalan Dato' Maharajalela, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on ***Friday, 25 May 2018 at 11.30 am*** for the purpose of considering and, if thought fit, passing the following resolutions:

AGENDA **AS ORDINARY BUSINESS**	**Ordinary Resolution**
1. To receive and consider the Audited Financial Statements for the financial year ended 31 December 2017 together with the Directors' and Auditors' reports thereon.	**Please refer to Note 7**
2. To approve the payment of Directors fees of RM72,500 per annum for each Director, and an additional RM5,000 for the Chairman for the financial year ended 31 December 2018.	**1**
3. To approve the following allowances claimable by the Directors: - Estate visit allowance of RM1,250 per visit made; and - Meeting and travelling allowance of RM4,000 per meeting attended.	**2**
4. To re-elect Mohd. Razali bin Mohd. Amin who retires by rotation in accordance with Article 96 of the Company's Articles of Association and being eligible, offers himself for re-election.	**3**
5. To re-appoint Messrs. Sekhar & Tan as Auditors' of the Company for the ensuing financial year and to authorize the Directors to fix the Auditors' remuneration.	**4**

By Order of the Board

Eugene Chow Jan Liang
MIA 23029
Company Secretary

24 April 2018

NOTES

1. *A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote in his stead other than exempt authorized nominees who may appoint multiple proxies in respect of each Omnibus account held. A proxy may but need not be a member of the Company.*
2. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 33 (1st Floor), Jalan Dato' Maharajalela, 30000 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time set for the meeting. The number of shares to be represented by proxy should be stated in the proxy form.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*
4. *A proxy may vote or abstain from voting as he thinks fit on a specified resolution if no indication is given on the proxy form by the member appointing the proxy.*
5. *A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy*
6. *In the case of joint shareholders, the proxy form signed by the first named registered shareholder on the registered shall be accepted to the exclusion of the other registered shareholder(s). If voting is in person(s) the vote of the first shareholder who tenders the vote shall be taken.*
7. *Item 1 of the Agenda is meant for discussion only, as the provision of Section 251 of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*
8. *For shares listed on the Bursa Malaysia, only a depositor whose name appears on the Record of Depositors as at 18 May, 2018 shall be entitled to attend the said meeting or appoint a proxy or proxies to attend and/or vote on his/her behalf.*

Statement Accompanying Notice Of Annual General Meeting

Five (5) Board Meetings were held during the year.

Date of Meeting	*Hour*	*Place*
24 February 2017	2.15 pm	Tg. Tualang, Perak
27 April 2017	3.15 pm	Kuala Lumpur, Wilayah Persekutuan
14 August 2017	11.30 am	Ipoh, Perak
27 October 2017	11.30 am	Ipoh, Perak
6 December 2017	11.30 am	Ipoh, Perak

Details of Directors' attendance at Board Meetings are as follows:

Names of Directors	*Number of meetings held*	*Number of meetings attended*
Dr. Leong Tat Thim	5	5
Mohd. Razali bin Mohd. Amin	5	5
Timothy John Huntsman	5	5
Oliver John Harold Huntsman	5	5

Details of Director seeking appointment are as follows:

Mohd. Razali bin Mohd. Amin

Age 69, Male, Malaysian. Independent Non Executive Director. Appointed to the Board on 25 April 2014. Attended all 5 Board Meetings in the financial year. A Fellow of the Chartered Institute of Management Accountants and a Chartered Accountant under the Malaysian Institute of Accountants. Started his career in Behn Meyer as Accounts Executive in 1973 and subsequently promoted to Area Manager, Branch Manager and General Manager in 1975, 1978 and 1983 respectively, promoted to Finance and Admin. Director in 1990 and appointed as Managing Director of Behn Meyer Agricare (M) Sdn. Bhd. from 1996 to 2010. Was re-designated in 2011 as Regional Finance Director for finance, major corporate and administration matters as well as IT for companies in the region until his retirement in December 2013. Currently serves on the Board of Interpac (M) Sdn. Bhd. No conflict of interest with the Company and has no family relationship with any other Director or major shareholder of the Company. Has not been convicted for any offences within the past five years.

Mohd Razali bin Mohd Amin is the Chairman of the Audit Committee and sits on the Remuneration and Nomination Committee.

Board Charter

Introduction

The Board of Directors (“Board”) of Riverview Rubber Estates, Berhad (“Riverview”) recognises Corporate Governance as being vital and important to the success of Riverview and its Group of Companies (“Group”) businesses.

As a plantation company with a history of more than 80 years, Riverview ensures that it manages its business, operations and affairs in accordance with the laws and regulations of the jurisdictions in which it operates.

The Board is accountable and responsible for the performance and affairs of the Group and is also responsible to oversee its corporate governance framework. All Board members are expected to act in a professional manner, to uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board Charter provides references for Directors in relation to the Board’s role, powers, duties and functions. It also outlines the Board’s rights to establish committees to assist in the discharge of its duties and its meetings’ requirements.

Objectives

The Board Charter sets out the roles and responsibilities of the Board in accordance with the principles outlined in the Code of Corporate Governance and ensures that all Board members are aware of their duties and responsibilities as well as the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings.

This Charter is not an all-encompassing document and should not be seen as such but considered a broad expression of principles.

Composition and Board Balance

The size and composition of the Board is appropriate given the nature and geographical spread of the Group’s business, and the significant time demands placed on the Non-Executive Directors who also serve as Members of Board Committees.

The Board comprise individuals of ability and integrity who possess the necessary skills, knowledge, experience and expertise competencies to address the risks and issues of the Group with the requisite depth and quality in its deliberation and decision making.

The Articles of Association of the Company provides for a minimum of 3 Directors and maximum 8 Directors.

The Company must ensure that at least 2 Directors or 1/3 of the Board of Directors, whichever is the higher, are Independent Directors and if the number of Directors is not 3 or a multiple of 3, then the number nearest 1/3 must be used as defined in the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa LR”).

The Board appoints a Senior Independent Director to whom concerns may be conveyed. The Senior Independent Director is also responsible to receive reports from employees or third parties for the purpose of whistleblowing.

The Board promotes and welcomes diversity and gender mix in its composition and give due recognition to the financial, technical and business experience of the Directors, and; its composition and size are reviewed from time to time to ensure its appropriateness.

Board Charter (continued)

Nomination, Appointments and Re-election

The Nomination Committee established by the Board is responsible for assessing nominees for appointment and thereafter making its recommendations to the Board.

The Nomination Committee will consider the required mix of skills, experience and diversity, including gender, where appropriate, which the Director brings to the Board.

The Company Secretary shall have the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

In accordance with the Articles of Association of the Company, any Director appointed shall retain office only until the next General Meeting and shall then be eligible for re¬election.

Re-appointments of an Independent Director who has served for a cumulative term of more than nine years to continue serving in the same capacity requires the Board of Directors to justify, recommend and seek shareholders' approval in order for that individual to continue as such.

The Articles of Association provide that at each Annual General Meeting, at least one Director shall retire from office, the Director to retire shall be the Director who has been longest in office provided always that all Directors retire once every three years.

An Independent Director is independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgement and who otherwise meets the definition of independence as prescribed by the Bursa LR.

Every Independent Director shall provide a written declaration to the Nomination Committee and the Board confirming that he/she continues to fulfil the criteria of independence as set out in the Bursa LR during the annual assessment carried out by the Company.

The Board, together with the Nomination Committee shall undertake an assessment of the Director's independence annually and as and when new interest or relationship develops.

Roles and Responsibilities

The Board of Directors is responsible for the long term success of the Group and must ensure that there is a framework of effective controls, which enables risks to be assessed and managed. While it is responsible for creating a framework within which the Group should be operating, Management is responsible for instituting compliance with laws and regulations including the achievement of the Group's corporate and social objectives. This demarcation of roles complements and reinforces the supervisory role of the Board.

The Board is specifically responsible for:
- approval of the Group's strategy and its budgetary and business plans;
- approval of significant investments and capital expenditure;
- approval of annual and interim results, accounting policies and subject to shareholder approval, the appointment and remuneration of the external auditors;
- declaration and payment of dividends;
- changes to the Group structure and the issue of any securities;
- establishing and maintaining the Group's risk appetite, system of internal control, governance and approval authorities;
- monitoring executive performance and succession planning;
- reviewing standards of ethics and policy in relation to health, safety, environment and community responsibilities; and
- continuous education programmes for the Directors, management and employees.

Board Charter (continued)

The Board entrusts and grants some of it authority to the Principal Officer as well recognized Committees comprising Non-Executive Directors.

There is clear segregation of responsibilities between the Chairman, who is an Independent Non-Executive Director, and the Principal Officer to ensure a balance of power and authority, such that no one individual has unfettered powers of decision.

The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board and acts as a facilitator at Board meetings to ensure no Board member dominates discussion and relevant opinions amongst Board members are presented. The Principal Officer is supported by the Management team, is responsible for day-to-day Management of the business as well as effective implementation of the strategic plan and policies established by the Board.

The Non-Executive Directors are independent of the Management. Their function is to constructively question the Management and monitor its ability to deliver on targets and business plans within the risk appetite set by the Board. They have free and open interaction with the Management at all levels, and they engage with the external and internal auditors on matters regarding the overseeing of the business and operations.

The roles and responsibilities of Non-Executive Directors include the following:
- providing impartial (where the Director is also Independent) and objective views, appraisals and opinions in deliberations of the Board;
- safeguarding the principle of check and balance in proceedings of the Board;
- mitigating occurrences of conflict in interest in policy making and daily operations of the Group; and
- constructively challenging and contributing to the development of the Group.

Ethics

The Companies Act, 2016 and Bursa LR subject the Directors to disclosure requirements. Directors shall comply with the Companies Act, 2016 in connection with disclosure of shareholding and interests in the Group and interest in any contract or proposed contract with the Company, which include the nature, character and extent of any office or possession of any property, whether directly or indirectly duties or interests that might be created in conflict with his/her duty or interest as a Director of the Company. General notice given by a Director is tabled at the Board Meetings and the declarations made are recorded in the minutes of the Board Meeting, in line with the Companies Act, 2016.

The guiding principles adopted by the Directors are based on moral duty, sincerity, integrity and responsibility. The Directors observe a code of ethics in accordance with that expected from each of their respective professional bodies and the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

These principles include:
- prohibitions on using their position for personal gain;
- prohibitions on improper business practices;
- a requirement for compliance with all internal approval and authorisation procedures and legal requirements; and
- a requirement to disclose potential conflicts of interest and potential related party contracts.

The Company Secretary is available for advice on any matter which may give rise to cause for concern in relation to the ethics.

Board Charter (continued)

Role of Committees

The Board decides on all major aspects of the activities of the Company and in common with other listed companies of similar size and organization, it decides upon most such matters as full Board. The Board in discharging its duties is assisted by three Board committees, namely the Audit Committee, Risk Management Committee, Remuneration Committee and Nomination Committee with written terms of reference which define their membership, authorities and responsibilities.

All deliberation, findings and recommendation made by these Committees will be brought to the attention of the Board who is collectively responsible for the Group's business, strategy, risk management, operational and financial performance.

Audit Committee Risk Management Committee

The Board has delegated to the Committee responsibility for overseeing the financial reporting, internal risk management and control functions for making recommendations to the Board in relation to the appointment of the Group's internal and external auditors.

Remuneration Committee

The Committee is responsible for developing the remuneration policy for the Directors, Principal Officer, Management Officers and Staff, in doing so, the Committee carries out the annual review of the overall remuneration policy and recommends this to the Board for approval.

Nomination Committee

The Board has delegated to the Committee responsibility for reviewing and proposing appointments to the Board and for recommending any other changes to the composition of the Board or the Board Committees. The Committee ensures that there is clarity in respect of the role description and capabilities required for such appointments. The Committee is also responsible for the annual evaluation of the Board, its commitments and its Directors.

Meetings

The Board meets a minimum of four (4) times a year and these meetings are scheduled in advance before the end of the current financial year in order to enable the Directors to have ample time to plan ahead; supplementary meetings are held as and when necessary.

Due notice is given of scheduled meetings, all meetings are minuted, including issues discussed and conclusions made. All proceedings are minuted and signed by the Chairman of the meetings.

The agenda for each Board meeting and papers relating to the agenda are disseminated to all Directors at least seven (7) days before the meeting, this is to ensure that meetings are properly structured and to provide the Directors sufficient review time, and seek clarifications, if any.

Board Charter (continued)

Performance

The Board recognises the importance of assessing the effectiveness of the Board as a whole and its Committees. The Board reviews and evaluates the performance of the Board as a whole and its Committees on an annual basis.

The Company Secretary shall distribute the evaluation form to the Board and Board Committees for completion on an annual basis. The information obtained or disclosed during the evaluation process shall be kept confidential and will not be used or disclosed except as defined herein.

The Nomination Committee shall oversee the implementation of the evaluation process and at the conclusion of this process, the Chairman of the Nomination Committee shall report the outcome to the Board of Directors identifying the issues and making appropriate recommendations. The Board of Directors shall then deliberate on the report and decide/agree on any action plans, where relevant.

As part of the Board self-evaluation process, an annual written confirmation shall be obtained from each of the Company's Independent Non-Executive Directors stating to the effect that each of them continues to fulfil the definition of independence as set out in the Bursa LR.

Training and Induction

The Board, through the Committees, ensure a structured orientation and continuous education programme is in place for new and existing members of the Board. This includes, briefings, seminars and updates on issues relevant to the Group and the environment in which it operates.

The Director who is appointed for the first time as a Director of listed company must complete the Mandatory Accreditation Programme ("MAP") within the time set as defined in the Bursa LR.

For new Directors, in addition to the MAP, an induction programme is provided. Overall, the aim of the induction programme is to introduce new Directors to the Group's business, its operations, time commitment required and its governance agreements. Such inductions typically include meetings with senior management, visits to the Group's business segments where they receive a thorough briefing on the business. Such inductions are monitored by the Chairman and supported by the Company Secretary, to ensure that new and recently appointed Directors gain sufficient knowledge about the Group to enable them to contribute to deliberations as soon as possible as well as be aware of the expectations required from them.

The Board shall disclose in the Annual Report the trainings attended by the Directors and to provide reasons for the non-attendance for each Director.

Remuneration Policies

- Determining the policy for the remuneration of the Principal Officer, Chairman, Management Officers and such members of the staff that it chooses to consider;
- Reviewing remuneration trends across the Group including the salary increases proposed annually for all Group employees;
- Appointment and termination agreements for senior management;
- Determining targets for bonuses;
- Executive remuneration packages should take into account the linkage between pay, performance and nature of work by rewarding both effective management and by making the enhancement of shareholder value a critical success factor in setting of incentives, both short and long term; and
- The overall level of salary, incentives pension and other benefits should be competitive when compared with other companies of similar size and within the industry.

Board Charter (continued)

The aggregate amount of Directors' fees to be paid to Non-Executive Directors is subject to the approval of the shareholders at a General Meeting.

There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.

Supply of Information

All Directors have unrestricted access to advice and services of the Company Secretary who ensures that the Board receives appropriate and timely information for its decision making, that Board procedures are followed and all the statutory and regulatory requirements are met. The Company Secretary ensures that all Board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained.

All Directors have full and immediate access to information relating to the Group's business and affairs in the discharge of their duties, there is nevertheless a formal procedure sanctioned by the Board in this regard. There is also a formal procedure, whether as a full Board or in their individual capacity, to take independent advice, where necessary, in furtherance of the duties at the Group's expense.

Financial Reporting

The Company aims to present clear and balanced assessment of the Company's financial position and prospects for its financial statements and quarterly announcements to the shareholders, including other price sensitive public reports submitted to regulators.

The Board will ensure that the financial statements are prepared in accordance with the Companies Act, 2016 and the applicable approved accounting standards so as to present a true and fair view of the state of affairs of the Group.

Review of Board Charter

This Board Charter was updated and adopted by the Board on 24 February 2017. The Board will review this Charter from time to time and make the necessary amendments to ensure that they remain consistent with the Board's objective, current law and practices.

Corporate Information

BOARD OF DIRECTORS
Dr. Leong Tat Thim P*h. D, M. Sc. Agri., B. Sc. Agri. Hons, Dip. Agri.* ***Chairman***
Mohd Razali bin Mohd Amin *FCMA, CA (M'sia)*
Timothy John Huntsman *B.Eng, LLB*
Oliver John Harold Huntsman *DPA (UK)*

COMPANY SECRETARY
Eugene Chow Jan Liang
MIA 23029

Telephone : 1 700 81 9012
Fax : 006 05 255 9016
Email : eugene.chow@bpo.net.my

REGISTERED OFFICE
33 (1st Floor)
Jalan Dato' Maharajalela
30000 Ipoh, Perak Darul Ridzuan
Malaysia

Telephone : 1 700 81 9012
Fax : 006 05 255 9016

PRINCIPAL PLACE OF BUSINESS
Riverview Estate
31800 Tanjung Tualang
Perak Darul Ridzuan
Malaysia

Telephone : 006 05 360 9201
Fax : 006 05 360 8426

SHARE REGISTRAR
Business Process Outsourcing Sdn. Bhd.
33 (1st Floor)
Jalan Dato' Maharajalela
30000 Ipoh,Perak Darul Ridzuan
Malaysia

Telephone : 1 700 81 9012
Fax : 006 05 255 9016

Corporate Information (continued)

AUDITORS
Sekhar & Tan
Chartered Accountants
Suite 16 - 8, Level 16
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Telephone : 006 03 2170 2688
Fax : 006 03 2171 1987

AUDIT COMMITTEE
RISK MANAGEMENT COMMITTEE
Mohd Razali bin Mohd Amin *FCMA, CA (M'sia)* ***Chairman***
Dr. Leong Tat Thim *Ph. D, M. Sc. Agri., B. Sc. Agri. Hons, Dip. Agri.*
Oliver John Harold Huntsman *DPA (UK)*

REMUNERATION COMMITTEE
NOMINATION COMMITTEE
Dr. Leong Tat Thim *Ph. D, M. Sc. Agri., B. Sc. Agri. Hons, Dip. Agri.* **Chairman**
Mohd Razali bin Mohd Amin *FCMA, CA (M'sia)*
Oliver John Harold Huntsman *DPA (UK)*

SENIOR INDEPENDENT DIRECTOR
Mohd Razali bin Mohd Amin *FCMA, CA (M'sia)*

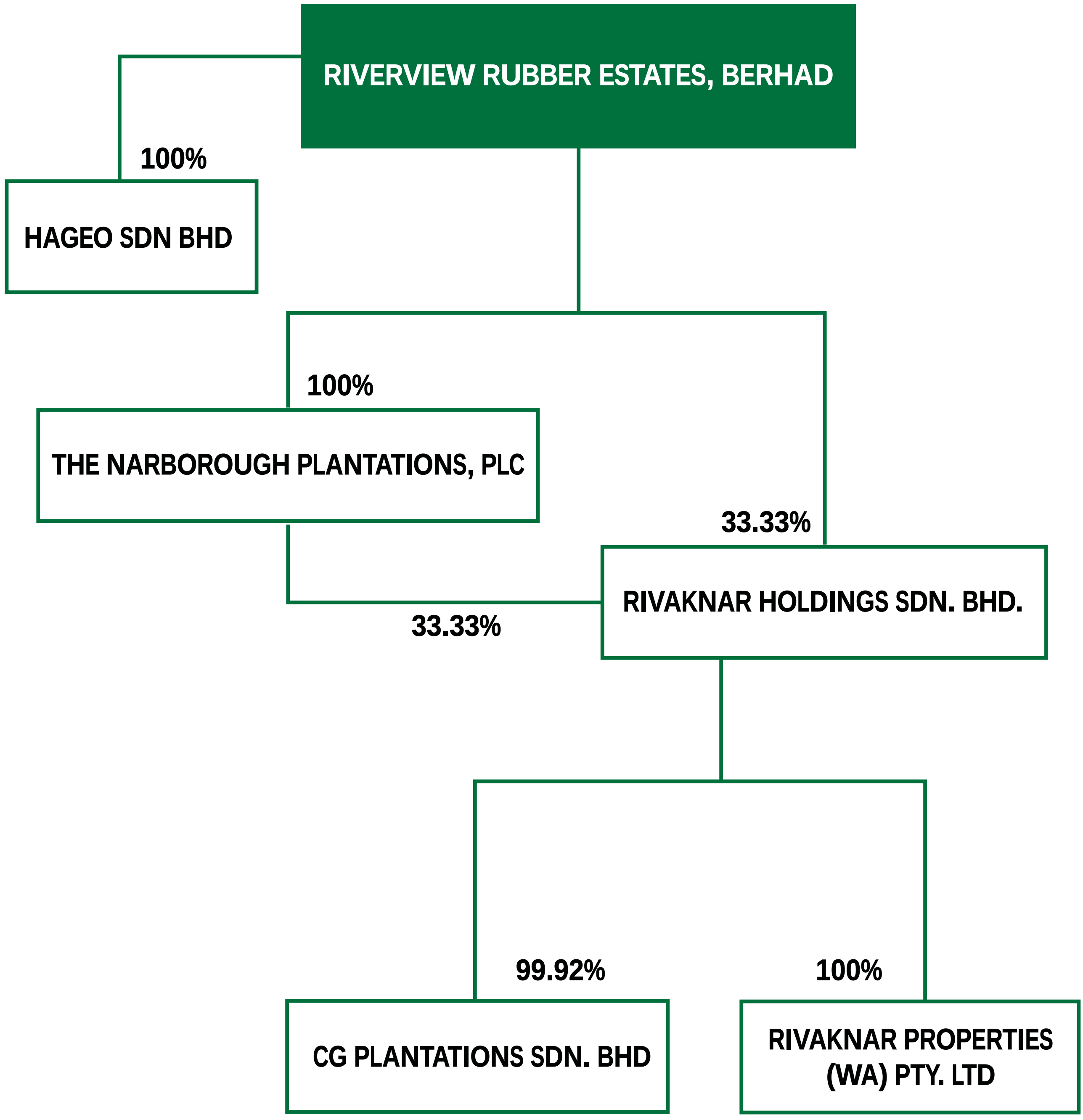
Email : ac.chairman@riverview.com.my

BANKERS
HSBC Bank Malaysia Berhad
AmBank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
RHB Islamic Bank Berhad

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Stock Code : 2542
Stock Name : RVIEW

WEBSITE
www.riverview.com.my

Group Structure



Group Plantation Statistics

OIL PALM	2017	2016	2015	2014	2013
Average area in production (hectares)	2,544	2,544	2,544	2,537	2,537
Crop (tonnes FFB)	66,732	48,200	62,596	54,262	54,812
Yield per mature hectare (tonnes FFB)	27.81	21.35	28.36	24.95	24.86
Average price realised (RM per tonne of FFB)	630.79	618.86	471.27	524.70	500.34
Gross profit per mature hectare	11,147	7,431	7,235	7,817	6,690
AREA STATEMENT as at 31 December					
Oil palm - mature	2,400	2,258	2,207	2,175	2,204
- immature	144	286	337	362	333
Total planted hectarage	2,544	2,544	2,544	2,537	2,537
Nursery	4	4	4	5	4
Buildings, sites, gardens, etc	30	30	30	33	34
Ravines and swamps	5	5	5	8	8
Total area (hectares)	2,583	2,583	2,583	2,583	2,583

AGE PROFILE as at 31 December

Age in Years	2017 Hectares	2016 Hectares	2015 Hectares	2014 Hectares
Above 25	135	82	76	35
21 - 25	816	625	420	481
16 - 20	731	646	776	733
8 - 15	310	607	731	775
3 - 7	408	298	203	151
	2,400	2,258	2,207	2,175
less than 3	144	286	337	362
	2,544	2,544	2,544	2,537

Financial Calendar

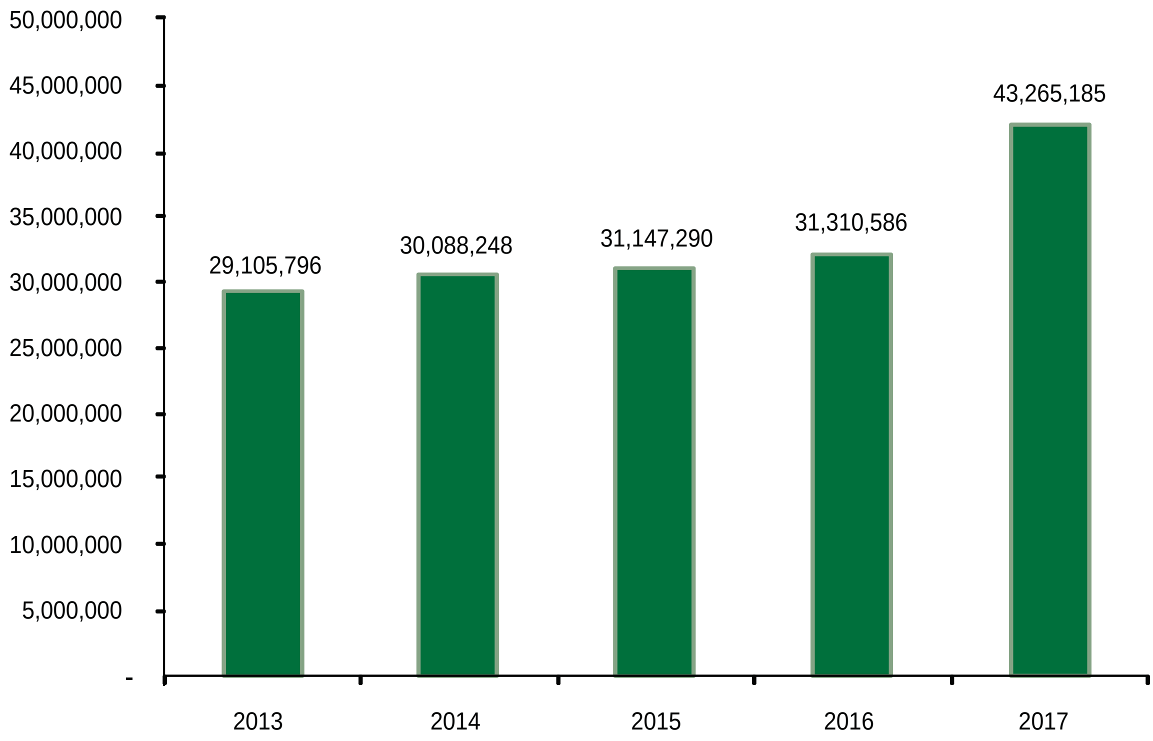
FINANCIAL YEAR END	**31 December 2017**		
ANNOUNCEMENT OF QUARTERLY RESULTS			
First Quarter	28 April 2017		
Second Quarter	14 August 2017		
Third Quarter	30 October 2017		
Fourth Quarter	28 February 2018		
PUBLISHED ANNUAL REPORT			
Despatch Date	24 April 2018		
GENERAL MEETING			
Seventy Ninth Annual General Meeting	25 May 2018		
DIVIDEND			
Interim : RM0.08 under the Single Tier System	Declaration date	-	8 December 2017
Special : RM0.10 under the Single Tier System	Entitlement date	-	29 December 2017
	Payment date	-	19 January 2018

Group Financial Performance

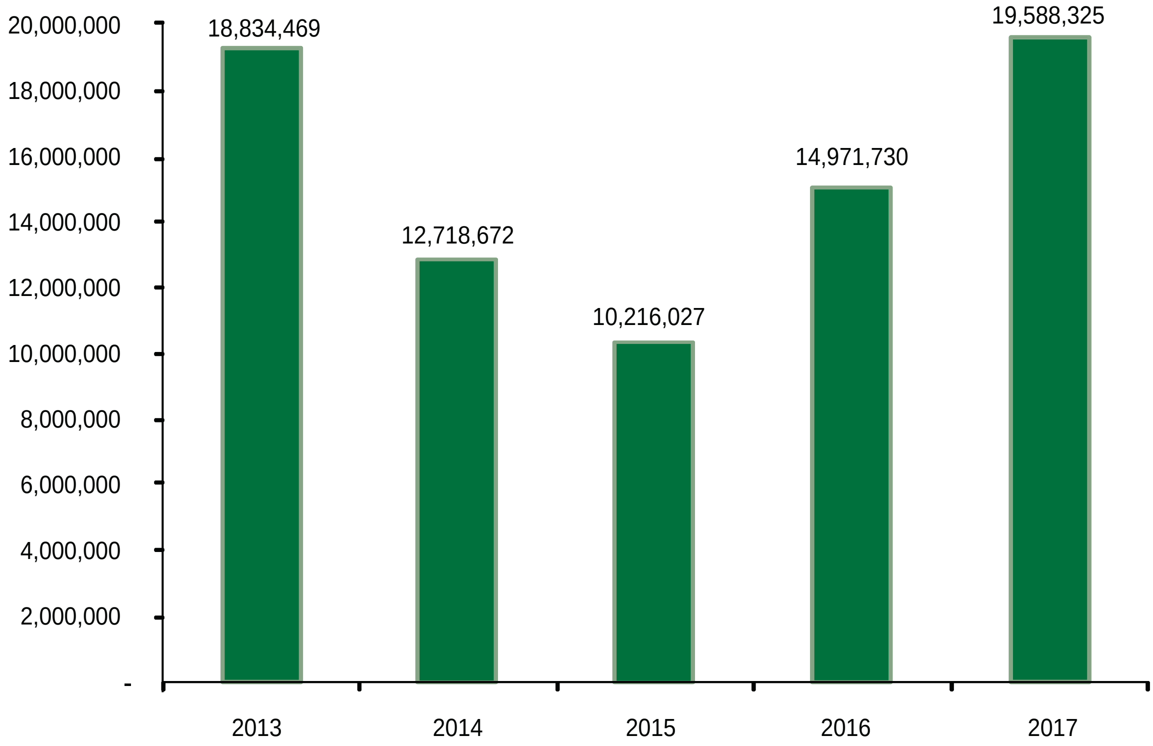
	1st Quarter RM '000	2nd Quarter RM '000	3rd Quarter RM '000	4th Quarter RM '000	2017 RM '000
Revenue	11,574	10,445	11,006	10,240	43,265
Gross profit	7,620	6,795	6,746	6,078	27,239
Profit before tax	8,043	5,652	5,611	282	19,588
Taxation	1,507	1,381	849	148	3,885
Profit attributable to shareholders	6,263	4,159	4,581	357	15,360
Earnings per share (sen)	9.66	6.41	7.06	0.56	23.69
Dividend per share (sen)	-	-	-	18.00	18.00
Net assets per share (RM)	4.85	4.94	4.98	4.11	4.11

Financial Highlights

GROUP REVENUE

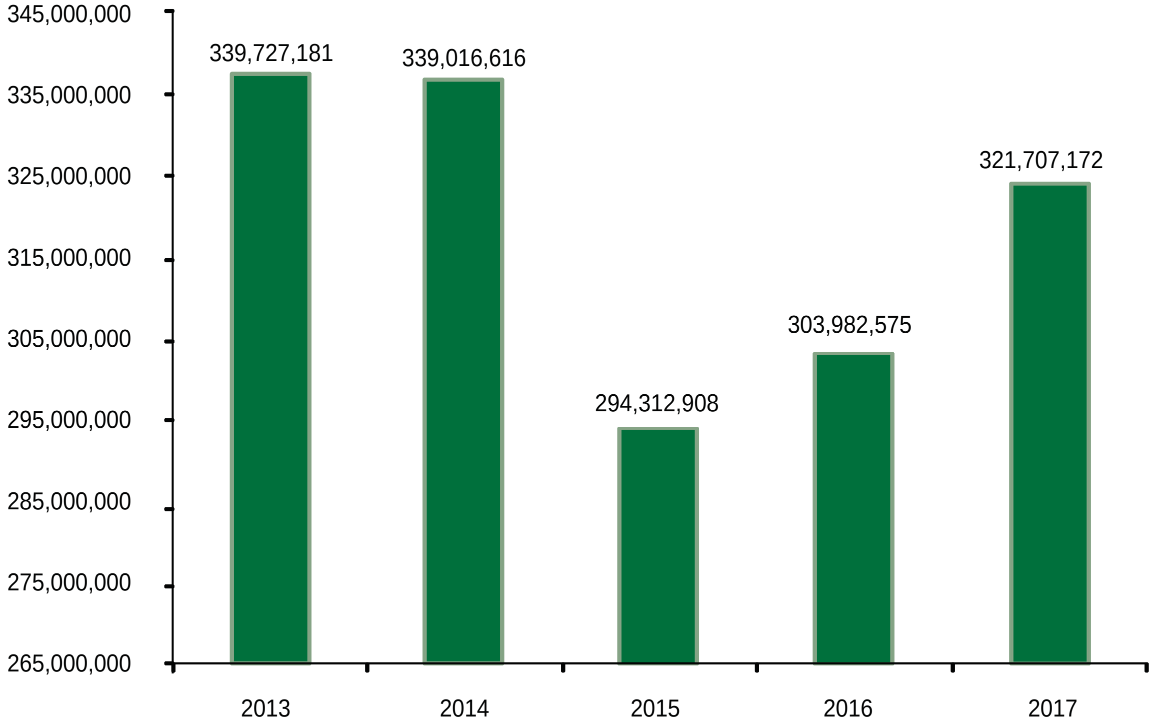


GROUP PROFIT BEFORE TAX

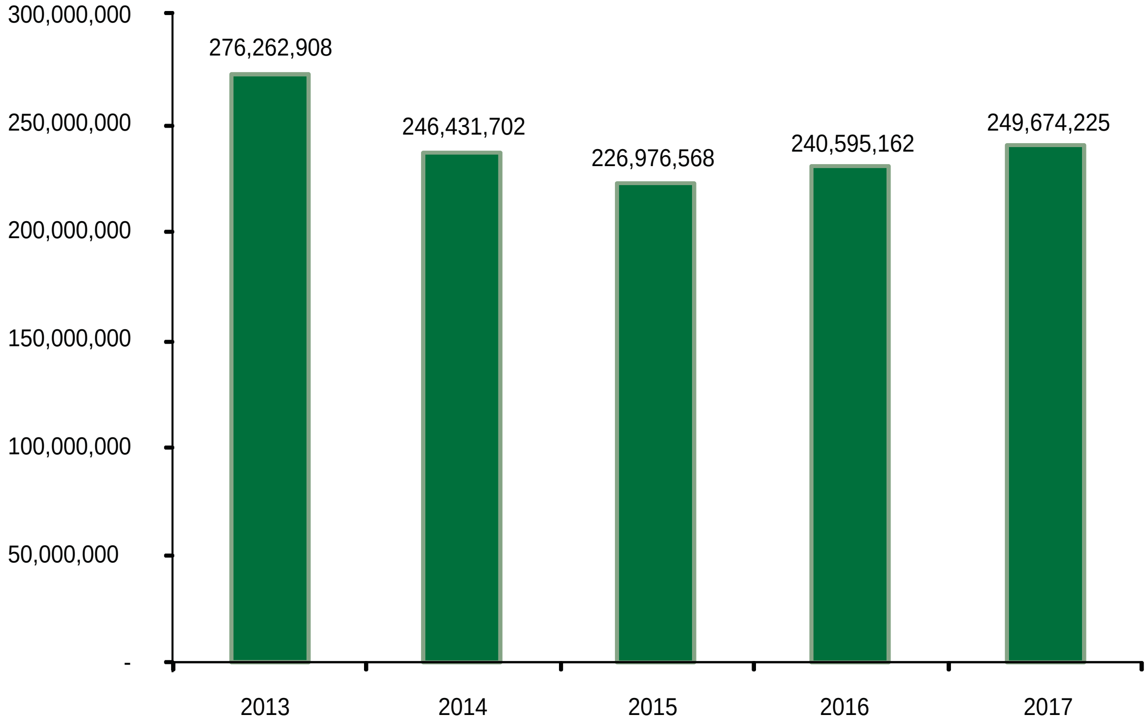


Financial Highlights (continued)

GROUP TOTAL ASSETS

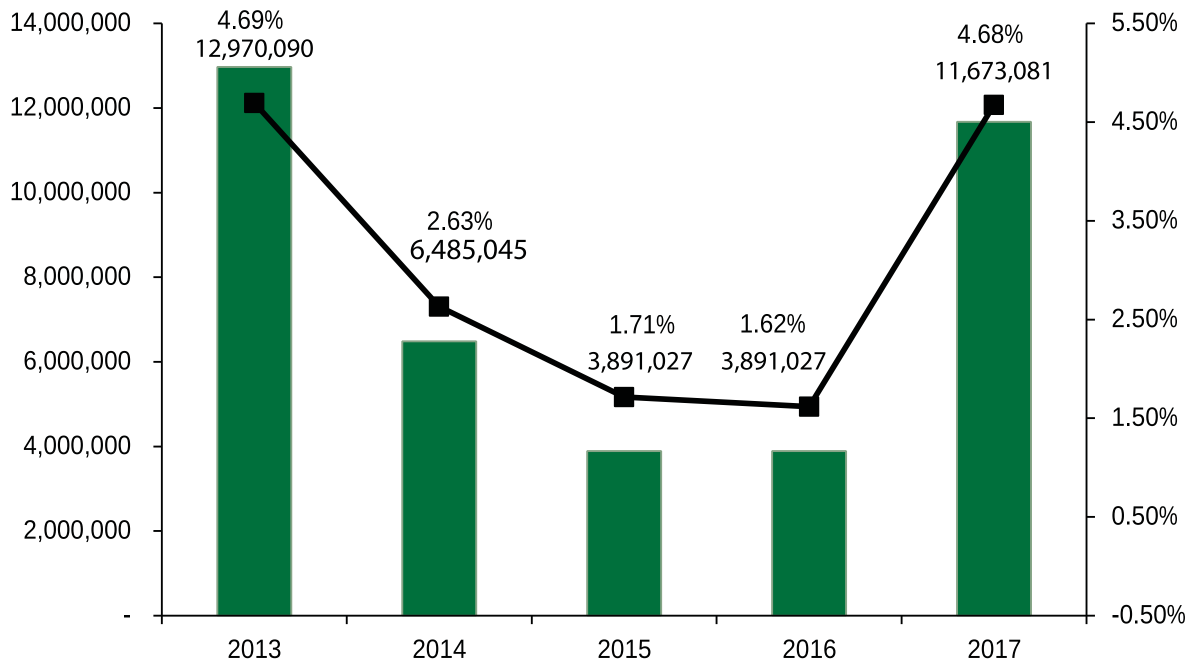


YEAR END MARKET CAPITALISATION



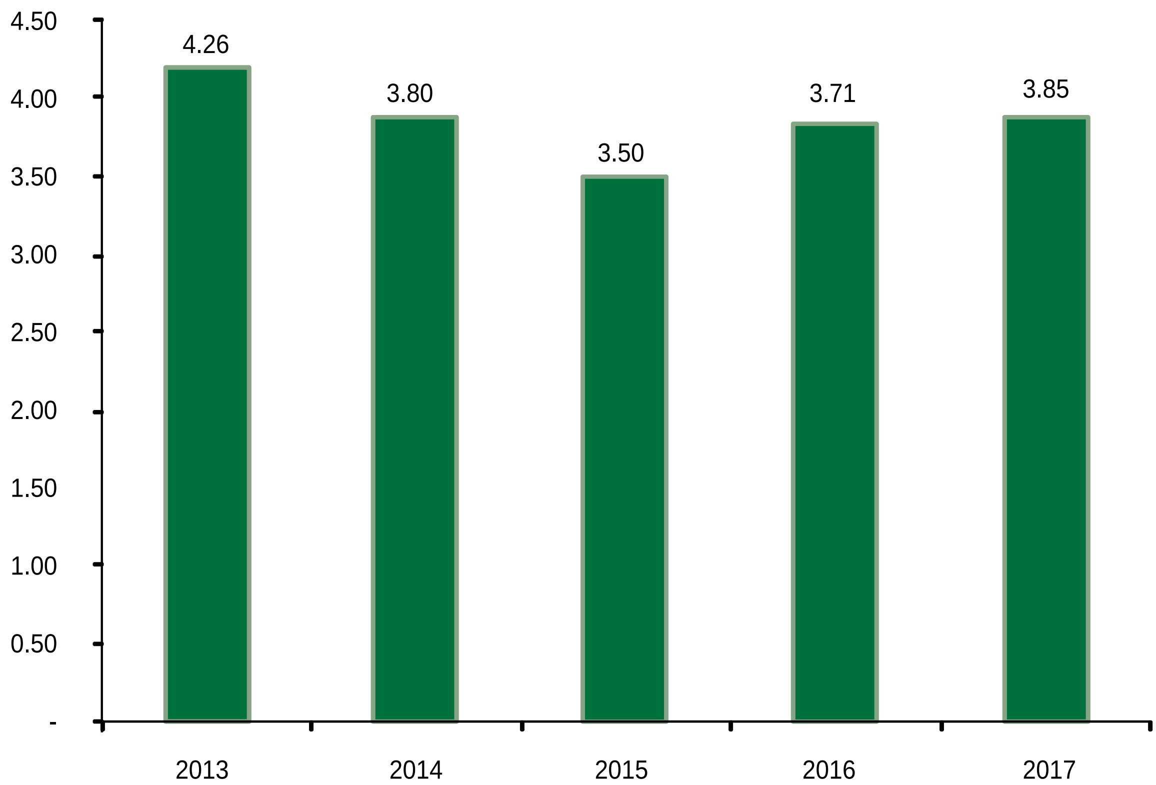
Financial Highlights (continued)

GROSS DIVIDEND YIELD & AMOUNT*



* Yield is based on the year end share price.

YEAR END SHARE PRICE



Analysis of Shareholdings

Issued and Fully Paid	:	RM64,850,448
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per RM1.00 share

DISTRIBUTION OF SHAREHOLDINGS as at 28.03.2018

No. of Holders	Holdings	Total Holdings	%
32	less than 100	1,136	*
446	100 to 1,000	380,482	0.58%
1,307	1,001 to 10,000	5,524,174	8.52%
328	10,001 to 100,000	8,675,964	13.38%
30	100,001 to less than 5% of issued shares	9,408,600	14.51%
1	5% and above of issued shares	40,860,092	63.01%
2,144		64,850,448	100.00%

SUBSTANTIAL SHAREHOLDERS IN THE COMPANY as at 28.03.2018

	No. of shares held			
	Direct	%	Deemed	%
Sungei Ream Holdings Sdn. Bhd. ("SRHSB")	40,860,092	63.01%	-	-
Buloh Akar Holdings Sdn. Bhd. ("BAHSB")	-	-	40,860,092[1]	63.01%
Elizabeth Mary Sheriff	-	-	40,860,092[2]	63.01%
Timothy John Huntsman	1,000	-	40,860,092[3]	63.01%
Oliver John Harold Huntsman	1,000	-	40,860,092[4]	63.01%
Stephen William Huntsman	67,300	0.10%	40,860,092[4]	63.01%
Bamboo Root Sdn. Bhd. ("BRSB")	-	-	40,860,092[5]	63.01%
Susannah Bt. Abdullah @ Tan Swee Lai	21,200	0.03%	40,860,092[6]	63.01%
Melissa Bt. Abdul Aziz	-	-	40,860,092[6]	63.01%
Suria Bt. Abdul Aziz	-	-	40,860,092[6]	63.01%
Fariz Bin Abdul Aziz	-	-	40,860,092[6]	63.01%

DIRECTORS' SHAREHOLDINGS IN THE COMPANY as at 28.03.2018

	No. of shares held			
	Direct	%	Deemed	%
Dr. Leong Tat Thim	1,000	*	-	-
Mohd. Razali bin Mohd. Amin	1,000	*	-	-
Timothy John Huntsman	1,000	*	40,860,092[3]	63.01%
Oliver John Harold Huntsman	1,000	*	40,860,092[4]	63.01%

Notes :

1 Deemed interested by virtue of its substantial shareholdings in SRHSB. Elizabeth Mary Sheriff and Timothy John Huntsman are deemed to be substantial shareholders of BAHSB by virtue of the shares held by Rockwill Trustees Berhad ("Rockwill") as custodian trustees. The shares held by custodian trustees are in the following proportions:
"Elizabeth's Share" : 458,013 shares in BAHSB held by Rockwill
"Timothy's Share" : 457,914 shares in BAHSB held by Rockwill

2 Deemed interested by virtue of her interest in Elizabeth's Share

3 Deemed interested by virtue of his interest in Timothy's Share

4 Deemed interested by virtue of his interest in BAHSB

5 Deemend interested by virtue of its interest in BAHSB

6 Deemend interested by virtue of her/his interest in BRSB

* Negligible

Analysis of Shareholdings (continued)

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATIONS as at 28.03.2018

The Directors' shareholdings in related corporations are as diclosed in the Directors' Report on pages 85 and 86.

THIRTY LARGEST REGISTERED SHAREHOLDERS as at 28.03.2018

	Name	Holdings	%
1	Sungei Ream Holdings Sendirian Berhad	40,860,092	63.01%
2	Maximum Vista Sdn Bhd	1,757,500	2.71%
3	Ng Beh Tong	1,418,000	2.19%
4	Tan Tze Lim	827,100	1.28%
5	Yeo Khee Bee	619,100	0.95%
6	Tan Kee Lock Sdn Bhd	575,300	0.89%
7	KAF Nominees (Tempatan) Sdn.Bhd.	547,000	0.84%
	- Bernam Nominees (Tempatan) Sdn Bhd For Jendarata Bernam Provident Fund		
8	Yeoh Chin Hin Investments Sdn Berhad	442,700	0.68%
9	Chong Yean Fong	254,600	0.39%
10	Tan See Tong	250,000	0.39%
11	UOB Kay Hian Nominees (Asing) Sdn Bhd	205,500	0.32%
	- Exempt AN For UOB Kay Hian Pte. Ltd.		
12	Affin Hwang Nominees (Asing) Sdn. Bhd.	200,000	0.31%
	- Phillip Securities Pte Ltd For Walker, Crips, Weddle, Beck Plc		
13	Lee Siew Peng	160,000	0.25%
14	Gemas Bahru Estates Sdn. Bhd.	153,000	0.24%
15	Chuah Lee Shyun	148,700	0.23%
16	Lee Nyit Fee	143,600	0.22%
17	Cimsec Nominees (Asing) Sdn Bhd	141,000	0.22%
	- Exempt AN For CIMB Securities (Singapore) Pte. Ltd.		
18	Kartar Singh A/L Santa Singh	140,200	0.22%
19	HSBC Nominees (Asing) Sdn Bhd	120,000	0.19%
	- Exempt AN For Credit Suisse		
19	Kwok Chee Yan	120,000	0.19%
20	Sai Dezhao	115,000	0.18%
21	Tan Tong Chait	114,000	0.18%
22	Jaspreet Kaur Gill	111,000	0.17%
23	HSBC Nominees (Asing) Sdn Bhd	110,000	0.17%
	- BNP Paribas Secs. Svs. Jersey For Brooks Macdonald Asset Mgmt. (Intl.) Ltd.		
24	Citigroup Nominees (Asing) Sdn Bhd	108,000	0.17%
	- Exempt AN For OCBC Securities Private Limited		

Analysis of Shareholdings (continued)

THIRTY LARGEST REGISTERED SHAREHOLDERS as at 28.03.2018 (continued)

	Name	Holdings	%
24	Lim Kean Meng	108,000	0.17%
24	Lim Wei Li	108,000	0.17%
24	Ong Eng Hoe	108,000	0.17%
25	Teh Lian Kim	102,000	0.16%
26	Chew Poh Min	101,000	0.16%
27	Mikdavid Sdn Bhd	100,300	0.15%
28	Beh Tong Sdn Bhd	100,000	0.15%
28	DB (Malaysia) Nominee (Asing) Sdn Bhd - BNYM SA/NV For Alliance Trust Savings Ltd	100,000	0.15%
28	Ho Han Seng	100,000	0.15%
28	Wong Pak Goon	100,000	0.15%
29	Lee Wee Loong	94,500	0.15%
30	Wong Loke Sing	93,000	0.14%
		50,856,192	78.42%

Profile of Directors

Dr Leong Tat Thim

Age 74, Male, Malaysian. Independent Non Executive Director and Chairman. Appointed to the Board on 20 June 2014 and elected Chairman on 24 June 2014. Attended all 5 Board Meetings in the financial year. Was a Guthrie Scholar, obtained his Diploma in Agriculture from Serdang College (now known as University Putra Malaysia) in 1968, and obtained his Bachelor of Agriculture Science (Honours) in 1972 and Master of Agriculture Science and Ph.D. in 1982, all from University Malaya. He started as a planting assistant in Kumpulan Guthrie, and was promoted to Head of Rubber Research. Specialised in rubber exploitation and agronomy, developed “Puncture Tapping” technique for rubber tapping. In 1995, joined IOI as Research Controller, overseeing the IOI Research Station, was actively involved in oil palm breeding, DxP seed production, sale of elite DxP planting material, tissue culture, clonal trials, oil palm advisory, leaf sampling, fertiliser recommendation and laboratory services. Was a council member in the Malaysian Palm Oil Association and the Malaysia Estate Owners Association, was Chairman of the Malaysian Rubber Producers Council (1998/99). Retired as Chief Executive Officer of United Malacca Berhad in April 2014 after having been in the plantation industry for 42 years. In 2016, he was appointed to the Council of the Malaysian Agricultural Producers Association. No conflict of interest with Company and is the father of Mr. Leong Yeng Kit who is an Independent Director of Buloh Akar Holdings Sdn Bhd and Sungei Ream Holdings Sdn Bhd. Has not been convicted for any offences within the past five years.

Dr. Leong Tat Thim is the Chairman of the Remuneration and Nomination Committee and sits on the Audit Committee.

Mohd. Razali bin Mohd. Amin

Age 69, Male, Malaysian. Independent Non Executive Director. Appointed to the Board on 25 April 2014. Attended all 5 Board Meetings in the financial year. A Fellow of the Chartered Institute of Management Accountants and a Chartered Accountant under the Malaysian Institute of Accountants. Started his career in Behn Meyer as Accounts Executive in 1973 and subsequently promoted to Area Manager, Branch Manager and General Manager in 1975, 1978 and 1983 respectively, promoted to Finance and Admin. Director in 1990 and appointed as Managing Director of Behn Meyer Agricare (M) Sdn. Bhd. from 1996 to 2010. Was re-designated in 2011 as Regional Finance Director for finance, major corporate and administration matters as well as IT for companies in the region until his retirement in December 2013. Currently serves on the Board of Interpac (M) Sdn. Bhd. No conflict of interest with the Company and has no family relationship with any other Director or major shareholder of the Company. Has not been convicted for any offences within the past five years.

Mohd Razali bin Mohd Amin is the Chairman of the Audit Committee and sits on the Remuneration and Nomination Committee.

Profile of Directors (continued)

Timothy John Huntsman

Age 50, Male, Canadian. Non Independent Non Executive Director. Appointed to the Board on 20 June 2014. Attended all 5 Board Meetings in the financial year. Obtained his first degree in Engineering from Memorial University of Newfoundland in Naval Architecture and Ocean Engineering in 1996 and his second degree in Law from the University of New Brunswick in 2002. After being called to the bar in May of 2003 Timothy has practised law in Nanaimo, British Columbia, Canada. He runs his own law practice called Huntsman Law with a current focus on corporate and estate litigation. No conflict of interest with the Company, a substantial shareholder of the Company and is the cousin of Oliver John Harold Huntsman. Has not been convicted for any offences within the past five years.

Oliver John Harold Huntsman

Age 62, Male, British. Non Independent Non Executive Director. Appointed to the Board on 25 April 2014. Attended all 5 Board Meetings in the financial year. Obtained a Diploma in Accountancy from the City of London Polytechnic. He then worked for Binder Hamlyn for six years before joining in 1982, Electra Partners, who are the managers of Electra Private Equity , an Investment Trust listed on the London Stock Exchange, specialising in Private Equity transactions. He spent five years doing Venture Capital deals before spending eight years specialising in management buyouts, secondary financings and development capital. He then specialised in portfolio management and has been involved in the refinancing, secondary buyouts, trade sales and floatations across a broad range of industries. He retired from Electra Partners in 2017. He was regulated by the UK Financial Conduct Authority. He was until recently, treasurer of the local church for four years. No conflict of interest with the Company, a substantial shareholder of the Company and is the cousin of Timothy John Huntsman. Has not been convicted for any offences within the past five years.

Oliver John Harold Huntsman sits on both the Audit Committee and the Remuneration and Nomination Committee.

Profile of Management

Tai Lung Khim
General Manager

Age 71, Male, Malaysian. Joined the Group on 1 April 2015. Degree in Agricultural Science from University of Malaya and Certificate in Estate Practice and Book Keeping from the Incorporated Society of Planters. Has over 40 years' experience in the plantation industry having previously worked with Sime Darby Plantations and PT Rajagaruda. Currently based at Teja Estate in Tg. Tualang, Perak. Not a shareholder of the Company and is not related to any Director or substantial shareholder of the Company. Does not sit on the board of any public listed companies. No conflict of interest with the Company. Has not been convicted for any offences within the past five years.

Ang Chai Poa
Senior Manager

Age 73, Male, Malaysian. Joined the Group on 1 July 2011. Senior Cambridge Certificate. Has over 51 years' experience in the plantation industry having previously worked with Kuala Lumpur Kepong Berhad and TSH Resources Berhad. Currently based at Narborough Estate in Sungkai, Perak. Not a shareholder of the Company and is not related to any Director or substantial shareholder of the Company. Does not sit on the board of any public listed companies. No conflict of interest with the Company. Has not been convicted for any offences within the past five years.

Sures Naidu
Manager

Age 35, Male, Malaysian. Joined the Group on 1 February 2002. Executive Diploma in Plantation Management and Technology from University Malaysia Pahang. Has over 15 years' experience in the plantation industry starting with his employment as a Field Conductor in 2001. Currently based at Chendrong Estate in Tg. Tualang, Perak. Not a shareholder of the Company and is not related to any Director or substantial shareholder of the Company. Does not sit on the board of any public listed companies. No conflict of interest with the Company. Has not been convicted for any offences within the past five years.

Koh Say Ung
Manager

Age 36, Male, Malaysian. Joined the Group on 1 March 2015. Degree in Conservation Biology from University Malaysia Sabah and Masters in Business Administration from University Malaysia Sarawak. Has over 10 years' experience in the plantation industry having started as an Agronomist in 2005. Currently based at Buloh Akar Estate in Parit, Perak. Not a shareholder of the Company and is not related to any Director or substantial shareholder of the Company. Does not sit on the board of any public listed companies. No conflict of interest with the Company. Has not been convicted for any offences within the past five years.

Profile of Management (continued)

Omar Abdul Hamid
Assistant Manager

Age 38, Male, Malaysian. Joined the Group on 15 December 1998. Executive Diploma in Plantation Management from University Utara Malaysia. Has over 15 years' experience in the plantation industry starting with his employment as a Field Supervisor in 1998. Currently based at Sadang Estate in Parit, Perak. Not a shareholder of the Company and is not related to any Director or substantial shareholder of the Company. Does not sit on the board of any public listed companies. No conflict of interest with the Company. Has not been convicted for any offences within the past five years.

Naemat Samion
Assistant Manager

Age 49, Male, Malaysian. Joined the Group on 21 May 2015. Executive Diploma in Plantation Management from University Technology Malaysia. Has over 30 years' experience in the plantation industry having previously worked with Sime Darby Plantations. Currently based at Hibernia Estate in Selama, Perak. Not a shareholder of the Company and is not related to any Director or substantial shareholder of the Company. Does not sit on the board of any public listed companies. No conflict of interest with the Company. Has not been convicted for any offences within the past five years.

Eugene Chow Jan Liang
Company Secretary

Age 44, Male, Malaysian. Member of The Malaysian Institute of Accountants, The Malaysian Institute of Certified Public Accountants and a Fellow of The Association of Chartered Certified Accountants, UK. Started his career as an Auditor with Arthur Andersen from 1995 to 2002. He then joined Ernst & Young from 2002 until 2006. Currently based in Ipoh, Perak. Not a shareholder of the Company and is not related to any Director or substantial shareholder of the Company. Does not sit on the board of any public listed companies. No conflict of interest with the Company. Has not been convicted for any offences within the past five years.

Yee Kee Yong
Company Secretary

Age 80, Male, Australian. Member of CPA Australia and a Fellow of The Institute of Chartered Accountants of Australia and New Zealand. He is the principal partner of Yee & Co, an accounting practice in Perth, Australia. Was appointed to the Board of Rivaknar Properties (WA) Pty. Ltd on 9 January 2009. Currently based in Perth, Australia. Not a shareholder of the Company and is not related to any Director or substantial shareholder of the Company. Does not sit on the board of any public listed companies. No conflict of interest with the Company. Has not been convicted for any offences within the past five years.

Chairman's Statement

DEAR SHAREHOLDERS,

I am pleased to present the Seventy - Ninth Annual Report of Riverview Rubber Estates, Berhad and for the financial year ended 31 December 2017.

GROUP FINANCIAL PERFORMANCE

The Group has early adopted the Amendments to MFRS 116 and MFRS 141 Agriculture : Bearer Plants. The adoption of this accounting standard required comparative financial statements to be restated to give effect to these changes and its financial impact. A detailed review is set out in the Notes to the Financial Statements.

Group revenue for the financial year ended 31 December 2017 was RM43.27 million, a 38% increase of RM11.96 million from RM31.31 million for the financial year ended 31 December 2016.

Profit before tax improved by 31% to RM19.59 million from RM14.97 million compared to last year.

The Group recovered from the severe dry weather caused by El Nino and the haze from the second half of 2015 which adversely affected the production of Fresh Fruit Bunches ("FFB") last year. The increased revenue was also boosted by improved commodity prices.

Property values in Perth, Australia continue to ease at levels similar to last year, we do believe that it is nearing the bottom and drastic drops in value such as from 2015 to 2016 are not expected to continue.

Earnings per Share and net assets per share stood at 23.69 sen and RM4.11 respectively, from 17.22 sen and RM3.99 respectively, as compared to the previous year

A more detailed review of the results and performance is set out under Management's Discussion and Analysis of this Annual Report as set out from pages 32 to 40.

The development of the palm seedlings is closely monitored

Chairman's Statement (continued)

DIVIDEND

On 8th December 2017, the Company announced an interim dividend of RM0.08 per ordinary share and a special dividend of RM0.10 per ordinary share, these dividends amounted to RM11.67 million. This dividend was paid on 19th January 2018.

The special dividend is in recognition of the Group's excellent performance for the financial year ended 31 December 2017. The Group will continue to practice a dividend policy that recognizes the need to achieve a balance between providing reasonable returns to shareholders while conserving funds that are required for new investment opportunities that are critical for long term growth.

Palm seedlings being transported for planting

Ensuring that the palm seedlings get the best start to life

Chairman's Statement (continued)

SUSTAINABILITY AND CORPORATE GOVERNANCE

We have been involved in the agriculture industry with a presence of more than 80 years, we recognize our obligation to our stakeholders. This encompasses our commitment to deliver profits, to enhance shareholder value and at the same time, make a positive contribution to our employees, stakeholders and to society in general.

The CSR policy bearing fruit

The directors frequently get their boots dirty

SUSTAINABILITY AND CORPORATE GOVERNANCE (continued)

We fully support the initiatives undertaken to ensure sustainable oil palm cultivation and the production of palm oil, we have a heritage of maintaining a high degree of commitment that is directed towards social well-being.

We are committed to build on practices which are sustainable and this pledge is exhibited in the execution of activities which assist our customers in reaching their goals, engages our employees, supports the local community and preserve the environment, all this we do with integrity and ethics in mind.

Chairman's Statement (continued)

SUSTAINABILITY AND CORPORATE GOVERNANCE (continued)

I am pleased to report that we are committed to Malaysian Sustainable Palm Oil ("MSPO") and have already begun the process to achieve MSPO certification. I am proud of the progress being made and grateful for the support received as we continue on this important journey of sustainability

Key highlights of the measures taken as well as corporate responsibility initiatives are set out in the Sustainability Report of this Annual Report as set out from pages 71 to 80.

CURRENT YEAR PROSPECTS

Growing protectionism sentiment in developed economies are likely to persist in the coming year. The Malaysian economy is trade dependent and will be heavily influenced by the state and health of the global economy. At the industry level, extreme weather conditions and labour shortage will continue to pose challenges to our core business. Although guarded, our outlook for the Group remains positive.

Purpose built buildings to ensure compliance with MSPO in due course

APPRECIATION AND ACKNOWLDEGMENT

On behalf of the board, I would like to record our appreciation to the management and employees for their commitment, dedication and loyalty in achieving the results in the financial year under review.

I take this opportunity to thank our valued shareholders, business associates, customers, friends and authorities for their continued trust, confidence, support and guidance.

Finally, I also wish to record the sense of collective responsibility, commitment, professionalism and the wisdom of my fellow Directors on the Board.

DR. LEONG TAT THIM
Chairman

Palm seedlings ready for a large replanting programme

Filtered water being installed for our employees

New buildings for the separate storage of chemicals and other materials

Management Discussion and Analysis

Business Model and Strategy

The Company was incorporated in Malaysia on 26 March 1936 and listed on Bursa Malaysia Securities on 29 March 1961. The principal activities of the Group in the course of the financial year remained unchanged, these consist the cultivation of oil palm and investment property holding.

The cultivation of oil palm is spread over four locations in the state of Perak, Malaysia. Oil palm is a perennial crop which starts yielding palm fruits about three years after planting and it has a continuous productive lifespan of typically 25 years until felled and replaced with palm seedlings.

The oil palm estate spans approximately 2,583 hectares with a planted area of 2,544 hectares which was formerly planted with rubber trees. The oil palms are scheduled to be replanted approximately every 20 – 25 years to maintain a yield for sustainable production. Our strategy is to achieve higher profitability through disciplined allocation of resources towards achieving higher quality FFB yields with high oil extraction rates which increases the price that can be achieved.

The investment properties are held in two locations in Perth, Australia. These freehold residential properties are currently held for the generation of rental income. The properties are free from external borrowings and substantially tenanted. The properties have been contributing positive cash flow to the Group, are financially independent and its operations are self-sustainable.

Regular management meetings are critical for effective management

Adoption of Amendments to MFRS 116 and MFRS 141 Agriculture : Bearer Plants.

The Group has early adopted the Amendments to MFRS 116 and MFRS 141 Agriculture : Bearer Plants. The adoption of this standard required comparative information to be restated to give effect to these changes, its financial impact is disclosed in the notes to the financial statements.

Bearer plants now come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period.

Produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce.

Bearer Plants

Prior to the adoption of MFRS 141, replanting expenditure, which represents cost incurred in replanting old planted areas, was charged to profit or loss. With the adoption of MFRS 141, replanting expenditure is measured at cost less accumulated depreciation and accumulated impairment losses, if any. The early adoption of MFRS 141 has resulted such in costs, in the current and previous periods, being capitalised and amortised

Biological Assets

Prior to the adoption of MFRS, biological assets were measured at revalued amount, which is the fair value at the date of revaluation less any accumulated losses. In the previous financial years, fresh fruit bunches ("FFBs") growing on oil palm trees (bearer plants) were treated as part of the bearer plants and were not recognised separately. The Group did not recognise the FFBs growing on bearer plants (produce growing on bearer plants).

Upon adoption of the amendments to MFRSs, the produce growing on bearer plants are measured at fair value less costs to sell in accordance with MFRS 141. The Group in accounting policy has resulted in an additional asset (produce growing on bearer plants) being recognised.

In addition, agricultural produce are measured at fair value less costs to sell at the point of harvest. A gain or loss arising on initial recognition of harvested agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of agricultural produce is included in profit or loss for the period in which it arises. The change in accounting policy has resulted in an additional line item of fair value changes from FFBs harvested in the statements of comprehensive income for the comparative financial year 2016.

Management Discussion and Analysis (continued)

Income and Profit

Income is primarily derived from the sale of oil palm FFB, this is supplemented by rental income and other income such as interest received from fixed deposits.

	2017	2016
Production – FFB (MT)	66,732	48,200
Average price realised per MT of FFB (RM)	630.79	618.86
Revenue (RM)		
- Plantations	42,094,279	29,828,840
- Investment properties	1,170,906	1,481,746
	43,265,185	31,310,586
Profit before tax (RM)		
- Plantations	20,412,281	15,466,270
- Investment properties	(823,956)	(494,540)
	19,588,325	14,971,730

Financial Performance

	2017 RM	2016 RM
Revenue	43,265,185	31,310,586
Cost of sales	(16,025,896)	(13,734,272)
Gross profit	(27,239,289)	17,576,314
Changes in fair value of agriculture produce	(3,405,895)	3,178,385
Changes in fair value of investment properties	(1,141,200)	(1,101,600)
Operating profit	19,671,591	14,830,781
Profit before tax	19,588,325	14,971,730

Financial Performance (continued)

Production of FFB was significantly higher than the previous year due to a recovery following severe dry weather caused by El Nino and the haze from 2015/2016. Conducive weather patterns which resulted in ideal rainfall distribution created favourable growing conditions, this contributed towards an excellent performance.

We recorded an annual average FFB price of RM631 per MT in 2017 compared to RM619 per MT in 2016; the highest was in January 2017 at RM803 per MT and the lowest in December 2017 at RM551 per MT. The total FFB production for 2017 was 66,732 MT as compared to the previous corresponding year of 48,200 MT. The increase in the production was further bolstered by an increase in the average price of FFB. Group plantation revenue for 2017 was RM42.09 million as compared to RM29.83 million in 2016. This is reflected as follows:

	2017	2016	Variance
Production – FFB (MT)	66,732	48,200	38%
Average price realised per MT of FFB (RM)	630.79	618.86	2%

Operating profit increased from RM14.83 million in 2016 to RM 19.67 million is 2017, this is primarily a result of improved revenue. Non-cash charges which affected the profit include the following:

	2017	2016
Changes in fair value of agriculture produce	(3,405,895)	3,178,385
Changes in fair value of investment properties	(1,141,200)	(1,101,600)

Agriculture produce comprise of FFB prior to harvest and is valued at fair value less cost to sell at the point of harvest. Fair value of the agricultural produce is determined by aggregating the forecasted gross profit before depreciation for the next two months after the financial year end.

The fair value changes in agriculture produce saw a negative swing of approximately RM6.58 million, this is primarily due to the fact that peak production and peak CPO price was in January and February 2017 as evidenced by highest FFB price for 2017 being achieved in January 2017 and that early 2017 saw a rising production trend. The negative change in fair value changes in 2017 is due to the slowing production trend anticipated in the first half of 2018 as well prices coming under pressure since the last quarter of 2017 as a consequence of rising CPO stocks, this was partly aggravated by the strengthening of the Ringgit vis-á-vis the USD in the last few months.

Property values in Perth, Australia continue to fall, while we do not expect the property market to see significant improvements in the foreseeable future, neither do we believe that it will continue to drop drastically as it did in 2015. Operations in Perth generate positive cash flow and the loss recorded in due to changes in fair value of the properties, these changes do not affect the cash flow and the properties remain well above its cost.

The bottom line was also bolstered by the disposal of investment in securities which recorded a gain of RM1.5 million from proceeds of RM2.27 million.

Management Discussion and Analysis (continued)

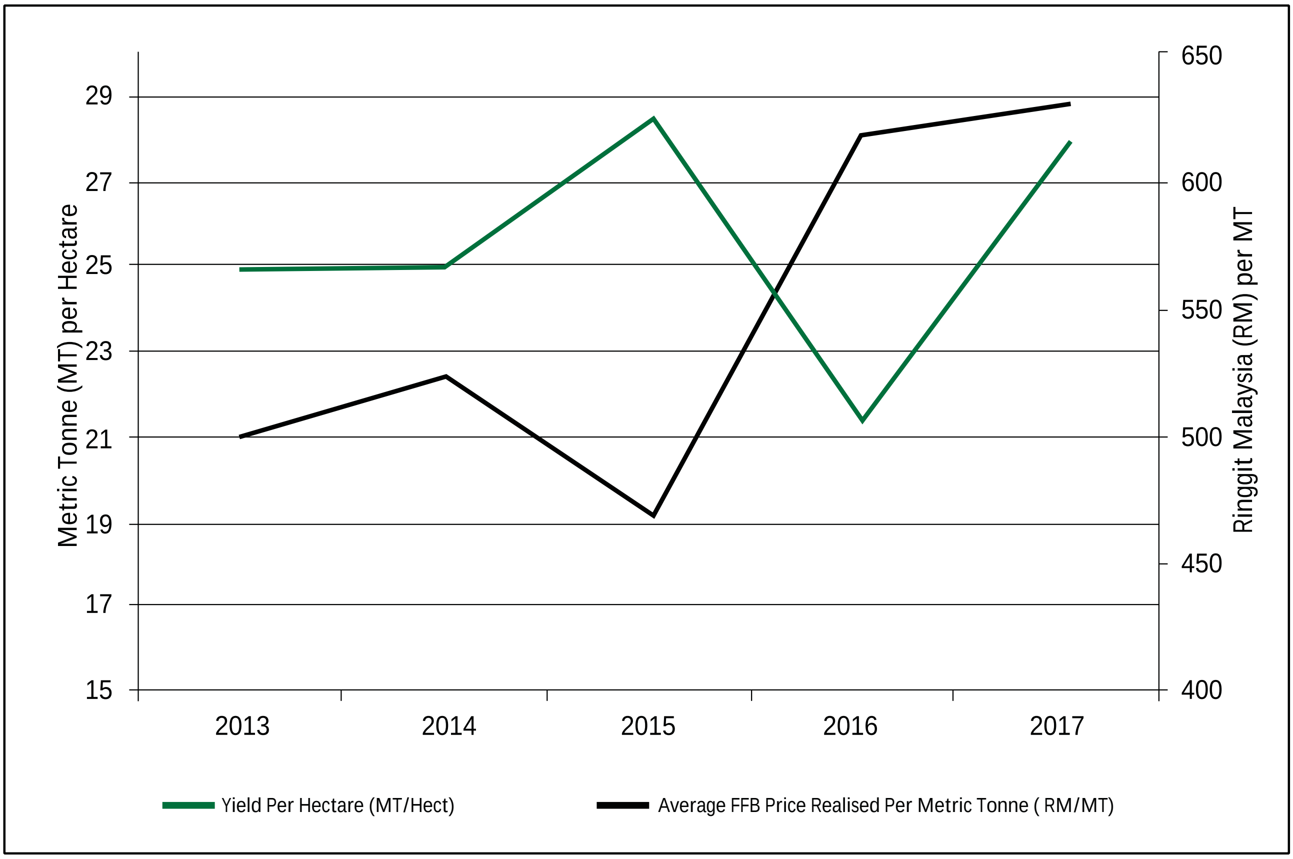
Financial Performance (continued)

Consequently, Earnings per Share for the year increased from 17.22 sen to 23.69 sen; the Net Asset Value per share as at 31 December also increased from RM3.99 to RM4.11.

Return on Capital Employed also increased to 6.05% from 4.81% on the back of improved profitability. The Group will endeavour to enhance ROCE through continuous improvements in operating performance and active management of its capital structure.

A graphical presentation of the movement of our 5 year yield per hectare and average price of FFB realised is shown below.

Graph - 5 Year Yield Per Hectare and Average Fresh Fruit Bunches Price Realised



Our yield per hectare of 27.81 MT increased from 21.35 MT in 2016, it continues to be higher by 48.72% and 31.06% respectively than that of the Peninsular and the Perak state average of 18.70 MT and 21.22 MT respectively.

Management Discussion and Analysis (continued)

Fundamental Key Performance Ratios

	2017	2016
Earnings per Share (sen)	23.69	17.22
PE Ratio (times)	16.25	21.54
Net Asset per Share (RM)	4.11	3.99
Operating Margin (%)	45.47	47.37
Return on Capital Employed (%)	6.05	4.81
Dividend Cover (times)	1.32	2.87
Dividend Yield (%)	4.68	1.62

Overall, the Price to Earnings ratio has decreased from 21.54 at a market price of RM3.71 for 2016 to 16.25 at a market price of RM3.85 in 2017. This is due to a higher percentage of increase in the Earnings per Share as compared to the market price of the shares.

The net assets per share improved as a result of improved operating profits.

Operating Margin is slightly lower due to the negative changes in fair values of agriculture produce and investment properties.

Dividend for 2017 was RM0.18 per ordinary share, higher it was in 2016, Dividend Cover decreased as a result of the higher dividend declared for 2017 as compared to 2016.

Dividend Yield of 4.68% in 2017 increased from 1.62% in 2016 due to a higher percentage of increase in the dividend per Share as compared to the market price of the shares

Operations review

The results from the operations for the financial year under review are encouraging, given the challenges faced and the measures implemented to counter detrimental elements. We will continue practising a prudent approach in its operations and will remain guarded against the uncertain world economy.

The implementation of the “under planting” methodology has been successful and will be reflected in years to come.

A continuous review of manuring practices and FFB collection methods is conducted. Measures have been implemented to improve field conditions and to tighten security, both of which have been successful. All these are expected to bring about better efficiencies in field management and increase future yields.

We have continued to maintain and scout our boundaries to ensure that security is maintained; closed up exits along fields boundaries; and engaged more security guards to tighten security and to reduce the risk of lost fruits. We believe that our efforts in security also contributed to the improved production.

Management Discussion and Analysis (continued)

We are committed towards sustainability and have embarked on the process to achieve MSPO certification, we are confident that we will be able to meet the stringent criteria set by the regulators to achieving a certification which addresses the environmental, social and economic aspects of palm oil production.

Capital Expenditure

For the financial year 2017, the Group spent a total of RM1.32 million for Capital Expenditure. The Group continues to retain a disciplined approached in this respect, such expenditure are reviewed and spent appropriately to commensurate with the requirements of the Group.

Principal Risk and Uncertainties

The principal risks and uncertainties of the business are:
- Unexpected variations in crop, principally caused by unusual weather and pest infestation;
- Variations in commodity prices;
- Input cost inflation;
- Funding risk;
- Shortage of labour

Some of these risks and uncertainties are beyond our control. However, the following measures are taken to lessen the impact of these risks and uncertainties:

- Unusual variations in crops
  These are mostly due to excessive rainfall arising from the La Nina effect or low rain fall due to the El Nino effect and sudden pest outbreak, such as, infestation of rats, bagworms and rhinoceros beetles. Drains and water retention ponds have been constructed strategically around the estate to ensure sufficient supply of water to the trees in the event of drought brought on by the El Nino effect. The drains are also to ensure sufficient drainage to avoid flooding.

- Pest control measures
  Pest control through natural means are given priority such as the building of barn owl boxes to attract owls for rat control, planting of Turnera Subulata plants as a habitat for wasp which is a predator of bagworms, and pheromone bait for rhinoceros beetles. Spraying of pesticides are applied under stringent controls according to professional agronomic recommendations and occupational health and safety standards in Malaysia.

- Variations in commodity prices
  Commodity prices are governed by market forces.

- Input cost inflation
  The mitigation of input cost inflation is done through proper planning of major resource usage such as, the purchase of fertilisers to fix the best possible fertilisers prices based on the our agronomic requirements by way of tender to lessen the effect of fluctuating fertiliser prices. Transportation contractors are re-evaluated periodically to ensure efficiency is maintained to avoid additional transport costs. The extensive usage of organic fertiliser such as empty fruit bunches help reduce manuring costs.

Principal Risk and Uncertainties (continued)

- Funding
  Oil mills are selected based on the best oil extraction rates and payment terms offered as well as the ability to take all production. The risk of dependence on a single customer is mitigated by the readily available market of FFB purchasers in Malaysia especially from palm oil mills located within the vicinity of the estate in the state of Perak, Malaysia. Payment for FFB is made in advance by the oil mill based on the FFB supplied to the 15th of every month and the balance payable before the 10th of the next month.

- Labour Shortage
  This is an industry wide issue, we are addressing this by ensuring that there is constant two-way communication with our employees as well as ensuring that their remuneration packages are revised to ensure that it remains competitive. Other benefits such as housing amenities, places of worship, child care services, recreational facilities, transportation subsidies, utilities subsidies and subsidies for furniture and fittings for our employees provide a high degree of care towards the social well being of our employees.

We are a member of the Malayan Agricultural Producers Association (“MAPA”), and the Malaysian Palm Oil Association (“MPOA”) which keeps its members updated on the latest developments of the Government of Malaysia’s requirements for the industry. MAPA also advises on how best to comply with industrial relation requirements. MPOA provides updated information on regulatory requirements as well as on the latest technology available to protect against pest attacks and how to increase yield.

Other risks faced by are explained in the financial statements.

Funding review

We continued to maintain a strong financial position as at 31 December 2017, with net assets of RM287,513,071 as compared with the net assets as at 31 December 2016 of RM278,828,877. Cash and short term deposits totalled RM48,082,527 as compared with RM28,273,196 of the previous financial year. There are no bank borrowings as at 31 December 2017.

Management Discussion and Analysis (continued)

Current Year Prospects

We have built and will continue to build a solid foundation over the years to ensure the sustainability of the oil palms' production potential. Notwithstanding unpredictable factors such as adverse weather conditions and pest attacks, the crop is expected to increase in the foreseeable future with a slight drop in the intervening years of replanting. While we expect 2018 to be challenging, we are hopeful that we should see another profitable year ahead given the improved management of the fields to produce competitive FFB yields.

We are mindful of the challenges that 2018 may bring, and, focus will be given toward addressing areas for improvement identified on our sustainability journey.

Overall, the Group expects the upward trend to continue given the improving age profile resulting from the maturity of recent replants. The cyclical effects of commodity price changes will continue to affect the industry, however we are confident that CPO prices will remain positive.

Prospects for the palm oil industry continue to look promising, we are of the view that palm oil, because of its high yield and low production cost, is well placed to continue to benefit from increasing demand from a growing world population.

EFB application in terraced areas

Our manager preparing for MSPO certification in 2018

Corporate Governance Statement

The Board of Directors recognises the importance of ensuring high standards of corporate governance, as a public listed company, we are committed to corporate governance and comply with the principles and best practices of the Malaysian Code on Corporate Governance 2017 (the "Code"), and with the requirements of corporate governance set out on Bursa Malaysia Main Market Listing Requirements ("MMLR").

The Board has put in place a framework for corporate governance which is appropriate for the Group to enable the Directors to discharge their responsibilities to protect stakeholders' interests and to enhance shareholders' value and the long term financial duties of the Group.

In doing so, the Board strives to adopt the substance behind the Code and not merely its form. The Board is pleased to present a statement on the application of the principles and the extent of compliance with the best practices as set out in the Code.

I. DIRECTORS

Size and Composition

The size and composition of the Board is appropriate given the nature and geographical spread of the Group's business, and the significant time demands placed on the Non-Executive Directors who also serve as Members of Board Committees.

The 4 Members of the Board are individuals of ability and integrity who possess the necessary skills, knowledge, experience and expertise competencies to address the risks and issues of the Group with the requisite depth and quality in its deliberation and decision making.

The Directors are able to more than adequately deliberate and make decisions which involves reviewing and adopting a strategic plan for business performance, overseeing the proper conduct of the Group's business, identifying principal risks and ensuring the implementation of systems to manage risks, succession planning, reviewing the adequacy and integrity of the Internal control systems and Management information systems.

The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board. Should there be a vacancy on the Board, the Directors will take into consideration the gender diversity.

The Board is satisfied with the current Board size and composition and that it fairly reflects the interest of minority shareholders in the Group.

Balance

The Board consist four (4) members, all of whom are Non-Executive Directors, including the Chairman. Two (2) of the Directors on the Board are independent. A profile of each Director is presented on pages 22 and 23 .

The presence of Two (2) Independent Non-Executive Directors, which represents more than one-third of the Board, facilitates the unbiased exercise of independent evaluation in Board deliberations and decision making and fulfills a central role in corporate accountability and serves to provide a check and balance in the Board.

Corporate Governance Statement (continued)

Independence

The concept of independence adopted by the Board is in line with the definition of an Independent Director in Section 1.01 of the Listing Requirements of Bursa Malaysia Securities Berhad and PN No. 13 (Revised January 2018). The main elements for fulfilling the criteria is the appointment of an Independent Director who is not a member of Management and free from any relationship which could interfere in the exercise of independent judgment or the ability to act in the best interest of the Company. The Board complies with paragraph 15.02 of MMLR which requires that at least two Directors or one-third of the Board, whichever is higher, are independent Directors.

The Independent Non-Executive Directors do not participate in the daily management activities and bring an external perspective to constructively challenge as well as assist in developing strategies, scrutinising management performance and monitoring the risk profile of the business and the reporting of monthly business performance.

The Nomination Committee and Board have upon their annual assessment, concluded that each of the Independent Non-Executive Directors had demonstrated conduct and behavior which indicate independence and each of them continue to fulfill the definition of independence as set out in the Code and MMLR.

The Code recommends that the tenure of an independent director should not exceed a cumulative term of nine years. The Company however, has not established term limits for the independent directors as it believes that term limits will not affect the individual's exercise of judgement and ability to act in the best interest of the Company. In instances where the individual's term has exceeded nine years, the Nomination Committee and the Board will assess and review if the individual has remained independent in character and judgement and if he/she is free from any business or relationship that could impair the exercise of his/her independent judgement. The Company would also seek the approval of the shareholders at its General Meeting to enable him/her to continue in office as an Independent Director.

Should a former audit partner of a firm involved in the audit of the Company be appointed to the Board, the consideration for independence will be in line with the definition of an Independent Director in Section 1.01 of the Listing Requirements of Bursa Malaysia Securities Berhad and PN No. 13 (Revised July 2015). This person will not be appointed to the Audit Committee for at least two years after the date of the initial appointment as a Director.

In any event, the Directors are required to keep the Board informed, on an ongoing basis, of any interest that could potentially conflict with the Group and where such material conflict exists, the Director must declare his/her interest in to the Board and not partake in decisions or discussion relating to them.

Mohd. Razali bin Mohd. Amin was the Senior Independent Director throughout the year, and as such, was available to shareholders should they have concerns that cannot be resolved through normal channels involving either the Principal Officer, Senior Management or the Chairman. He is also responsible to receive reports from employees or third parties for the purpose of whistleblowing in accordance with the Group's whistle blowing policy.

Mohd. Razali bin Mohd. Amin can be contacted via email at ac.chairman@riverview.com.my

Ethics

As the business environment and laws continue to become more complex, a greater demand for reasonable competence amongst company directors has become increasingly important and this has resulted in a need to establish a standard of competence for corporate accountability which include standards of professionalism, and trustworthiness in order to uphold good corporate integrity. These standards have been practiced long before the Code came to be.

The guiding principles adopted by the Directors are based on moral duty, sincerity, integrity and responsibility. The Directors observe a code of ethics in accordance with that expected from each of their respective professional bodies and the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

These principles include:
- prohibitions on using their position for personal gain;
- prohibitions on improper business practices;
- a requirement for compliance with all internal approval and authorisation procedures and legal requirements; and
- a requirement to disclose potential conflicts of interest and potential related party contracts.

The Company Secretary is available for advice on any matter which may give rise to cause for concern in relation to the ethics.

The Code of Conduct and Ethics is available to the public on the Company's website at *www.riverview.com.my*.

Duties and Responsibilities

The Board of Directors is responsible for the long term success of the Group and must ensure that there is a framework of effective controls, which enables risk to be assessed and managed. While it is responsible for creating a framework within which the Group should be operating, Management is responsible for instituting compliance with laws and regulations including the achievement of the Group's corporate and social objectives. This demarcation of roles complements and reinforces the supervisory role of the Board.

The Board is specifically responsible for:
- approval of the Group's strategy and it budgetary and business plans;
- approval of significant investments and capital expenditure;
- approval of annual and interim results, accounting policies and subject to shareholder approval, the appointment and remuneration of the external auditors;
- declaration and payment of dividends;
- changes to the Group structure and the issue of any securities;
- establishing and maintaining the Group's risk appetite, system of internal control, governance and approval authorities;
- monitoring executive performance and succession planning;
- reviewing standards of ethics and policy in relation to health, safety, environment and community responsibilities; and
- continuous education programmes for the Directors, management and employees.

Corporate Governance Statement (continued)

Duties and Responsibilities (continued)

The main activities undertaken by the Board during the current financial year were as follows:

- reviewed and approved the Group's operational and capital budget as well as business strategies for the financial year ended 2017;
- reviewed and approved major contracts including fertiliser purchases and sale of fresh fruit bunches of palm oil for 2017;
- reviewed and approved the quarterly results and audited financial statements for the financial year ended 2017;
- reviewed and approved the remuneration, increment and bonus for management and staff for 2017;
- received the quarterly operational and financial report from the Principal Officer and Officer In-Charge of Finance on the business as well the external environment;
- reviewed and assessed the annual assessments of the effectiveness of the Board, Board Committees, External Auditors and Internal Auditors by the Audit Committee and Risk Management Committee;
- reviewed the current composition of the Board and Independent Directors and the commitment given by the Directors in fulfilling their responsibilities;
- considered the tenure of the Independent Directors;
- reviewed the Audit Planning Memorandum for the financial year ended 2017;
- reviewed and approved the statement for inclusion in the Annual Report for the financial year ended 2017;
- recommended the interim and special dividends for the financial year ended 2017; and
- reviewed the monthly financial statements.

The Board entrusts and grants some of it authority to the Principal Officer as well as recognized Committees comprising Non-Executive Directors.

There is clear segregation of responsibilities between the Chairman, who is an Independent Non-Executive Director, and the Principal Officer to ensure a balance of power and authority, such that no one individual has unfettered powers of decision.

The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board and acts as a facilitator at Board meetings to ensure no Board member dominates discussion and relevant opinions amongst Board members are presented. The Principal Officer is supported by the Management team, is responsible for day-to-day Management of the business as well as effective implementation of the strategic plan and policies established by the Board. The responsibilities and authorities between the Chairman and the Principal Officer are also clearly outlined in the Board Charter.

The Non-Executive Directors are independent of the Management. Their function is to constructively question the Management and monitor its ability to deliver on targets and business plans within the risk appetite set by the Board. They have free and open interaction with the Management at all levels, and they engage with the external and internal auditors on matters regarding the overseeing of the business and operations

The roles and responsibilities of Non-Executive Directors include the following:

- providing impartial (where the Director is also Independent) and objective views, appraisals and opinions in deliberations of the Board;
- safeguarding the principle of check and balance in proceedings of the Board;
- mitigating occurrences of conflict in interest in policy making and daily operations of the Group; and
- constructively challenging and contributing to the development of the Group.

Time Commitment

The Directors have complied with MMLR's requirements in that none of them hold more than five directorships in listed companies. The Directors are required to disclose their directorships and/or significant commitments outside the Company in order to ensure that these would not unduly affect their commitment towards the Company. In addition, all the Non-Executive Directors have confirmed that they will continue to devote sufficient time and attention towards fulfilling their obligations and responsibilities to the Company.

Meetings

The Board meets a minimum of four (4) times a year and these meetings are scheduled in advance before the end of the current financial year in order to enable the Directors to have ample time to plan ahead; supplementary meeting are held as and when necessary. Decisions can also be taken by way of Circular Resolutions between scheduled meetings, where appropriate.

Due notice is given of scheduled meetings, all meetings are minuted, including issues discussed and conclusions made. All proceedings are minuted and signed by the Chairman of the meetings.

During the financial year, the Board met on Five (5) occasions, where it deliberated upon and considered a variety of matters, these include overall strategy and direction, approval of capital expenditure, consideration of financial matters, monitoring the financial and operating performance as well as annual operating and capital budgets.

The agenda for each Board meeting and papers relating to the agenda are disseminated to all Directors at least seven (7) days before the meeting, this is to ensure that meetings are properly structured and to provide the Directors sufficient review time, and seek clarifications, if any.

Details of the meeting attendance of each Director are as follows:

Directors		Number of meetings attended
Dr. Leong Tat Thim	Chairman, Independent, Non-Executive	5
Mohd. Razali bin Mohd. Amin	Independent, Non-Executive	5
Timothy John Huntsman	Non Independent, Non-Executive	5
Oliver John Harold Huntsman	Non Independent, Non-Executive	5

The Board is satisfied that each Director has shown the commitment to the Board by having a good meeting attendance record for the current financial year.

Where required, senior management are invited to join in meetings to enable the making of informed decisions. All issues raised, deliberations, discussions and decisions made, including dissenting views along with the actions taken as well as parties responsible are recorded in minutes.

Corporate Governance Statement (continued)

Board Charter

In discharging its duties and responsibilities, the Board is guided by the Board Charter. This Charter which was first adopted in 2012 was developed based on the Code. The Board reviewed, updated and adopted the Charter, in its current form, on 24 February 2017 and will continued to do so, taking cognizance of the relevant changes to policies, procedures and processes as well as to reflect changes in the regulatory environment.

In order to provide stakeholders with an integrated report, a full set is included in the Annual report. it is also accessible and available to the public on the Company's website at *www.riverview.com.my*.

Supply of Information

The Chairman in conjunction with the Group Secretary draws up the agenda, which is circulated together with the relevant support papers, at least seven (7) days prior to each meeting to enable the Directors to have full and timely access to all relevant information to aid their decision-making and to obtain further information, if necessary.

All Directors have unrestricted access to advice and services of the Company Secretary who ensures that the Board receives appropriate and timely information for its decision making, that Board procedures are followed and all the statutory and regulatory requirements are met. The Company Secretary ensures that all Board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained.

All Directors have full, immediate and unrestricted access to information relating to the Group's business and affairs in the discharge of their duties, there is nevertheless a formal procedure sanctioned by the Board in this regard. There is also a formal procedure, whether as a full Board or in their individual capacity, to take independent advice, where necessary, in furtherance of the duties at the Group's expense.

Board Members also visit the various properties to enable them to gain a deeper awareness into the business and operational aspects of the Group. This approach is useful in assisting the Board to have a better understanding of the workings of the Group, and will enable them to bring insight on matters affecting the Group during Board deliberations.

The Audit, Risk Management, Remuneration and Nomination Committees play an important role in channeling pertinent operational, financial and assurance related issues to the Board. The Committees partly function as a filter to ensure that only salient matters are tabled at Board level.

Training and Induction

The Board, through the Committees, ensure that a structured orientation and continuous education programme is in place for new and existing members of the Board. This includes, briefings, seminars and updates on issues relevant to the Group and the environment in which it operates.

All Directors have attended the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Malaysia Securities Berhad. The Directors continue to and are encouraged to attend Continuing Education Programme ("CEP") and seminars to keep abreast with regulatory development and other development on the marketplace. The Company Secretary circulates updates periodically for the Board's reference.

For new Directors, in addition to the MAP, an induction programme is provided. Overall, the aim of the induction programme is to introduce new Directors to the Group's business, its operations, time commitment required and its governance agreements. Such inductions typically include meetings with senior management, visits to the Group's business segments where they receive a thorough briefing on the business. Such inductions are monitored by the Chairman and supported by the Company Secretary, to ensure that new and recently appointed Directors gain sufficient knowledge about the Group to enable them to contribute to deliberations as soon as possible as well as be aware of the expectations required from them.

During the financial year, the seminars, courses and conferences attended by Directors are as follows:

Dr Leong Tat Thim
Palm Oil Economic Review and Outlook Seminar 2017 – Malaysian Palm Oil Board
13th NATSEM 2017 – 100 years of Oil Palm : Surging Forward – The Incorporated Society of Planters
23rd MPOB Transfer of Technology Seminar & Exhibition 2017 – Malaysian Palm Oil Board
Oil Palm Best Practices Workshop 2017 : Recipe for High Sustainable Yields – Malaysia Oil Scientists'and Technologist Association
International Palm Oil Congress & Exhibition 2017 - Malaysian Palm Oil Board
Overview on Sustainability : MSPO & RSPO – Internal Training
A Briefing on Mechanisation : Field Equipment – Internal Training

Mohd. Razali bin. Mohd. Amin
Overview on Sustainability : MSPO & RSPO – Internal Training
A Briefing on Mechanisation : Field Equipment – Internal Training

Timothy John Huntsman
The Art of Communication and Persuasion – Law Society of British Columbia, Canada
Overview on Sustainability : MSPO & RSPO – Internal Training
A Briefing on Mechanisation : Field Equipment – Internal Training

Oliver John Harold Huntsman
Overview on Sustainability : MSPO & RSPO – Internal Training
A Briefing on Mechanisation : Field Equipment – Internal Training

Corporate Governance Statement (continued)

Appointments and Re-election

In accordance with Article 88 of the Articles of Association of the Company, any Director appointed shall retain office only until the next General Meeting and shall then be eligible for re-election.

Re-appointments of an Independent Director who has served for a cumulative term of more than nine years to continue serving in the same capacity requires the Board of Directors to justify, recommend and seek shareholders' approval in order for that individual to continue as such.

Article 96 of the Articles of Association provide that at each Annual General Meeting, at least one Director shall retire from office, the Director to retire shall be the Director who has been longest in office provided always that all Directors retire once every three years.

To assist shareholders in their decision, sufficient information such as a personal profile and meeting attendance of each Director standing for re-election is furnished in a separate statement accompanying the Notice of the Annual General Meeting.

II. BOARD COMMITTEES

The Board decides on all major aspects of the activities of the Company; and in common with other listed companies of similar size and organization, it decides upon most such matters as full Board. The Board in discharging its duties is assisted by three Board committees, namely the Audit Committee, Risk Management Committee, Remuneration Committee and Nomination Committee with written terms of reference which define their membership, authorities and responsibilities.

Issues deliberated by the Board Committee are presented to the Board with the appropriate recommendations; the ultimate responsibility for the decisions made rests with the Board.

The Board Committees and a summary of their respective Terms of Reference are as follows:

Audit Committee and Risk Management Committee

The Audit Committee and Risk Management Committee comprise exclusively of three (3) Non-Executive Directors, two (2) of whom are Independent, as follows:

Mohd. Razali bin Mohd. Amin ***Chairman***
Dr. Leong Tat Thim
Oliver John Harold Huntsman

The Board has delegated to the Committee responsibility for overseeing the financial reporting, internal risk management and control functions for making recommendations to the Board in relation to the appointment of the Group's internal and external auditors.

In order to carry out its duties and responsibilities effectively, the Committee relies on information and support from management across the business.

Audit Committee and Risk Management Committee (continued)

The Audit Committee and Risk Management Committee Report is presented from pages 57 to 59.

The full Terms of Reference of Audit Committee and Risk Management Committee are presented from pages 60 to 62.

The Statement on Risk Management and Internal Control is presented from pages 63 to 69.

The Audit Committee and Risk Management Committee meets at least four (4) times a year and meets with the External and Internal Auditor without the presence of the General Manager and Officer In-Charge of Finance at least once (1) a year.

The Audit Committee and Risk Management Committee has met five (5) times for the financial year under review, other members of the Board and relevant members of the Management, upon invitation of the Chairman of the Committee, attended the meetings.

Details of the meeting attendance of each Director are as follows:

Directors	Number of meetings held	Number of meetings attended
Mohd. Razali bin Mohd. Amin	5	5
Dr. Leong Tat Thim	5	5
Oliver John Harold Huntsman	5	5

Remuneration Committee

The Remuneration Committee comprise exclusively of three (3) Non-Executive Directors, two (2) of whom are Independent, as follows:

Dr. Leong Tat Thim ***Chairman***
Mohd. Razali bin Mohd. Amin
Oliver John Harold Huntsman

The Committee is responsible for developing the remuneration policy for the Principal Officer, Management Officers and Staff, in doing so, the Committee carries out the annual review of the overall remuneration policy and recommends this to the Board for approval.

The Remuneration Committee carries out the annual review of the overall remuneration in determining the remuneration packages and terms of service, the Remuneration Committee has had regard to the size and operations of the Group, the recruitment, retention and incentivisation of high quality Directors and Management. It must offer rewards which, on the basis of above average performance, offer rewards that are comparable to the industry.

Corporate Governance Statement (continued)

Remuneration Committee (continued)

The terms of reference of the Remuneration Committee include:

- Determining and agreeing with the Board the policy for the remuneration of the Principal Officer, Chairman, Management Officers and such members of the staff that it chooses to consider;
- Reviewing remuneration trends across the Group including the salary increases proposed annually for all Group employees;
- Appointment and termination agreements for senior management;
- Determining targets for bonuses;

The Committee's aim is to ensure that the structure of executive remuneration supports the achievement of the Company's performance objectives and, in turn increases shareholder value. The Company's guiding policy on executive remuneration is as follows:

- Executive remuneration packages should take into account the linkage between pay, performance and nature of work by rewarding both effective management and by making the enhancement of shareholder value a critical success factor in setting of incentives, both short and long term; and
- The overall level of salary, incentives pension and other benefits should be competitive when compared with other companies of similar size and within the industry.

Key remuneration elements are as follows:

Type	Description	Purpose
Base Salary	Cash salary based on individual contribution which is reviewed annually. Members of unions are paid in accordance with the respective Collective Agreements. The Base Salary adopted by the Group is higher than the minimum wage of RM1,000 which became effective for the Malaysia on 1st July 2016	Reflects the competitive market salary level for the role and takes account of personal performance and contribution to corporate performance
Pension	15% of employee remuneration is contributed by the Company to the Employees Provident Fund. The prescribed statutory rate is 12%	Provides funds to be saved for retirement
Annual Bonus	Paid in cash based on the Company's annual financial performance and the individuals personal performance	Rewards the achievement of meeting annual financial targets.

Remuneration Committee (continued)

In setting salary level, the Committee considers experience, responsibilities and individual performance during the previous year; and takes account of salary levels with other companies of similar size, within the industry and the rates of increases of other employees.

The Committee operates within agreed terms of reference and in respect of directors' remuneration, is responsible for making recommendations to the Board on the performance related packages for the Principal Officer and Senior Management as well as directors.

Directors' fees are tabled to the shareholders for approval at the Annual General Meeting prior to payment to the Director. The aggregate remuneration for the year under review is as follows:

	Non-Executive Directors			
	Dr. Leong Tat Thim	Mohd Razali bin Mohd Amin	Oliver John Harold Huntsman	Timothy John Huntsman
Company				
Fees	70,000	65,000	65,000	65,000
Meeting and travelling allowance	53,500	53,500	53,500	53,500
Estate visit allowance	143,750	-	87,500	95,000
Total	**267,250**	**118,500**	**206,000**	**213,500**
Subsidiaries				
Fees	180,880	68,380	150,880	150,880
Meeting and travelling allowance	41,250	20,750	41,250	41,250
Estate visit allowance	43,750	-	18,750	25,000
Total	**265,880**	**89,130**	**210,880**	**217,130**

The disclosure of the Directors' remuneration within the respective bands is as follows:

	Non -Executive
RM200,000 – RM250,000	1
RM400,000 – RM450,000	2
RM500,000 – RM550,000	1

The Remuneration Committee meets at least once (1) a year.

The Committee has met once (1) for the financial year under review, other members of the Board and relevant members of the Management, upon invitation of the Chairman of the Committee, attended the meetings.

Corporate Governance Statement (continued)

Remuneration Committee (continued)

Details of the meeting attendance of each Director are as follows:

Directors	Number of meetings held	Number of meetings attended
Dr. Leong Tat Thim	1	1
Mohd. Razali bin Mohd. Amin	1	1
Oliver John Harold Huntsman	1	1

The Terms of Reference of the Remuneration Committee is available to the public on the Company's website at *www.riverview.com.my*.

Nomination Committee

The Nomination Committee comprise exclusively of three (3) Non-Executive Directors, two (2) of whom are Independent, as follows:

Dr. Leong Tat Thim ***Chairman***
Mohd. Razali bin Mohd. Amin
Oliver John Harold Huntsman

The Board has delegated to the Committee responsibility for reviewing and proposing appointments to the Board and for recommending any other changes to the composition of the Board or the Board Committees. The Committee ensures that there is clarity in respect of the role description and capabilities required for such appointments. The Committee is also responsible for the annual evaluation of the Board, its commitments and its Directors.

Appointments to the Board are made on merit, against objective criteria and with due regard for the benefits of diversity on the Board. This process is led by the Committee which, after evaluating the balance of skills, knowledge and experience of each Director, makes recommendations to the Board. The Board's appointments reinforce the Board's principle that appointments are made on merit, in line with its current and future requirements, and reflect the size of the Group.

An internal performance assessment was undertaken by the Board during the year, as the Board believes that it has the appropriate resources and experience to undertake such reviews. The Chairman acted as the sponsor of the evaluation process and each Director was required to score a detailed questionnaire for review by the Committee and the Board, feedback and suggestions can be made through the comments section. The results of the assessment are discussed and reviewed by the Committee and presented to the Board together with recommendations, if any. The purpose of the assessment is to evaluate the performance of the Board and its Committees as well as to address the areas for improvement. The Company Secretary acted as facilitator to the Board and issues arising from the process were evaluated and acted upon.

The assessment was designed to evaluate the quality of the Board's structure, working dynamics and succession planning and the Board is satisfied about the balance, and effectiveness and commitment of each Director and that the Board is able to operate effectively. In particular the Board contributes valuably to strategy, has appropriate matters reserved to it for its decision and commits the necessary time to be effective.

The Nomination Committee meets at least once (1) a year.

The Committee has met once (1) for the financial year under review, other members of the Board and relevant members of the Management, upon invitation of the Chairman of the Committee, attended the meetings.

Nomination Committee (continued)

Details of the meeting attendance of each Director are as follows:

Directors	Number of meetings held	Number of meetings attended
Dr. Leong Tat Thim	1	1
Mohd. Razali bin Mohd. Amin	1	1
Oliver John Harold Huntsman	1	1

The activities carried out by the Nomination Committee during the current financial year include:

- Reviewed the size and composition of the Board and its committees;
- Reviewed and assessed the effectiveness of the Board individually and as a whole;
- Reviewed and recommended for re-election and re-appointment the Directors who retire by rotation pursuant to the Articles of Association; and
- Reviewed the attendance records, commitment and training of each Director.

III. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board maintains a policy of keeping its shareholders and investors, irrespective of size, informed about the Group's activities and progress as the Directors value a constructive relationship with its shareholders and investors. Communication with shareholders and investors through timely announcements to Bursa Malaysia Securities Berhad are given high priority. In addition, quarterly report announcements, the financial statements and other required announcements are available at Bursa Malaysia's website or at the Company's own website at *www.riverview.com.my*. The Company's website contains vital information concerning the Company and is updated on a regular basis.

All members of the Board receive copies of reports of the Company which it is aware of. The Non-Executive Directors, having considered the Code with regard to relations with shareholders, are of the view that it is most appropriate for the stakeholders to have dialogue with the Chairman. However, should shareholders have concerns, which they feel cannot be resolved through normal dialogue, Senior Independent Director and remaining Non-Executive Directors may be contacted upon request.

The principal forum for dialogue with shareholders remains at the Annual General Meeting ("AGM"). Notice of the AGM and the Annual Report are sent to shareholders at least 30 days before the date of the meeting.

The presence of Board members, representatives of the External Auditors at each AGM demonstrates a high level of accountability and transparency as it enables an available response to queries regarding business operations and financial statements of the Company.

IV. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is committed to present a balanced and meaningful assessment of the Group's performance, this is done primarily through the annual financial statements and quarterly announcement of results to Bursa Malaysia and on the Company's website.

A detailed formal budgeting process for the Group's business culminates in an annual budget which is approved by the Board. Results for the Group are reported monthly against the budget to the Board, and revised forecasts are reviewed and amended half yearly.

Financial controls and accounting policies are set by the Board so as to meet appropriate levels of effective financial control. Compliance with these policies and controls is reviewed where necessary by external auditors.

The Chairman's Statement, and the Management Discussion and Analysis also highlight the financial and operational performance as well as the Group's prospects.

Directors' Responsibility Statements In Respect Of The Preparation Of The Audited Financial Statements

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2016 and accounting standards adopted by the Malaysian Accounting Standards Board. The Board is responsible to ensure that the accounting policies are consistently applied and the financial statements of the Company present a balanced and understandable assessment of the state of affairs of the Company. In addition, the Board is also assisted by the Audit Committee and Risk Management Committee to oversee the Company's financial reporting process and the quality of its financial reporting.

A statement of the Directors pursuant to Section 251 (2) of the Companies Act, 2016 is set out on page 88.

A statement of the Directors' responsibility in relation to the financial statements is set out on page 70.

Internal Control and Risk Management

The Board is aware of its responsibilities for the Group's system of Internal control covering not only financial but also operational and compliance controls as well as risk management.

A statement on Risk Management and Internal Control of the Group is set out on pages 63 to 69.

Relationship with Auditors

The Company has established a transparent, active and formal relationship with the Auditors, both External and Internal, through the Audit Committee and Risk Management Committee.

- External Auditors
  The Audit Committee and Risk Management Committee met with the External Auditors twice without the presence of the Principal Officer and Officer In-Charge of Finance. They also presented their written assurance on their independence through their Audit Plan and Report to the Audit Committee and Risk Management Committee for the audit of financial statement for the financial year ended 31 December 2017.

  The amount of audit and non-audit fees (excluding GST and expenses) paid to the External Auditors during the financial year under review are as follows:

	Audit Fees (RM)		Non Audit Fees (RM)	
	2017	2016	2017	2016
Company	67,000	59,000	10,000	5,000
Subsidiaries	299,872	286,350	-	-
	366,872	345,350	10,000	5,000

- Internal Auditors
  The Group's internal audit supported by outsourced internal audit service providers who are independent of the activities their audit, they carry out they audit impartially, proficiently and with due professional care.

  The Internal Auditors function differently from External Auditors, however their work complements those carried out by the External Auditor. The Internal Auditors provide independent assurance on the adequacy and integrity of the risk management, internal control and governance processes. The internal audit review highlights major weaknesses in control procedures and makes recommendations for improvements.

  The role of the Audit Committee and Risk Management Committee in relation to the Auditors is set out in the Audit Committee and Risk Management Committee Report on pages 57 to 59.

Corporate Governance Statement (continued)

V. COMPANY SECRETARIES

The Board believes that the Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board and have the required qualifications and experience. Their removal from post, if contemplated, is a matter for consideration by the Board as a whole.

The Company Secretaries oversee the corporate secretarial functions of the Group, both in Malaysia and the region where the Group operates. They also serve and advise the Board on matters relating to compliance with relevant laws, rules and regulation, governance best practices and Directors' duties and responsibilities. These include the obligations on disclosure of interests, conflicts of interest, prohibition on dealing in securities as well as restrictions on disclosure on price sensitive information; these are in line with the recommendations of the Code. They also facilitate the timely communication of decisions and policies set by the Board to the Management, with stock exchange and other regulatory bodies, management of dividend payments and overseeing the relationship with the share registrar.

The Company Secretaries' profiles are available on page 25.

STATEMENT OF COMPLIANCE

The Board considers that the Company has complied with relevant principles and recommendations of the Code.

This statement has been reviewed and approved by the Board of Directors on 27th February 2018.

Audit Committee and Risk Management Committee Report

The Board of Directors is pleased to present the Audit Committee and Risk Management Committee ("the Committees") Report for the financial year ended 31 December 2017.

Membership

The Committees comprise exclusively of three (3) Non-Executive Directors, two (2) of whom are Independent, as follows:

Mohd. Razali bin Mohd. Amin ***Chairman***
Dr. Leong Tat Thim
Oliver John Harold Huntsman

Each member of the Committees is financially literate and has extensive years of relevant industry experience, profile of each Director is presented on pages 22 to 23.

Term of Reference

The Audit Committee was established on 13 September 1994 to act as a Committee of the Board of Directors, with the written terms of reference set out on pages 60 to 62.

Meetings

During the financial year, five (5) meetings were held and the details of the meeting attendance by each member are as follows:

Directors	Number of meetings held	Number of meetings attended
Mohd. Razali bin Mohd. Amin	5	5
Dr. Leong Tat Thim	5	5
Oliver John Harold Huntsman	5	5

The meetings were appropriately structured through use of agenda, which were distributed to members with sufficient notification.

The Principal Officer, where applicable, and the Company Secretary was present by invitation at all meetings. Representatives of the External Auditors and Internal Auditors, Senior Management and other Board Members also attended the meetings, where appropriate, upon invitation of the Committees. The proceedings and minutes of all Committee Meetings are duly recorded and circulated to all members of the Board.

The Chairman continuously engages with members of Senior Management and with the Auditors by way of meetings, in order to be kept informed of matters affecting the Company. Through such engagements, relevant issues are brought to the attention of the Committees in a timely manner.

Audit Committee and Risk Management Committee Report (continued)

Role of the Committees

The Board has delegated to the Committees responsibility for overseeing the financial reporting, internal risk management and control functions for making recommendations to the Board in relation to the appointment of the Group's internal and external auditors. In accordance with its terms of reference, the Committees, which reports its finding to the Board are authorised to:

- monitor the integrity of the annual and quarterly results, and interim management statements, including a review of the significant financial reporting judgements contained in them;
- review the Company's internal financial controls, and internal control and risk management systems;
- monitor and review the effectiveness of the Company's internal audit function;
- establish and oversee the Company's relationship with the external auditors, including the monitoring of their independence; and
- monitor matters raised pursuant to the Company's whistleblowing arrangements.

To enable it to carry out its duties and responsibilities effectively, the Committees rely on information and support from management across the business.

Summary of Activities during the Financial Year

The Committees carried out their duties in accordance with its terms of reference during the financial year. The main activities undertaken by the Committees were as follows:

Financial Reporting

- Reviewed the quarterly un-audited financial announcements prior to recommending them to the Board for its consideration and approval. The review and discussions were conducted with the Principal Officer and Officer In-Charge of Finance; and

- Reviewed the Annual Report and the Audited Financial Statements of the Company prior to submission to the Board for its consideration and approval. The review was to ensure that the Audited Financial Statements were drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable approved accounting standards for entities other than private entities issued by the MASB. Any significant issues resulting from the audit of the financial statements by the External Auditor were deliberated.

Audit Committee and Risk Management Committee Report (continued)

External Audit

- Reviewed the External Auditor's scope of work and audit plan for the financial year. Prior to the audit fieldwork, representatives from the External Auditor presented their audit strategy and plan to the Committees;
- Reviewed with the External Auditor the results of the final audit, the Management letter, including Management's response and the evaluation of the system of Internal controls, where applicable;
- Consideration and recommendation to the Board on the re-appointment of the External Auditor and for the approval of the audit fees payable to the External Auditor as disclosed in 8 to the financial statements;
- Reviewed the independence, objectivity and effectiveness of the External Auditor and the services provided, including non-audit services. Non-audit fees totaling RM10,000 were paid to the External Auditors during the financial year for the review of the Statement on Risk Management and Internal Control and
- Met with the External Auditor twice (2) during the financial year without the presence of the Principal Officer and Officer In-Charge of Finance, to discuss problems and reservations arising from the final audit, if any, or any other matter the Auditor may wish to discuss.

Internal Audit

- Reviewed the Internal Auditors' requirements, adequacy of plan, functions and scope of work for the financial year under review;
- Reviewed the Internal audit programme, processes and reports, which highlighted audit issues, recommendations and Management's response. Discussed with Management and ensure appropriate actions were taken to improve the system of Internal controls based on improvement opportunities identified in the Internal audit reports;
- Review the performance and competency of the Internal Auditors; and
- Review the risk management system, main risks, and mitigating actions.

Training

During the year, members of the Committees attended various training programs pertaining to legislation, regulations and current issues to enable them to better discharge their duties. Details of the training programs attended are set out in the Statement on Corporate Governance set out on pages 41 to 56.

Term of Reference of the Audit Committee and Risk Management Committee

Objectives

The primary function of these Committees are to assist the Board of Directors in fulfilling the following oversight objectives on the activities of the Company:

- assess the company's process relating to its governance, risk and control environment;
- oversee financial reporting; and
- evaluate the internal and external audit processes, including issues relating to the system of internal control, risk management and governance within the Company.

Composition

The Board shall elect and appoint an Audit Committee and a Risk Management Committee comprising at least three (3) Directors. All members shall be Non-Executive Directors, with a majority Independent and should be financially literate.

The Board shall at all times ensure that at least one (1) member:

- must be a member of the Malaysian Institute of Accountants; or
- if not a member of the Malaysian Institute of Accountants, must have at least three (3) years working experience and;
  - must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
  - must be a member of one of the associations of accountants specified in Part II of the First Schedule of the of the Accountants Act, 1967 ; or
- must have at least three (3) years' post qualification experience in accounting or finance;
  - has a degree/masters/doctorate in accounting or finance; or
  - is a member of one (1) of the professional accountancy organizations which has been admitted as a full member of the International Federation of Accountants; or
- must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the Management of the financial affairs of a corporation; or
- fulfils such other requirements as prescribed or approved by the Bursa Malaysia

If a member resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event, appoint new members as may be required to fill the vacancy.

The Chairman shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed a member of these Committees.

The Board shall review the terms of office and performance of the Audit Committee and each of its members at least once (1) every three (3) years to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference.

Term of Reference of the Audit Committee and Risk Management Committee (continued)

Quorum and Procedures

Meetings shall be conducted at least four (4) times annually, with each meeting planned to coincide with key dates in the Company's financial reporting cycle, or more frequently as circumstances dictate.

The Chairman shall engage continuously with Senior Management, such as the Principal Officer, Officer In-Charge of Finance, Representatives of the Internal Auditors and the External Auditors in order to be kept informed of matters affecting the Company.

In order to form a quorum, the majority of the members present must be Independent Non - Executive Directors. In the absence of the Chairman, the members shall elect a Chairman for the meeting from amongst them.

The Company Secretary shall be appointed Secretary of these Committees ("the Secretary"). The Secretary in conjunction with the Chairman shall draw up the agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to members of these Committees. The Secretary shall be entrusted to record all proceedings and minutes of all meetings of these Committees and the circulation of the minutes to all Board members at each Board Meeting.

The Committees shall regulate the manner of proceeding of its meetings, having regard to normal conventions on such matter.

The Principal Officer, Office In-Charge of Finance Representatives of the Internal and External Auditors shall attend meetings upon invitation of the Committees. The Committees may, as when deemed necessary, invite other Board members and Senior Management members to attend the meetings.

The Audit Committee shall meet at least twice (2) a year with the Internal and External Auditor or both, to discuss any matters with the Committee without the presence of the Senior Management such as the Principal Officer, Officer In-Charge of Finance and employees of the Company.

Authority

The Committees are authorised to investigate any matter within its terms of refence and all employees are directed to cooperate with any request made by the Committees.

The Committees shall have full and unrestricted access to any information pertaining to the Company. The Committees shall have direct communication channels with the Internal and External Auditors.

The Committees shall have the resources that are required to perform its duties. The Committees can obtain, at the expense of the Company, outside legal or other independent professional or other advice it considers necessary.

Where the Committees are of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a Breach of the Listing Requirements of Bursa Malaysia, the Committees shall promptly report such matter to Bursa Malaysia.

Term of Reference of the Audit Committee and Risk Management Committee (continued)

Responsibilities and Duties

In fulfilling its primary objectives, the Committees shall undertake the following responsibilities and duties:

- Review the quarterly results and the year-end financial statements, prior to approval by the Board, focusing particularly on:
  - changes in or implementation of accounting policies and practices;
  - significant adjustments or unusual events;
  - going concern assumption; and
  - compliance with accounting standards, regulatory and other legal requirements;
- Review with the External Auditor, the audit scope and plan, including any changes to the planned scope of the audit plan;
- Review with the External Auditor, the results of the audit and the Management's response thereto, including the status of previous audit recommendations;
- Review the assistance given by the Company's employees to the Auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- Review the appointment and performance of the External Auditor, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- Review with the External Auditor, its evaluations of the system of Internal controls;
- Review the adequacy of the Internal audit scope, functions, competency and resources of the Internal Auditors and that it has necessary authority to carry out its work;
- Review the Internal audit programme, processes and reports to evaluate the findings of Internal audit and to ensure that appropriate and prompt remedial action is taken by Management on the recommendations of the Internal Auditors;
- Approve any appointment or termination of Internal Auditors and take cognizance of resignations and providing the resigning party an opportunity to submit reasons for resigning;
- Review any related party transaction and conflict of interest situation that may arise within the Company, including any transaction, procedure or course of conduct that raises question on Management integrity;
- Direct and, where appropriate, supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcations, frauds and thefts; and
- Carry out any other activities, as authorised by the Board.

Statement on Risk Management and Internal Control

Introduction

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control and risk management of the Group.

Our Statement on Risk Management and Internal Control complies with Paragraph 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad's Main Market Listing Requirements and the Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers.

Board Responsibility

The Board acknowledges its responsibility for maintaining a sound system of internal control and risk management process to safeguard shareholders' investment and the Group's assets and for reviewing its adequacy, effectiveness and integrity. The system of internal control covers not only financial controls but operational and compliance controls and risk management procedures. In view of the limitations inherent in any system of internal controls, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

Following the publication of the Statement on Internal Control : Guidance for Directors of Public Listed Companies by the Task Force on Internal Control in June 2001 and the revised Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers by an industry led Task Force which is effective on 31 December 2012 (the "Internal Control Guidance"), the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. The Board, through its Audit Committee and Risk Management Committee, regularly reviews the results of this process. The Board confirms that this process is in place for the year under review and up to the date of approval of this statement for inclusion in the annual report and that it accords with the Internal Control Guidance.

The Board has established key policies on the Group's risk management and internal control systems, including those established in subsidiary companies, for the purpose of this statement.

The Board also received assurance from the Principal Officer and Officer In -Charge of Finance that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Risk Management

The Risk Management Committee is responsible for the implementation for the Group's risk management policy through the risk management system. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, but not absolute, assurance against material misstatement or loss.

It is the aim of the Group to promote a culture where, as a matter of good business practice, both risk and opportunity are identified and managed, thereby ensuring more informed and effective business decisions are made and that the Group achieves its objectives and targets. The Committee will review risk appetite to ensure it is calibrated to the Group's strategic objectives. Risk is assessed formally at the business segment level through risk workshops and via the maintenance of risk registers. The updating of the risk registers is a continuous process involving the identification, evaluation and management of risks by individual managers. Risk exposure will be considered against risk appetite by profiling individual risks in respect of their potential impact and likelihood of occurrence, after consideration of mitigating and controlling actions that are in place.

Statement on Risk Management and Internal Control
(continued)

Risk Management (continued)

Management is responsible for the management of risks, including developing, operating and monitoring the system of internal control and for providing assurance to the Board that it has done so in accordance with the policies adopted by the Board.

A review on the adequacy and effectiveness of the risk management and internal control system has been undertaken and the Board is satisfied that the risk management and internal control system in place is adequate and effective

The Board believes that maintaining a sound system of internal control is founded on a clear understanding and appreciation on the following key elements of the Group's risk management framework:

- A formal risk policy and guidelines, available in hard copy, have been established and communicated to all employees throughout the Group;
- A risk management structure which outlines the lines of reporting and responsibility at the Board, Risk Management Committee, and Management levels have been established. The risk management structure enhances risk oversight and management, and integrates expectations on risk management into performance management reporting;
- Risk appetites (qualitative and quantitative) for the Group and individual business units have been articulated so as to gauge acceptability of risk exposure;
- The Risk Management Committee's implementation of a Group wide risk assessment process which identifies the key risks facing each business unit, the potential impact and likelihood of those risks occurring, the control effectiveness and the action plans being taken to manage those risks to the desired level.;
- The Risk Management Facilitator ensures that there is clear leadership, direction and coordination of the Group wide application of risk management; and
- Ongoing risks management education and training is provided at Management and staff levels.

The table below lists the principal risks and uncertainties that may affect the Group and highlights the mitigating actions that are being taken and the opportunities that we aim to capture. The content of the table however, is not intended to be an exhaustive list of all the risks and uncertainties that may arise.

Principal Risks	Action Plans
Unexpected variations in crop	- construction of water retention ponds; - maintain efficient drainage network; - employing both biological and chemical methods to pest control measures.
Variations in commodity prices	- maintaining agronomic practices that will command better OER.

Statement on Risk Management and Internal Control (continued)

Risk Management (continued)

Principal Risks	Action Plans
Input cost inflation	- review and study fertilizer application; - review and improve cash and budget forecasting; and - use of organic fertiliser.
Funding	- dependence on single customer mitigated by readily available market for FFB; and - payments are received in advance and fully paid before the end of the following month.
Shortage of labour	- increase quota for foreign labour; - revision of remuneration package; and - improve workers living condition. - recruit local labour.
Lag time in FFB collection	- review and centralize FFB collection points; - re-arrange and review harvesting system; and - to mechanise collection methods. - end of day check to ensure no bunches missed.
Pilferage	- employ additional security to escort transportation of FFB; and - rotate locks for gates.
Internal and external regulatory compliance	- constant monitoring for each business unit; - regular review of audit plan; and - continuous updating to new regulatory requirements.
Occupational Health and Safety	- Occupational Health and Safety policies and procedures are established and implemented at estate level; - Regular safety and training dialogue and events.
Sustainability	- Malaysian Sustainable Palm Oil Certification in progress.

Statement on Risk Management and Internal Control
(continued)

Other Risk and Control Processes

Apart from risk management and internal audit, the Board has put in place an organizational structure with formally defined responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability. The procedure include establishing limits of authority and publication of the Rules Book and Standard Operating Procedures Handbook, copies of which can be viewed at each of the Group's business location, highlighting amongst others, policies and procedures on health and safety, training and development, equal employment opportunity, staff performance and handling misconduct.

There are also established procedures for human resource planning, capital expenditure and monitoring of the Group's business and performance.

These procedures are relevant across the Group and provide continuous assurance to increasingly higher levels of Management and, ultimately to the Board. The processes are reviewed by internal audit, which provides a degree of assurance as to operations and effectiveness of the system of internal controls. Planned corrective actions are independently monitored for timely completion.

The Principal Officer and Officer In-Charge of Finance reports to the Board on significant changes in the business, the external environment, performance information as well as quarterly financial information, which includes key financial and operational indicators. This includes, among others, the monitoring of results against budget, with variances being followed up and Management action taken, where necessary. Where areas of improvement in the system are identified, the Board considers recommendation made by both the Committee and Management.

Internal Control

The Board fully supports the contents of the Internal Control Guidance and with the assistance of an external service provider, continually review the adequacy and integrity of the system of internal controls and risk management processes in place within the various operating businesses in Malaysia and Australia. The key processes that have been established include the following:

- Meetings are carried to provide reasonable assurance that the systems of internal controls and its framework operate satisfactorily Groupwide;
- The Estate In-Charges meet on a monthly basis to consider operational, financial performance, legal and corporate issues;
- There is a formal budgeting system which requires each estate and line of business to submit an annual budget for approval by the Board. This budget is reviewed and updated as and when required;
- The results are reported monthly and variances against the budget are analysed and acted upon in a timely manner;
- Major and material contracts are reviewed and awarded by projects teams and always subject to the approval by the Board, for such contracts, a minimum of three quotations are called and tenders are awarded based on both tangible and intangible factors;
- Standard Operating Procedures set out the policies and procedures for day to day operations. Regular reviews are performed to ensure these procedures remain relevant; and
- An annual performance appraisal is carried out and reviewed; staff competency is ensured through a rigorous recruitment process and training programmes.

Statement on Risk Management and Internal Control
(continued)

Internal Audit

The Audit Committee is supported by outsourced internal audit service providers ("Internal Auditors") in the discharge of its duties and responsibilities. The Internal Auditors provide independent assurance on the adequacy and integrity of the risk management, internal control and governance processes. The Internal Auditors' purpose, authority are articulated in the Engagement Letter, Internal Audit Plan, Risk Management Engagement.

The out-sourced internal audit function meets the requirements of the Guidelines on Internal Audit Function released by the Institute of Internal Auditors Malaysia. The Internal audit reviews the internal audit control systems within the Group on the basis of a rolling two year internal audit strategy and a detailed annual internal audit plan presented to the Audit Committee for approval. The internal audit adopts a risk based approach and prepares its strategy and plan based on risk profiles of the Group.

The Audit Committee is responsible for the regular review and appraisal of the effectiveness of the risk management, internal audit and governance process within the Group. The Audit Committee reviews and approves the internal audit plan, budget and other resource requirements to ensure that the Internal Auditors are adequately resourced.

In addition, several informal procedures undertaken by the Audit Committee include, regular field and office inspections by members of the Board and of the Audit Committee and the written reports submitted to the Board on the estate operations. The Audit Committee and the Board also review plantation visit reports.

A summary of the main activities undertaken by the Internal Auditors during the financial year is as follows:

- Prepared and developed the annual risk based internal audit plan for the Audit Committee's approval;

- Provide an independent assessment and assurance over the adequacy and effectiveness and enforcement of the risk management and internal control processes;

- Determined the level of compliance with policies and procedures of the Group;

- Performed risk based audit;

- Issued audit reports to the Audit Committee, with copies extended to Management, identifying weaknesses and issues as well as highlighting improvement opportunities.

- Conducted one internal audit project in accordance with the approved Internal Audit Plan, including follow-up of matters from previous internal audits. This internal audit project covered the plantation operations with particular focus the following:

  - Security measures for internal and external movement of fresh fruit bunches;
  - GPS tracking for transportation of fresh fruit bunches;
  - Fertiliser application and critical nutrient level;
  - Daily recording of fruits harvested;
  - Supply and census of palms;
  - Occupational Health and Safety procedures with respect to tractors and trailers;

Internal audit fees of RM28,000 were paid to the Outsourced Internal Auditors for the financial year 2017.

Statement on Risk Management and Internal Control
(continued)

Whistleblowing Policy

To reinforce the practice of governance and ethics, the Group has a whistle blowing policy to provide an avenue for stakeholders and employees to raise genuine concerns internally or report and suspected wrongdoings, this includes fraud, misappropriation of assets, breaches of trusts or law, including the Group's policies and procedures to the Chairman of the Audit Committee without fear of reprisal.

Concerns should be raised with the immediate superior; if for any reason this is not possible or inappropriate, the concern should be raised to the Principal Officer as follows:

Name : Mr. Tai Lung Khim
Via Email : whistleblowing@riverview.com.my
Via Mail : Mark : Strictly Confidential
Riverview Rubber Estates Berhad
33 (1st Floor)
Jalan Dato' Maharajalela
30000 Ipoh
Perak

In the event where reporting to the Management is a concern, the report should be addressed to the Chairman of the Audit Committee as follows:

Name : En. Mohd. Razali bin Mohd. Amin
Via Email : ac.chairman@riverview.com.my
Via Mail : Mark : Strictly Confidential
Riverview Rubber Estates Berhad
33 (1st Floor)
Jalan Dato' Maharajalela
30000 Ipoh
Perak

The above mentioned procedures protect the whistle blowers against reprisal and harassment. The identity of the whistleblower and the confidentiality of the matters raised are protected under this policy.

Statement on Risk Management and Internal Control
(continued)

The Board's Commitment

The Board remains committed towards maintaining a sound system of internal control and believe that a balanced achievement of the Group's business objectives and operational efficiency can be attained. The Board is of the view that there were no material losses incurred during the financial year as a result of weaknesses in internal control. The Group continues to take measures to strengthen the internal control environment.

The External Auditors has reviewed this statement for inclusion in the Annual Report of the Group for the year ended 31 December 2017 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material respects, in accordance with the disclosed required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

This statement has been reviewed and approved by the Board of Directors on 27th February 2018.

MOHD RAZALI BIN MOHD AMIN
Chairman of Audit Committee and Risk Management Committee

Statement of Directors' Responsibility

In Relation To The Financial Statements

The Directors are required by the Companies Act, 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Company and of the Group as at the end of each financial year and of its results and its cash flows for that year then ended.

The Directors consider that in preparing the financial statements:

- the Company has used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company and the Group maintains accounting records that disclose with reasonable accuracy the financial position of the Company and of the Group, and which enable them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

This statement is prepared as required by the Bursa Malaysia Listing Requirements and is made in accordance with the resolution of the Board dated 6 April 2018.

Sustainability Report

We have a presence of more than 80 years and recognize our obligation to our stakeholders. This encompasses our commitment to deliver profits, to enhance shareholder value and at the same time, make a positive contribution to our employees, stakeholders, and to society in general.

We fully support the initiatives undertaken to ensure sustainable oil palm cultivation and the production of palm oil, we have a heritage of maintaining a high degree of commitment that is directed towards social well-being.

The lucky dip encouraged the workers to attend family day

We are committed to build on practices which are sustainable and this pledge is exhibited in the execution of activities which assist our customers in reaching their goals, engages our employees, supports the local community and preserve the environment, all this we do with integrity and ethics in mind.

As our sustainability practices evolve, we recognise the benefits that have accrued to the business including the strengthening of our reputation, as well as enhancing employee motivation, which in turn contribute to the long term well-being of your Company.

HEALTH AND SAFETY

The Company is committed to providing a safe and healthy working environment for its workforce through effective and stringent implementation of the Occupational Safety and Health Act ("OSHA") in its operations. Appropriate training and guidance is given to the workforce on OSHA. External OSHA consultants are engaged to assist in effective development, implementation and continuous improvement in occupational safety and health in accordance with current best practices.

Sustainability Report (continued)

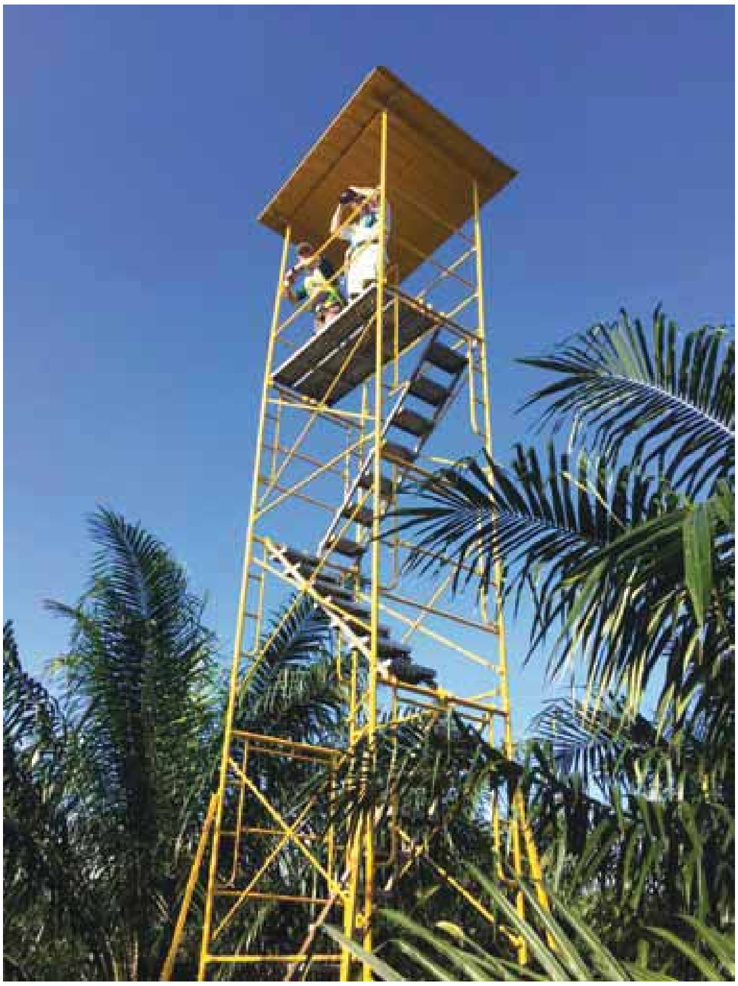
HEALTH AND SAFETY (continued)

We provide full medical benefits to our employees and this benefit is extended to their immediate family members. We have also appointed additional Medical Doctors to our panel, one of whom is a qualified Occupational Health Physician.

A high degree of care is directed at toward the social well-being of our employees. We provide housing amenities, places of worship, child care services, recreational facilities, transportation subsidies, utilities subsidies and subsidies for furniture and fittings for our employees.

In recent years, your Company has also been upgrading living quarters for our staff and workers, these upgrades include re-wiring, plumbing as well as engineering works, all upgrades comply with the relevant regulations and have received clearance from the relevant authorities as safe for occupation.

All machinery and implements undergo an annual process of review and inspection. New FFB ramps were constructed to replace old ramps, as an added safety feature, we have also ensured that all FFB ramps utilise a chain block door system.



A new watch tower to discourage theft

ENVIRONMENTAL MANAGEMENT

The Company has a firm commitment to reduce its environmental impact and manages its business in a sustainable way. It cultivates oil palm which is a perennial crop on former rubber plantations according to regulations overseen by the Malaysian Palm Oil Board ("MPOB"). Hence, its overall environmental impact is considered to be low.

The Company practices zero burning in clearing the old stand during replanting, i.e. the old palms are pushed over, shredded and left to decompose in situ. Thus, no air pollution from burning the old palms and, most importantly, the nutrients in the old crop are recycled into the new. The use of organic fertilizers such as empty fruit bunches ("EFB"), biomass from the mills are given preference over inorganic fertilisers. The Company does not have a specific environmental policy as the oil palm industry in Malaysia is highly regulated according to the laws of the land. These include the following:

- Land Matters:
  - National Land Code 1965
  - Land Acquisition Act 1960
- Environmental Matters:
  - Environmental Land Conservation Act 1960 revised in 1989
  - Quality Act 1974 (Environmental Quality) (Prescribed Premises) (Crude Palm Oil) Regulation 1977
  - Environmental Quality (Clean Air) Regulation 1978
  - Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987
- Labour and Employee Matters:
  - Labor Law
  - Workers' Minimum Standard of Housing & Amenities Act 1990
  - Occupational Safety & Health Act 1977
- Pesticide Use:
  - Pesticides Act 1974 (Pesticides Registration) Rules 1988
  - Pesticides (Licensing for sale & storage) Rules 1988
  - Pesticides (Labeling) Regulations 1984
  - Factories & Machinery (Noise Exposure) Regulations 1989
- Wildlife Matters:
  - Protection of Wildlife Act 1972

Terrace remediation through the use of EFB

Sustainability Report (continued)

ENVIRONMENTAL MANAGEMENT (continued)

Good Agricultural Practices ("GAP") adopted by the Company are as follows:

- Recycling of oil palm biomass and optimization of fertilizer inputs
- Zero Burning & Re-planting Policy: accumulation of soil carbon in the plantation
- Land Management & planting of leguminous cover crops
- Integrated Pest Management
  - Natural pest control such as the use of barn owls for rat control.
  - Pheromone traps for rhinoceros beetles.
  - Planting of tunera subulata plants to attract wasps which preys on bagworms
  - Approved pesticides and herbicides are only applied under strict control under OSHA recommended guidelines and Agronomist recommendations.

Further elaboration of the above information can be obtained from the Palm Oil World website maintained by MPOB at *http://www.palmoilworld.org/sustainability.html*.

Greenhouse Gas Emissions

The Group continues its practice to disclose its Greenhouse Gas ("GHG") emissions, and it does so voluntarily. The Group's operations and management are fully based in Malaysia.

Our disclosure is made to the extent that it is practical for the Group to obtain the information, the following is the GHG data obtained through emission sampling of the Group's running machinery, that is, emissions from tractors. The tractors' emission sampling was done within the protocol and equipment as approved by the US EPA environmental protection agency in accordance with Malaysia's Department Of Environment ("MDOE") requirements.

The common methodology for measuring CO2 emission in Malaysia recognised by MDOE are Sirim MS1596:2003 (equivalent to US EPA (Environmental Protection Agency) Test Methods) for isokinetic sampling and air emission monitoring for vehicles, ISO14000 series standards and US EPA Test Methods for CO2 emissions from other sources.

Our reporting year is the same as our financial year, being 1 January 2017 to 31 December 2017.

Another deterrent for thieves

Greenhouse Gas Emissions (continued)

For period 1 January to 31 December

Emissions from :	CO2e Emission Rate (tonne per year 2016	2017
Combustion of fuel	961.28	1,034.10
Intensity measure : Emissions reported above normalised to per tonne of product output	0.01994 Tonnes Co2e / Metric Tonne FFB produced	0.01550 Tonnes Co2e / Metric Tonne FFB produced

The emissions per tonne of product output has dropped as a result of efforts to upgrade and modernise the Group's running machinery.

Notes:
1. Emissions relate to those generated by tractors running in the estates located in, Perak, Malaysia.
2. Emission from electricity, heat, steam and cooling purchased for own use has been omitted due to non availability of published related GHG factors. However, the Company consider this immaterial as electricity and water are purchased by the company for staff housing and the estate office which is considered to represent low consumption.
3. Transport emissions, have not been included because our distribution network is sub-contracted to a third party.

Children fishing at family day

Sustainability Report (continued)

CORPORATE CONTRIBUTIONS

God's Little Acre

God's Little Acre Ceremony is an Annual Commemorative Ceremony held at the Christian Cemetery at Batu Gajah. Dating back to 1891, the Cemetery serves as the final resting place for the early expatriate pioneers of Perak as well as for many Planters, Colonial Police Officers, British and Commonwealth Troops who rallied to support this country during the emergency from 1948 to 1960.

Directors laying wreaths to remember fallen planters at God's Little Acre Service.

Rice and Oil Programme

This is a continuous programme adopted by your Company to feed the disadvantaged, it involves the distribution of rice and cooking oil to the needy, orphanages and children homes in Perak. To date with assistance of the local authorities among others, your company has identified more than 25 such families, to whom rice and cooking oil have been distributed. The distribution is carried out monthly by our employees, timely assessments will be carried out to ensure that only the needy receive such assistance.

Catering at the family day

Financial Assistance

In addition to all the above initiatives undertaken by your Company towards supporting the Community, we continue to financially support former employees, various organisations and causes

EMPLOYEES

Equality and Diversity

The Company is committed to providing equal opportunities to all employees without discrimination. As the palm oil industry is heavily regulated, employment policies are based on collective agreements signed between the Malayan Agricultural Producers Association ("MAPA") of which the Company is a member and the respective labour unions representing administrative employees, The All Malayan Estates Staff Union ("AMESU"), and field workers, National Union of Plantation Workers ("NUPW").

MAPA will also issue regular circulars and guidelines to its members regarding human resource policy changes for the palm oil industry as issued by the Human Resource Ministry of Malaysia.

A knock out futsal competition was popular at the family day

In addition to complying with the human resource policies of the palm oil industry, the Company's main aim is that employees are able to work in an environment free from discrimination, harassment and bullying, and that our employees, job applicants and contractors should be treated fairly regardless of:

a. Race, colour, nationality, ethnicity
b. Gender, marital or family status
c. Sexual orientation
d. Religious or political beliefs or affiliations
e. Disability, impairment or age
f. Membership of a workers union

EMPLOYEES (continued)

Training and Development

Recruitment, selection, promotion, training and development practices are monitored to ensure that all employees have the opportunity to train and develop according to their abilities.

The Company organises yearly seminars for the administration and management staff to be updated with the latest oil palm plantation developments. The field workers are provided with training on the handling of new harvesting equipment, spraying apparatus and other related equipment. The field workers are also constantly given guidance by the relevant estate heads on safety and the use of safety equipment according to OSHA requirements.

Games facilites ensure happy workers

Information on the composition of the workforce at the year-end on 31 December 2017 is summarised below:

WORKFORCE COMPOSITION		Number		Percentage	
		Male	Female	Male	Female
Field workers	Number	280	34	83%	10%
Administration staff	Number	1	10	-	3%
Management grade staff	Number	8	-	3%	-
Directors	Number	4	-	1%	-
Total	Number	293	44	87%	13%

EMPLOYEES (continued)

Social Welfare

We provide all new foreign labour with sufficient food and cash to last them until they receive their first wages, this is to enable them to hold up and live comfortably until their first pay day. We have also converted and upgraded the community halls with flat screen televisions to enable the workers to have some recreational, and down time.

We sponsored and encouraged our workers to maintain vegetable gardens as well as fish ponds, this not only promotes a sustainable lifestyle but also provides a healthy and continuous food source for our workers as well as reduce the overall cost of living.

We have in place a programme to distribute rice, oil and meat to our workers, this distribution is carried out four times a year, namely, during Hari Raya Aidilfitri, Wesak, Deepavali and Christmas. In addition to subsidizing transport to school, we've also expanded our programme to provide school uniforms, shoes reimbursement of school transportation to all children of staff and workers.

Fishing pond

Ping Pong at the community centre

Human Rights

The Company operates wholly in Malaysia where human rights are overseen by The Human Rights Commission of Malaysia ("SUHAKAM") which was established by the Malaysian Parliament under the Human Rights Commission of Malaysia Act 1999, Act 597. The rights of its workforce are incorporated in their respective union's collective agreements as explained above.

The Company respects all human rights and in conducting its business, the Company regards those rights relating to non-discrimination, fair treatment and respect for privacy to be most relevant and to have the greatest impact on its employees, contractors, suppliers and customers.

Sustainability Report (continued)

EMPLOYEES (continued)

Human Rights (continued)

The Board has the overall responsibility that these rights are upheld at all times and seeks to anticipate, prevent and mitigate any potential negative human rights impacts. Positive impacts are enhanced through equality and diversity for employees, fair treatment of customers and information security.

As at the date of this report, the Board have not been made aware of any human rights abuse issues arising from the Company's activities.

The winner of the children's fishing competition on family day

Malaysian Sustainable Palm Oil ("MSPO")

MSPO addresses sustainability issues and challenges in relation to the multi stakeholders involved in the industry and describes the sustainability requirements for production throughout the supply chains.

MSPO covers all areas of the industry including seed production, nursery, estates, mills, kernel crushing, refinery, storage, transportation, distribution, management system development and operations.

The seven principles of MSPO are as follows:

i. Management commitment and responsibility;
ii. Transparency;
iii. Compliance to legal requirements;
iv. Social responsibility, health, safety and employment conditions;
v. Environment, natural resources, biodiversity and ecosystems services;
vi. Best practices; and
vii. Development of new planting.

I am pleased to report that we are committed to Malaysian Sustainable Palm Oil ("MSPO") and have already begun the process to achieve MSPO certification. I am proud of the progress being made and grateful for the support received as we continue on this important journey of sustainability.

Properties Of The Group

Location	Description	Area (HA)	Tenure	Lease Tenure / Expiry	Date of Revaluation	Book Value 31.12.2017 Land and Buildings RM
Riverview Rubber Estates, Berhad						
Buloh Akar Estate Parit, Perak	Oil Palm Plantation	818.49	Freehold	-	December 2017	60,568,430
Sadang Estate Parit, Perak	Oil Palm Plantation	219.06	Freehold	-	December 2017	16,210,740
Hibernia Estate Selama, Perak	Oil Palm Plantation	369.63	Freehold	-	December 2017	27,577,581
Tejdrong Estate Tg. Tualang, Perak	Oil Palm Plantation	377.02	Freehold	-	December 2017	32,047,190
						136,403,941
Tejdrong Estate Tg. Tualang, Perak	Oil Palm Plantation	9.31	Leasehold *	99 years	December 2017	791,181
						137,195,122
	Buildings		Freehold	-		3,752,709
						140,947,831
The Narborough Plantations, PLC						
Narborough Estate Sungkai, Perak	Oil Palm Plantation Oil Palm Plantation	551.74 11.96	Freehold Leasehold #	- 99 years	December 2017 December 2017	52,891,940 1,031,000
						53,922,940
	Buildings		Freehold	-		2,612,926
						56,535,866

Properties Of The Group (continued)

Location	Description	Area (HA)	Tenure	Lease Tenure / Expiry	Date of Revaluation	Book Value 31.12.2017 Land and Buildings RM
CG Plantations Sdn. Bhd.						
Jeta Estate Tg. Tualang, Perak	Oil Palm Plantation	3.01	Freehold	-	December 2017	224,000
	Oil Palm Plantation	2.37	Leasehold *	99 years	December 2017	160,219
	Oil Palm Plantation	3.41	Leasehold *	99 years	December 2017	235,288
	Oil Palm Plantation	17.64	Leasehold	2029	December 2017	947,204
	Oil Palm Plantation	6.79	Leasehold	2029	December 2017	364,002
	Oil Palm Plantation	20.03	Leasehold	2029	December 2017	1,075,626
	Oil Palm Plantation	172.49	Leasehold	2029	December 2017	9,289,005
						12,295,344
	Buildings		Leasehold			109,273
						12,404,617
						209,888,314
Rivaknar Properties (WA) Pty Ltd.						
Rivaknar Court Perth, Australia	Residential Property	0.19	Freehold	-	December 2017	20,072,440
Yokine Perth, Australia	Residential Property	0.22	Freehold	-	December 2017	17,333,560
						37,406,000
						247,294,314

* Lease extension obtained in 2014, pending issuance of land title from authorities.

Lease extension obtained in 2015, pending issuance of land title from authorities.

2017 Annual Report
79th Annual General Meeting

Directors' Report &
Audited Financial Statements

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

Principal activities

The principal activity of the Company is the cultivation of oil palm whilst those of its subsidiaries are disclosed in Note 16 to the financial statements. There have been no significant change in the nature of the principal activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 16 to the financial statements.

Results

	Group RM	Company RM
Profit net of tax	15,703,137	12,806,298
Attributable to:		
Owners of the Company	15,360,113	12,806,298
Non-controlling interests	343,024	-
	15,703,137	12,806,298

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid or declared by the Company since 31 December 2016 are as follows:

In respect of the financial year ended 31 December 2017:

	RM
An interim ordinary dividend of 8 sen per share under the single tier system on 64,850,448 ordinary shares, paid on 19 January 2018	5,188,036
A special ordinary dividend of 10 sen per share under the single tier system on 64,850,448 ordinary shares, paid on 19 January 2018	6,485,045

The directors do not recommend the payment of any final dividend in respect of the current financial year.

Directors

The directors who served during the financial year up to the date of this report are:

The Company
Oliver John Harold Huntsman
Timothy John Huntsman
Dr. Leong Tat Thim
Mohd Razali bin Mohd. Amin

The Subsidiaries
Oliver John Harold Huntsman
Timothy John Huntsman
Dr. Leong Tat Thim
Mohd. Razali bin Mohd. Amin
Leong Yeng Kit
Roslan Bin Hamir
Zawawi Bin Nor
Kee Yong Yee
Robert George Sherriff (Alternate director to Timothy John Huntsman)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
The Company	**At 1.1.2017**	**Bought**	**Sold**	**At 31.12.2017**
Direct interest				
Oliver John Harold Huntsman	1,000	-	-	1,000
Timothy John Huntsman	1,000	-	-	1,000
Dr. Leong Tat Thim	1,000	-	-	1,000
Mohd Razali bin Mohd. Amin	1,000	-	-	1,000

Directors' report (continued)

Directors' interests (continued)

	Number of ordinary shares			
	At 1.1.2017	Bought	Sold	At 31.12.2017
Indirect interest				
Oliver John Harold Huntsman	40,860,092	-	-	40,860,092
Timothy John Huntsman	40,860,092	-	-	40,860,092
Sungei Ream Holdings Sendirian Berhad (Immediate holding company)				
Indirect interest				
Oliver John Harold Huntsman	11,739,022	-	-	11,739,022
Timothy John Huntsman	11,739,022	-	-	11,739,022
Buloh Akar Holdings Sendirian Berhad (Ultimate holding company)				
Direct interest				
Oliver John Harold Huntsman	315,747	-	-	315,747
Timothy John Huntsman	12	-	-	12
Indirect interest				
Timothy John Huntsman	457,914	-	-	457,914

Other statutory information

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Other statutory information (continued)

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Indemnity and insurance for directors and officers

The Group and the Company maintain a corporate liability insurance for the directors and officers of the Group and of the Company throughout the financial year, which provides appropriate insurance cover for the directors and officers of the Group and of the Company. The amount of insurance premium incurred by the Group and the Company for the financial year ended 31 December 2017 amounted to RM13,800.

Holding companies

The directors regard Sungei Ream Holdings Sendirian Berhad and Buloh Akar Holdings Sendirian Berhad, both of which were incorporated in Malaysia, as the immediate and ultimate holding companies of the Company respectively.

Auditors

The auditors, Sekhar & Tan, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 8 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 April 2018.

Dr. Leong Tat Thim

Kuala Lumpur, Malaysia

Mohd Razali bin Mohd. Amin

Kuala Lumpur, Malaysia

Statement by directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Dr. Leong Tat Thim and Mohd Razali bin Mohd. Amin, being two of the directors of Riverview Rubber Estates, Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 94 to 178 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 April 2018.

Dr. Leong Tat Thim

Kuala Lumpur, Malaysia

Mohd Razali bin Mohd. Amin

Kuala Lumpur, Malaysia

Statutory declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Mohd Razali bin Mohd. Amin (MIA NUMBER : 7544), the director primarily responsible for the financial management of Riverview Rubber Estates, Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 94 to 178 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Mohd Razali bin Mohd. Amin
at Kuala Lumpur, in Wilayah Persekutuan
on 6 April 2018

Mohd Razali bin Mohd. Amin

Before me,

Commissioner for Oaths

Independent Auditors' Report
To The Members Of Riverview Rubber Estates, Berhad (Company No. 820-V)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Riverview Rubber Estates, Berhad, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 94 to 178.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors’ Report (continued)

To The Members Of Riverview Rubber Estates, Berhad (Company No. 820-V) (Incorporated in Malaysia)

Key Audit Matters (continued)

Classification of leasehold land

Area of focus

Refer to Notes 4.1(c) and 13 to the financial statements.

The Group revalued its leasehold estate land during the financial year ended 31 December 2017 and the major assumption underlying the valuation is the lease will be renewed for 99 years term. Certain leasehold estate land has the remaining lease term of 12 years as at 31 December 2017. The directors have applied to the relevant authority for the renewal of the lease term and obtained approval for the extension of the lease term of certain leasehold land. The directors are confident that, barring any unforeseen circumstances, the lease term of the remaining land will also be renewed for at least 99 years as stated in Note 4.1(c). Changes in the expected lease term of the land could impact the revalued amount of the leasehold estate land and future depreciation charges.

We determined this to be a key audit matter due to the inherent uncertainty in obtaining approval for extension of the lease term.

How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- reviewing the actions taken by the Group to obtain the approval for extension and the responses from the authority.
- evaluating the reasonableness of the expectation of the Group by reviewing the outcome of certain application which were approved for extension by the authority and correspondence with the authority.

Information Other than the Financial Statements and Auditors’ Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report, which we obtained prior to the date of this auditors’ report, but does not include the financial statements of the Group and of the Company and our auditors’ report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report (continued)
To The Members Of Riverview Rubber Estates, Berhad (Company No. 820-V) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Independent Auditors' Report (continued)
To The Members Of Riverview Rubber Estates, Berhad (Company No. 820-V) (Incorporated in Malaysia)

Other Matters

1. As stated in Note 2.1 to the financial statements, Riverview Rubber Estates, Berhad adopted Malaysian Financial Reporting Standards on 1 January 2017 with a transition date of 1 January 2016. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at 31 December 2016 and 1 January 2016 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year ended 31 December 2016 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 December 2017, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2017 do not contain misstatements that materially affect the financial position as at 31 December 2017 and the financial performance and cash flows for the year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The engagement partner on the audit resulting in this independent auditors' report is Tan Ghee Kiat.

Sekhar & Tan
No. AF 0926
Chartered Accountants

Tan Ghee Kiat
No. 432/07/19 (J/PH)
Chartered Accountant

Kuala Lumpur
Date: 6 April 2018

Statements Of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2017

	Note	Group 2017 RM	Group 2016 RM (restated)	Company 2017 RM	Company 2016 RM (restated)
Revenue	5	43,265,185	31,310,586	29,468,119	19,159,991
Cost of sales		(16,025,896)	(13,734,272)	(10,704,724)	(8,809,614)
Gross profit		27,239,289	17,576,314	18,763,395	10,350,377
Other items of income					
Interest income	6	1,075,156	676,064	571,894	310,459
Dividend income	7	31,570	112,000	20,440	104,304
Fair value changes in investment properties		(1,141,200)	(1,101,600)	-	-
Fair value changes in agriculture produce		(3,405,895)	3,178,385	(2,082,862)	2,329,208
Gain on disposal of available-for-sale financial assets		1,500,472	-	1,500,472	-
Gain on disposal of property, plant and equipment		-	10,367	-	10,367
Other income		79,474	118,265	35,027	53,858
Other items of expense					
Amortisation of bearer plants		(655,109)	(600,755)	(435,509)	(399,173)
Depreciation		(1,800,969)	(1,792,706)	(813,397)	(797,151)
Finance costs		(12,318)	(24,254)	(12,318)	(23,896)
Administrative expenses		(3,238,879)	(3,321,299)	(1,349,414)	(1,309,031)
Results from operating activities		19,671,591	14,830,781	16,197,728	10,629,322
Foreign exchange (loss)/gain		(83,266)	140,949	-	-
Profit before tax	8	19,588,325	14,971,730	16,197,728	10,629,322
Tax expenses	10	(3,885,188)	(3,566,045)	(3,391,430)	(2,580,459)
Profit after tax		15,703,137	11,405,685	12,806,298	8,048,863
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets					
- Gain on fair value changes		104,950	181,608	36,070	129,948
- Reclassification to profit or loss upon disposal		(1,500,472)	-	(1,500,472)	-
		(1,395,522)	181,608	(1,464,402)	129,948
Foreign exchange translation		(747,852)	1,180,765	-	-
		(2,143,374)	1,362,373	(1,464,402)	129,948

Statements Of Profit or Loss and Other Comprehensive Income (continued)
For the financial year ended 31 December 2017

	Note	Group 2017 RM	Group 2016 RM (restated)	Company 2017 RM	Company 2016 RM (restated)
Items that will not be reclassified subsequently to profit or loss					
Surplus on revaluation of land		7,836,905	-	3,805,529	-
Deferred tax liability on revaluation surplus of estate land		(1,039,045)	(326)	(188,668)	-
		6,797,860	(326)	3,616,861	-
Other comprehensive income, net of tax		4,654,486	1,362,047	2,152,459	129,948
Total comprehensive income for the year		20,357,623	12,767,732	14,958,757	8,178,811
Profit attributable to:					
- Owners of the Company		15,360,113	11,168,820	12,806,298	8,048,863
- Non-controlling interests		343,024	236,865	-	-
		15,703,137	11,405,685	12,806,298	8,048,863
Total comprehensive income attributable to:					
- Owners of the Company		19,373,955	12,120,057	14,958,757	8,178,811
- Non-controlling interests		983,668	647,675	-	-
		20,357,623	12,767,732	14,958,757	8,178,811
Earnings per share attributed to owners of the Company (sen)					
Basic	11	23.69	17.22		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Financial Position

as at 31 December 2017

	Note	Group 31 December 2017 RM	31 December 2016 RM (restated)	1 January 2016 RM (restated)
Assets				
Non-current assets				
Property, plant and equipment	13	211,910,739	204,552,547	205,582,622
Bearer plants	14	13,252,342	12,873,179	11,776,784
Investment properties	15	37,406,000	39,398,400	39,125,000
Investment securities	17	1,125,040	3,298,596	3,116,988
Goodwill on consolidation	18	2,731,763	2,731,763	2,731,763
Deferred tax assets	19	59,612	42,474	32,969
		266,485,496	262,896,959	262,366,126
Current assets				
Agriculture produce	20	1,649,768	5,055,663	1,877,278
Inventories - at cost		92,125	58,011	96,918
Trade and other receivables	21	1,595,072	4,374,749	1,166,613
Other current assets - prepayments		254,996	238,511	253,264
Tax recoverable		3,547,188	3,085,486	2,829,322
Cash on hand and at banks	22	3,517,472	3,684,749	4,561,930
Deposits with financial institutions	22	44,565,055	24,588,447	21,161,457
		55,221,676	41,085,616	31,946,782
Total assets		321,707,172	303,982,575	294,312,908

Statements Of Financial Position (continued)

as at 31 December 2017

	Note	Group 31 December 2017 RM	Group 31 December 2016 RM (restated)	Group 1 January 2016 RM (restated)
Equity and liabilities				
Current liability				
Trade and other payables	23	15,476,583	6,402,050	6,653,814
		15,476,583	6,402,050	6,653,814
Net current assets		39,745,093	34,683,566	25,292,968
Non-current liabilities				
Deferred tax liabilities	19	18,469,135	18,559,675	17,541,525
Provision for retirement benefits	24	248,383	191,973	164,347
		18,717,518	18,751,648	17,705,872
Total liabilities		34,194,101	25,153,698	24,359,686
Net assets		287,513,071	278,828,877	269,953,222
Equity attributable to owners of the Company				
Share capital	25	64,850,448	64,850,448	64,850,448
Reserves	26	112,772,409	115,275,898	117,085,752
Retained profits	27	89,031,798	78,827,435	68,788,551
		266,654,655	258,953,781	250,724,751
Non-controlling interests	28	20,858,416	19,875,096	19,228,471
Total equity		287,513,071	278,828,877	269,953,222
Total equity and liabilities		321,707,172	303,982,575	294,312,908

Statements Of Financial Position (continued)

as at 31 December 2017

	Note	Company 31 December 2017 RM	31 December 2016 RM (restated)	1 January 2016 RM (restated)
Assets				
Non-current assets				
Property, plant and equipment	13	142,437,617	138,980,831	139,359,673
Bearer plants	14	9,238,619	8,748,886	7,818,704
Investment in subsidiaries	16	48,299,015	48,299,015	48,299,005
Investment securities	17	-	2,242,436	2,112,488
Deferred tax assets	19	46,023	36,136	32,969
		200,021,274	198,307,304	197,622,839
Current assets				
Agriculture produce	20	1,192,767	3,275,629	946,421
Inventories - at cost		65,914	26,137	44,070
Trade and other receivables	21	939,597	3,668,676	815,646
Other current assets - prepayments		18,452	16,096	18,011
Tax recoverable		3,330,898	2,247,411	2,197,170
Cash on hand and at banks	22	1,302,780	1,234,771	1,145,662
Deposits with financial institutions	22	24,580,055	11,168,447	12,061,457
		31,430,463	21,637,167	17,228,437
Total assets		231,451,737	219,944,471	214,851,276

Statements Of Financial Position (continued)

as at 31 December 2017

	Note	Company 31 December 2017 RM	31 December 2016 RM (restated)	1 January 2016 RM (restated)
Equity and liabilities				
Current liability				
Trade and other payables	23	12,926,598	4,819,678	4,978,769
		12,926,598	4,819,678	4,978,769
Net current assets		18,503,865	16,817,489	12,249,668
Non-current liabilities				
Deferred tax liabilities	19	8,600,063	8,526,591	7,575,283
Provision for retirement benefits	24	191,764	150,566	137,372
		8,791,827	8,677,157	7,712,655
Total liabilities		21,718,425	13,496,835	12,691,424
Net assets		209,733,312	206,447,636	202,159,852
Equity attributable to owners of the Company				
Share capital	25	64,850,448	64,850,448	64,850,448
Reserves	26	95,442,793	99,052,527	98,922,579
Retained profits	27	49,440,071	42,544,661	38,386,825
Total equity		209,733,312	206,447,636	202,159,852
Total equity and liabilities		231,451,737	219,944,471	214,851,276

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Changes In Equity

For the financial year ended 31 December 2017

	Attributable to owners of the Company								
		Non-distributable		Distributable					
	Share capital RM	Capital reserve RM	Fair value adjustment reserve RM	Capital reserve RM	General reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
Group									
At 1 January 2016									
As previously reported	64,850,448	173,349,853	1,398,301	2,761,091	6,517,331	54,801,640	303,678,664	21,519,661	325,198,325
Effects of adoption of MFRSs (Note 2.2)	-	(66,940,824)	-	-	-	13,986,911	(52,953,913)	(2,291,190)	(55,245,103)
As restated	64,850,448	106,409,029	1,398,301	2,761,091	6,517,331	68,788,551	250,724,751	19,228,471	269,953,222
Profit or loss	-	-	-	-	-	11,168,820	11,168,820	236,865	11,405,685
Other comprehensive income	-	786,849	164,388	-	-	-	951,237	410,810	1,362,047
Total comprehensive income	-	786,849	164,388	-	-	11,168,820	12,120,057	647,675	12,767,732
Dividends (Note 12)	-	-	-	-	-	(3,891,027)	(3,891,027)	-	(3,891,027)
Changes in ownership interests in a subsidiary (Note 16)	-	-	-	-	-	-	-	(1,050)	(1,050)
Total transactions with owners	-	-	-	-	-	(3,891,027)	(3,891,027)	(1,050)	(3,892,077)
Transfer to retained profits	-	-	-	(2,761,091)	-	2,761,091	-	-	-
At 31 December 2016	64,850,448	107,195,878	1,562,689	-	6,517,331	78,827,435	258,953,781	19,875,096	278,828,877

Statements Of Changes In Equity (continued)

For the financial year ended 31 December 2017

	Attributable to owners of the Company							
		Non-distributable		Distributable				
	Share capital RM	Capital reserve RM	Fair value adjustment reserve RM	General reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
At 1 January 2017								
As previously reported	64,850,448	174,136,702	1,562,689	6,517,331	61,747,850	308,815,020	22,086,891	330,901,911
Effects of adoption of MFRSs (Note 2.2)	-	(66,940,824)	-	-	17,079,585	(49,861,239)	(2,211,795)	(52,073,034)
As restated	64,850,448	107,195,878	1,562,689	6,517,331	78,827,435	258,953,781	19,875,096	278,828,877
Profit or loss	-	-	-	-	15,360,113	15,360,113	343,024	15,703,137
Other comprehensive income	-	5,432,364	81,950	-	-	5,514,314	640,644	6,154,958
Reserve realised on disposal of investments	-	-	(1,500,472)	-	-	(1,500,472)	-	(1,500,472)
Total comprehensive income	-	5,432,364	(1,418,522)	-	15,360,113	19,373,955	983,668	20,357,623
Dividends (Note 12)	-	-	-	-	(11,673,081)	(11,673,081)	-	(11,673,081)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(348)	(348)
Total transactions with owners	-	-	-	-	(11,673,081)	(11,673,081)	(348)	(11,673,429)
Transfer to retained profits	-	-	-	(6,517,331)	6,517,331	-	-	-
At 31 December 2017	64,850,448	112,628,242	144,167	-	89,031,798	266,654,655	20,858,416	287,513,071

Statements Of Changes In Equity (continued)

For the financial year ended 31 December 2017

	Attributable to owners of the Company					
		Non-distributable		Distributable		
	Share capital RM	Capital reserve RM	Fair value adjustment reserve RM	General reserve RM	Retained profits RM	Total RM
Company						
At 1 January 2016						
As previously reported	64,850,448	136,040,711	1,334,454	5,762,193	32,169,523	240,157,329
Effects of adoption of MFRSs (Note 2.2)	-	(44,214,779)	-	-	6,217,302	(37,997,477)
As restated	64,850,448	91,825,932	1,334,454	5,762,193	38,386,825	202,159,852
Profit or loss	-	-	-	-	8,048,863	8,048,863
Other comprehensive income	-	-	129,948	-	-	129,948
Total comprehensive income	-	-	129,948	-	8,048,863	8,178,811
Dividends (Note 12)	-	-	-	-	(3,891,027)	(3,891,027)
Transactions with owners	-	-	-	-	(3,891,027)	(3,891,027)
At 31 December 2016	64,850,448	91,825,932	1,464,402	5,762,193	42,544,661	206,447,636

Statements Of Changes In Equity (continued)

For the financial year ended 31 December 2017

	Attributable to owners of the Company					
	Non-distributable			Distributable		
	Share capital RM	Capital reserve RM	Fair value adjustment reserve RM	General reserve RM	Retained profits RM	Total RM
Company						
At 1 January 2017						
As previously reported	64,850,448	136,040,711	1,464,402	5,762,193	33,919,188	242,036,942
Effects of adoption of MFRSs (Note 2.2)	-	(44,214,779)	-	-	8,625,473	(35,589,306)
As restated	64,850,448	91,825,932	1,464,402	5,762,193	42,544,661	206,447,636
Profit or loss	-	-	-	-	12,806,298	12,806,298
Other comprehensive income	-	3,616,861	(1,464,402)	-	-	2,152,459
Total comprehensive income	-	3,616,861	(1,464,402)	-	12,806,298	14,958,757
Dividends (Note 12)	-	-	-	-	(11,673,081)	(11,673,081)
Transactions with owners	-	-	-	-	(11,673,081)	(11,673,081)
Transfer to retained profits	-	-	-	(5,762,193)	5,762,193	-
At 31 December 2017	64,850,448	95,442,793	-	-	49,440,071	209,733,312

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Cash Flows

For the financial year ended 31 December 2017

	Group		Company	
	2017 RM	2016 RM (restated)	2017 RM	2016 RM (restated)
Operating activities				
Profit before tax	19,588,325	14,971,730	16,197,728	10,629,322
Adjustments for:				
Amortisation of bearer plants	655,109	600,755	435,509	399,173
Depreciation of property, plant and equipment	1,800,969	1,792,706	813,397	797,151
Dividend income	(31,570)	(112,000)	(20,440)	(104,304)
Unrealised loss/(gain) on foreign exchange	77,000	(121,000)	-	-
Interest income	(1,075,156)	(676,064)	(571,894)	(310,459)
Interest expense	12,318	24,254	12,318	23,896
Fair value changes in investment properties	1,141,200	1,101,600	-	-
Fair value changes in agriculture produce	3,405,895	(3,178,385)	2,082,862	(2,329,208)
Gain on disposal of available-for-sale financial assets	(1,500,472)	-	(1,500,472)	-
Gain on disposal of property, plant and equipment	-	(10,367)	-	(10,367)
Provision for retirement benefits	56,410	27,626	41,198	13,194
Total adjustments	4,541,703	(550,875)	1,292,478	(1,520,924)
Operating profit before changes in working capital	24,130,028	14,420,855	17,490,206	9,108,398
Changes in working capital:				
Inventories	(34,114)	38,907	(39,777)	17,933
Receivables	2,756,016	(3,214,529)	2,726,723	(2,851,115)
Payables	1,294,686	(4,147,716)	324,866	(4,050,129)
Total changes in working capital	4,016,588	(7,323,338)	3,011,812	(6,883,311)
Cash flows from operation	28,146,616	7,097,517	20,502,018	2,225,087
Net taxes paid	(5,425,806)	(2,903,746)	(4,600,000)	(1,682,558)
Net cash flows from operating activities	22,720,810	4,193,771	15,902,018	542,529

Statements Of Cash Flows (continued)

For the financial year ended 31 December 2017

	Group		Company	
	2017 RM	2016 RM (restated)	2017 RM	2016 RM (restated)
Investing activities				
Purchase of property, plant and equipment	(1,322,256)	(789,057)	(464,654)	(444,735)
Additions to bearer plants	(1,034,272)	(1,697,150)	(925,242)	(1,329,355)
Purchase of additional shares in a subsidiary	-	(1,050)	-	-
Proceeds from disposal of property, plant and equipment	-	36,793	-	36,793
Proceeds from disposal of investment securities	2,278,506	-	2,278,506	-
Interest received	1,075,156	676,064	571,894	310,459
Dividends received	31,570	112,000	20,440	104,304
Net cash flows from/(used in) investing activities	1,028,704	(1,662,400)	1,480,944	(1,322,534)
Financing activities				
Interest paid	(12,318)	(24,254)	(12,318)	(23,896)
Dividends paid	(3,891,027)	-	(3,891,027)	-
Dividends paid to non-controlling interests of a subsidiary	(348)	-	-	-
Net cash flows used in financing activities	(3,903,693)	(24,254)	(3,903,345)	(23,896)
Net increase/(decrease) in cash and cash equivalents	19,845,821	2,507,117	13,479,617	(803,901)
Effects of exchange rate changes	(36,490)	42,692	-	-
Cash and cash equivalents at beginning of year	28,273,196	25,723,387	12,403,218	13,207,119
Cash and cash equivalents at end of year (Note 22)	48,082,527	28,273,196	25,882,835	12,403,218

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes To The Financial Statements

For the financial year ended 31 December 2017

1. Corporate information

Riverview Rubber Estates, Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at 33 (1st Floor) Jalan Dato' Maharajalela 30000 Ipoh, Perak Darul Ridzuan and Riverview Estate, 31800 Tg. Tualang, Perak Darul Ridzuan respectively.

The immediate and ultimate holding companies of the Company are Sungei Ream Holdings Sendirian Berhad and Buloh Akar Holdings Sendirian Berhad respectively, both of which are incorporated in Malaysia.

The principal activity of the Company is the cultivation of oil palm whilst those of its subsidiaries are discussed in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on .

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies disclosed in Note 3 to the financial statements and comply with Malaysian Financial Reporting Standards "MFRSs", International Financial Reporting Standards ["IFRSs"] and the requirements of the Companies Act, 2016 in Malaysia.

These are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The Group and the Company are transitioning entities as defined by the Malaysian Accounting Standards Board and their financial statements were prepared in accordance with FRS Framework during the previous financial years. For the financial year ended 31 December 2017, the Group and the Company have applied an earlier transition to the MFRS Framework.

As required by MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards, subject to certain transition election as disclosed in Note 2.2 to the financial statements, the Group and the Company have consistently applied the same accounting policies in their opening MFRS statements of financial position at 1 January 2016, being the transition date, and throughout all years presented, as if these policies had always been in effect. Comparative information for the financial year ended 31 December 2016 in these financial statements have been restated to give effect to these changes and the financial impact on transition from FRSs in Malaysia to MFRSs are disclosed in Note 2.2 to the financial statements.

2. Basis of preparation (continued)

2.2 Changes in accounting policies

The adoption of the MFRSs for the current financial year has no material effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and Company's existing accounting policies except for those discussed below:

MFRS 141 Agriculture and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

With the amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

(i) Notes to reconciliation

Bearer Plants

Prior to the adoption of Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, replanting expenditure which represents cost incurred in replanting old planted areas, was charged to profit or loss. With the adoption of Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, replanting expenditure is measured at cost less accumulated depreciation and accumulated impairment losses, if any. The early adoption of Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants have resulted such in additional amortisation on bearer plants. The replanting expenditure that are charged to profit or loss during the previous financial years are reversed and capitalised under bearer plants.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

(i) Notes to reconciliation (continued)

Bearer Plants (continued)

The impact arising from the change is summarised as follows:

Group	31 December 2016 RM	1 January 2016 RM
Statement of financial position		
Bearer plants	12,873,179	11,776,784
Deferred nursery expenditure	(737,761)	(644,767)
Deferred tax liabilities	(2,938,132)	(2,691,228)
Retained profits	(9,137,826)	(8,368,695)
Non-controlling interest	(59,460)	(72,094)
Statements of profit or loss and other comprehensive income		
Replanting expenditure	1,604,156	
Amortisation of bearer plants	(600,755)	
Tax expenses	(246,904)	
Non-controlling interest	12,634	

Company	31 December 2016 RM	1 January 2016 RM
Statement of financial position		
Bearer plants	8,748,886	7,818,704
Deferred nursery expenditure	(664,588)	(579,395)
Deferred tax liabilities	(1,948,303)	(1,741,287)
Retained profits	(6,135,995)	(5,498,022)
Statements of profit or loss and other comprehensive income		
Replanting expenditure	1,244,162	
Amortisation of bearer plants	(399,173)	
Tax expenses	(207,016)	

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

(i) Notes to reconciliation (continued)

Biological Assets

In the previous financial years, fresh fruit bunches ("FFBs") growing on oil palm trees (bearer plants) were treated as part of the bearer plants and were not recognised separately. Previously, the Company did not recognise the FFBs growing on bearer plants (produce growing on bearer plants).

Upon adoption of the amendments to MFRSs, the produce growing on bearer plants are measured at fair value less costs to sell in accordance with MFRS 141. The change in accounting policy has resulted in an additional asset (produce growing on bearer plants) being recognised in the statements of financial position as disclosed in Note 20.

In addition, upon transition to MFRSs, agricultural produce harvested are measured at fair value less costs to sell at the point of harvest in accordance with MFRS 141. A gain or loss arising on initial recognition of harvested agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of agricultural produce shall be included in profit or loss for the period in which it arises. The change in accounting policy has resulted in an additional line item of fair value changes from FFBs harvested in the statements of profit or loss and other comprehensive income for the comparative financial year 2016.

The impact arising from the change is summarised as follows:

Group	31 December 2016 RM	1 January 2016 RM
Statement of financial position		
Biological asset	(71,688,021)	(71,688,021)
Agriculture produce	5,055,663	1,877,278
Deferred tax liabilities	5,362,038	6,124,851
Retained profits	(6,113,558)	(3,790,015)
Reserves	65,112,623	65,112,623
Non-controlling interest	2,271,255	2,363,284
Statements of profit or loss and other comprehensive income		
Fair value changes in agriculture produce	3,178,385	
Tax expenses	(762,813)	
Non-controlling interest	(92,029)	

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

(i) Notes to reconciliation (continued)

Biological Assets (continued)

Company	31 December 2016 RM	1 January 2016 RM
Statement of financial position		
Biological asset	(46,541,873)	(46,541,873)
Agriculture produce	3,275,629	946,421
Deferred tax liabilities	1,540,943	2,099,953
Retained profits	(2,489,478)	(719,280)
Reserves	44,214,779	44,214,779
Statements of profit or loss and other comprehensive income		
Fair value changes in agriculture produce	2,329,208	
Tax expenses	(559,010)	

MFRS 1 exemption option - exemption for cumulative translation differences

MFRS 1 permits cumulative translation differences to be reset to zero at the date of transition. This provides relief from determining cumulative currency translation differences in accordance with MFRS 121 *The Effects of Changes in Foreign Exchange Rates* from the date a foreign operation was acquired. Prior to 1 January 2017, the Group recognised translation differences of foreign operations as a separate component of equity. Upon the change in Framework effective 1 January 2017, the Group elected to reset all cumulative translation differences to zero in opening retained profits at its transition date .

(i) Notes to reconciliation

The impact arising from the change is summarised as follows:

Group	31 December 2016 RM	1 January 2016 RM
Statement of financial position		
Retained profits	(1,828,201)	(1,828,201)
Reserves	1,828,201	1,828,201

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

(ii) Reconciliation

(a) Statement of financial position

	As previously reported RM	Effect of adoption of MFRSs RM	As restated RM
Group			
At 1 January 2016			
Biological asset	71,688,021	(71,688,021)	-
Bearer plants	-	11,776,784	11,776,784
Deferred nursery expenditure	644,767	(644,767)	-
Agriculture produce	-	1,877,278	1,877,278
Deferred tax liabilities	20,975,148	(3,433,623)	17,541,525
Retained profits	54,801,640	13,986,911	68,788,551
Reserves	184,026,576	(66,940,824)	117,085,752
Non-controlling interest	21,519,661	(2,291,190)	19,228,471
At 31 December 2016			
Biological asset	71,688,021	(71,688,021)	-
Bearer plants	-	12,873,179	12,873,179
Deferred nursery expenditure	737,761	(737,761)	-
Agriculture produce	-	5,055,663	5,055,663
Deferred tax liabilities	20,983,581	(2,423,906)	18,559,675
Retained profits	61,747,850	17,079,585	78,827,435
Reserves	182,216,722	(66,940,824)	115,275,898
Non-controlling interest	22,086,891	(2,211,795)	19,875,096
Company			
At 1 January 2016			
Biological asset	46,541,873	(46,541,873)	-
Bearer plants	-	7,818,704	7,818,704
Deferred nursery expenditure	579,395	(579,395)	-
Agriculture produce	-	946,421	946,421
Deferred tax liabilities	7,933,949	(358,666)	7,575,283
Retained profits	32,169,523	6,217,302	38,386,825
Reserves	143,137,358	(44,214,779)	98,922,579

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

(ii) Reconciliation (continued)

(a) Statement of financial position (continued)

	As previously reported RM	Effect of adoption of MFRSs RM	As restated RM
Company			
At 31 December 2016			
Biological asset	46,541,873	(46,541,873)	-
Bearer plants	-	8,748,886	8,748,886
Deferred nursery expenditure	664,588	(664,588)	-
Agriculture produce	-	3,275,629	3,275,629
Deferred tax liabilities	8,119,231	407,360	8,526,591
Retained profits	33,919,188	8,625,473	42,544,661
Reserves	143,267,306	(44,214,779)	99,052,527

(b) Statements of profit or loss and other comprehensive income

	As previously reported RM	Effect of adoption of MFRSs RM	As restated RM
Group			
Financial Year Ended 31 December 2016			
Fair value changes in agriculture produce	-	3,178,385	3,178,385
Replanting expenditure	(1,604,156)	1,604,156	-
Amortisation of bearer plants	-	(600,755)	(600,755)
Tax expenses	(2,556,328)	(1,009,717)	(3,566,045)
Non-controlling interest	(157,470)	(79,395)	(236,865)

	As previously reported RM	Effect of adoption of MFRSs RM	As restated RM
Company			
Financial Year Ended 31 December 2016			
Fair value changes in agriculture produce	-	2,329,208	2,329,208
Replanting expenditure	(1,244,162)	1,244,162	-
Amortisation of bearer plants	-	(399,173)	(399,173)
Tax expenses	(1,814,433)	(766,026)	(2,580,459)

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

(ii) Reconciliation (continued)

(c) Statements of cash flows

	As previously reported RM	Effect of adoption of MFRSs RM	As restated RM
Group			
Financial Year Ended 31 December 2016			
Operating activities			
Profit before tax	10,789,944	4,181,786	14,971,730
Adjustments for:			
Fair value changes in agriculture produce	-	(3,178,385)	(3,178,385)
Amortisation of bearer plants	-	600,755	600,755
Changes in working capital:			
Deferred nursery expenditure	(92,994)	92,994	-
Investing activities			
Additions to bearer plants	-	(1,697,150)	(1,697,150)

	As previously reported RM	Effect of adoption of MFRSs RM	As restated RM
Company			
Financial Year Ended 31 December 2016			
Operating activities			
Profit before tax	7,455,125	3,174,197	10,629,322
Adjustments for:			
Fair value changes in agriculture produce	-	(2,329,208)	(2,329,208)
Amortisation of bearer plants	-	399,173	399,173
Changes in working capital:			
Deferred nursery expenditure	(85,193)	85,193	-
Investing activities			
Additions to bearer plants	-	(1,329,355)	(1,329,355)

2. Basis of preparation (continued)

2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following Standards, Amendments and Issues Committee (''IC'') Interpretation have been issued by the Malaysian Accounting Standards Board ["MASB"] but are not yet effective and have not been applied by the Group and by the Company:

MFRS, Amendments to MFRS and IC Interpretations	Effective for financial periods beginning on or after
New MFRS	
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers and Clarifications to MFRS 15	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
Amendments/Improvements to MFRS	
MFRS 1 First-time adoption of Malaysian Financial Reporting Standards*	1 January 2018
MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
MFRS 128 Investments in Associates and Joint Ventures*	1 January 2018
MFRS 140 Transfer of Investment Property	1 January 2018
MFRS 3 Business Combinations #	1 January 2019
MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
MFRS 11 Joint Arrangements #	1 January 2019
MFRS 112 Income Taxes #	1 January 2019
MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019
MFRS 123 Borrowing Costs #	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
MFRS 10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
New IC Interpretation	
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatment	1 January 2019

* Annual Improvements to MFRS Standards 2014-2016 Cycle
\# Annual Improvements to MFRS Standards 2015-2017 Cycle

A brief discussion on the significant new MFRSs, amendments/improvements to MFRSs and new IC Interpretations are summarised below. Due to the complexity of these new MFRSs, amendments/improvements to MFRSs and new IC Interpretations, the financial effects of their adoption are currently still being assessed by the Group and Company.

2. Basis of preparation (continued)

2.3 Standards issued but not yet effective (continued)

MFRS 9 Financial Instrument

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

2. Basis of preparation (continued)

2.3 Standards issued but not yet effective (continued)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

i. identify the contracts with a customers
ii. identify the performance obligation in the contract;
iii. determine the transaction price;
iv. allocate the transaction price to the performance obligations in the contract;
v. recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111 Construction Contracts
MFRS 118 Revenue
IC Interpretation 13 Customer Loyalty Programmes
IC Interpretation 15 Agreements for the Construction of Real Estate
IC Interpretation 18 Transfer of Assets from Customers
IC Interpretation 131 Revenue - Barter Transactions Involving Advertising Services

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

2. Basis of preparation (continued)

2.3 Standards issued but not yet effective (continued)

IC Int 23 Uncertainty over Income Tax Treatments

IC Int 23 clarifies that where there is uncertainty over income tax treatments, an entity shall assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. It shall also reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

3. Significant accounting policies

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in dealing with items that are considered material in relation to the financial statements.

3.1 Foreign currency

a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The Group's and the Company's financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company’s functional currency.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using exchange rates as at the dates of initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Company's net investment in foreign operations. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the profit or loss. Exchange differences arising on monetary items that form part of the Company’s net investment in foreign operation are recognised in the profit or loss in the Company’s separate financial statements or the individual financial statements of the foreign operation, as appropriate

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3. Significant accounting policies (continued)

3.1 Foreign currency (continued)

c) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities are translated at the closing rate prevailing at the reporting date;
- Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the capital reserve within equity.

Goodwill and fair value adjustment arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

3.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of substantive potential voting rights are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, made up to the end of the year.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss. The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

3. Significant accounting policies (continued)

3.3 Basis of consolidation (continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Intragroup transactions, balances and unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are also eliminated on consolidation unless cost cannot be recovered.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.4 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination. The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods. Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

3. Significant accounting policies (continued)

3.5 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred

Subsequent to initial recognition, property, plant and equipment except for freehold and leasehold estate land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold and leasehold estate land are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the reporting date. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is recognised in the profit or loss to the extent of the decrease previously recognised.

A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in the profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained profits.

Freehold estate land has an unlimited useful life and therefore is not depreciated. Leasehold lands are depreciated over the period of the lease of 26 to 99 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

- Buildings	2% - 5%
- Plant and machinery	10% - 20%
- Vehicles	15% - 20%
- Furniture, fixture and fittings and electrical installation	10% - 25%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

3. Significant accounting policies (continued)

3.6 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

Fair value of an investment property is an amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value is determined from market-based evidence by appraisal that is undertaken by professional qualified valuers.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

3.7 Impairment of non-financial assets

The carrying amounts of non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (""CGU"") to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

3. Significant accounting policies (continued)

3.7 Impairment of non-financial assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

3.8 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

3. Significant accounting policies (continued)

3.8 Financial assets (continued)

b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale and are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

3. Significant accounting policies (continued)

3.8 Financial assets (continued)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

3.9 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3. Significant accounting policies (continued)

3.9 Impairment of financial assets (continued)

b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and deposits at call with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in the management of its short term funding requirements. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3.11 Inventories

Inventories comprise stores and consumables and are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

3. Significant accounting policies (continued)

3.12 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.13 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

3. Significant accounting policies (continued)

3.13 Financial liabilities (continued)

b) Other financial liabilities (continued)

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.14 Financial guarantee contracts

A financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

3.15 Employee benefits

a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b) Retirement benefits

The Group provides for retirement benefits for eligible employees on an unfunded defined benefits basis in accordance with the terms of the unions' collective agreements and/or employment agreements. Full provision has been made for retirement benefits payable to all eligible employees who have completed their qualifying period of between 5 to 10 years of service, based on the length of service to date and rates set out in the said agreements. Should an employee leave after completing their qualifying period of service but before attaining the retirement age, the provision made for the employee is written back. No actuarial valuation has been conducted on the retirement benefits provision, as the directors are of the opinion that the amount is insignificant to the Group.

The Group also makes contributions to the statutory pension scheme, the Employees Provident Fund ("EPF") for employees that are not covered by the agreements.

3. Significant accounting policies (continued)

3.16 Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group and Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, except for land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Recognition

a) As lessee

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there are no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Leases, where the Group and the Company do not assume substantially all the risks and rewards of ownership are classified as operating lease.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct cost incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

3. Significant accounting policies (continued)

3.17 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

a) Sale of goods

Revenue relating to sale of oil palm produce at invoice value is recognised when delivery has taken place and transfer of risks and rewards have been completed.

b) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

c) Dividend income

Dividend income is recognised when the right to receive payment is established.

d) Rental income

Rental income from investment property is recognised in a straight-line basis over the term of lease.

3.18 Income Taxes

The tax expense in the income statement comprises current and deferred tax. Current tax is the amount of taxes payable or receivable in respect of the taxable profit or loss for the period. Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities and assets are provided for, using the liability method, in respect of all temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unabsorbed tax losses and capital allowances unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

3.19 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

3.21 Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares (''EPS'').

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

3.22 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the General Manager of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.23 Bearer plants

Bearer plants are living plant that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of twenty-five (25) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over its remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

3. Significant accounting policies (continued)

3.24 Biological assets

The agriculture produce comprise of fresh fruit bunches ("FFB") prior to harvest. The agriculture produce is valued at fair value less cost to sell at the point of harvest. In determining the fair value of the agriculture produce, the management has aggregated the forecasted gross profit before depreciation and windfall tax levy for the next two (2) months after the year end. The management reviews the assumptions and estimates periodically to identify any significant change in the fair value less cost to sell of the agriculture produce.

3.25 Fair value measurements

The Group and the Company adopted MFRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurements takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Transfer between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfer.

4. Significant accounting estimates and judgements

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

4. Significant accounting estimates and judgements (continued)

4.1 Critical Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, the management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

(a) Assessment of impairment of land

For the purpose of impairment testing of these assets, the recoverable amount is determined based on prevailing market value determined by professional valuers. The Group revalued its land during the financial year ended 31 December 2017. The carrying amounts of the revalued land are disclosed in Note 13 to the financial statements.

(b) Assessment of impairment of investment in subsidiaries

Investment in subsidiaries are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Such assessment required the directors to make estimates of the recoverable amount. Impairment loss is recognised for the amount by which the carrying amount of the assets exceed its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use. At the reporting date, there is no indication of impairment on the investments.

(c) Leasehold land

As disclosed in Note 13 to the financial statements, the Group has revalued its leasehold estate land during the financial year ended 31 December 2017 and the major assumption underlying the valuation is the lease will be renewed for 99 years term. Certain leasehold estate land has the remaining lease term of 12 years as at 31 December 2017. The directors have applied to the relevant authority for the renewal of the lease term and obtained approval for the extension of the lease term of certain leasehold land in prior years. During the year, the authority had indicated its agreement to extend the lease period for 99 years with the conditions that the Group surrenders 10% of the estate land and pays a premium of approximately RM730,000 to the authority. The Group had agreed to the conditions and is in the midst of discussion with the authority pertaining to the arrangement of the 10% estate land. The directors are confident that, barring any unforeseen circumstances, the lease term of the remaining land will also be renewed for 99 years. Changes in the expected lease term of the land could impact the revalued amount of the leasehold estate land and future depreciation charges.

4. Significant accounting estimates and judgements (continued)

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the individual asset's useful life. Management estimates the useful life of plant and machinery to be 4 to 10 years while 20 to 50 years for building, based on the level of expected usage. Management also estimates that the machinery will have minimal residual values at the end of its useful life. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

b) Fair value of agriculture produce

The agriculture produce is valued at fair value less cost to sell at the point of harvest. In determining the fair value of the agriculture produce, the management has aggregated the forecasted gross profit before depreciation and windfall tax levy for the next two (2) months after the financial year end. Any change in the estimates may affect the fair value less cost to sell of the agriculture produce significantly. The management reviews the assumptions and estimates periodically to identify any significant change in the fair value less cost to sell of the agriculture produce.

5. Revenue

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Sales of fresh fruit bunches of oil palm	42,094,279	29,828,840	29,468,119	19,159,991
Rental income	1,170,906	1,481,746	-	-
	43,265,185	31,310,586	29,468,119	19,159,991

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

6. Interest income

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest income of financial assets that are not at fair value through profit or loss				
- interest on fixed deposits	1,075,156	676,064	571,894	310,459

7. Dividend income

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Available-for-sale financial assets : equity instruments				
- quoted in Malaysia	31,570	112,000	-	83,300
Subsidiary : equity instruments				
- unquoted outside Malaysia	-	-	20,440	21,004
	31,570	112,000	20,440	104,304

8. Profit before tax

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
The following items have been included in arriving at profit before tax:				
Auditors' remuneration :				
- Statutory audit				
- Current year	358,872	356,930	59,000	55,000
- Under/(over) provision in prior year	8,000	(11,580)	8,000	4,000
- Other services	10,000	5,000	10,000	5,000
Amortisation of bearer plants	655,109	600,755	435,509	399,173
Depreciation	1,800,969	1,792,706	813,397	797,151
Directors' remuneration (Note 9)	1,807,570	1,883,693	805,250	784,200
Interest expense of financial liabilities that are not at fair value through profit or loss				
- revolving credit	12,318	24,254	12,318	23,896
Provision for retirement benefits	56,410	27,626	41,198	13,194
Staff costs (excluding remuneration of executive director)*	7,881,790	6,553,190	5,737,020	4,528,301
Loss/(gain) of foreign exchange:				
- Realised	6,266	(19,949)	-	-
- Unrealised	77,000	(121,000)	-	-

8. Profit before tax (continued)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Fair value loss on investment properties	1,141,200	1,101,600	-	-
Fair value loss/(gain) on agriculture produce	3,405,895	(3,178,385)	2,082,862	(2,329,208)
Gain on disposal of				
- property, plant and equipment	-	(10,367)	-	(10,367)
- investment securities	(1,500,472)	-	(1,500,472)	-
Gross dividends :				
- other investment	(31,570)	(112,000)	-	(83,300)
- subsidiary quoted outside Malaysia	-	-	(20,440)	(21,004)
Interest income	(1,075,156)	(676,064)	(571,894)	(310,459)
Rental income from motor vehicles	(1,398)	(1,333)	-	-

* Staff costs (excluding remuneration of executive director) comprise:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Salaries and wages	7,333,016	6,091,819	5,305,444	4,180,048
Employees' Provident Fund contributions	492,607	414,038	387,044	312,287
Social Security Fund contributions	56,167	47,333	44,532	35,966
	7,881,790	6,553,190	5,737,020	4,528,301

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

9. Directors' remuneration

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors of the Company:				
Non-Executive:				
Fees	265,000	265,000	265,000	265,000
Other emoluments	540,250	519,200	540,250	519,200
	805,250	784,200	805,250	784,200
Directors of the subsidiaries:				
Non-executive:				
Fees	729,070	822,993	-	-
Other emoluments	273,250	276,500	-	-
	1,002,320	1,099,493	-	-
Total	1,807,570	1,883,693	805,250	784,200

The number of directors of the Group and the Company whose total remuneration during the financial year fall within the following bands is as follows:

Non-executive directors:				
RM50,000 and below	2	2	-	-
RM50,001 – RM100,000	-	1	-	-
RM100,001 – RM150,000	-	-	1	1
RM150,001 – RM200,000	1	1	-	2
RM200,001 – RM250,000	1	1	2	-
RM250,001 – RM300,000	-	-	1	1
RM400,001 – RM450,000	2	2	-	-
RM500,001 – RM550,000	1	-	-	-
RM550,001 – RM600,000	-	1	-	-

10. Tax expenses

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2017 and 2016 are :

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Current income tax :				
Malaysian income tax	4,934,311	2,689,100	3,469,689	1,639,967
Under/(over) provision in prior year	29,169	(12,624)	46,824	(7,649)
	4,963,480	2,676,476	3,516,513	1,632,318
Deferred income tax (Note 19):				
Origination and reversal of temporary differences	(1,182,799)	886,067	(233,190)	955,237
Under/(over) provision in prior year	104,507	3,502	108,107	(7,096)
	(1,078,292)	889,569	(125,083)	948,141
Income tax expense recognised in profit or loss	3,885,188	3,566,045	3,391,430	2,580,459

10. Tax expenses (continued)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2017 and 2016 are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax	19,588,325	14,971,730	16,197,728	10,629,322
Tax expenses at applicable tax rate	4,701,198	3,593,215	3,887,455	2,551,037
Effect of different tax rate in other country	(28,841)	(29,672)	-	-
Utilisation of previously unrecognised deferred tax assets	-	(70,869)	-	-
Income not subject to tax	(396,908)	(105,594)	(360,113)	(25,033)
Expenses not deductible for tax purposes	679,196	698,494	52,040	69,200
Effect of tax allowance on investment properties	(87,242)	(111,249)	-	-
Effect of lower tax rate on incremental chargeable income exceeding 20%	(394,661)	-	(342,883)	-
Crystallisation of defferred tax liability on investment properties	(610,101)	(330,480)	-	-
Crystallisation of deferred tax liability on revaluation reserve	(111,129)	(68,678)	-	-
Under/(over) provision of deferred tax in prior year	104,507	3,502	108,107	(7,096)
(Over)/under provision of current tax in prior year	29,169	(12,624)	46,824	(7,649)
Tax expense for the year	3,885,188	3,566,045	3,391,430	2,580,459

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the year.

Tax expense for other taxation authority is calculated at the rate prevailing in the respective jurisdiction.

Effective year of assessment 2017 and 2018, tax rate for Malaysia resident companies have been given a reduction in the income tax rate ranging from 1% to 4% on the incremental chargeable income compared to the immediate preceding year of assessment, based on the percentage of increase in chargeable income.

10. Tax expenses (continued)

Deferred tax assets have not been recognised in respect of the following items:

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Unutilised business losses carried forward	142,837	98,276	323,147
Unabsorbed capital allowances	-	1,458	359,650
	142,837	99,734	682,797
Deferred tax assets not recognised at foreign tax rate of 27.5% (31.12.2016: 30%; 1.1.2016: 30%)	39,280	29,920	204,839

The unutilised business losses above arose in Australia and are available indefinitely for offset against future taxable profits of the Australian subsidiary.

Tax savings of the Group arising from the utilisation of previously unutilised tax losses amounted to Nil (31.12.2016: RM70,869; 1.1.2016: RM154,007).

11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares during the financial year.

The following reflects the profit and share data used in the computation of basic earnings per share for the years ended 31 December 2017 and 2016:

	Group	
	2017 RM	2016 RM
Profit net of tax attributable to owners of the Company used in the computation of basic earnings per share	15,360,113	11,168,820
Weighted average number of ordinary shares for basic earnings per share computation	64,850,448	64,850,448
Basic earnings per share (sen)	23.69	17.22

There is no dilutive effect on earnings per share as the Company has no potential issues of ordinary shares.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

12. Dividends

	Dividends in respect of Year		Dividends recognised in Year	
	2017 RM	2016 RM	2017 RM	2016 RM
Recognised during the year:				
Interim dividend for 2016: 6% under the single tier system on 64,850,448 ordinary shares (6.00 sen per ordinary share)	-	3,891,027	-	3,891,027
	-	3,891,027	-	3,891,027
Interim dividend for 2017: 8% under the single tier system on 64,850,448 ordinary shares (8.00 sen per ordinary share)	5,188,036	-	5,188,036	-
Special dividend for 2017: 10% under the single tier system on 64,850,448 ordinary shares (10.00 sen per ordinary share)	6,485,045	-	6,485,045	-
	11,673,081	-	11,673,081	-
Total dividends	11,673,081	3,891,027	11,673,081	3,891,027

13. Property, plant and equipment

	Leasehold estate land RM	Freehold estate land RM	Buildings RM	Plant and machinery RM	Vehicles RM	Furniture, fixture and fittings and electrical installation RM	Total RM
Group							
Cost or valuation							
At 1 January 2017	12,990,683	185,136,555	8,450,226	3,137,802	3,525,296	1,337,837	214,578,399
Additions	732,952	-	16,074	225,242	294,000	53,988	1,322,256
Revaluation	3,453,579	4,383,326	-	-	-	-	7,836,905
At 31 December 2017	17,177,214	189,519,881	8,466,300	3,363,044	3,819,296	1,391,825	223,737,560
Representing:							
At cost	-	-	8,466,300	3,363,044	3,819,296	1,391,825	17,040,465
At valuation	17,177,214	189,519,881	-	-	-	-	206,697,095
	17,177,214	189,519,881	8,466,300	3,363,044	3,819,296	1,391,825	223,737,560
Accumulated depreciation							
At 1 January 2017	2,625,999	-	1,586,343	2,235,173	2,574,901	1,003,436	10,025,852
Charge for the year	657,690	-	405,049	338,919	342,531	56,780	1,800,969
At 31 December 2017	3,283,689	-	1,991,392	2,574,092	2,917,432	1,060,216	11,826,821
Net carrying amount							
At cost	-	-	6,474,908	788,952	901,864	331,609	8,497,333
At valuation	13,893,525	189,519,881	-	-	-	-	203,413,406
At 31 December 2017	13,893,525	189,519,881	6,474,908	788,952	901,864	331,609	211,910,739

13. Property, plant and equipment (continued)

	Leasehold estate land RM	Freehold estate land RM	Buildings RM	Machinery RM	Vehicles RM	Furniture and fittings RM	Total RM
Company							
Cost or valuation							
At 1 January 2017	788,779	132,630,582	5,068,517	2,721,152	2,537,078	970,580	144,716,688
Additions	-	-	11,378	111,948	294,000	47,328	464,654
Revaluation	32,170	3,773,359	-	-	-	-	3,805,529
At 31 December 2017	820,949	136,403,941	5,079,895	2,833,100	2,831,078	1,017,908	148,986,871
Representing:							
At cost	-	-	5,079,895	2,833,100	2,831,078	1,017,908	11,761,981
At valuation	820,949	136,403,941	-	-	-	-	137,224,890
	820,949	136,403,941	5,079,895	2,833,100	2,831,078	1,017,908	148,986,871
Accumulated depreciation							
At 1 January 2017	21,403	-	1,087,869	1,955,415	1,953,015	718,155	5,735,857
Charge for the year	8,365	-	239,317	281,004	244,225	40,486	813,397
At 31 December 2017	29,768	-	1,327,186	2,236,419	2,197,240	758,641	6,549,254
Net carrying amount							
At cost	-	-	3,752,709	596,681	633,838	259,267	5,242,495
At valuation	791,181	136,403,941	-	-	-	-	137,195,122
At 31 December 2017	791,181	136,403,941	3,752,709	596,681	633,838	259,267	142,437,617

13. Property, plant and equipment (continued)

	Leasehold estate land RM	Freehold estate land RM	Buildings RM	Plant and machinery RM	Vehicles RM	Furniture, fixture and fittings and electrical installation RM	Total RM
Group							
Cost or valuation							
At 1 January 2016	12,978,683	185,136,555	8,237,974	2,905,276	3,446,393	1,275,558	213,980,439
Additions	12,000	-	212,252	232,526	270,000	62,279	789,057
Disposal	-	-	-	-	(191,097)	-	(191,097)
At 31 December 2016	12,990,683	185,136,555	8,450,226	3,137,802	3,525,296	1,337,837	214,578,399
Representing:							
At cost	79,738	-	8,450,226	3,137,802	3,525,296	1,337,837	16,530,899
At valuation	12,910,945	185,136,555	-	-	-	-	198,047,500
	12,990,683	185,136,555	8,450,226	3,137,802	3,525,296	1,337,837	214,578,399
Accumulated depreciation							
At 1 January 2016	1,968,323	-	1,180,626	1,902,250	2,398,634	947,984	8,397,817
Charge for the year	657,676	-	405,717	332,923	340,938	55,452	1,792,706
Disposal	-	-	-	-	(164,671)	-	(164,671)
At 31 December 2016	2,625,999	-	1,586,343	2,235,173	2,574,901	1,003,436	10,025,852
Net carrying amount							
At cost	74,970	-	6,863,883	902,629	950,395	334,401	9,126,278
At valuation	10,289,714	185,136,555	-	-	-	-	195,426,269
At 31 December 2016	10,364,684	185,136,555	6,863,883	902,629	950,395	334,401	204,552,547

13. Property, plant and equipment (continued)

	Leasehold estate land RM	Freehold estate land RM	Buildings RM	Machinery RM	Vehicles RM	Furniture and fittings RM	Total RM
Company							
Cost or valuation							
At 1 January 2016	788,779	132,630,582	4,952,777	2,537,036	2,638,175	915,701	144,463,050
Additions	-	-	115,740	184,116	90,000	54,879	444,735
Disposals	-	-	-	-	(191,097)	-	(191,097)
At 31 December 2016	788,779	132,630,582	5,068,517	2,721,152	2,537,078	970,580	144,716,688
Representing:							
At cost	25,989	-	5,068,517	2,721,152	2,537,078	970,580	11,323,316
At valuation	762,790	132,630,582	-	-	-	-	133,393,372
	788,779	132,630,582	5,068,517	2,721,152	2,537,078	970,580	144,716,688
Accumulated depreciation							
At 1 January 2016	13,038	-	849,247	1,676,770	1,887,377	676,945	5,103,377
Charge for the year	8,365	-	238,622	278,645	230,309	41,210	797,151
Disposals	-	-	-	-	(164,671)	-	(164,671)
At 31 December 2016	21,403	-	1,087,869	1,955,415	1,953,015	718,155	5,735,857
Net carrying amount							
At cost	25,395	-	3,980,648	765,737	584,063	252,425	5,608,268
At valuation	741,981	132,630,582	-	-	-	-	133,372,563
At 31 December 2016	767,376	132,630,582	3,980,648	765,737	584,063	252,425	138,980,831

13. Property, plant and equipment (continued)

Included in the total carrying amount of leasehold estate land are:

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Leasehold estate land with unexpired lease period of more than 50 years	2,221,756	2,064,753	2,070,168
Leasehold estate land with unexpired lease period of less than 50 years	11,671,769	8,299,931	8,940,192
	13,893,525	10,364,684	11,010,360

	Company		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Leasehold estate land with unexpired lease period of more than 50 years	791,181	767,376	775,741

Revaluation of freehold and leasehold estate land

The Group and the Company practice valuation of their estate land on regular intervals of at least once in every five (5) years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued properties materially differ from the market values.

An independent valuation of the Group's and the Company's estate land was performed by a professional valuer to determine the fair value of the estate land as at 31 December 2017. The estate land are revalued using the comparison method, determined by reference to the recent transactions and asking prices of similar properties in the locality, adjusted for differences in characteristics to arrive at the fair value.

The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and shown in the asset revaluation reserve.

The major assumption underlying the revaluation of the leasehold estate land of a subsidiary is the lease will be renewed for 99 years. Certain leasehold estate land has the remaining lease term of 12 years as at 31 December 2017. The directors have applied to the relevant authority for the renewal of the lease term and obtained approval for the extension of the lease term of certain leasehold land in prior years. During the year, the authority had indicated its agreement to extend the lease period for 99 years with the conditions that the Group surrenders 10% of the estate land and pays a premium of approximately RM730,000 to the authority. The Group had agreed to the conditions and is in the midst of discussion with the authority pertaining to the arrangement of the 10% estate land. The directors are confident that, barring any unforeseen circumstances, the lease term of the remaining land will also be renewed for 99 years as stated in Note 4.1(c).

13. Property, plant and equipment (continued)

Fair value information

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table present the Group's estate land that are measured at fair value:

	31 December 2017			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company				
Freehold estate land	-	-	136,403,941	136,403,941
Leasehold estate land	-	-	791,181	791,181
Subsidiaries				
Freehold estate land	-	-	53,115,940	53,115,940
Leasehold estate land	-	-	13,102,344	13,102,344
	-	-	203,413,406	203,413,406

	31 December 2016			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company				
Freehold estate land	-	-	132,630,582	132,630,582
Leasehold estate land	-	-	741,981	741,981
Subsidiaries				
Freehold estate land	-	-	52,505,973	52,505,973
Leasehold estate land	-	-	9,547,733	9,547,733
	-	-	195,426,269	195,426,269

13. Property, plant and equipment (continued)

Fair value information (continued)

	1 January 2016			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company				
Freehold estate land	-	-	132,630,582	132,630,582
Leasehold estate land	-	-	750,049	750,049
Subsidiaries				
Freehold estate land	-	-	52,505,973	52,505,973
Leasehold estate land	-	-	10,196,556	10,196,556
	-	-	196,083,160	196,083,160

There were no transfers between any levels during the year.

Valuation process applied by the Group for Level 3 fair value

The fair value valuations were carried out by an independent professional valuer, Mr. Lai Mun Wan (V021), a Chartered Surveyor registered with The Board of Valuers Malaysia, in accordance with the appraisal and valuation manual on the Group's properties.

The external valuations of the Level 3 land have been performed using a sales comparison approach by reference to the recent transactions and asking prices of similar properties in the locality, adjusted for differences in characteristics by using unobservable inputs. The external valuer has determined these inputs based on location, access, terrain, age of trees, condition of holding, standard of maintenance, time element and other relevant factors.

13. Property, plant and equipment (continued)

Fair value information (continued)

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	Valuation technique(s)	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Oil palm estates in Perak, Malaysia	Sales comparison approach	Price per hectare (Ha)	RM60,000 to RM95,872 per hectare	The higher the price per hectare, the higher the fair value

Certain freehold and leasehold land of the Company amounting to RM21,170,950 (31.12.2016: RM20,770,754; 1.1.2016: Nil) have been charged to secure banking facility granted to the Company. The borrowings have been fully settled at the reporting date.

Had the freehold and leasehold land been carried at historical cost less accumulated depreciation, the carrying amounts would have been as follows:

	Group 31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Freehold estate land	12,000,434	12,000,434	12,000,434
Leasehold estate land	2,703,818	2,383,261	2,795,255
	14,704,252	14,383,695	14,795,689

	Company 31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Freehold estate land	8,283,914	8,283,914	8,283,914

Property, plant and equipment of the Group and of the Company are acquired during the year by means of cash payments.

14. Bearer plants

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cost				
At 1 January	18,894,934	17,197,784	12,691,165	11,361,810
Additions	1,034,272	1,697,150	925,242	1,329,355
At 31 December	19,929,206	18,894,934	13,616,407	12,691,165
Accumulated amortisation				
At 1 January	6,021,755	5,421,000	3,942,279	3,543,106
Charge for the year	655,109	600,755	435,509	399,173
At 31 December	6,676,864	6,021,755	4,377,788	3,942,279
Net carrying amount				
At 31 December	13,252,342	12,873,179	9,238,619	8,748,886

15. Investment properties

	Group	
	2017 RM	2016 RM
Fair value		
At 1 January	39,398,400	39,125,000
Fair value loss	(1,141,200)	(1,101,600)
Exchange translation	(851,200)	1,375,000
At 31 December	37,406,000	39,398,400

Investment properties comprise the following properties:

Freehold land	23,384,168	25,066,937
Buildings on freehold land	14,021,832	14,331,463
	37,406,000	39,398,400

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

15. Investment properties (continued)

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2017 RM	2016 RM
Rental income	1,170,906	1,481,746
Direct operating expenses:		
- income generating investment properties	676,583	677,487

The fair value of the Group's investment properties as at 31 December 2017 was determined from market-based evidence by appraisal that is undertaken by a professionally qualified valuer.

