RIVERVIEW RUBBER ESTATES, BERHAD (820-V)

INCORPORATED IN MALAYSIA

ANNUAL REPORT 2016

78

2016 Annual Report

78th 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 Eighth 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 Monday, 12 June 2017 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 2016 together with the Directors' and Auditors' reports thereon.	**1**
2. To approve the payment of Directors fees of RM65,000 per annum for each Director, and an additional RM5,000 for the Chairman for the financial year ended 31 December 2017.	**2**
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.	**3**
4. To re-elect Timothy John Huntsman who retires by rotation in accordance with Article 96 of the Company's Articles of Association and being eligible, offers himself for re-election.	**4**
5. To re-appoint Dr. Leong Tat Thim as an Independent Non-Executive Director of the Company.	**5**
6. 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.	**6**

By Order of the Board

Eugene Chow Jan Liang
MIA 23029
Company Secretary

25 April 2017

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 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.*
3. *The instrument appointing a proxy must be deposited at the Registered Office at 33 (1st Floor), Jalan Dato' Maharajalela, 30000 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the meeting. The number of shares to be represented by proxy should be stated in the proxy form.*
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. *In the case of joint shareholders, the proxy form signed bt 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.*
6. *For shares listed on the Bursa Malaysia, only a depositor whose name appears on the Record of Depositors as at 5 June, 2017 shall be entitled to attend the said meeting or appoint a proxy or proxies to attend and/or vote on his/her behalf.*
7. *The Companies Act 2016 which came into force on 31st January 2017 does not have a provision on the maximum age limit of years for a director. Dr Leong Tat Thim who is above the age of 70 years was re-appointed by members at the 77th Annual General Meeting of the Company held on 13th June 2016 to hold office until the conclusion of the 78th Annual General Meeting. When Resolution 5 is passed by the required special majority, he will be subject to retirement as provided in the Articles of Association.*

Statement Accompanying Notice Of Annual General Meeting

Six (6) Board Meetings were held during the year.

Date of Meeting	*Hour*	*Place*
19 February 2016	11.30 am	Tg. Tualang, Perak
22 April 2016	11.30 am	Tg. Tualang, Perak
13 June 2016	10.30 am	Ipoh, Perak
15 August 2016	11.30 am	Ipoh, Perak
24 October 2016	11.30 am	Ipoh, Perak
5 December 2016	3.00 pm	Tg. Tualang, 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	6	6
Mohd. Razali bin Mohd. Amin	6	6
Timothy John Huntsman	6	6
Oliver John Harold Huntsman	6	6

Details of Directors seeking appointment are as follows:

Timothy John Huntsman

Age 49, Male, Canadian. Non Independent Non Executive Director. Appointed to the Board on 20 June 2014. Attended all 6 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 ten years.

Statement Accompanying Notice Of Annual General Meeting (continued)

Details of Directors seeking appointment are as follows:

Dr Leong Tat Thim

Age 73, 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 6 applicable 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.

Well Maintained Road - Chendrong Estate

Healthly Fruit Set - Jeta Estate

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.

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.

Board Charter (continued)

Roles and Responsibilities (continued)

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.

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.

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 and 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 and 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 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.

Board Charter (continued)

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.

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.

Board Charter (continued)

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.

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.

Board Charter (continued)

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, 1965 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 : 006 05 255 9013
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 : 006 05 255 9015
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 : 006 05 255 9015
Fax : 006 05 255 9016

Corporate Information (continued)

AUDITORS
Sekhar & Tan
Chartered Accountants
Suite 16 - 8, Level 16
Wisma UOA II
21 Jalan Pinang
50718 Kuala Lumpur

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

AUDIT 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)*

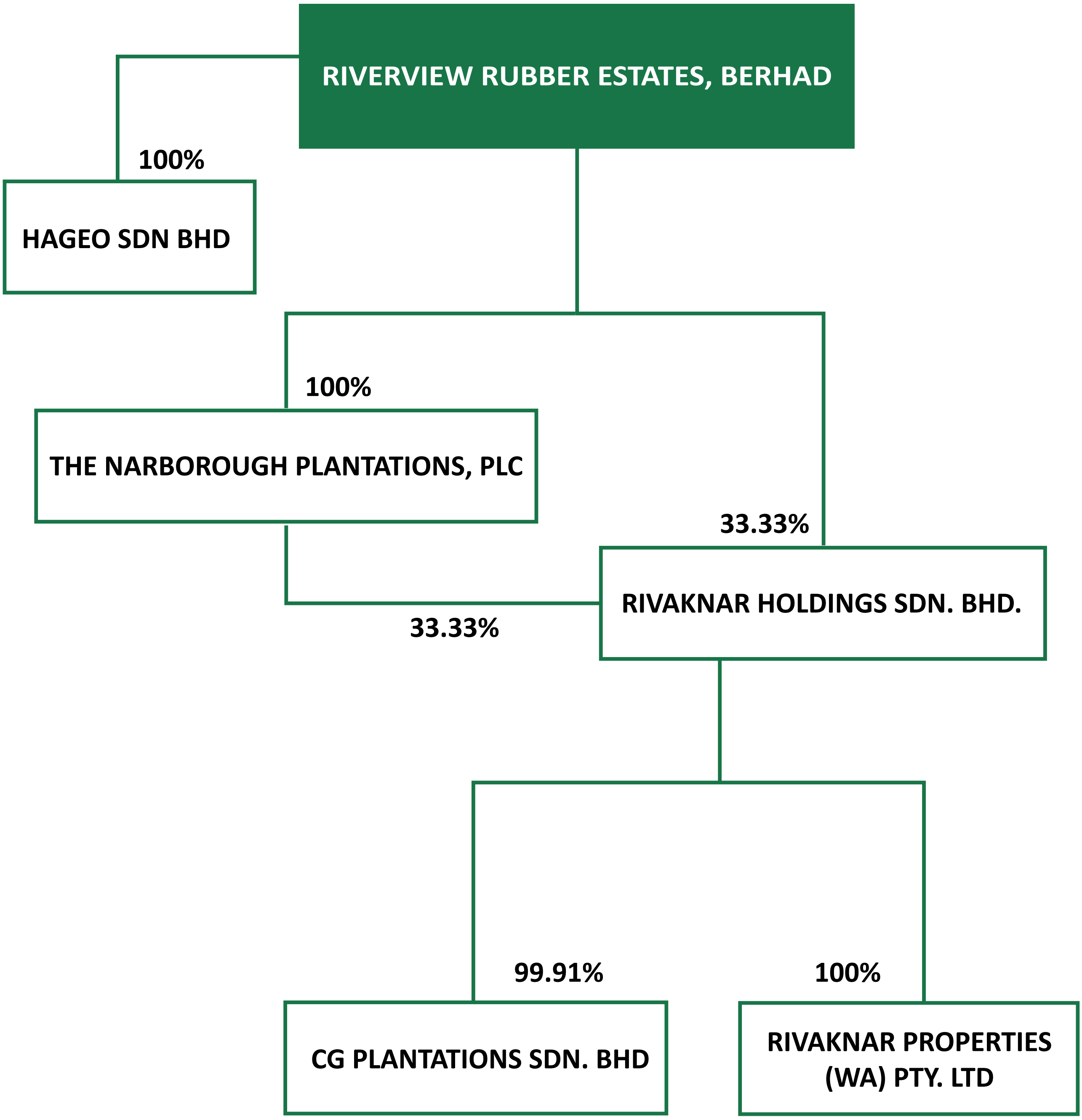
Email : ac.chairman@riverview.com.my

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

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	2016	2015	2014	2013	2012
Average area in production (hectares)	2,544	2,544	2,537	2,537	2,539
Crop (tonnes FFB)	48,200	62,596	54,262	54,812	62,852
Yield per mature hectare (tonnes FFB)	21.35	28.36	24.95	24.86	27.48
Average price realised (RM per tonne of FFB)	618.86	471.27	524.70	500.34	585.35
Profit per mature hectare	6,637	6,490	7,173	6,460	10,701

AREA STATEMENT as at 31 December					
Oil palm - mature	2,258	2,207	2,175	2,204	2,287
- immature	286	337	362	333	252
Total planted hectarage	2,544	2,544	2,537	2,537	2,539
Nursery	4	4	5	4	2
Buildings, sites, gardens, etc	30	30	33	34	34
Ravines and swamps	5	5	8	8	8
Total area (hectares)	2,583	2,583	2,583	2,583	2,583

AGE PROFILE as at 31 December

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






Financial Calendar

FINANCIAL YEAR END	**31 December 2016**

ANNOUNCEMENT OF QUARTERLY RESULTS

First Quarter	22 April 2016
Second Quarter	15 August 2016
Third Quarter	24 October 2016
Fourth Quarter	24 February 2017

PUBLISHED ANNUAL REPORT

Despatch Date	25 April 2017

GENERAL MEETING

Seventy Eigth Annual General Meeting	12 June 2017

DIVIDEND

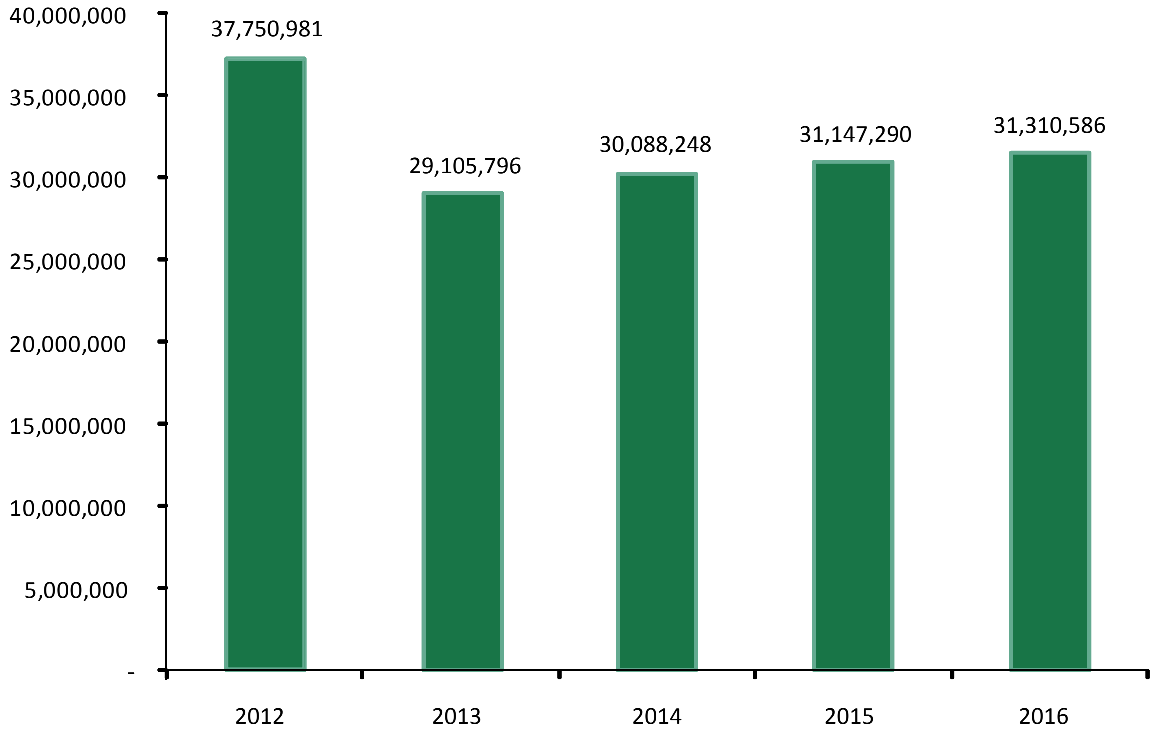
Interim of RM0.06 under the Single Tier System	Declaration date	-	23 December 2016
	Entitlement date	-	13 January 2017
	Payment date	-	27 January 2017

Group Financial Performance

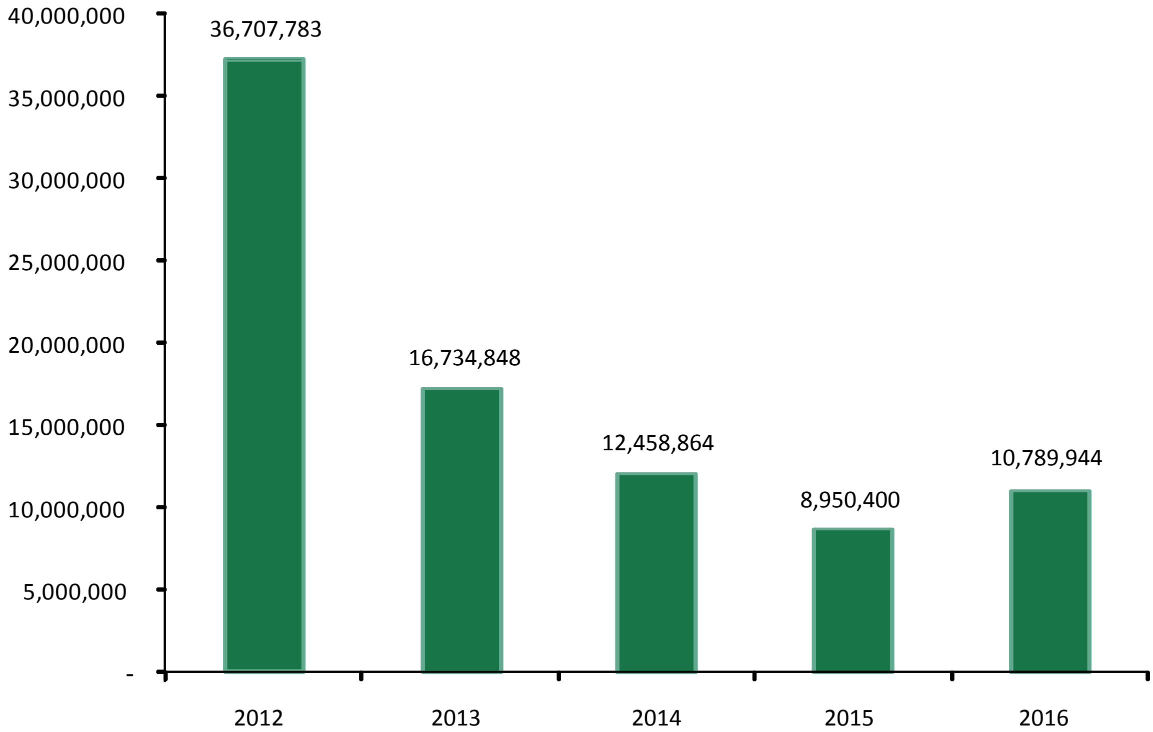
	1st Quarter RM '000	2nd Quarter RM '000	3rd Quarter RM '000	4th Quarter RM '000	2016 RM '000
Revenue	6,926	7,405	7,857	9,123	31,311
Gross profit	2,826	4,052	5,088	5,610	17,576
Profit before tax	1,351	2,589	3,861	2,988	10,789
Taxation	373	701	788	694	2,556
Profit attributable to shareholders	899	1,830	2,949	2,398	8,076
Earnings per share (sen)	1.38	2.82	4.55	3.70	12.45
Dividend per share (sen)	-	-	-	6.00	6.00
Net assets per share (RM)	4.68	4.72	4.78	4.76	4.76

Financial Highlights

GROUP REVENUE

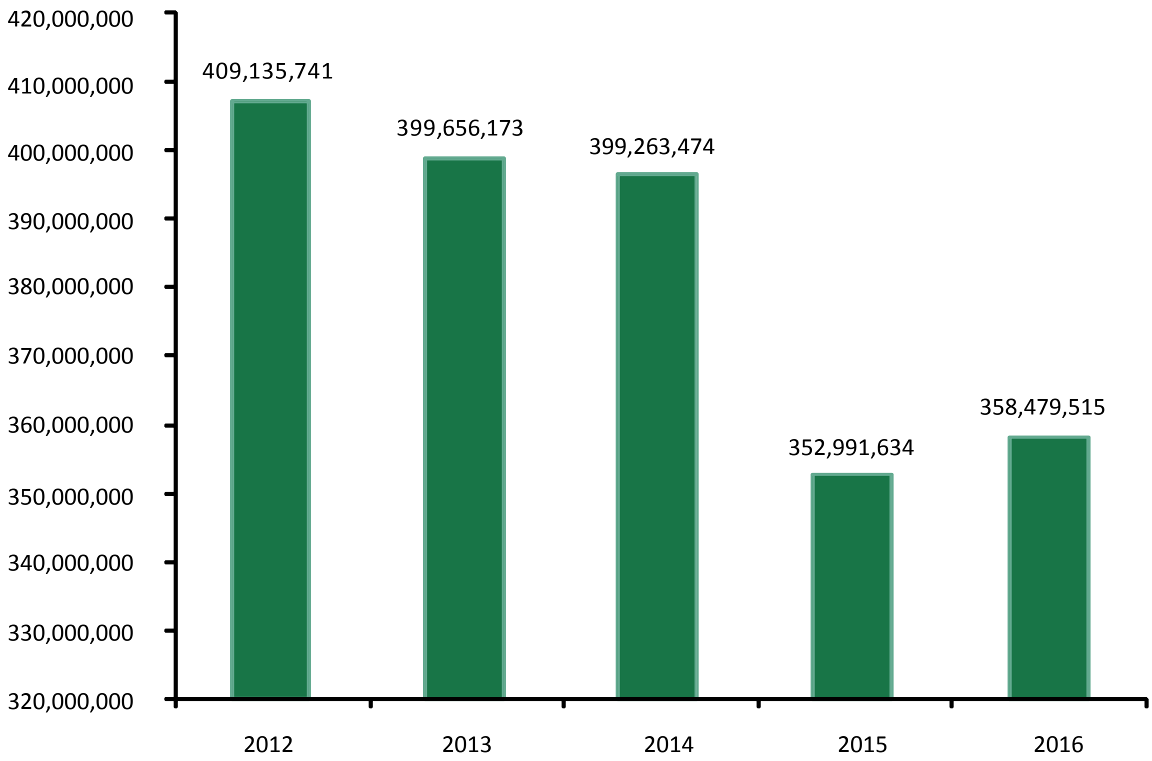


GROUP PROFIT BEFORE TAX

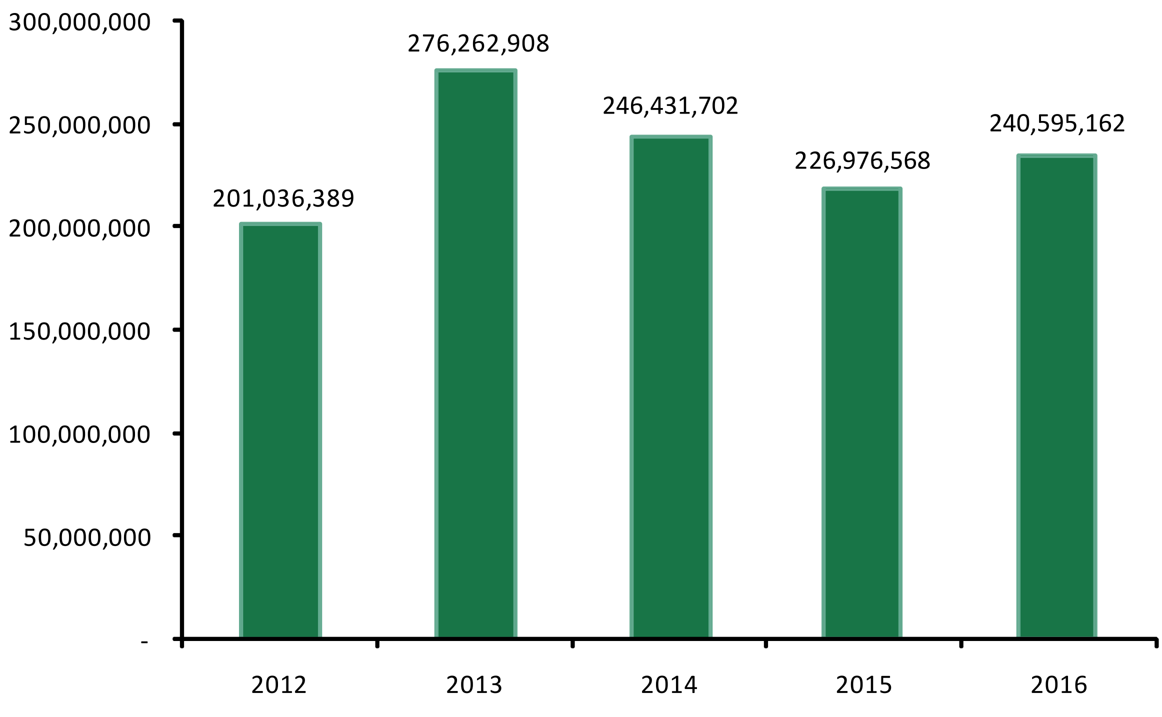


Financial Higlights (continued)

GROUP TOTAL ASSETS

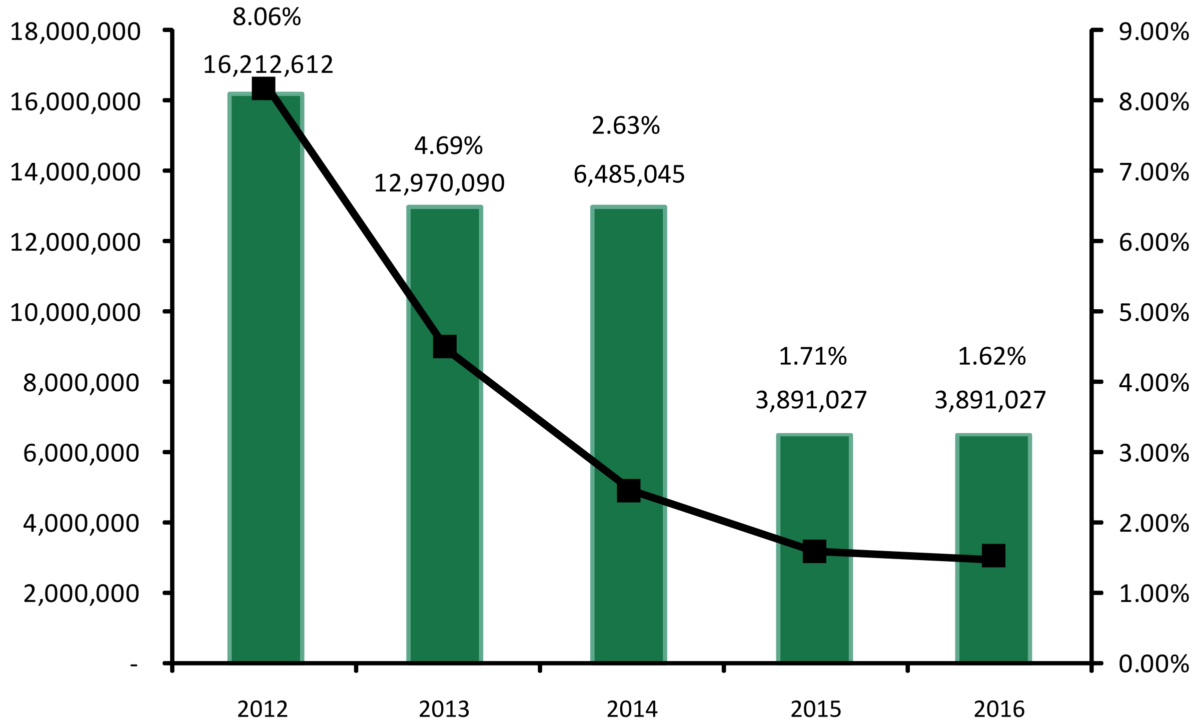


YEAR END MARKET CAPITALISATION



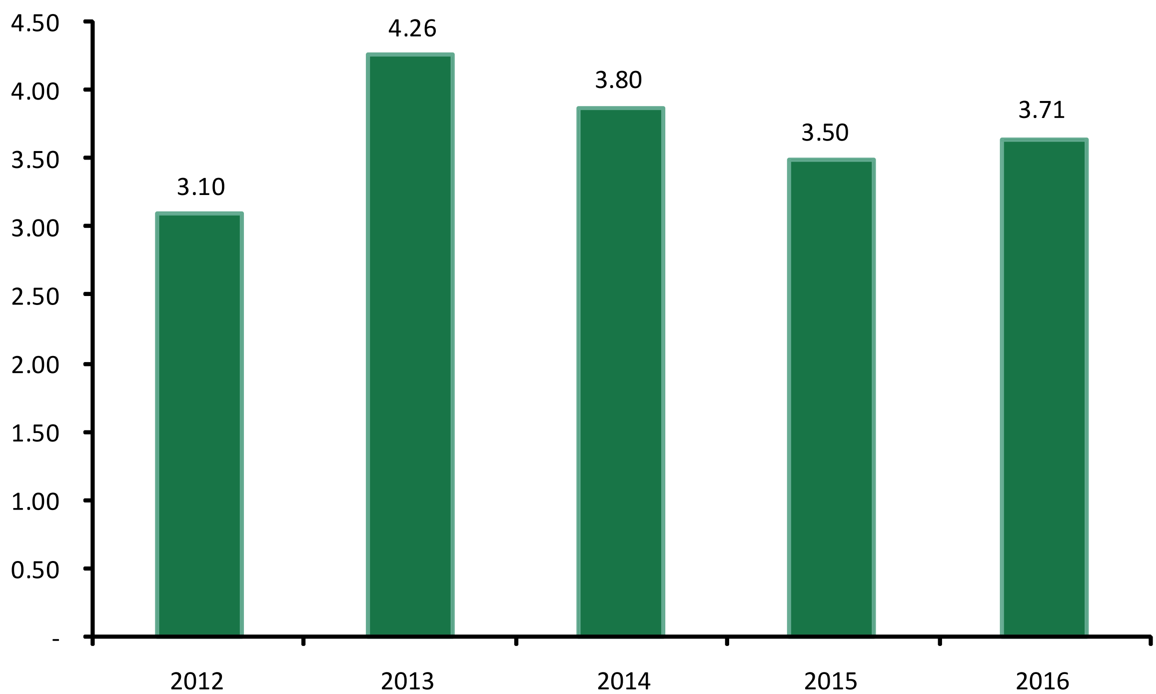
Financial Highlights (continued)

GROSS DIVIDEND YIELD & AMOUNT*



* Yield is based on the year end share price.

YEAR END SHARE PRICE



Nursery Site located in the Bungalow Compund - Teja Estate

Analysis of Shareholdings

Authorised Share Capital	:	RM100,000,000
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 30.03.2017

No. of Holders	Holdings	Total Holdings	%
31	less than 100	1,171	*
462	101 to 1,000	392,925	0.60%
1,348	1,001 to 10,000	5,684,948	8.77%
337	10,001 to 100,000	8,772,412	13.53%
33	100,001 to less than 5% of issued shares	9,138,900	14.09%
1	5% and above of issued shares	40,860,092	63.01%
2,212		64,850,448	100.00%

SUBSTANTIAL SHAREHOLDERS IN THE COMPANY as at 30.03.2017

	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 30.03.2017

	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 30.03.2017

The Directors' shareholdings in related corporations are as diclosed in the Directors' Report on pages 89 and 90.

THIRTY LARGEST REGISTERED SHAREHOLDERS as at 30.03.2017

	Name	Holdings	%
1	Sungei Ream Holdings Sendirian Berhad	40,860,092	63.01%
2	Maximum Vista Sdn. Bhd.	1,519,100	2.34%
3	Ng Beh Tong	1,418,000	2.19%
4	Tan Tze Lim	655,000	1.01%
5	Yeo Khee Bee	619,100	0.95%
6	KAF Nominees (Tempatan) Sdn. Bhd.		
	- Bernam Nominees (Tempatan) Sdn Bhd For Jendarata Bernam Provident Fund	500,000	0.77%
7	Yeoh Chin Hin Investments Sdn Berhad	442,700	0.68%
8	Tan Kee Lock Sdn. Bhd.	310,000	0.48%
9	Chong Yean Fong	254,600	0.39%
10	Tan See Tong	250,000	0.39%
11	Affin Hwang Nominees (Asing) Sdn. Bhd.		
	- Phillip Securities Pte. Ltd. For Walker, Crips, Weddle, Beck Plc.	200,000	0.31%
12	CIMSEC Nominees (Asing) Sdn. Bhd.		
	- Exempt AN For CIMB Securities (Singapore) Pte. Ltd.	181,000	0.28%
13	UOB Kay Hian Nominees (Asing) Sdn. Bhd.		
	- Exempt AN For UOB Kay Hian Pte. Ltd.	169,500	0.26%
14	Lee Siew Peng	160,000	0.25%
15	Gemas Bahru Estates Sdn. Bhd.	153,000	0.24%
15	Parin D/O Laffa	153,000	0.24%
16	Chuah Lee Shyun	147,100	0.23%
17	Lee Nyit Fee	143,600	0.22%
18	Lee Wee Yan	142,100	0.22%
19	Kartar Singh A/L Santa Singh	140,000	0.22%
20	Citigroup Nominees (Asing) Sdn. Bhd.		
	- Exempt AN For OCBC Securities Private Limited	136,800	0.21%
21	Wong Loke Sing	131,000	0.20%
22	HSBC Nominees (Asing) Sdn. Bhd.		
	- Exempt AN For Credit Suisse	120,000	0.19%
22	Kwok Chee Yan	120,000	0.19%
23	Sai Dezhao	115,000	0.18%
24	Jaspreet Kaur Gill	111,000	0.17%

Analysis of Shareholdings (continued)

THIRTY LARGEST REGISTERED SHAREHOLDERS as at 30.03.2017 (continued)

	Name	Holdings	%
25	HSBC Nominees (Asing) Sdn. Bhd. - BNP Paribas Secs. Svs. Jersey For Brooks Macdonald Asset Management (International) Limited	110,000	0.17%
25	Tan Tong Chait	110,000	0.17%
26	Lim Kean Meng	108,000	0.17%
26	Lim Wei Li	108,000	0.17%
26	Ong Eng Hoe	108,000	0.17%
27	Teh Lian Kim	102,000	0.15%
28	Chew Poh Min	101,000	0.15%
29	MIKDAVID Sdn. Bhd.	100,300	0.15%
30	Beh Tong Sdn. Bhd.	100,000	0.15%
30	DB (Malaysia) Nominee (Asing) Sdn. Bhd. - BNYM SA/NV For Alliance Trust Savings Ltd	100,000	0.15%
30	Ho Han Seng	100,000	0.15%
30	Wong Pak Goon	100,000	0.15%
		50,398,992	77.72%

Profile of Directors

Dr Leong Tat Thim

Age 73, 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 6 applicable 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 68, Male, Malaysian. Independent Non Executive Director. Appointed to the Board on 25 April 2014. Attended all 6 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 49, Male, Canadian. Non Independent Non Executive Director. Appointed to the Board on 20 June 2014. Attended all 6 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 61, Male, British. Non Independent Non Executive Director. Appointed to the Board on 25 April 2014. Attended all 6 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. In 2011, he started working part time for Electra Partners. He remains 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.

Board and Management - Buloh Akar Estate

Profile of Management

Tai Lung Khim
General Manager

Age 70, 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 72, 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 34, 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 35, 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 37, 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 48, 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 43, 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 79, 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 - Eighth Annual Report of Riverview Rubber Estates, Berhad and for the financial year ended 31 December 2016.

Inspecting FFB at the ramp - Chendrong Estate

Chairman's Statement (continued)

GROUP FINANCIAL PERFORMANCE

Group revenue for the financial year ended 31 December 2016 was RM31.31 million a marginal increase from RM31.15 million for the financial year ended 31 December 2015.

Profit before tax improved to RM10.79 million from RM8.95 million compared to last year.

The Group's results reflect the challenging market conditions its operations faces. The severe dry weather caused by El Nino and the haze from the second half of 2015 adversely affected the production of Fresh Fruit Bunches ("FFB"). Fortunately, the decrease in the production was compensated by an increase in the average price of FFB.

Property values in Perth, Australia continue to fall, albeit at a slower rate compared to 2015, although property prices and rental rates have fallen and is unlikely to change quickly, we do believe that it is nearing the bottom and will not continue to drop drastically.

Earnings per Share and net assets per share stood at 12.45 sen and RM4.76 respectively, from 9.67 sen and RM4.68 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 36 to 42.

Well maintained field - Teja Estate

Chairman's Statement (continued)

DIVIDEND

On 23rd December 2016, the Company announced an interim single tier dividend of RM0.06 per ordinary share amounting to a total of RM3.89 million. This dividend was paid on 27th January 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.

Fish Pond - Buloh Akar Estate

SUSTAINANBILITY 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.

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.

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 74 to 84.

Chairman's Statement (continued)

CURRENT YEAR PROSPECTS

Growing protectionism sentiment in developed economies and the effect of Brexit have created economic and political uncertainty, such sentiments are likely to persist in the coming year. The Malaysian economy is expected grow at 4.4%, however as a trade dependent economy, this 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.

We are actively studying possibilities to increase shareholder value, this include among others, exploring means to expand our land base. The first phase was the privatisation of The Narborough Plantations, PLC in 2015 which allowed us direct control of its entire land area and effectively added 283 HA to our existing land area.

EFB as Organic Fertiliser - Sadang Estate

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

Healthy ground cover encouraging growth of feeder roots

Management Discussion and Analysis

Business Model and Strategy

The Company was incorporated in the 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 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 until felled.

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 revenue growth. 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 Group, are financially independent and its operations are self-sustainable.

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.

	2016	2015
Production – FFB (MT)	48,200	62,596
Average price realised per MT of FFB (RM)	618.86	471.27
Revenue (RM)		
- Plantations	29,828,840	29,499,608
- Investment properties	1,481,746	1,647,682
	31,310,586	31,147,290
Profit before tax (RM)		
- Plantations	11,284,484	10,208,613
- Investment properties	(494,540)	(1,258,213)
	10,789,944	8,950,400

Management Discussion and Analysis (continued)

Financial Performance

	2016 RM	2015 RM
Revenue	31,310,586	31,147,290
Cost of sales	(13,734,272)	(14,126,372)
Gross profit	17,576,314	17,020,918
Changes in fair value of investment properties	(1,101,600)	(2,191,000)
Operating profit	10,648,995	8,001,970
Profit before tax	10,789,944	8,950,400

Production of FFB was below expectations and below that of the previous year. This was due to the severe dry weather caused by El Nino and the haze from the second half of 2015, both adversely affected the production of FFB.

We recorded an annual average FFB price of RM619 per MT in 2016 compared to RM471 per MT in 2015; the highest was in December 2016 of RM781 per MT and the lowest in January 2016 of RM509 per MT. The total FFB production for 2016 was 48,200 MT as compared to the previous corresponding year of 62,596 MT.

EFB for soil conditioning and water rentention - Narborough Estate

Management Discussion and Analysis (continued)

Financial Performance (continued)

Fortunately, the decrease in the production was compensated by a significant increase in the average price of FFB. Group plantation revenue for 2016 was RM29.83 million as compared to RM29.50 million in 2015. This is reflected as follows:

	2016	2015	Variance
Production – FFB (MT)	48,200	62,596	(23%)
Average price realised per MT of FFB (RM)	618.86	471.27	31%

Operating profit increased from RM8.00 million in 2015 to RM 10.65 million is 2016, this increase is a result of improved revenue, a lower negative change in the fair value of investment properties, lower replanting expenditure and lower finance costs.

Property values in Perth, Australia continue to fall, albeit at a slower rate compared to 2015, 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. It should be noted that this non-operational charge is non-cash in nature and has no impact on our cash flow.

The lower replanting expenditure is due to the timing of our replanting programme, some fields planted in prior years have come into maturity this year, the replanting programme continues to be evaluated annually.

The lower finance cost this year is due to the fact that the loan from the holding company to finance the Mandatory General Offer of The Narborough Plantations, PLC was fully repaid in December 2015.

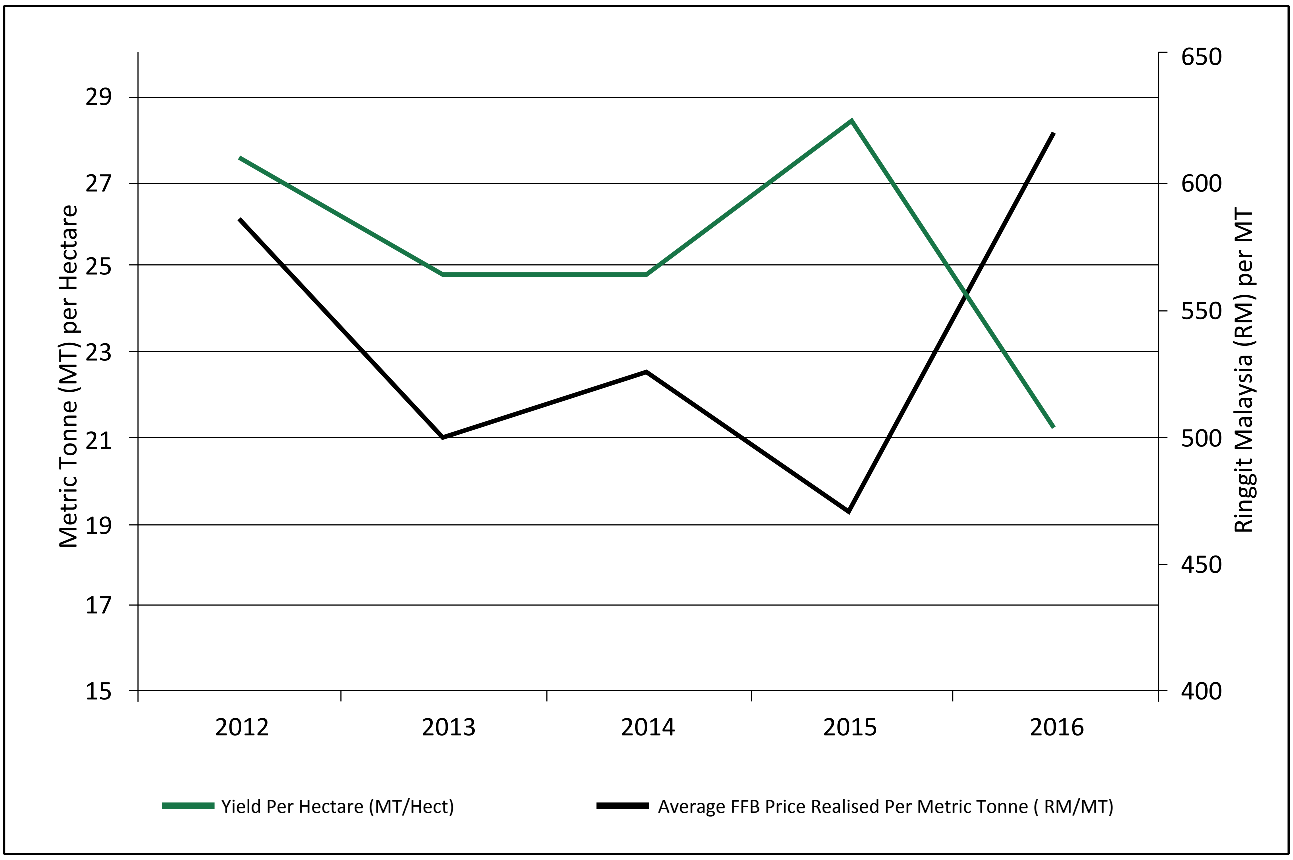
Consequently, Earnings per Share for the year increased from 9.67 sen to 12.45 sen; the Net Asset Value per share as at 31 December also increased from RM4.68 to RM4.76.

Return on Capital Employed also increased to 2.88% from 2.56% 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.

Financial Performance (continued)

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



Despite our yield per hectare dropping to 21.35 MT in 2016 from 28.36 MT in 2015, it remains a respectable 35% and 22% higher than that of the Peninsular and the Perak state average of 15.77 MT and 17.52 MT respectively.

Fundamental Key Performance Ratios

	2016	2015
Earnings per Share (sen)	12.45	9.67
PE Ratio (times)	29.79	36.21
Net Asset per Share (RM)	4.76	4.68
Net Gearing	Not Applicable	Not Applicable
Operating Margin (%)	34.01	25.69
Return on Capital Employed (%)	2.88	2.56
Dividend Cover (times)	2.08	1.61
Dividend Yield (%)	1.62	1.71

Management Discussion and Analysis (continued)

Fundamental Key Performance Ratios

Overall, the Price to Earnings ratio has decreased from 36.21 at a market price of RM3.50 for 2015 to 29.79 at a market price of RM3.71 in 2016. This is due to a higher percentage of increase in the Earnings per Share as compared to the market price of the shares.

Both the net assets per share and the operating margins improved as a result of improved operating profits

Dividend for 2016 was RM0.06 per ordinary share, the same as it was in 2015, Dividend Cover increased as a result of the increased Earnings per Share in 2016 as compared to 2015. Dividend Yield of 1.62% in 2016 dropped from 1.71% in 2015 due to the increase in share price as compared to the previous year.

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.

Capital Expenditure

For the financial year 2016, the Group spent a total of RM0.79 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; and
- Funding risk.

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:

Management Discussion and Analysis (continued)

Principal Risk and Uncertainties (continued)

- 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. Hence, to ensure stable revenue in the event of a fall in palm oil futures, measures such as improving harvesting rounds and strict adherence to manuring programmes based on Agronomic requirements, have been taken to optimise the production level of the trees. We also places emphasis on producing quality FFB that will command a better Oil Extraction Rate ("OER") from the mills, which in turn will affect the price of our FFB.

- 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.

- 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. Purchases of fertiliser are selected through open tender to control the cost and quality. As a consequence, we are well placed to manage funding risks successfully.

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 under the Note 28 to the financial statements.

Management Discussion and Analysis (continued)

Funding review

We continued to maintain a strong financial position as at 31 December 2016, with net assets of RM330,901,911 as compared with the net assets as at 31 December 2015 of RM325,198,325. Cash and short term deposits totalled RM28,273,196 as compared with RM25,723,387 of the previous financial year. There are no bank borrowings as at 31 December 2016.

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. We should see another profitable year ahead given the improved management of the fields to produce competitive FFB yields.

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. Added to this are positive developments in biodiesel development and application in Malaysia and Indonesia, the outlook therefore looks positive.

Harvesting of tall palms

Sampling FFB Bunch Weight - Teja Estate

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 2012 (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 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 27 and 28.

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.

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 July 2015). 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.

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*

Corporate Governance Statement (continued)

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.

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.

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 2016;
- reviewed and approved major contracts including fertiliser purchases and sale of fresh fruit bunches of palm oil for 2016;
- reviewed and approved the quarterly results and audited financial statements for the financial year ended 2016;
- reviewed and approved the remuneration, increment and bonus for management and staff for 2016;
- 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 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 2016;
- reviewed and approved the statement for inclusion in the Annual Report for the financial year ended 2016;
- recommended the interim dividend for the financial year ended 2016; 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.

Corporate Governance Statement (continued)

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 Six (6) 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	6
Mohd. Razali bin Mohd. Amin	Independent, Non-Executive	6
Timothy John Huntsman	Non Independent, Non-Executive	6
Oliver John Harold Huntsman	Non Independent, Non-Executive	6

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 recently reviewed, updated and adopted the Charter 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.

This being the first year that the Charter has been updated, a full set is included in the Annual Report from pages 6 to 12, 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 and 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.

Corporate Governance Statement (continued)

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 is programme 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
New and Amended MFRS/FRS – *Sekhar & Tan, Malaysia*
Sustainable Malaysia Palm Oil : MSPO Certification Scheme - *Malaysian Palm Oil Association*
Palm Oil Economic Review & Outlook 2017 – *Malaysian Palm Oil Board*
Role of the Chairman & Independent Director – *Malaysian Institute of Corporate Governance*
Oils and Fats International Congress – *Malaysian Oil Scientists' and Technologists' Association*
Transfer of Technology Seminar & Exhibition - *Malaysian Palm Oil Board*
IACS Seminar 2016 : Companies Bill 2015 – *Institute of Approved Company Secretaries*
Corporate Governance Statement Reporting Workshop – *Bursa Malaysia*
The Essence of Independence – *Bursa Malaysia*

Mohd. Razali bin. Mohd. Amin
New and Amended MFRS/FRS – *Sekhar & Tan, Malaysia*

Timothy John Huntsman
New and Amended MFRS/FRS – *Sekhar & Tan, Malaysia*
Use of Financial Statements for Legal Professionals – *Law Society of British Columbia, Canada*

Oliver John Harold Huntsman
New and Amended MFRS/FRS – *Sekhar & Tan, Malaysia*
The role of a Non-Executive Director during times of change – *Grant Thornton, United Kingdom*

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 and 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 and Risk Management Committee

The Audit 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.

Corporate Governance Statement (continued)

Audit and Risk Management Committee (continued)

The Audit and Risk Management Committee Report is presented from pages 60 to 62.

The full Terms of Reference of Audit and Risk Management Committee are presented from pages 63 to 65.

The Statement on Risk Management and Internal Control is presented from pages 66 to 72.

The Audit 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 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.

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.

Corporate Governance Statement (continued)

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	44,800	44,800	44,800	44,800
Estate visit allowance	173,750	-	88,750	77,500
Total	288,550	109,800	198,550	187,300
Subsidiaries				
Fees	181,375	68,875	181,475	181,475
Meeting and travelling allowance	40,300	29,300	40,300	39,700
Estate visit allowance	50,000	-	22,500	17,500
Total	271,675	98,175	244,275	238,675

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

	Non -Executive
RM200,001 – RM250,000	1
RM400,001 – RM450,000	2
RM550,001 – RM600,000	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.

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

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.

Corporate Governance Statement (continued)

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 21 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, 1965 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 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 169 of the Companies Act, 1965 is set out on page 92.

A statement of the Directors' responsibility in relation to the financial statements is set out on page 73.

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 66 to 72.

Corporate Governance Statement (continued)

Relationship with Auditors

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

- External Auditors
  The Audit 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 and Risk Management Committee for the audit of financial statement for the financial year ended 31st December 2016.

  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)	
	2016	2015	2016	2015
Company	59,000	55,000	5,000	5,000
Subsidiaries	286,350	349,797	-	-
	345,350	404,797	5,000	5,000

- Internal Auditors
  The Group's internal audit supported by outsourced internal audit service providers who are independent of the activities they audit, they carry out their 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 and Risk Management Committee in relation to the Auditors is set out in the Audit and Risk Management Committee Report on pages 60 to 62.

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 30.

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 24th February 2017.

Audit and Risk Management Committee Report

The Board of Directors is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 December 2016.

Membership

The Audit 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

Each member of the Committee is financially literate and has extensive years of relevant industry experience, profile of each Director is presented on pages 27 to 28 of this Annual Report.

Term of Reference

The 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 63 to 65 of this Annual Report.

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 Committee. 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 Audit Committee in a timely manner.

Audit and Risk Management Committee Report (continued)

Role of the 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. In accordance with its terms of reference, the Committee, which reports its finding to the Board, is 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 Committee relies on information and support from management across the business.

Summary of Activities during the Financial Year

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

- 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, 1965 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 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 Committee;

- 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 note 7 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 RM5,000 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 Committee 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 page 50 .

Term of Reference of the Audit and Risk Management Committee

Objectives

The primary function of the Audit and Risk Management Committee is 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 and 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 of the Committee:

- 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 of the Committee 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 of the Committee shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed a member of the Committee.

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 and Risk Management Committee (continued)

Quorum and Committee's 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 of the Audit and Risk Management Committee 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 the Committee ("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 the Committee. The Secretary shall be entrusted to record all proceedings and minutes of all meetings of the Committee and the circulation of the minutes to all Board members at each Board Meeting.

The Committee 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 Committee. The Committee may, as when deemed necessary, invite other Board members and Senior Management members to attend the meetings.

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

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

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

Where the Committee is 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 Committee shall promptly report such matter to Bursa Malaysia.

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

Responsibilities and Duties

In fulfilling its primary objectives, the Committee 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 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 Audit and 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.

Statement on Risk Management and Internal Control (continued)

Risk Management (continued)

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.

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, Audit and 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 Audit and 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 practiced to pest control measures.
Variations in commodity prices	- maintaining agronomic practices that will command better OER.

Statement on Risk Management and Internal Control
(continued)

Other Risk and Control Processes (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.
Lag time in FFB collection	- review and centralize FFB collection points; - re-arrange and review harvesting system; and - to mechanise collection methods.
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.

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 and Risk Management 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 and Risk Management 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 and Risk Management 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 and Risk Management Committee include, regular field and office inspections by members of the Board and of the Audit and Risk Management Committee and the written reports submitted to the Board on the estate operations. The Audit and Risk Management 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;

- 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:

    - FFB Harvesting and bunch counting;
    - Security and upkeep of estate; and
    - Job contracting and general purchases.

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

Internal audit fees of RM32,500 were paid to the Outsourced Internal Auditors for the financial year 2016.

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 2016 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 24th February 2017.

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

Statement of Directors' Responsibility

In Relation To The Financial Statements

The Directors are required by the Companies Act, 1965 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 1965.

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 4th April 2017.

Sustainability Report

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.

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.

Preservation of Nephrolepis as ground cover - Jeta Estate

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.

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.

Modified Trailer with Compartment for Harvesters - Narborough Estate

Sustainability Report (continued)

Security - Chendrong Estate

Recycling Waste Bins - Jeta Estate

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

Sustainability Report (continued)

ENVIRONMENTAL MANAGEMENT (continued)

FFB as Organic Fertiliser - Sadang Estate

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.

ENVIRONMENTAL MANAGEMENT (continued)

Greenhouse Gas Emissions

This is the first time Group is disclosing 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 Company’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 2016 to 31 December 2016.

For period 1 January to 31 December

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

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.

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.

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.

Financial Assistance

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

Fish Pond - Chendrong Estate

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.

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

Vegetable Garden - Passion Fruit

Vegetable Garden - Snake Gourd

Vegetable Garden - Sacha Inchi

Sustainability Report (continued)

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.

Field inspection - Chendrong Estate

EMPLOYEES (continued)

Information on the composition of the workforce at the year-end on 31 December 2016 is summarised below:

WORKFORCE COMPOSITION		Number		Percentage	
		Male	Female	Male	Female
Field workers	Number	238	30	83%	10%
Administration staff	Number	-	9	-	4%
Management grade staff	Number	6	-	2%	-
Directors	Number	4	-	1%	-
Total	Number	248	39	86%	14%

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 and oil to all of 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, and reimbursement of school transportation to all children of staff and workers.

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.

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.

Sustainability Report (continued)

Underplanting - Hibernia Estate

Underplanting method preserves the existing flora - Hibernia Estate

Properties Of The Group

Location	Description	Area (HA)	Tenure	Lease Tenure/ Expiry	Date of Revaluation	Net Book Value at 31 December 2016 Land and Buildings RM	Biological Assets RM	Total RM
Riverview Rubber Estates, Berhad								
Buloh Akar Estate Parit, Perak	Oil Palm Plantation	818.49	Freehold	-	November 2012	59,254,994	23,858,136	83,113,130
Sadang Estate Parit, Perak	Oil Palm Plantation	219.06	Freehold	-	November 2012	15,989,679	7,287,320	23,276,999
Hibernia Estate Selama, Perak	Oil Palm Plantation	369.63	Freehold	-	November 2012	25,899,614	5,612,607	31,512,221
Tejdrong Estate Tg. Tualang, Perak	Oil Palm Plantation	377.02	Freehold	-	November 2012	31,486,295	9,547,990	41,034,285
						132,630,582	46,306,053	178,936,635
Tejdrong Estate Tg. Tualang, Perak	Oil Palm Plantation	9.31	Leasehold *	99 years	November 2012	767,376	235,820	1,003,196
						133,397,958	46,541,873	179,939,831
	Buildings		Freehold	-		3,980,648	-	3,980,648
						137,378,606	46,541,873	183,920,479
The Narborough Plantations, PLC ^								
Narborough Estate Sungkai, Perak	Oil Palm Plantation	551.74	Freehold	-	November 2012	52,282,000	17,701,266	69,983,266
	Oil Palm Plantation	11.96	Leasehold #	99 years	November 2012	1,036,402	-	1,036,402
						53,318,402	17,701,266	71,019,668
	Buildings		Freehold	-		2,773,891	-	2,773,891
						56,092,293	17,701,266	73,793,559

Properties Of The Group (continued)

Location	Description	Area (HA)	Tenure	Lease Tenure/ Expiry	Date of Revaluation	Net Book Value at 31 December 2016 Land and Buildings RM	Biological Assets RM	Total RM
CG Plantations Sdn. Bhd.								
Jeta Estate Tg. Tualang, Perak	Oil Palm Plantation	3.01	Freehold	-	November 2012	223,973	165,714	389,687
	Oil Palm Plantation	2.37	Leasehold *	99 years	November 2012	103,395	77,455	180,850
	Oil Palm Plantation	3.41	Leasehold *	99 years	November 2012	153,499	111,444	264,943
	Oil Palm Plantation	17.64	Leasehold	2029	November 2012	672,643	576,503	1,249,146
	Oil Palm Plantation	6.79	Leasehold	2029	November 2012	258,331	221,908	480,239
	Oil Palm Plantation	20.03	Leasehold	2029	November 2012	763,885	654,612	1,418,497
	Oil Palm Plantation	172.49	Leasehold	2029	November 2012	6,609,153	5,637,246	12,246,399
						8,784,879	7,444,882	16,229,761
	Buildings		Leasehold			109,344	-	112,374
						8,897,253	7,444,882	16,342,135
						202,368,152	71,688,021	274,056,173
Rivaknar Properties (WA) Pty Ltd.								
Rivaknar Court Perth, Australia	Residential Property	0.19	Freehold	-	December 2016	18,883,980	-	18,911,232
Yokine Perth, Australia	Residential Property	0.22	Freehold	-	December 2016	20,514,420	-	20,487,168
						39,398,400	-	39,398,400
						241,766,552	71,688,021	313,454,573

** Lease extension obtained in 2014, pending issuance of land title from authorities.*
 # Lease extension obtained in 2015, pending issuance of land title from authorities.

2016 Annual Report

78th Annual General Meeting

Directors' Report & Audited Financial Statements

page

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 2016.

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.

Results

	Group RM	Company RM
Profit net of tax	8,233,616	5,640,692
Attributable to:		
Owners of the Company	8,076,146	5,640,592
Non-controlling interests	157,470	-
	8,233,616	5,640,592

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 2015 are as follows:

In respect of the financial year ended 31 December 2016:

	RM
An interim ordinary dividend of 6 sen per share under the single tier system on 64,850,448 ordinary shares, paid on 27 January 2017	3,891,027

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

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

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

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 of RM1 each			
The Company	**At 1.1.2016**	**Bought**	**Sold**	**At 31.12.2016**
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 (contd.)

	Number of ordinary shares of RM1 each			
	At 1.1.2016	Bought	Sold	At 31.12.2016
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.

Other statutory information (contd.)

(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.

(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.

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.

Signed on behalf of the Board in accordance with a resolution of the directors dated 4th April 2017.

Dr. Leong Tat Thim

Kuala Lumpur, Malaysia

Mohd Razali bin Mohd. Amin

Kuala Lumpur, Malaysia

Statement by directors

Pursuant to Section 169(15) of the Companies Act, 1965

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 99 to 164 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2016 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 34 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 4th April 2017.

Dr. Leong Tat Thim

Kuala Lumpur, Malaysia

Mohd Razali bin Mohd. Amin

Kuala Lumpur, Malaysia

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Mohd Razali bin Mohd. Amin, 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 99 to 164 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 4th April 2017

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 2016 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 99 to 164.

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 2016, and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards (FRSs) and the requirements of the Companies Act, 1965 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 Auditor's 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 judgment, 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.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements of the Group and of the Company. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditors' Report (continued)

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

Key Audit Matters (contd.)

(a) Valuation of biological assets

Area of focus

Refer to Notes 2.27, 3.2(b) and 13 to the financial statements.

The Group's biological assets comprise oil palm which is measured at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. The last valuation was performed in 2012 by professionally qualified valuers. The management performs an assessment of the carring amount every year to determine that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. The management compares the carrying amount of the biological assets with the estimated fair value. The estimated fair value of biological assets was calculated as the present value of the estates' operating cash flows over the next ten to twenty years. The fair value derived is sensitive to assumptions that are made regarding the future commodity prices, discount rate, the area of land under cultivation, yield, and associated costs of sales and the integrity of the underlying cash flow model.

We focused on this area due to the size of the balance and the determination of the fair value involves a number of judgements and estimates regarding various inputs.

How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- evaluating the key inputs used in calculating the estimated cash flows, including commodity prices, estimate cost, yield and the area of land under cultivation, by comparing to market data, historical performance and customer contracts as appropriate

- evaluating the appropriateness of the applied discount rate used by comparing with the available market/industry data and records of historical performance

- performing our own sensitivity analysis on the model to assess the reasonableness of the fair value

- evaluating the adequacy of financial statements disclosures, including disclosure of key assumptions, judgements and sensitivities

(b) Valuation of investment properties

Area of focus

Refer to Notes 2.9 and 14 to the financial statements.

The investment properties of the Group are held at fair value in accordance with FRS 140. The fair value of the Group's investment properties was determined from market-based evidence by appraisal that is undertaken by a professionally qualified valuer.

We considered this to be a key audit matter because of its size, the associated risk in relying on the work of an expert and subjectivity involved in determing valuations for properties.

Key Audit Matters (contd.)

(b) Valuation of investment properties (contd.)

How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- reviewing the valuation report, evaluating the valuation methodology applied by the valuer and the reasonableness of the comparable market value used by the valuer
- assessing the qualification and expertise of the valuer and determining whether any matters that might have affected his objectivity or may have imposed scope limitations upon his work
- evaluating the reasonableness of the valuation by comparing to the property market as a whole, its economic outlook and rental income received during the year

(c) Classification of leasehold land

Area of focus

Refer to Notes 3.1(c) and 12 to the financial statements.

The Group revalued its leasehold estate land during the financial year ended 31 December 2012 and the major assumption underlying the valuation is the lease will be renewed for another 60 years term. Certain leasehold estate land has the remaining lease term of 13 years as at 31 December 2016. 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 another 60 years as stated in Note 3.1(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

Independent Auditors' Report (continued)

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

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 Directors' Report, which we obtained prior to the date of this auditors' report, but does not include the financial statements 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 and fair presentation of the financial statements of the Group and of the Company that give a true and fair view in accordance with FRSs and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as 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, 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 and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (contd.)

- 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 management's 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 and 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 auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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 those charged with governance, 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 period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Independent Auditors' Report (continued)

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

Report on Other Legal and Regulatory Requirements

(a) In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(i) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(ii) We have considered the financial statements and the auditors' report of the subsidiaries of which we have not acted as auditors, and which is indicated in Note 16 to the financial statements; being the financial statements that have been included in the consolidated financial statements;

(iii) We are satisfied that the financial statements of all the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and

(iv) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act, other than those indicated in Note 16 to the financial statements.

Other Reporting Responsibilities

The supplementary information set out in Note 34 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965, 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 auditor's report is Siew Kah Toong.

Sekhar & Tan
No. AF 0926
Chartered Accountants

Siew Kah Toong
No. 1045/03/18 (J)
Chartered Accountant

Kuala Lumpur
Date: 4th April 2017

Statements Of Profit or Loss and Other Comprehensive Income
For the financial year ended 31 December 2016

		Group		Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
Revenue	4	31,310,586	31,147,290	19,159,991	20,248,777
Cost of sales		(13,734,272)	(14,126,372)	(8,809,614)	(9,754,554)
Gross profit		17,576,314	17,020,918	10,350,377	10,494,223
Other items of income					
Interest income	5	676,064	705,031	310,459	177,467
Dividend income	6	112,000	109,410	104,304	12,124,729
Fair value changes in investment properties		(1,101,600)	(2,191,000)	-	-
Gain on disposal of property, plant and equipment		10,367	-	10,367	-
Other income		118,265	123,883	53,858	48,584
Other items of expense					
Replanting expenditure		(1,604,156)	(1,871,215)	(1,244,162)	(1,123,388)
Depreciation		(1,792,706)	(1,642,624)	(797,151)	(745,214)
Finance costs		(24,254)	(627,230)	(23,896)	(626,822)
Administrative expenses		(3,321,299)	(3,625,203)	(1,309,031)	(1,548,769)
Results from operating activities		10,648,995	8,001,970	7,455,125	18,800,810
Foreign exchange gain		140,949	948,430	-	483,178
Profit before tax	7	10,789,944	8,950,400	7,455,125	19,283,988
Tax expenses	9	(2,556,328)	(2,627,915)	(1,814,433)	(2,537,453)
Profit after tax		8,233,616	6,322,485	5,640,692	16,746,535
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Gain on fair value changes of available-for-sale financial assets		181,608	89,152	129,948	79,968
Foreign exchange translation		1,180,765	2,842,552	-	-
		1,362,373	2,931,704	129,948	79,968

Statements Of Profit or Loss and Other Comprehensive Income (continued)
For the financial year ended 31 December 2016

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Items that will not be reclassified subsequently to profit or loss					
Surplus on revaluation of biological assets		-	207,029	-	-
Surplus on revaluation of leasehold land		-	1,004,585	-	-
Deferred tax liability on revaluation surplus of leasehold land		(326)	(247,231)	-	-
		(326)	964,383	-	-
Other comprehensive income, net of tax		1,362,047	3,896,087	129,948	79,968
Total comprehensive income for the year		9,595,663	10,218,572	5,770,640	16,826,503
Profit attributable to:					
- Owners of the Company		8,076,146	6,268,698	5,640,692	16,746,535
- Non-controlling interests		157,470	53,787	-	-
		8,233,616	6,322,485	5,640,692	16,746,535
Total comprehensive income attributable to:					
- Owners of the Company		9,027,383	9,214,207	5,770,640	16,826,503
- Non-controlling interests		568,280	1,004,365	-	-
		9,595,663	10,218,572	5,770,640	16,826,503
Earnings per share attributed to owners of the Company (sen)					
Basic	10	12.45	9.67		

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

Statements Of Financial Position

as at 31 December 2016

		Group		Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	12	204,552,547	205,582,622	138,980,831	139,359,673
Biological assets	13	71,688,021	71,688,021	46,541,873	46,541,873
Investment properties	14	39,398,400	39,125,000	-	-
Prepaid land lease payments	15	-	-	-	-
Investment in subsidiaries	16	-	-	48,299,015	48,299,005
Investment securities	17	3,298,596	3,116,988	2,242,436	2,112,488
Goodwill on consolidation	18	2,731,763	2,731,763	-	-
Deferred tax assets	19	42,474	32,969	36,136	32,969
		321,711,801	322,277,363	236,100,291	236,346,008
Current assets					
Deferred nursery expenditure		737,761	644,767	664,588	579,395
Inventories - at cost		58,011	96,918	26,137	44,070
Trade and other receivables	20	4,374,749	1,166,613	3,668,676	815,646
Other current assets - prepayments		238,511	253,264	16,096	18,011
Tax recoverable		3,085,486	2,829,322	2,247,411	2,197,170
Cash on hand and at banks	21	3,684,749	4,561,930	1,234,771	1,145,662
Deposits with financial institutions	21	24,588,447	21,161,457	11,168,447	12,061,457
		36,767,714	30,714,271	19,026,126	16,861,411
Total assets		358,479,515	352,991,634	255,126,417	253,207,419

Statements Of Financial Position (continued)

as at 31 December 2016

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Equity and liabilities					
Current liability					
Trade and other payables	22	6,402,050	6,653,814	4,819,678	4,978,769
		6,402,050	6,653,814	4,819,678	4,978,769
Net current assets		30,365,664	24,060,457	14,206,448	11,882,642
Non-current liabilities					
Deferred tax liabilities	19	20,983,581	20,975,148	8,119,231	7,933,949
Provision for retirement benefits	23	191,973	164,347	150,566	137,372
		21,175,554	21,139,495	8,269,797	8,071,321
Total liabilities		27,577,604	27,793,309	13,089,475	13,050,090
Net assets		330,901,911	325,198,325	242,036,942	240,157,329
Equity attributable to owners of the Company					
Share capital	24	64,850,448	64,850,448	64,850,448	64,850,448
Reserves	25	182,216,722	184,026,576	143,267,306	143,137,358
Retained profits	26	61,747,850	54,801,640	33,919,188	32,169,523
		308,815,020	303,678,664	242,036,942	240,157,329
Non-controlling interests	27	22,086,891	21,519,661	-	-
Total equity		330,901,911	325,198,325	242,036,942	240,157,329
Total equity and liabilities		358,479,515	352,991,634	255,126,417	253,207,419

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 2016

	← 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 2015	64,850,448	170,490,435	1,312,210	2,761,091	6,517,331	50,079,932	296,011,447	70,151,833	366,163,280
Profit or loss	-	-	-	-	-	6,268,698	6,268,698	53,787	6,322,485
Other comprehensive income	-	2,859,418	86,091	-	-	-	2,945,509	950,578	3,896,087
Total comprehensive income	-	2,859,418	86,091	-	-	6,268,698	9,214,207	1,004,365	10,218,572
Dividends (Note 11)	-	-	-	-	-	(3,891,027)	(3,891,027)	-	(3,891,027)
Changes in ownership interests in a subsidiary (Note 16)	-	-	-	-	-	2,344,037	2,344,037	(49,636,537)	(47,292,500)
Total transactions with owners	-	-	-	-	-	(1,546,990)	(1,546,990)	(49,636,537)	(51,183,527)
At 31 December 2015	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
At 1 January 2016	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
Profit or loss	-	-	-	-	-	8,076,146	8,076,146	157,470	8,233,616
Other comprehensive income	-	786,849	164,388	-	-	-	951,237	410,810	1,362,047
Total comprehensive income	-	786,849	164,388	-	-	8,076,146	9,027,383	568,280	9,595,663
Transfer to retained profits	-	-	-	(2,761,091)	-	2,761,091	-	-	-
Dividends (Note 11)	-	-	-	-	-	(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)
At 31 December 2016	64,850,448	174,136,702	1,562,689	-	6,517,331	61,747,850	308,815,020	22,086,891	330,901,911

Statements Of Changes In Equity (continued)

For the financial year ended 31 December 2016

	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 2015	64,850,448	136,040,711	1,254,486	5,762,193	19,314,015	227,221,853
Profit or loss	-	-	-	-	16,746,535	16,746,535
Other comprehensive income	-	-	79,968	-	-	79,968
Total comprehensive income	-	-	79,968	-	16,746,535	16,826,503
Transactions with owners						
Dividends (Note 11)	-	-	-	-	(3,891,027)	(3,891,027)
At 31 December 2015	64,850,448	136,040,711	1,334,454	5,762,193	32,169,523	240,157,329
At 1 January 2016	64,850,448	136,040,711	1,334,454	5,762,193	32,169,523	240,157,329
Profit or loss	-	-	-	-	5,640,692	5,640,692
Other comprehensive income	-	-	129,948	-	-	129,948
Total comprehensive income	-	-	129,948	-	5,640,692	5,770,640
Transactions with owners						
Dividends (Note 11)	-	-	-	-	(3,891,027)	(3,891,027)
At 31 December 2016	64,850,448	136,040,711	1,464,402	5,762,193	33,919,188	242,036,942

