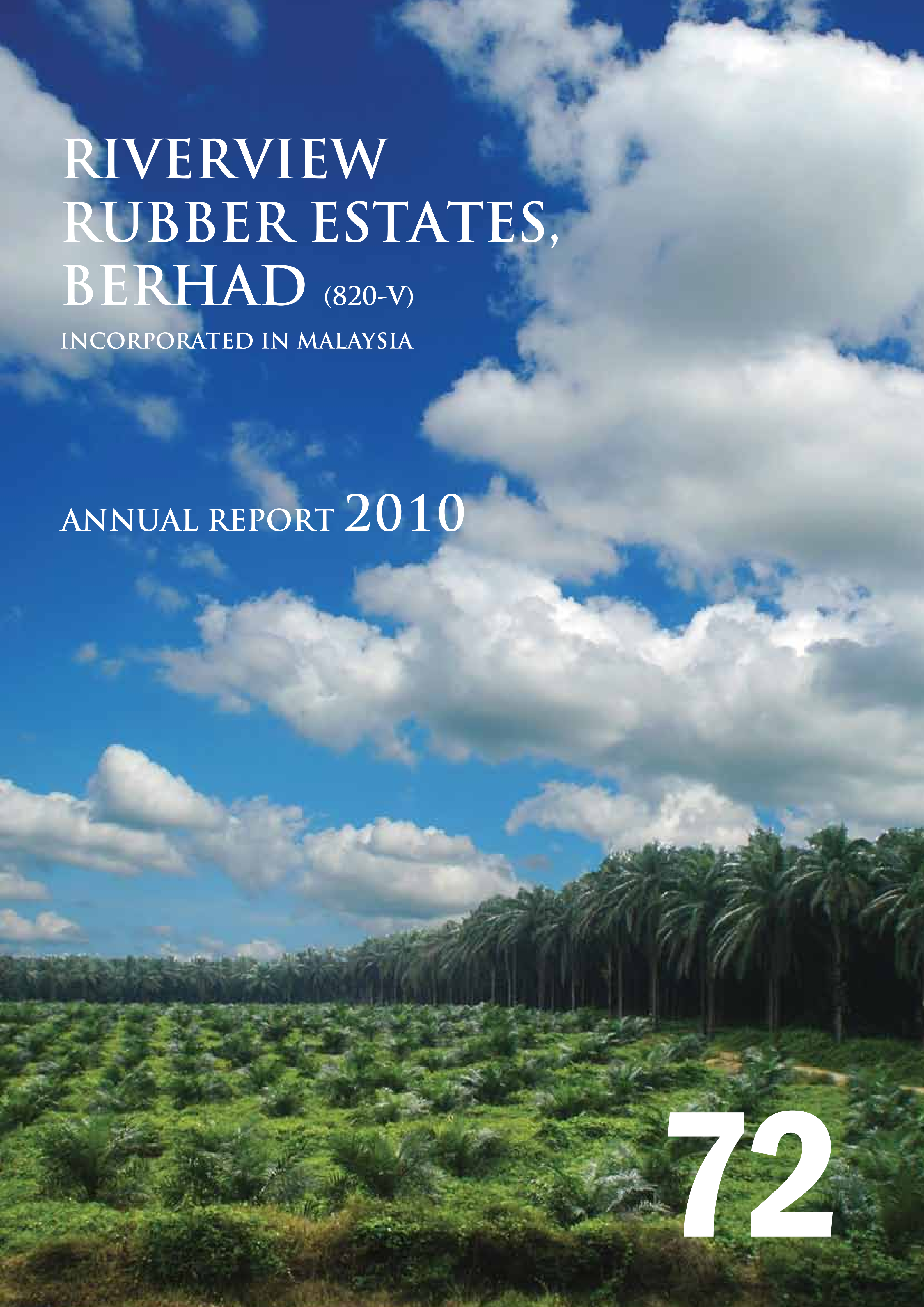
RIVERVIEW RUBBER ESTATES, BERHAD (820-V)