Fair value information

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

15. Investment properties (continued)

Fair value information (continued)

The following table present the Group's investment properties that are measured at fair value:

	31 December 2017			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
Freehold land	-	23,384,168	-	23,384,168
Buildings	-	14,021,832	-	14,021,832
	-	37,406,000	-	37,406,000

	31 December 2016			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
Freehold land	-	25,066,937	-	25,066,937
Buildings	-	14,331,463	-	14,331,463
	-	39,398,400	-	39,398,400

	1 January 2016			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
Freehold land	-	25,029,699	-	25,029,699
Buildings	-	14,095,301	-	14,095,301
	-	39,125,000	-	39,125,000

There were no transfers between any levels during the year.

15. Investment properties (continued)

Fair value information (continued)

Valuation process applied by the Group for Level 2 fair value

The fair value of investment properties is determined by external, independent property valuers, Ian Fraser (No.81) having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter of comparable properties.

16. Investment in subsidiaries

		Company	
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Unquoted shares outside Malaysia, at cost	47,990,605	47,990,605	47,990,605
Unquoted shares in Malaysia, at cost	308,410	308,410	308,400
	48,299,015	48,299,015	48,299,005

16. Investment in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of Company	Principal place of business	Country of incorporation	Principal activities	Proportion (%) of ownership interest held by Subsidiary 31.12.2017	Subsidiary 31.12.2016	Subsidiary 1.1.2016	Company 31.12.2017	Company 31.12.2016	Company 1.1.2016
The Narborough Plantations Plc* (TNP)	Malaysia	England	Oil palm plantations	-	-	-	100.0	100.0	100.0
Rivaknar Holdings Sdn. Bhd.	Malaysia	Malaysia	Investment holding	33.3	33.3	33.3	33.3	33.3	33.3
Hageo Sdn. Bhd. (HSB)	Malaysia	Malaysia	Dormant	-	-	-	100.0	100.0	-
Subsidiaries of Rivaknar Holdings Sdn. Bhd. (RHSB)									
Rivaknar Properties (W.A.) Pty. Ltd.*	Australia	Australia	Investment holding	100.0	100.0	100.0	-	-	-
CG Plantations Sdn. Bhd. (CGSB)	Malaysia	England	Oil palm plantations	99.9	99.9	99.9	-	-	-

* Not audited by Sekhar & Tan

<u>Acquisition of subsidiaries</u>

During the previous year, the Group acquired additional 250 ordinary shares of RM1 each in CGSB for a total cash consideration of RM1,050.

During the previous year, the Company acquired 10 ordinary shares of RM1 each representing 100% of the equity interest in HSB for a total cash consideration of RM10.

These acquisitions do not have significant impact to the financial statements of the Group and the Company.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

17. Investment securities

	Group 31.12.2017 RM	Group 31.12.2016 RM	Group 1.1.2016 RM
Available-for-sale financial assets			
- Equity instruments :			
(quoted shares in Malaysia)			
At market value (Note 31)	1,125,040	3,298,596	3,116,988

	Company 31.12.2017 RM	Company 31.12.2016 RM	Company 1.1.2016 RM
Available-for-sale financial assets			
- Equity instruments :			
(quoted shares in Malaysia)			
At market value (Note 31)	-	2,242,436	2,112,488

18. Goodwill on consolidation

Goodwill is arising from business combinations.

The following describes the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill.

(i) Average CPO selling price

An assumed average CPO selling price of RM2,550 (31.12.2016: RM2,825; 1.1.2016: RM2,250) is used, based on the directors' best estimates of future selling prices of fresh fruit bunches.

(ii) Average discounted rate

The discount rate used is 9.75% (31.12.2016: 9.75%; 1.1.2016: 9.75%) based on Base Rate (BR) plus an estimated risk premium.

The management carried out an annual review of recoverable amounts of its goodwill each financial year. The review in the current financial year did not give rise to impairment losses.

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause recoverable amounts to be lower than their carrying amounts.

19. Deferred tax (assets)/liabilities

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
At 1 January	18,517,201	17,508,556	8,490,455	7,542,314
Recognised in profit or loss (Note 10)	(1,078,292)	889,569	(125,083)	948,141
Recognised in other comprehensive income	1,039,045	326	188,668	-
Exchange translation	(68,431)	118,750	-	-
At 31 December	18,409,523	18,517,201	8,554,040	8,490,455
Presented after appropriate offsetting as follows:				
Deferred tax assets	(59,612)	(42,474)	(46,023)	(36,136)
Deferred tax liabilities	18,469,135	18,559,675	8,600,063	8,526,591
	18,409,523	18,517,201	8,554,040	8,490,455

19. Deferred tax (assets)/liabilities (continued)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Deferred tax liabilities					Deferred tax assets derived from provision for retirement benefits	
	Bearer plants RM	Agriculture produce RM	Revaluation surplus RM	Investment properties RM	Property, plant and equipment RM	RM	Total RM
Group							
At 1 January 2017							
As previously reported	-	-	16,260,197	3,580,694	1,142,690	(42,474)	20,941,107
Effect of transition to MFRS	2,938,132	1,213,360	(6,575,398)	-	-	-	(2,423,906)
As restated	2,938,132	1,213,360	9,684,799	3,580,694	1,142,690	(42,474)	18,517,201
Recognised in profit or loss (Note 10)	223,609	(774,632)	(353,043)	(610,099)	453,011	(17,138)	(1,078,292)
Recognised in other comprehensive income	-	-	1,039,045	-	-	-	1,039,045
Exchange translation	-	-	-	(68,431)	-	-	(68,431)
At 31 December 2017	3,161,741	438,728	10,370,800	2,902,165	1,595,701	(59,612)	18,409,523

19. Deferred tax (assets)/liabilities (continued)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Deferred tax liabilities						
	Bearer plants RM	Agriculture produce RM	Revaluation surplus RM	Investment properties RM	Property, plant and equipment RM	Deferred tax assets derived from provision for retirement benefits RM	Total RM
Group							
At 1 January 2016							
As previously reported	-	-	16,322,860	3,792,424	859,864	(32,969)	20,942,179
Effect of transition to MFRS	2,691,228	450,547	(6,575,398)	-	-	-	(3,433,623)
As restated	2,691,228	450,547	9,747,462	3,792,424	859,864	(32,969)	17,508,556
Recognised in profit or loss (Note 10)	246,904	762,813	(62,989)	(330,480)	282,826	(9,505)	889,569
Recognised in other comprehensive income	-	-	326	-	-	-	326
Exchange translation	-	-	-	118,750	-	-	118,750
At 31 December 2016	2,938,132	1,213,360	9,684,799	3,580,694	1,142,690	(42,474)	18,517,201

19. Deferred tax (assets)/liabilities (continued)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Deferred tax liabilities				Deferred tax assets	
	Bearer plants RM	Agriculture produce RM	Revaluation surplus RM	Property, plant and equipment RM	derived from provision for retirement benefits RM	Total RM
Company						
At 1 January 2017						
As previously reported	-	-	7,296,940	822,291	(36,136)	8,083,095
Effect of transition to MFRS	1,948,303	786,150	(2,327,093)	-	-	407,360
As restated	1,948,303	786,150	4,969,847	822,291	(36,136)	8,490,455
Recognised in profit or loss (Note 10)	250,146	(499,887)	(2,008)	136,553	(9,887)	(125,083)
Recognised in other comprehensive income	-	-	188,668	-	-	188,668
At 31 December 2017	2,198,449	286,263	5,156,507	958,844	(46,023)	8,554,040
At 1 January 2016						
As previously reported	-	-	7,298,948	635,001	(32,969)	7,900,980
Effect of transition to MFRS	1,741,287	227,140	(2,327,093)	-	-	(358,666)
As restated	1,741,287	227,140	4,971,855	635,001	(32,969)	7,542,314
Recognised in profit or loss (Note 10)	207,016	559,010	(2,008)	187,290	(3,167)	948,141
At 31 December 2016	1,948,303	786,150	4,969,847	822,291	(36,136)	8,490,455

20. Agriculture produce

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At fair value				
At 1 January	5,055,663	1,877,278	3,275,629	946,421
Changes in fair value	(3,405,895)	3,178,385	(2,082,862)	2,329,208
At 31 December	1,649,768	5,055,663	1,192,767	3,275,629

The agriculture produce comprise of fresh fruit bunches ("FFB") prior to harvest. The agriculture produce is valued at fair value less cost to sell at the point of harvest. In determining the fair value of the agriculture produce, the management has aggregated the forecasted gross profit before depreciation and windfall tax levy for the next two (2) months after the year end. Any change in the estimates may affect the fair value less cost to sell of the agriculture produce significantly. The management reviews the assumptions and estimates periodically to identify any significant change in the fair value less cost to sell of the agriculture produce.

There were no transfers between all three (3) levels of the fair value hierarchy during the year.

During the financial year, the Group and the Company harvested approximately 66,732 tonnes (31.12.2016: 48,200 tonnes; 1.1.2016: 62,596 tonnes) and 46,876 tonnes (31.12.2016: 30,957 tonnes; 1.1.2016: 42,981 tonnes) of FFB respectively.

As at 31 December 2017, the unharvested FFB of the Group and the Company used in the fair value were 8,429 tonnes (31.12.2016: 9,060 tonnes; 1.1.2016: 8,000 tonnes) and 6,040 tonnes (31.12.2016: 5,984 tonnes; 1.1.2016: 4,952 tonnes) respectively.

21. Trade and other receivables

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Trade receivables	1,260,060	1,840,343	959,481
Other receivables	263,516	2,462,440	143,390
Deposits	71,496	71,966	63,742
Trade and other receivables	1,595,072	4,374,749	1,166,613

21. Trade and other receivables (continued)

	31.12.2017 RM	Company 31.12.2016 RM	1.1.2016 RM
Trade receivables	816,613	1,328,916	674,260
Other receivables:			
Third parties	70,707	2,288,994	90,620
Subsidiary company*	1,511	-	-
	72,218	2,288,994	90,620
Deposits	50,766	50,766	50,766
Trade and other receivables	939,597	3,668,676	815,646

* The amount due from subsidiary company represents unsecured and interest-free cash advances which are repayable on demand.

Trade receivables are non-interest bearing and are generally on 30 days (31.12.2016 : 30 days; 1.1.2016 : 30 days) term. They are recognised at their original statement amounts and represent their fair values on initial recognition.

All trade receivables are neither past due nor impaired.

The currency exposure profile of trade receivables and other receivables is as follows:

	31.12.2017 RM	Group 31.12.2016 RM	1.1.2016 RM
Ringgit Malaysia	1,253,593	4,262,214	1,145,136
Australian Dollar	341,479	112,535	21,477
	1,595,072	4,374,749	1,166,613

	31.12.2017 RM	Company 31.12.2016 RM	1.1.2016 RM
Ringgit Malaysia	939,597	3,668,676	815,646

22. Cash and cash equivalents

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Cash on hand and at banks	3,517,472	3,684,749	4,561,930
Deposits with licensed banks in Malaysia	44,565,055	24,588,447	21,161,457
	48,082,527	28,273,196	25,723,387

	Company		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Cash on hand and at banks	1,302,780	1,234,771	1,145,662
Deposits with licensed banks in Malaysia	24,580,055	11,168,447	12,061,457
	25,882,835	12,403,218	13,207,119

The currency exposure profile of deposits, cash and bank balances is as follows:

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
- Ringgit Malaysia	45,965,817	26,584,469	24,420,084
- Pound Sterling	-	-	88,572
- Australian Dollar	2,116,710	1,688,727	1,214,731
	48,082,527	28,273,196	25,723,387

	Company		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
- Ringgit Malaysia	25,882,835	12,403,218	13,207,119

22. Cash and cash equivalents (continued)

The following table set out the carrying amounts, the effective interest rates ("EIR") as at reporting date and the maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Within 1 year RM	1 - 2 years RM	Total RM
At 31 December 2017			
Group			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR - 2.75% - 3.70%	44,565,055	-	44,565,055
Company			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR - 2.85% - 3.50%	24,580,055	-	24,580,055
At 31 December 2016			
Group			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR - 2.75% - 3.50%	24,588,447	-	24,588,447
Company			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR - 2.75% - 3.50%	11,168,447	-	11,168,447
At 1 January 2016			
Group			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR - 3.00% - 3.50%	21,161,457	-	21,161,457
Company			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR - 3.00% - 3.50%	12,061,457	-	12,061,457

23. Trade and other payables

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Trade payables	385,094	113,840	227,725
Other payables:			
Third parties	509,100	358,081	318,920
Accruals	2,879,762	2,009,556	2,186,596
Deposits refundable	29,546	29,546	29,546
	3,418,408	2,397,183	2,535,062
Dividend payable	11,673,081	3,891,027	3,891,027
	15,476,583	6,402,050	6,653,814

	Company		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Trade payables	199,820	38,396	149,164
Other payables:			
Third parties	155,632	119,595	109,075
Accruals	898,065	770,660	829,503
	1,053,697	890,255	938,578
Dividend payable	11,673,081	3,891,027	3,891,027
	12,926,598	4,819,678	4,978,769

Trade payables are non-interest bearing and normally settled within 30 to 90 days (31.12.2016 : 30 - 90 days; 1.1.2016 : 30 - 90 days) terms.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

23. Trade and other payables (continued)

The currency exposure profile of trade and other payables is as follows:

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
- Ringgit Malaysia	15,224,544	6,299,906	6,513,668
- Australian Dollar	252,039	102,144	140,146
	15,476,583	6,402,050	6,653,814

	Company		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
- Ringgit Malaysia	12,926,598	4,819,678	4,978,769

24. Provision for retirement benefits

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 January	191,973	164,347	150,566	137,372
Additional provision	57,446	27,626	41,198	13,194
Reserval of provision	(1,036)	-	-	-
At 31 December	248,383	191,973	191,764	150,566
Represented by:				
Non-current liabilities				
Payable between more than 1 year and less than 5 years	24,706	14,610	23,607	14,061
Payable later than 5 years	223,677	177,363	168,157	136,505
	248,383	191,973	191,764	150,566

25. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2017	2016	2017 RM	2016 RM
Issued and fully paid up	64,850,448	64,850,448	64,850,448	64,850,448

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

The new Companies Act, 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital.

26. Reserves

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Non-distributable:			
Capital reserves:			
Asset revaluation	112,339,635	106,408,703	106,409,029
Exchange fluctuation	288,607	787,175	-
	112,628,242	107,195,878	106,409,029
Fair value adjustment reserve	144,167	1,562,689	1,398,301
	112,772,409	108,758,567	107,807,330
Distributable:			
Capital reserves:			
Reserves realised on disposal of assets*	-	-	2,761,091
General reserves:			
Asset realisation reserves**	-	4,226,205	4,226,205
Unappropriated retained profits**	-	2,291,126	2,291,126
	-	6,517,331	6,517,331
	-	6,517,331	9,278,422
	112,772,409	115,275,898	117,085,752

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

26. Reserves (continued)

	Company 31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Non-distributable:			
Capital reserves:			
Asset revaluation	95,442,793	91,825,932	91,825,932
Fair value adjustment reserve	-	1,464,402	1,334,454
	95,442,793	93,290,334	93,160,386
Distributable:			
General reserves:			
Asset realisation reserves**	-	3,471,067	3,471,067
Unappropriated retained profits**	-	2,291,126	2,291,126
	-	5,762,193	5,762,193
	95,442,793	99,052,527	98,922,579

(a) The non-distributable capital reserves are not distributable by way of cash dividends.

(b) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed or impaired.

(c) Exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency.

(d) The asset revaluation reserves represent increases in the fair value of freehold and leasehold estate land, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

* An adjustment has been made by a subsidiary to transfer the reserves realised on disposal of assets to retained profits. The impact from this transfer is a reduction of RM2,761,091 in the distributable capital reserve and an increase of the same amount in retained profits as stated in the statements of changes in equity.

** During the year, the Group and the Company transfer their distributable general reserve to retained profits as stated in the statements of changes in equity.

27. Retained profits

The Company is able to distribute dividends out of its distributable reserves as at 31 December 2017, 2016 and 2015 under the single tier system.

28. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

	Rivaknar Holdings Sdn Bhd RM	Intra-group eliminations RM	Total RM
31.12.2017			
NCI percentage (%)	33.33%		
Non-current assets	54,056,530	-	54,056,530
Current assets	15,876,833	-	15,876,833
Non-current liabilities	(5,832,589)	-	(5,832,589)
Current liabilities	(1,531,214)	-	(1,531,214)
Net assets	62,569,560	-	62,569,560
Carrying amount of NCI	20,858,416	-	20,858,416
Revenue	5,987,576	-	5,987,576
Profit	1,029,072	-	1,029,072
Other comprehensive income ("OCI")	1,921,932	-	1,921,932
Total comprehensive income	2,951,004	-	2,951,004
Profit allocated to NCI	343,024	-	343,024
OCI allocated to NCI	640,644	-	640,644
Cash flows from operating activities	1,177,877	-	1,177,877
Cash flows from investing activities	(117,220)	-	(117,220)
Net increase in cash and cash equivalents	1,060,656	-	1,060,656

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

28. Non-controlling interests (continued)

	Rivaknar Holdings Sdn Bhd RM	Intra-group eliminations RM	Total RM
31.12.2016			
NCI percentage (%)	33.33%		
Non-current assets	52,574,652	-	52,574,652
Current assets	13,612,017	-	13,612,017
Non-current liabilities	(5,916,896)	-	(5,916,896)
Current liabilities	(644,485)	-	(644,485)
Net assets	59,625,288	-	59,625,288
Carrying amount of NCI	19,875,096	-	19,875,096
Revenue	4,863,356	-	4,863,356
Profit	708,604	-	708,604
Other comprehensive income ("OCI")	1,232,430	-	1,232,430
Total comprehensive income	1,941,034	-	1,941,034
Profit allocated to NCI	236,865	-	236,865
OCI allocated to NCI	410,810	-	410,810
Cash flows from operating activities	384,644	-	384,644
Cash flows from investment activities	77,780	-	77,780
Net increase in cash and cash equivalents	462,424	-	462,424

28. Non-controlling interests (continued)

	Rivaknar Holdings Sdn Bhd RM	Intra-group eliminations RM	Total RM
1.1.2016			
NCI percentage (%)	33.33%		
Non-current assets	52,908,566	-	52,908,566
Current assets	11,515,648	-	11,515,648
Non-current liabilities	(6,107,629)	-	(6,107,629)
Current liabilities	(631,173)	-	(631,173)
Net assets	57,685,412	-	57,685,412
Carrying amount of NCI	19,228,471	-	19,228,471

29. Financial risk management policies

The Group's and the Company's activities expose them to a variety of financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. The policy in respect of the major areas of treasury activity is set out as follows:

(a) Foreign currency exchange risk

The Group and the Company are exposed to currency risk as a result of the foreign currency transactions entered into in currencies other than Ringgit Malaysia. The Group's and the Company's policy is to limit their exposure on foreign currency exchange risk by entering into foreign currency exchange transactions denominated in the Australian Dollar, wherever possible.

The net unhedged financial assets of the Group and the Company that are not denominated in their functional currencies are disclosed in their respective notes.

<u>Sensitivity analysis for foreign currency exchange risk</u>

The following table demonstrated the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in Australian Dollar exchange rate against the functional currency of the Group and the Company, with all other variables held constant. The Group's and the Company's profit after tax would increase/(decrease), as applicable, by the amounts stated below if the individual foreign currency had weakened/strengthened by the ten percentage (10%):

29. Financial risk management policies (continued)

(a) Foreign currency exchange risk (continued)

Sensitivity analysis for foreign currency exchange risk (continued)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Australian Dollar	185,410	145,823	-	-

(b) Interest rate risk

The Group's and Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's deposits and short term borrowings. The deposits are managed through the placement of fixed rate short-term deposits. The short term borrowings are managed through the use of fixed rate debt.

The information on maturity dates and interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

The Group and the Company expect that any fluctuation in interest rate will have no significant material impact on the financial performance of the Group and the Company.

(c) Market risk

(i) Commodity price

The Group and the Company do not face significant exposure from the risk of changes in market prices other than fluctuations in commodity prices.

Sensitivity analysis for commodity price risk

At 31 December 2017, if the FFB selling price had been 10% lower or higher with all other variables held constant, the gain/loss arising on the changes in fair value of agriculture produce for the Group and the Company would have equally decreased or increased by RM125,382 (2016: RM384,230) and RM90,650 (2016: RM248,948) respectively.

(ii) Equity price

Equity price risk arises from the Group's and the Company's investments in equity securities.

Management of the Group and the Company monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Group and the Company.

The Group and the Company expect that any fluctuation in equity price will have no significant material impact on the financial performance of the Group and the Company.

29. Financial risk management policies (continued)

(d) Credit risk

Credit risk is controlled by ensuring that sales of products are made to customers with an appropriate credit history and appropriate monitoring procedures. The Group and the Company do not have any significant exposure to any individual customer nor do they have any major concentration of credit risk related to any financial instrument except that all of the trade receivables were due from five companies in respect of sales performed. The maximum exposures to credit risk are represented by the carrying amount of the financial assets in the statement of financial position.

(e) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term deposits at call. As the Group and the Company seek to invest cash assets safely and profitably, the operating cash flows ensure the availability of funding.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
On demand or within one year:			
- Trade and other payables	15,476,583	6,402,050	6,653,814
Total undiscounted financial liabilities	15,476,583	6,402,050	6,653,814

	Company		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
On demand or within one year:			
- Trade and other payables	12,926,598	4,819,678	4,978,769
Total undiscounted financial liabilities	12,926,598	4,819,678	4,978,769

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

30. Categories of financial instruments

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Financial assets			
Loan and receivables:			
Trade and other receivables (Note 21)	1,595,072	4,374,749	1,166,613
Cash and cash equivalents (Note 22)	48,082,527	28,273,196	25,723,387
	49,677,599	32,647,945	26,890,000
Financial liabilities			
Other financial liabilities:			
Trade and other payables (Note 23)	15,476,583	6,402,050	6,653,814

	Company		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Financial assets			
Loan and receivables:			
Trade and other receivables (Note 21)	939,597	3,668,676	815,646
Cash and cash equivalents (Note 22)	25,882,835	12,403,218	13,207,119
	26,822,432	16,071,894	14,022,765
Financial liabilities			
Other financial liabilities:			
Trade and other payables (Note 23)	12,926,598	4,819,678	4,978,769

31. Fair value of financial instruments

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted price in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
31.12.2017				
Group				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	1,125,040	-	-	1,125,040
31.12.2016				
Group				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	3,298,596	-	-	3,298,596
1.1.2016				
Group				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	3,116,988	-	-	3,116,988

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2017

31. Fair value of financial instruments (continued)

(a) Fair value of financial instruments that are carried at fair value (continued)

	Quoted price in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
31.12.2016				
Company				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	2,242,436	-	-	2,242,436
1.1.2016				
Company				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	2,112,488	-	-	2,112,488

31. Fair value of financial instruments (continued)

(a) Fair value of financial instruments that are carried at fair value (continued)

Fair value hierarchy

The fair value measurement hierarchies used to measure financial assets and liabilities carried at fair value in the statements of financial position as at 31 December 2017, 31 December 2016 and 1 January 2016 are as follows:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

(c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no material transfers between Level 1, Level 2 and Level 3 during the current financial year.

The Group and the Company do not have any financial liabilities carried at fair value classified as above as at 31 December 2017, 31 December 2016 and 1 January 2016.

Determination of fair value

Quoted equity instruments - Fair value is determined by direct reference to their bid price quotations in an active market at the end of the reporting period.

(b) Fair value of financial instruments by classes that are not carried at fair value

The carrying amounts of other financial assets and liabilities are reasonable approximation of fair values due to their short term nature.

32. Related parties

Group and Company

(a) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controling the activities of the Group and the Company either directly or indirectly. The key management personnel include all the directors of the Group and the Company.

(b) Transactions with related parties are disclosed in Note 7 and 9 to the financial statements.

33. Segmental information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:-

(a) The plantations segment carries on the business of oil palm cultivation on its plantations in Peninsular Malaysia.

(b) The other segments consist of an investment holding real estate company that develops and rents out its properties.

The Group's principal activity is the cultivation of oil palm on plantations in Peninsular Malaysia. The activities of the subsidiaries (except Rivaknar Properties (WA) Pty Ltd) are all incidental to the main activity and in terms of revenue, profit contribution and assets employed.

33. Segmental information (continued)

The analysis of Group operations is as follows:

Business and Geographical Segments

	Malaysia - Plantations RM	Australia - Real Estate RM	Consolidated RM
2017			
Revenue	42,094,279	1,170,906	43,265,185
Profit/(loss) before tax	20,412,281	(823,956)	19,588,325
Non current assets	229,079,496	37,406,000	266,485,496
Total assets	281,812,012	39,895,160	321,707,172
Total liabilities	31,025,768	3,168,333	34,194,101
Other Information			
Amortisation	655,109	-	655,109
Depreciation	1,800,969	-	1,800,969
Net unrealised foreign exchange gain	(77,000)	-	(77,000)
Interest expense	12,318	-	12,318
Interest income	(1,048,664)	(26,492)	(1,075,156)
2016			
Revenue	29,828,840	1,481,746	31,310,586
Profit/(loss) before tax	15,466,270	(494,540)	14,971,730
Non current assets	223,498,559	39,398,400	262,896,959
Total assets	262,534,412	41,448,163	303,982,575
Total liabilities	21,471,071	3,682,627	25,153,698
Other Information			
Amortisation	600,755	-	600,755
Depreciation	1,792,706	-	1,792,706
Net unrealised foreign exchange loss	121,000	-	121,000
Interest expense	24,254	-	24,254
Interest income	(653,089)	(22,975)	(676,064)

The following are revenue from major customers arising from sales by plantation segment:

	2017 RM	2016 RM
Customer A	18,205,288	9,906,831
Customer B	11,347,402	8,359,031
Customer C	-	7,287,239
Customer D	4,284,659	2,823,644
Customer E	6,896,936	-
	40,734,285	28,376,745

34. Capital management

The Group considers its capital to comprise its ordinary share capital, retained profits and distributable reserves.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to balance risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

There have been no other significant changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital. The total amount of capital is as follows:

	Group		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Share capital	64,850,448	64,850,448	64,850,448
Retained profits	89,031,798	78,827,435	68,788,551
Distributable reserves	-	6,517,331	9,278,422
	153,882,246	150,195,214	142,917,421

	Company		
	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Share capital	64,850,448	64,850,448	64,850,448
Retained profits	49,440,071	42,544,661	38,386,825
Distributable reserves	-	5,762,193	5,762,193
	114,290,519	113,157,302	108,999,466

RIVERVIEW RUBBER ESTATES, BERHAD (820 – v)
(Incorporated in Malaysia)

FORM OF PROXY

I/We (FULLNAME IN BLOCK LETTERS) ____________________

of (FULL ADDRESS) ____________________

being a member of Riverview Rubber Estates, Berhad hereby appoint

(FULL NAME IN BLOCK LETTERS) ____________________

of (FULL ADDRESS) ____________________

as my / our proxy to vote for me / us on my / our behalf at the 79th Annual General Meeting of Riverview Rubber Estates, Berhad held at 33 (1st Floor) Jalan Dato' Maharajalela, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Friday, 25 May 2018 at 11.30 am and at any adjournment thereof.

If you want your proxy to vote in a certain way on the resolutions specified, please place a 'X' mark in the relevant boxes. The Vote withheld option is provided to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

		Yes	No	Withheld
Ordinary Resolution 1	To approve the payment of Directors fees of RM72,500 per annum for each Director, and an additional RM5,000 for the Chairman for the financial year ended 31 December 2018.			
Ordinary Resolution 2	To approve the following allowances claimable by the Directors: - Estate visit allowance of RM1,250 per visit made; and - Meeting and travelling allowance of RM4,000 per meeting attended.			
Ordinary Resolution 3	To re-elect Mohd. Razali bin Mohd. Amin who retires by rotation in accordance with Article 96 of the Company's Articles of Association and being eligible, offers himself for re-election.			
Ordinary Resolution 4	To re-appoint Messrs. Sekhar & Tan as Auditors' of the Company for the ensuing financial year and to authorize the Directors to fix the Auditors' remuneration.			

Signed ______________ on this ____________ day of ______________ 2018 No. of shares ______________

Note:

1. *A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote in his stead other than exempt authorized nominees who may appoint multiple proxies in respect of each Omnibus account held. A proxy may but need not be a member of the Company.*
2. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.*
3. *A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
4. *The instrument appointing a proxy must be deposited at the Registered Office at 33 (1st Floor), Jalan Dato' Maharahjalela, 30000 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.*
5. *A proxy may vote or abstain from voting as he thinks fit on a specified resolution if no indication is given on the proxy form by the member appointing the proxy.*
6. *In the case of joint shareholders, the proxy form signed by the first named registered shareholder on the registered shall be accepted to the exclusion of the other registered shareholder(s). If voting is in person(s) the vote of the first shareholder who tenders the vote shall be taken.*
7. *Item 1 of the Agenda is meant for discussion only, as the provision of Section 251 of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*
8. *For shares listed on the Bursa Malaysia, only a depositor whose name appears on the Record of Depositors as at 18 May 2018 shall be entitled to attend the said meeting or appoint a proxy or proxies to attend and/or vote on his/her behalf.*

STAMP

THE SECRETARY

RIVERVIEW RUBBER ESTATES, BERHAD
(Incorporated in Malaysia)
33 (1st Floor)
Jalan Dato' Maharajalela
30000 Ipoh
Perak Darul Ridzuan
Malaysia

RIVERVIEW RUBBER ESTATES, BERHAD (820-V)

33 (1ST FLOOR) JALAN DATO' MAHARAJALELA, 30000 IPOH, PERAK DARUL RIDZUAN, MALAYSIA.