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 2016

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Operating activities				
Profit before tax	10,789,944	8,950,400	7,455,125	19,283,988
Adjustments for:				
Depreciation of property, plant and equipment	1,792,706	1,642,624	797,151	745,214
Dividend income	(112,000)	(109,410)	(104,304)	(12,124,729)
Unrealised gain on foreign exchange	(121,000)	(299,643)	-	-
Interest income	(676,064)	(705,031)	(310,459)	(177,467)
Interest expense	24,254	627,230	23,896	626,822
Fair value loss on investment properties	1,101,600	2,191,000	-	-
Gain on disposal of property, plant and equipment	(10,367)	-	(10,367)	-
Property, plant and equipment written off	-	1	-	-
Provision for retirement benefits	27,626	31,980	13,194	17,632
Total adjustments	2,026,755	3,378,751	409,111	(10,912,528)
Operating profit before changes in working capital	12,816,699	12,329,151	7,864,236	8,371,460
Changes in working capital:				
Inventories	38,907	8,828	17,933	8,507
Receivables	(3,214,529)	(220,314)	(2,851,115)	(263,690)
Payables	(4,147,716)	310,822	(4,050,129)	(140,481)
Deferred nursery expenditure	(92,994)	(143,777)	(85,193)	(134,631)
Total changes in working capital	(7,416,332)	(44,441)	(6,968,504)	(530,295)
Cash flows from operation	5,400,367	12,284,710	895,732	7,841,165
Taxes paid	(4,021,188)	(4,458,435)	(2,800,000)	(3,064,035)
Taxes refund	1,117,442	281,971	1,117,442	-
Net cash flows from operating activities	2,496,621	8,108,246	(786,826)	4,777,130

Statements Of Cash Flows (continued)

For the financial year ended 31 December 2016

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Investing activities				
Purchase of property, plant and equipment	(789,057)	(1,846,680)	(444,735)	(1,225,741)
Purchase of additional shares in a subsidiary	(1,050)	(47,292,500)	-	(47,292,500)
Proceeds from disposal of property, plant and equipment	36,793	-	36,793	-
Withdrawal of monies with stakeholders	-	48,119,080	-	48,119,080
Interest received	676,064	705,031	310,459	177,467
Dividends received	112,000	109,410	104,304	12,124,729
Net cash flows from/(used in) investing activities	34,750	(205,659)	6,821	11,903,035
Financing activities				
Interest paid	(24,254)	(659,136)	(23,896)	(658,726)
Repayment to holding company	-	(10,000,000)	-	(10,000,000)
Net cash flows used in financing activities	(24,254)	(10,659,136)	(23,896)	(10,658,726)
Net increase/(decrease) in cash and cash equivalents	2,507,117	(2,756,549)	(803,901)	6,021,439
Effects of exchange rate changes	42,692	35,695	-	-
Cash and cash equivalents at beginning of year	25,723,387	28,444,241	13,207,119	7,185,680
Cash and cash equivalents at end of year (Note 21)	28,273,196	25,723,387	12,403,218	13,207,119

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 2016

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 4 April 2017.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies and comply with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2016, the Group and the Company adopted the following applicable new and amended FRS mandatory for annual financial periods beginning on or after the dates stated below:

FRS, Amendments to FRS	Effective for financial periods beginning on or after
Amendments to FRS 10, 12 and 128 : Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to FRS 11 : Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Amendments to FRS 101 : Disclosure Initiative	1 January 2016
Amendments to FRS 116 and 138 : Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127 : Equity Method in Separate Financial Statements	1 January 2016
FRS 14 : Regulatory Deferral Accounts	1 January 2016
Annual Improvements to FRSs (2012 - 2014)	1 January 2016

2. Significant accounting policies (continued)

2.2 Changes in accounting policies (continued)

The adoption of these new and revised FRS has no material effect on the financial statements of the Group and the Company.

2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs, Amendments to FRSs and Issues Committee (''IC'') Interpretation were issued but not yet effective and have not been applied by the Group and by the Company:

FRS, Amendments to FRS and IC Interpretations	**Effective for financial periods beginning on or after**
Amendments to FRS 12 : Disclosure of Interests in Other Entities	1 January 2017
Amendments to FRS 107 : Disclosure Initiative	1 January 2017
Amendments to FRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 9 : Financial Instruments	1 January 2018
Amendments to FRS 1 First-time adoption of Financial Reporting Standards	1 January 2018
Amendments to FRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4 Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
Amendments to FRS 128 Investments in Associates and Joint Ventures	1 January 2018
Amendments to FRS 140 Transfer of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

<u>FRS 9 : Financial Instruments</u>

FRS 9 replaces the guidance in FRS 139 Financial Instruments: Recognition and Measurement. FRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. FRS 9 retains but simplifies the mixed measurement model in FRS 139 and establishes three primary measurement categories for financial asset: amortised cost, fair value through profit or loss and fair value through other comprehensive income (OCI). For liabilities, the standard retains most of the FRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives.

The Group and the Company are assessing the potential impact on their financial statements resulting from the application of FRS 9.

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012 and is to facilitate convergence with the International Financial Reporting Standards ["IFRS"]. Nevertheless, the Group and the Company are allowed by the MASB to defer the adoption of these new accounting standards to financial year ending 31 December 2018 as the Group and the Company are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15).

This would result in the Group and the Company preparing an opening MFRS statement of financial position as at 1 January 2017 which adjusts for differences between the classification and measurement bases in the existing FRS framework versus that in the new MFRS framework. This would also result in a restatement of the financial performance for the financial year ending 31 December 2017 in accordance with MFRS which would form the MFRS comparatives for the financial year ending 31 December 2018.

The impact on the financial position and performance of the Group and the Company have yet to be determined as the Group and the Company are in the process of assessing the financial effects of the differences between FRS and accounting standards under the MFRS Framework.

2.4 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.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

2. Significant accounting policies (continued)

2.4 Foreign currency (continued)

b) Foreign currency transactions (continued)

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.

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.

2.5 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.

2. Significant accounting policies (continued)

2.6 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.

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.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

2. Significant accounting policies (continued)

2.7 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.

2.8 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. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the assets.

2. Significant accounting policies (continued)

2.8 Property, plant and equipment and depreciation (continued)

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.

2.9 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.

2.10 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.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

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.

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.

2.11 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.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

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.

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.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

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.

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.

2. Significant accounting policies (continued)

2.12 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.

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.

2. Significant accounting policies (continued)

2.12 Impairment of financial assets (continued)

c) Available-for-sale financial assets (continued)

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.

2.13 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.

2.14 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.

2.15 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.

2. Significant accounting policies (continued)

2.16 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 FRS 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.

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.

2. Significant accounting policies (continued)

2.17 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.

2.18 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.

2. Significant accounting policies (continued)

2.19 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.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

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.

2. Significant accounting policies (continued)

2.20 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.

2.21 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.

2. Significant accounting policies (continued)

2.21 Income Taxes (continued)

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.

2.22 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.

2.23 Deferred nursery expenditure

Deferred nursery expenditure is stated at cost and charged to profit or loss on replanting of crops.

2.24 Replanting expenditure

Replanting expenditure is charged to profit or loss as and when incurred.

2.25 Replanting cesses

Replanting cesses are taken to profit or loss as and when received.

2.26 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.

2. Significant accounting policies (continued)

2.27 Biological assets

Biological assets represent the expenditure on new planting of oil palm incurred from land clearing to the point of harvesting capitalised.

Subsequent to initial recognition, biological assets 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 and calculations based on the directors' best estimates. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any revaluation surplus is credited to the revaluation reserve included in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in 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 assets and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

2.28 Fair value measurements

The Group and the Company adopted FRS 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.

3.0 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.

3.1 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.

3.0 Significant accounting estimates and judgements (continued)

3.1 Critical Judgements made in applying accounting policies (continued)

(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 in prior year and the directors are of the view that there is no significant change in the recoverable amount of land of the Group during the year.

(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 12 to the financial statements, the Group has revalued its leasehold estate land during the financial year ended 31 December 2012 and the major assumption underlying the valuation is the lease will be renewed for another 60 years term. Certain leasehold estate land has the remaining lease term of 13 years as at 31 December 2016. 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 process of identifying the portion of land to be surrendered. The directors are confident that, barring any unforeseen circumstances, the lease term of the remaining land will also be renewed for at least another 60 years. Changes in the expected lease term of the land could impact the revalued amount of the leasehold estate land and future depreciation charges.

3.2 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 lives and the residual values of these assets, therefore future depreciation charges could be revised.

3.0 Significant accounting estimates and judgements (continued)

3.2 Key sources of estimation uncertainty (continued)

b) Biological assets - Oil palm

The Group's biological assets is measured at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. The last valuation was performed in 2012 by professionally qualified valuers. The major assumptions underlying the calculation were an assumed average CPO selling price of RM2,250 to RM2,300 and average discount rate of 13.75% and 11.22% to 18.00% based on the Company's and subsidiaries' return on capital employed and the current Base Lending Rate (BLR) plus an estimated risk premium respectively. The management performs an assessment of the carrying amount every year to determine that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. The management compares the carrying amount of the biological assets with the estimated fair value. The estimated fair value of biological assets was calculated as the present value of the estate's operating cash flows over the next ten to twenty years, based on the directors' best estimates of future selling prices of fresh fruit bunches.

Changes in the major assumptions could impact the fair value of the biological assets.

4. Revenue

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Sales of fresh fruit bunches of oil palm	29,828,840	29,499,608	19,159,991	20,248,777
Rental income	1,481,746	1,647,682	-	-
	31,310,586	31,147,290	19,159,991	20,248,777

5. Interest income

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest income of financial assets that are not at fair value through profit or loss				
- interest on fixed deposits	676,064	705,031	310,459	177,467

6. Dividend income

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Available-for-sale financial assets				
: equity instruments				
- quoted in Malaysia	112,000	109,410	83,300	74,970
Subsidiary : equity instruments				
- unquoted outside Malaysia	-	-	21,004	12,049,759
	112,000	109,410	104,304	12,124,729

7. Profit before tax

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
The following items have been included in arriving at profit before tax:				
Auditors' remuneration :				
- Statutory audit				
- Current year	356,930	404,797	55,000	55,000
- (Over)/under provision in prior year	(11,580)	-	4,000	-
- Other services	5,000	5,000	5,000	5,000
Depreciation	1,792,706	1,642,624	797,151	745,214
Directors' remuneration (Note 8)	1,883,693	1,862,190	784,200	781,150
Interest expense of financial liabilities that are not at fair value through profit or loss				
- holding company	-	627,230	-	626,822
- revolving credit	24,254	-	23,896	-
Professional fees in connection with the Group's Mandatory General Offer of shares of a subsidiary (Note 16)	-	120,000	-	120,000
Provision for retirement benefits	27,626	31,980	13,194	17,632
Staff costs (excluding remuneration of executive director)*	6,553,190	6,913,288	4,528,301	4,918,824
Gain of foreign exchange:				
- Realised	(19,949)	(648,787)	-	(483,178)
- Unrealised	(121,000)	(299,643)	-	-
Fair value loss on investment properties	1,101,600	2,191,000	-	-
Property, plant and equipment written off	-	1	-	-
Gain on disposal of property, plant and equipment	(10,367)	-	(10,367)	-

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

7. Profit before tax (continued)

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Salaries and wages	6,091,819	6,503,928	4,180,048	4,612,371
Employees' Provident Fund contributions	414,038	367,524	312,287	274,301
Social Security Fund contributions	47,333	41,836	35,966	32,152
	6,553,190	6,913,288	4,528,301	4,918,824

8. Directors' remuneration

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Directors of the Company:				
Non-Executive:				
Fees	265,000	262,500	265,000	262,500
Other emoluments	519,200	518,650	519,200	518,650
	784,200	781,150	784,200	781,150
Directors of the subsidiaries:				
Non-executive:				
Fees	822,993	837,890	-	-
Other emoluments	276,500	243,150	-	-
	1,099,493	1,081,040	-	-
Total	1,883,693	1,862,190	784,200	781,150

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	3	-	1
RM50,001 – RM100,000	1	-	-	1
RM100,001 – RM150,000	-	-	1	-
RM150,001 – RM200,000	1	2	2	1
RM200,001 – RM250,000	1	-	-	1
RM250,001 – RM300,000	-	-	1	1
RM400,000 – RM450,000	2	2	-	-
RM550,001 – RM600,000	1	-	-	-
RM600,001 – RM650,000	-	1	-	-

9. Tax expenses

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2016 and 2015 are :

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current income tax :				
Malaysian income tax	2,689,100	2,524,888	1,639,967	1,757,650
(Over)/under provision in prior year	(12,624)	190,606	(7,649)	195,173
	2,676,476	2,715,494	1,632,318	1,952,823
Deferred income tax (Note 19):				
Origination and reversal of temporary differences	(123,650)	(415,235)	189,211	235,247
Under/(over) provision in prior year	3,502	327,656	(7,096)	349,383
	(120,148)	(87,579)	182,115	584,630
Income tax expense recognised in profit or loss	2,556,328	2,627,915	1,814,433	2,537,453

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

9. 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 2016 and 2015 are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before tax	10,789,944	8,950,400	7,455,125	19,283,988
Tax expenses at applicable rate	2,589,587	2,237,600	1,789,230	4,820,997
Effect of different tax rates in other country	(29,672)	(62,910)	-	-
Utilisation of previously unrecognised deferred tax assets	(182,118)	(154,007)	-	-
Income not subject to tax	(105,594)	(144,365)	(25,033)	(3,151,977)
Unrealised gain on foreign exchange	-	(71,500)	-	-
Expenses not deductible for tax purposes	361,925	468,608	64,981	333,679
Effect of changes in tax rate	-	(10,485)	-	(9,802)
Crystallisation of deferred tax liability on revaluation reserve	(68,678)	(153,288)	-	-
Under/(over) provision of deferred tax in prior year	3,502	327,656	(7,096)	349,383
(Over)/under provision of current tax in prior year	(12,624)	190,606	(7,649)	195,173
Tax expense for the year	2,556,328	2,627,915	1,814,433	2,537,453

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

9. Tax expenses (continued)

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Unutilised business losses carried forward	98,276	323,147	-	-
Unabsorbed capital allowances	1,458	359,650	-	-
	99,734	682,797	-	-
Deferred tax assets not recognised at foreign tax rate of 30% (2015: 30%)	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 RM70,869 (2015: RM154,007).

10. 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 2016 and 2015:

	Group	
	2016 RM	2015 RM
Profit net of tax attributable to owners of the Company used in the computation of basic earnings per share	8,076,146	6,268,698
Weighted average number of ordinary shares for basic earnings per share computation	64,850,448	64,850,448
Basic earnings per share (sen)	12.45	9.67

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 2016

11. Dividends

	Dividends in respect of Year		Dividends recognised in Year	
	2016 RM	2015 RM	2016 RM	2015 RM
Recognised during the year:				
Interim dividend for 2015: 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 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	-
Total dividends	3,891,027	3,891,027	3,891,027	3,891,027

12. 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 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

12. 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

12. 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 2015	11,935,744	185,136,555	7,861,014	2,250,387	2,860,338	1,176,536	211,220,574
Reclassification (Note 15)	200,000	-	-	-	-	-	200,000
Additions	38,354	-	376,960	746,289	586,055	99,022	1,846,680
Revaluation	804,585	-	-	-	-	-	804,585
Written off	-	-	-	(91,400)	-	-	(91,400)
At 31 December 2015	12,978,683	185,136,555	8,237,974	2,905,276	3,446,393	1,275,558	213,980,439
Representing:							
At cost	67,738	-	8,237,974	2,905,276	3,446,393	1,275,558	15,932,939
At valuation	12,910,945	185,136,555	-	-	-	-	198,047,500
	12,978,683	185,136,555	8,237,974	2,905,276	3,446,393	1,275,558	213,980,439
Accumulated depreciation							
At 1 January 2015	1,313,355	-	840,112	1,705,446	2,094,156	893,523	6,846,592
Reclassification (Note 15)	200,000	-	-	-	-	-	200,000
Charge for the year	654,968	-	340,514	288,203	304,478	54,461	1,642,624
Reversal of accumulated depreciation on revaluation	(200,000)	-	-	-	-	-	(200,000)
Written off	-	-	-	(91,399)	-	-	(91,399)
At 31 December 2015	1,968,323	-	1,180,626	1,902,250	2,398,634	947,984	8,397,817
Net carrying amount							
At cost	63,755	-	7,057,348	1,003,026	1,047,759	327,574	9,499,462
At valuation	10,946,605	185,136,555	-	-	-	-	196,083,160
At 31 December 2015	11,010,360	185,136,555	7,057,348	1,003,026	1,047,759	327,574	205,582,622

12. 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 2015	788,779	132,630,582	4,764,127	1,946,817	2,286,175	820,829	143,237,309
Additions	-	-	188,650	590,219	352,000	94,872	1,225,741
At 31 December 2015	788,779	132,630,582	4,952,777	2,537,036	2,638,175	915,701	144,463,050
Representing:							
At cost	25,989	-	4,952,777	2,537,036	2,638,175	915,701	11,069,678
At valuation	762,790	132,630,582	-	-	-	-	133,393,372
	788,779	132,630,582	4,952,777	2,537,036	2,638,175	915,701	144,463,050
Accumulated depreciation							
At 1 January 2015	4,673	-	619,440	1,444,793	1,653,244	636,013	4,358,163
Charge for the year	8,365	-	229,807	231,977	234,133	40,932	745,214
At 31 December 2015	13,038	-	849,247	1,676,770	1,887,377	676,945	5,103,377
Net carrying amount							
At cost	25,692	-	4,103,530	860,266	750,798	238,756	5,979,042
At valuation	750,049	132,630,582	-	-	-	-	133,380,631
At 31 December 2015	775,741	132,630,582	4,103,530	860,266	750,798	238,756	139,359,673

12. Property, plant and equipment (continued)

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Leasehold estate land with unexpired lease period of more than 50 years	2,064,753	2,070,168	767,376	775,741
Leasehold estate land with unexpired lease period of less than 50 years	8,299,931	8,940,192	-	-
	10,364,684	11,010,360	767,376	775,741

Revaluation of freehold land and buildings

During last financial year, a subsidiary obtained approval for the extension of the lease term of a leasehold land to 99 years. The directors have reassessed the classification of the leasehold land and determined that the subsidiary owns the risk and reward associated to the land. As a result, the land was reclassified from prepaid land lease payments to property, plant and equipment. According to the Group accounting policy, the leasehold land was revalued based on valuation performed by accredited independent valuers. The leasehold land was revalued at RM1,004,585 using the comparison method.

The remaining freehold and leasehold land and biological assets were revalued during the financial year ended 31 December 2012 based on valuations performed by accredited independent valuers using the comparison method.

The fair value of freehold and leasehold estate land were 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 market value.

The major assumption underlying the revaluation of the leasehold estate land of a subsidiary is the lease will be renewed for another 60 years. Certain leasehold estate land has the remaining lease term of 13 years as at 31 December 2016. 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. The directors are confident that, barring any unforeseen circumstances, the lease term of the remaining land will also be renewed for at least another 60 years as stated in Note 3.1(c).

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

12. Property, plant and equipment (continued)

Revaluation of freehold land and buildings (continued)

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Freehold estate land	12,000,434	12,000,434	8,283,914	8,283,914
Leasehold estate land	2,383,261	2,795,255	-	-
	14,383,695	14,795,689	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.

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 and biological assets that are measured at fair value:

	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
Biological assets - oil palm	-	-	46,541,873	46,541,873
Subsidiaries				
Freehold estate land	-	-	52,505,973	52,505,973
Leasehold estate land	-	-	9,547,733	9,547,733
Biological assets - oil palm	-	-	25,146,148	25,146,148
	-	-	267,114,290	267,114,290

12. Property, plant and equipment (continued)

Fair value information (continued)

	31 December 2015			
	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
Biological assets - oil palm	-	-	46,541,873	46,541,873
Subsidiaries				
Freehold estate land	-	-	52,505,973	52,505,973
Leasehold estate land	-	-	10,196,556	10,196,556
Biological assets - oil palm	-	-	25,146,148	25,146,148
	-	-	267,771,181	267,771,181

There were no transfers between any levels during the year.

Valuation process applied by the Group for Level 3 fair value

The fair values of land and biological assets are determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

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 valuers have determined these inputs based on location, access, terrain, age of trees, condition of holding, standard of maintenance, time element and other relevant factors.

The fair value of biological assets is calculated as the present value of the estates' operating cash flows over the next ten years.

12. Property, plant and equipment (continued)

Fair value information (continued)

Valuation process applied by the Group for Level 3 fair value (continued)

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

Description	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs
Oil palm estates in Perak, Malaysia	Sales comparison approach	Price per hectare (Ha)	RM74,665/Ha to RM134,386/Ha
Palm oil plantation	Discounted cash flows	Palm oil yield -tonnes/Ha	22 - 27 per year
		Crude palm oil price	RM2,250 - RM2,300
		Palm kernel price	RM1,364
		Discount rate	11.38% - 18%

Certain freehold and leasehold land of the Company amounting to RM20,770,754 have been charged to secure banking facility granted to the Company. The borrowings have been fully settled at the reporting date.

13. Biological assets

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Oil palm				
At valuation				
At 1 January	71,688,021	71,480,990	46,541,873	46,541,873
Revaluation recognised in other comprehensive income	-	207,031	-	-
At 31 December	71,688,021	71,688,021	46,541,873	46,541,873

Biological assets of the Group and of the Company comprise oil palm and are stated at valuation based on allocation of valuation of the freehold and leasehold estate land of the Group and the Company as detailed in Note 12.

13. Biological assets (continued)

The allocation was calculated as the present value of the estates' operating cash flows over the next ten to twenty years, based on the directors' best estimates of future selling prices of fresh fruit bunches. The major assumptions underlying the calculation were an assumed average CPO selling price of RM2,250 to RM2,300 and average discount rate of 9.00% to 18.00% based on the Company's and subsidiaries' return on capital employed and the current Base Lending Rate (BLR) plus an estimated risk premium respectively.

Changes in the major assumptions could impact the value of the biological assets as analysed in Note 28 (c).

14. Investment properties

	Group	
	2016 RM	2015 RM
Fair value		
At 1 January	39,125,000	37,884,000
Fair value loss	(1,101,600)	(2,191,000)
Exchange translation	1,375,000	3,432,000
At 31 December	39,398,400	39,125,000

Investment properties comprise the following properties:

	2016 RM	2015 RM
Freehold land	25,066,937	25,029,699
Buildings on freehold land	14,331,463	14,095,301
	39,398,400	39,125,000

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

	Group	
	2016 RM	2015 RM
Rental income	1,481,746	1,647,682
Direct operating expenses:		
- income generating investment properties	677,487	593,742

The fair value of the Group's investment properties as at 31 December 2016 was determined from market-based evidence by appraisal that is undertaken by a professionally qualified valuer.

14. Investment properties (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 investment properties that are measured at fair value at 31 December 2016:

	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

	31 December 2015			
	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.

14. Investment properties (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, 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 foot of comparable properties.

15. Prepaid land lease payments

	Group	
	2016 RM	2015 RM
Short term leasehold land		
Cost		
At 1 January	-	200,000
Reclassification (Note 12)	-	(200,000)
At 31 December	-	-
Accumulated amortisation		
At 1 January	-	200,000
Reclassification (Note 12)	-	(200,000)
At 31 December	-	-
Carrying amount		
At 31 December	-	-

16. Investment in subsidiaries

	Company	
	2016 RM	2015 RM
Unquoted shares outside Malaysia, at cost	47,990,605	47,990,605
Unquoted shares in Malaysia, at cost	308,410	308,400
	48,299,015	48,299,005

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

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 2016	Subsidiary 2015	Company 2016	Company 2015
The Narborough Plantations Plc *# (TNP)	Malaysia	England	Oil palm plantations	-	-	100.0	100.0
Rivaknar Holdings Sdn. Bhd.	Malaysia	Malaysia	Investment holding	33.3	33.3	33.3	33.3
Hageo Sdn. Bhd. (HSB)	Malaysia	Malaysia	Dormant	-	-	100.0	-
Subsidiaries of Rivaknar Holdings Sdn. Bhd. (RHSB)							
Rivaknar Properties (W.A.) Pty. Ltd. *	Australia	Australia	Investment holding	100	100	-	-
CG Plantations Sdn. Bhd.	Malaysia	Malaysia	Oil palm plantations	99.9	99.9	-	-

* Not audited by Sekhar & Tan

\# The auditors' report of TNP was qualified in respect of departure from compliance with:

(i) the amendments to IAS 16/MFRS 116 Property, Plant and Equipment and IAS41/MFRS 141 Agriculture for bearer plants which require the company to exclude bearer plants from the biological assets and account for it as a class of Property, Plant and Equipment. The company has not performed an exercise to determine the amounts that should be separately recognised as the bearer plant component; and

(ii) IAS 41/MFRS 141 Agriculture which require a biological asset to be measured at each reporting period at its fair value less costs to sell. The company has not performed an updated valuation of the biological assets as at 31 December 2016.

The component auditors are unable to quantify the amount of any adjustment that would be required to the financial statements to recognise the bearer plant and biological asset in accordance with IAS 16 and IAS 41 respectively.

However, these departures do not have any impact to the consolidated financial statements of the Group as the Group being a transitioning entity has not adopted MFRS. Any adjustments, if taken up as required by IAS 41 and amendments to IAS 16 and IAS 41 would be reversed in the consolidated financial statements of the Group to ensure conformity of the subsidiary's accounting policies with those of the Group.

16. Investment in subsidiaries (continued)

2016

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

During the 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.

2015

On 9 May 2015, the Company completed the acquisition of the remaining shares of TNP for a total cash consideration of RM47,292,500, increasing its ownership in TNP from 49.8% to 100% and the Group's effective interest in RHSB from 49.9% to 66.7%. The shares of TNP were delisted from the London Stock Exchange, in the United Kingdom on 21 April 2015.

The carrying amount of TNP's and RHSB's net assets in the Group's financial statements on the date of the acquisition was RM78,325,310 and RM41,104,507 respectively. The Group recognised a decrease in non-controlling interests of RM49,636,537 and an increase in retained profits of RM2,344,037.