INCORPORATED IN MALAYSIA

ANNUAL REPORT 2010



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2010 Annual Report

72nd Annual General Meeting

Riverview Rubber Estates, Berhad

Company No. 820-V — Incorporated In Malaysia

Contents

Front cover: Hibernia Estate - One Year On

Corporate Information

DIRECTORS

Juliana Manohari Devadason ***Chairman***
Tsen Keng Yam
Lim Hu Fang
Stephen William Huntsman
Roslan Bin Hamir

REGISTERED OFFICE / DOMICILE

33A Jalan Tun Sambanthan
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

SECRETARY

Tsen Keng Yam
MIA 1476

SHARE REGISTRAR

Business Process Outsourcing Sdn. Bhd.
33A Jalan Tun Sambanthan
30000 Ipoh
Perak Darul Ridzuan
Malaysia

Telephone	:	006 05 255 9015
Fax	:	006 05 255 9016

Corporate Information (continued)

AUDITORS
Ernst & Young
AF : 0039
21 & 23 Jalan Hussein
30250 Ipoh
Perak Darul Ridzuan
Malaysia

Telephone : 006 05 255 6393
Fax : 006 05 254 1572

AUDIT COMMITTEE
Lim Hu Fang ***Chairman***
Stephen William Huntsman
Roslan Bin Hamir

REMUNERATION AND NOMINATION COMMITTEE
Lim Hu Fang ***Chairman***
Stephen William Huntsman
Roslan Bin Hamir

BANKERS
HSBC Bank Malaysia Berhad
AmBank (M) Berhad
UBS AG
CIMB Bank Berhad
Standard Chartered Bank Malaysia Berhad
HSBC Bank Plc
Malayan Banking Berhad

SOLICITORS
Maxwell Kenion Cowdy & Jones

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

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventy Second Annual General Meeting of Riverview Rubber Estates, Berhad will be held at 33A Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Friday, 24 June 2011 at 11.30 am for the purpose of considering and, if thought fit, passing the following resolutions:

AGENDA

1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2010 together with the Directors' and Auditors' reports thereon.	***(Please refer to Note 5)***
2.	To approve an increase in Directors fees totaling RM30,000 for the financial year ending 31 December 2011.	**Resolution 1**
3.	To approve the payment of Directors fees totaling RM280,000 for the financial year ending 31 December 2011.	**Resolution 2**
4.	To re-elect Lim Hu Fang who retires by rotation in accordance with Article 96 of the Company's Articles of Association and, being eligible, offers herself for re-election.	**Resolution 3**
5.	To re-appoint the retiring, Messrs Ernst & Young as the Auditors of the Company and to authorize the Directors to fix their remuneration	**Resolution 4**

By Order of the Board

Tsen Keng Yam
MIA 1476
Company Secretary

20 May 2011

Notes :

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 33A Jalan Tun Sambanthan, 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.*

Statement Accompanying Notice Of Annual General Meeting

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

Date of Meeting	*Hour*	*Place*
23 February 2010	12.30 pm	Ipoh
23 April 2010	11.50 am	Ipoh
18 June 2010	12.10 pm	Ipoh
30 July 2010	12.20 pm	Ipoh
29 October 2010	01.05 pm	Ipoh
10 December 2010	10.00 am	Kuala Lumpur

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

Names of Directors	*Number of meetings held*	*Number of meetings attended*
Juliana Manohari Devadason	6	6
Tsen Keng Yam	6	6
Lim Hu Fang	6	6
Stephen William Huntsman	6	6
Roslan Bin Hamir	6	6

Details of Director standing for re-election and re-appointment are as follows:

Lim Hu Fang
Age 61. Malaysian. Independent Non-Executive Director. Appointed to the Board in 2002. Attended all six Board Meetings in the financial year. A Fellow of the Institute of Chartered Accountants in England & Wales, a Chartered Accountant under the Malaysian Institute of Accountants. