

**Riverview Rubber Estates, Berhad**  
(Company No. 820-V)  
(Incorporated in Malaysia)

**Notes to the interim financial statements**

**A1. Basis of preparation**

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Economic Entity since the year ended 31 December 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

At the date of authorisation of these interim financial statements, the following FRSs and Interpretations were issued but not yet effective and have not been applied by the Economic Entity:

<b>FRSs and Interpretations</b>		<b>Effective for financial periods beginning on or after</b>
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 July 2009
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The adoption of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Economic Entity. The Economic Entity is exempted from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS139

**A2. Seasonal or cyclical factors**

The production of fresh fruits bunches of oil palms (“FFB”) is dependent on weather conditions; hence is seasonal in nature. The turnover is also dependent on price fluctuations of Crude Palm Oil (“CPO”)

**A3. Items affecting assets, liabilities, equity, net income or cash flows**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

**A4. Change in estimates**

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

**A5. Debt and equity securities**

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

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**Notes to the interim financial statements**

**A6. Dividend paid**

On 31 July 2009, the following dividends were paid :

- i. Interim dividend of 6% less 25% taxation
- ii. Special dividend of 2% less 25% taxation

**A7. Segment information**

Segmental information is not presented as the principal activity of the Company is the cultivation of oil palm wholly carried out within Malaysia.

**A8. Valuation of property, plant and equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

**A9. Capital commitments**

There are no material capital commitments as at 30 September 2009.

**A10. Events subsequent to the balance sheet date**

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements under review.

**A11. Changes in composition**

There were no changes in the composition of the Company for the current quarter.

**A12. Changes in contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at the last annual balance sheet date and the latest practicable date.

**A13. Related party transactions**

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

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

**B1. Review of performance**

The Company registered revenue of RM16.70 million for the current financial period, a decrease of 24.96% as compared to the corresponding period in the preceding year. The Company also recorded a gross profit of RM11.67 million for the current financial year, a decrease of 30.80% compared to the corresponding period in the preceding year. The lower revenue to-date is primarily due to a decrease in the average selling price of fresh fruit bunch of oil palm ("FFB").

The Company also recorded a pre-tax profit in the financial year to date of RM15.61 million against pre-tax profit of RM17.92 million, a decrease of 12.93% compared to the corresponding period in the preceding year. The lower pre-tax profit is primarily attributable to a decrease in the average selling price of FFB.

**B2. Variation of results against preceding quarter**

The current quarter's recorded pre-tax profit of RM4.34 million on revenue of RM6.20 million as compared to pre-tax profit of RM7.34 million on revenue of RM6.34 million posted in the immediate preceding quarter. The lower revenue was mainly due to a decrease in average selling price of FFB despite improved production in the current quarter as compared to the immediate preceding quarter. The pre-tax profit is primarily due to lower revenue and unrealised foreign exchange losses in the current quarter as compared to the immediate preceding quarter.

**B3. Current year prospects**

Barring any unforeseen circumstances, the directors expect the performance of the Company for the current financial year to be satisfactory.

**B4. Profit forecast**

Not applicable as no profit forecast was published.

**B5. Tax expense**

	<b>9 months ended</b>	
	<b>30.09.2009</b>	<b>30.09.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax expense		
- of the company	<u>3,004</u>	<u>4,354</u>

The effective rate of taxation is lower than the applicable statutory tax rate due to certain income which are not taxable for taxation purposes.

**B6. Unquoted investments and properties**

There were no material sales of unquoted investments or properties for the current financial year to date.

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

**B7. Quoted investments**

There were no purchases or disposals of quoted securities for the current period to date except for the following:

	<b>3 months ended 30.09.09 RM '000</b>	<b>9 months ended 30.09.09 RM '000</b>
Proceeds from disposal of quoted investments	129	2,095
Investment in quoted securities		
At cost	93	1,737
At book value	93	1,737
At market value	129	2,095

**B8. Status of corporate proposal announced**

There were no corporate proposals announced and not completed as at the latest practicable date.

**B9. Borrowing and debt securities**

There were no borrowings and debt securities as at the end of the current quarter.

**B10. Off balance sheet financial instruments**

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

**B11. Changes in material litigation**

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

**B12. Dividends**

On 31 July 2009 the following dividends were paid :

- iii. Interim dividend of 6% less 25% taxation
- iv. Special dividend of 2% less 25% taxation

**B13. Earnings per share**

***Basic earnings per share***

The calculation of basic earnings per share for the financial year is based on the net profit attributable to ordinary shareholders of RM12.60 million and the weighted average number of ordinary shares in issue during the current quarter of 64,850,448 shares.

***Diluted earnings per shares***

Not applicable.

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**B14. Financial assistance in the ordinary course of business**

No financial assistance has been provided in the ordinary course of business. The loan to a FFB transporter contractors as at the end of the previous financial year of RM91,000 has been fully repaid during the current year todate.

By Order of the Board

Adrian Tsen  
Company Secretary

Dated: 23 October 2009