The following summarises the effect of changes in the equity interest in TNP and RHSB that is attributable to owners of the Company:

	Group 2015 RM
Equity interest at 1 January 2015	69,793,280
Effect of increase in Company's ownership interest	49,636,537
Share of comprehensive income	4,437,771
Dividend received	(12,049,759)
Equity interest at 31 December 2015	111,817,829

17. Investment securities

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Available-for-sale financial assets				
- Equity instruments :				
(quoted shares in Malaysia)				
At market value (Note 30)	3,298,596	3,116,988	2,242,436	2,112,488

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

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 RM2,825 (2015: 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% (2015: 9.75%) based on Base Lending Rate (BLR) 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	
	2016 RM	2015 RM	2016 RM	2015 RM
At 1 January	20,942,179	20,448,987	7,900,980	7,316,350
Recognised in profit or loss (Note 9)	(120,148)	(87,579)	182,115	584,630
Recognised in other comprehensive income	326	247,231	-	-
Exchange translation	118,750	333,540	-	-
At 31 December	20,941,107	20,942,179	8,083,095	7,900,980
Presented after appropriate offsetting as follows:				
Deferred tax assets	(42,474)	(32,969)	(36,136)	(32,969)
Deferred tax liabilities	20,983,581	20,975,148	8,119,231	7,933,949
	20,941,107	20,942,179	8,083,095	7,900,980

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:

	At 1 January RM	Exchange translation RM	Recognised in other comprehensive income RM	Recognised in profit or loss RM	At 31 December RM
2016					
Group					
Deferred tax liabilities					
Revaluation surplus	16,322,860	-	326	(62,989)	16,260,197
Investment properties	3,792,424	118,750	-	(330,480)	3,580,694
Property, plant and equipment	859,864	-	-	282,826	1,142,690
	20,975,148	118,750	326	(110,643)	20,983,581
Deferred tax assets					
Provision for retirement benefits	(32,969)	-	-	(9,505)	(42,474)
	20,942,179	118,750	326	(120,148)	20,941,107

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

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

	At 1 January RM	Exchange translation RM	Recognised in other comprehensive income RM	Recognised in profit or loss RM	At 31 December RM
2015					
Group					
Deferred tax liabilities					
Revaluation surplus	16,228,917	-	247,231	(153,288)	16,322,860
Investment properties	4,095,251	333,540	-	(636,367)	3,792,424
Property, plant and equipment	154,545	-	-	705,319	859,864
	20,478,713	333,540	247,231	(84,336)	20,975,148
Deferred tax assets					
Provision for retirement benefits	(29,726)	-	-	(3,243)	(32,969)
	20,448,987	333,540	247,231	(87,579)	20,942,179

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

	At 1 January RM	Recognised in other comprehensive income RM	Recognised in profit or loss RM	At 31 December RM
2016				
Company				
Deferred tax liabilities				
Revaluation surplus	7,298,948	-	(2,008)	7,296,940
Property, plant and equipment	635,001	-	187,290	822,291
	7,933,949	-	185,282	8,119,231
Deferred tax assets				
Provision for retirement benefits	(32,969)	-	(3,167)	(36,136)
	7,900,980	-	182,115	8,083,095
2015				
Company				
Deferred tax liabilities				
Revaluation surplus	7,302,036	-	(3,088)	7,298,948
Property, plant and equipment	44,040	-	590,961	635,001
	7,346,076	-	587,873	7,933,949
Deferred tax assets				
Provision for retirement benefits	(29,726)	-	(3,243)	(32,969)
	7,316,350	-	584,630	7,900,980

20. Trade and other receivables

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Trade receivables	1,840,343	959,481	1,328,916	674,260
Other receivables	2,462,440	143,390	2,288,994	90,620
Deposits	71,966	63,742	50,766	50,766
Trade and other receivables	4,374,749	1,166,613	3,668,676	815,646

Trade receivables are non-interest bearing and are generally on 30 days (2015 : 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:

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Ringgit Malaysia	4,262,214	1,145,136	3,668,676	815,646
Australian Dollar	112,535	21,477	-	-
	4,374,749	1,166,613	3,668,676	815,646

21. Cash and cash equivalents

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Cash on hand and at banks	3,684,749	4,561,930	1,234,771	1,145,662
Deposits with licensed banks in Malaysia	24,588,447	21,161,457	11,168,447	12,061,457
	28,273,196	25,723,387	12,403,218	13,207,119

21. Cash and cash equivalents (continued)

The currency exposure profile of deposits, cash and bank balances is as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
- Ringgit Malaysia	26,584,469	24,420,084	12,403,218	13,207,119
- Pound Sterling	-	88,572	-	-
- Australian Dollar	1,688,727	1,214,731	-	-
	28,273,196	25,723,387	12,403,218	13,207,119

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 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 31 December 2015			
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

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

22. Trade and other payables

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Trade payables	113,840	227,725	38,396	149,164
Other payables:				
Third parties	358,081	318,920	119,595	109,075
Accruals	2,009,556	2,186,596	770,660	829,503
Deposits refundable	29,546	29,546	-	-
	2,397,183	2,535,062	890,255	938,578
Dividend payable	3,891,027	3,891,027	3,891,027	3,891,027
	6,402,050	6,653,814	4,819,678	4,978,769

Trade payables are non-interest bearing and normally settled within 30 to 90 days (2015 : 30 - 90 days) terms.

The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
- Ringgit Malaysia	6,299,906	6,513,668	4,819,678	4,978,769
- Australian Dollar	102,144	140,146	-	-
	6,402,050	6,653,814	4,819,678	4,978,769

23. Provision for retirement benefits

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
At 1 January	164,347	132,367	137,372	119,740
Additional provision	27,626	41,630	13,194	27,282
Reversal of provision	-	(9,650)	-	(9,650)
At 31 December	191,973	164,347	150,566	137,372
Represented by:				
Non-current liabilities				
Payable between more than 1 year and less than 5 years	14,610	32,112	14,061	32,112
Payable later than 5 years	177,363	132,235	136,505	105,260
	191,973	164,347	150,566	137,372
	191,973	164,347	150,566	137,372

24. Share capital

	Company			
	Number of ordinary shares of RM1 each		Amount	
	2016	2015	2016 RM	2015 RM
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
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.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

25. Reserves

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Non-distributable:				
Capital reserves:				
Asset revaluation	171,521,326	171,521,652	136,040,711	136,040,711
Exchange fluctuation	2,615,376	1,828,201	-	-
	174,136,702	173,349,853	136,040,711	136,040,711
Fair value adjustment reserve	1,562,689	1,398,301	1,464,402	1,334,454
	175,699,391	174,748,154	137,505,113	137,375,165
Distributable:				
Capital reserve:				
Reserves realised on disposal of assets*	-	2,761,091	-	-
General reserves:				
Asset realisation reserves	4,226,205	4,226,205	3,471,067	3,471,067
Unappropriated retained profits	2,291,126	2,291,126	2,291,126	2,291,126
	6,517,331	6,517,331	5,762,193	5,762,193
	6,517,331	9,278,422	5,762,193	5,762,193
	182,216,722	184,026,576	143,267,306	143,137,358

(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 and biological assets, 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.

26. Retained profits

The Company is able to distribute dividends out of its distributable reserves as at 31 December 2016 and 2015 under the single tier system.

27. 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
2016			
NCI percentage (%)	**33.33%**		
Non-current assets	59,784,822	-	59,784,822
Current assets	12,927,821	-	12,927,821
Non-current liabilities	(5,696,358)	-	(5,696,358)
Current liabilities	(644,485)	-	(644,485)
Net assets	66,371,800	-	66,371,800
Carrying amount of NCI	22,086,891	-	22,086,891
Revenue	4,863,356	-	4,863,356
Profit	472,410	-	472,410
Other comprehensive income ("OCI")	1,232,430	-	1,232,430
Total comprehensive income	1,704,840	-	1,704,840
Profit allocated to NCI	157,470	-	157,470
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
Cash flows from financing activities	-	-	-
Net increase in cash and cash equivalents	462,424	-	462,424

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2016

27. Non-controlling interests (continued)

	Rivaknar Holdings Sdn Bhd RM	Intra-group eliminations RM	Total RM
2015			
NCI percentage (%)	**33.33%**		
Non-current assets	60,068,951	-	60,068,951
Current assets	11,193,338	-	11,193,338
Non-current liabilities	(5,962,182)	-	(5,962,182)
Current liabilities	(734,667)	-	(734,667)
Net assets	64,565,440	-	64,565,440
Carrying amount of NCI	21,519,661	-	21,519,661
Revenue	5,008,520	-	5,008,520
Profit	161,377	-	161,377
Other comprehensive income ("OCI")	2,852,019	-	2,852,019
Total comprehensive income	3,013,396	-	3,013,396
Profit allocated to NCI	53,787	-	53,787
OCI allocated to NCI	950,578	-	950,578
Cash flows from operating activities	622,942	-	622,942
Cash flows from investment activities	13,306	-	13,306
Cash flows from financing activities	-	-	-
Net increase in cash and cash equivalents	636,248	-	636,248

28. 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 and Pound Sterling, 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.

Sensitivity analysis for foreign currency exchange risk

The following table demonstrated the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in Pound Sterling, and 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%):

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Pound Sterling	-	8,857	-	-
Australian Dollar	169,912	109,606	-	-

(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.

28. Financial risk management policies (continued)

(b) Interest rate risk (continued)

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 2016, if the CPO selling price had been 5% lower or higher with all other variables held constant, the gain arising on revaluation of biological assets would have been RM7,580,242 (2015: RM7,580,242) lower and RM7,580,242 (2015: RM7,580,242) higher for the Group and RM4,791,012 (2015: RM4,791,012) lower and RM4,791,012 (2015: RM4,791,012) higher for the Company respectively, arising mainly as a result of the variation in CPO price. If the average discount rate had been 5% lower or higher, the gain arising on revaluation of biological assets would have been RM1,727,156 (2015: RM1,727,156) higher and RM1,657,893 (2015: RM1,657,893) lower for the Group and RM814,736 (2015: RM751,098) higher and RM1,044,818 (2015: RM1,086,499) lower for the Company 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.

(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.

28. Financial risk management policies (continued)

(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		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
On demand or within one year:				
- Trade and other payables	6,402,050	6,653,814	4,819,678	4,978,769
Total undiscounted financial liabilities	6,402,050	6,653,814	4,819,678	4,978,769

29. Categories of financial instruments

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Financial assets				
Loan and receivables:				
Trade and other receivables (Note 20)	4,374,749	1,166,613	3,668,676	815,646
Cash and cash equivalents (Note 21)	28,273,196	25,723,387	12,403,218	13,207,119
	32,647,945	26,890,000	16,071,894	14,022,765
Financial liabilities				
Other financial liabilities:				
Trade and other payables (Note 22)	6,402,050	6,653,814	4,819,678	4,978,769

30. 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
2016				
Group				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	3,298,596	-	-	3,298,596
Company				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	2,242,436	-	-	2,242,436
2015				
Group				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	3,116,988	-	-	3,116,988

30. Fair value of financial instruments (continued)

(a) Fair value of financial instruments that are carried at fair value (continued)

2015 Company RM	Quoted price in active market for identical instruments (Level 1)	Significant other obserable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	2,112,488	-	-	2,112,488

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 2016 and 2015 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 2016 and 2015.

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.

31. 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 6 and 8 to the financial statements.

32. 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.

32. Segmental information (continued)

The analysis of Group operations is as follows:

Business and Geographical Segments

	Malaysia - Plantations RM	Australia - Real Estate RM	Consolidated RM
2016			
Revenue	29,828,840	1,481,746	31,310,586
Profit/(loss) before tax	11,284,484	(494,540)	10,789,944
Non current assets	282,313,401	39,398,400	321,711,801
Total assets	317,031,352	41,448,163	358,479,515
Total liabilities	23,894,977	3,682,627	27,577,604
Other Information			
Depreciation	1,792,706	-	1,792,706
Net unrealised foreign exchange gain	121,000	-	121,000
Interest expense	24,254	-	24,254
Interest income	(653,089)	(22,975)	(676,064)
2015			
Revenue	29,499,608	1,647,682	31,147,290
Profit before tax	10,208,613	(1,258,213)	8,950,400
Non current assets	283,152,363	39,125,000	322,277,363
Total assets	312,431,441	40,560,193	352,991,634
Total liabilities	23,860,945	3,932,364	27,793,309
Other Information			
Depreciation	1,642,624	-	1,642,624
Net unrealised foreign exchange gain	299,643	-	299,643
Interest expense	627,230	-	627,230
Interest income	(667,336)	(37,695)	(705,031)

The following are revenue from major customers arising from sales by plantation segment:

	2016 RM	2015 RM
Customer A	9,906,831	11,551,044
Customer B	8,359,031	8,370,563
Customer C	7,287,239	5,889,993
Customer D	2,823,644	2,253,235
	28,376,745	28,064,835

33. 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		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Share capital	64,850,448	64,850,448	64,850,448	64,850,448
Retained profits	61,747,850	54,801,640	33,919,188	32,169,523
Distributable reserves	6,517,331	9,278,422	5,762,193	5,762,193
	133,115,629	128,930,510	104,531,829	102,782,164

34. Supplementary information - breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 December 2016 and 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Total retained profits				
- Realised	57,361,563	50,485,375	35,079,611	33,147,831
- Unrealised	4,386,287	4,316,265	(1,160,423)	(978,308)
Retained profits as per financial statements	61,747,850	54,801,640	33,919,188	32,169,523

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RIVERVIEW RUBBER ESTATES, BERHAD (820 – v)
(Incorporated in Malaysia)

FORM OF PROXY

Please read the Notice of Meeting and Explanatory Notes before completing this form.

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 78th Annual General Meeting of Riverview Rubber Estates, Berhad held at 33 (1st Floor) Jalan Dato' Maharajalela, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Monday, 12 June 2017 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 receive and consider the Audited Financial Statements for the financial year ended 31 December 2016 together with the Directors' and Auditors' reports thereon.			
Ordinary Resolution 2	To approve the payment of Directors fees of RM65,000 per annum for each Director, and an additional RM5,000 for the Chairman for the financial year ended 31 December 2017			
Ordinary Resolution 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.			
Ordinary Resolution 4	To re-elect Timothy John Huntsman who retires in accordance with Article 96 of the Company's Articles of Association.			
Ordinary Resolution 5	To re-appoint Dr. Leong Tat Thim as an Independent Non-Executive Director of the Company.			
Ordinary Resolution 6	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 ______________ 2017 No. of shares ______________

Note:

1. *A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act, 1965 shall not apply to the Company.*
2. *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.*
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. *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. *Item 1 of the Agenda is meant for discussion only, as the provision of Section169 (1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*
6. *For shares listed on the Bursa Malaysia, only a depositor whose name appears on the Record of Depositors as at 5 June 2017 shall be entitled to attend the said meeting or appoint a proxy or proxies to attend and/or vote on his/her behalf.*
7. *The Companies Act 2016 which came into force on 31st January 2017 does not have a provision on the maximum age limit of years for a director. Dr Leong Tat Thim who is above the age of 70 years was re-appointed by members at the 77th Annual General Meeting of the Company held on 13th June 2016 to hold office until the conclusion of the 78th Annual General Meeting. When Resolution 5 is passed by the required special majority, he will be subject to retirement as provided in the Articles of Association.*

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.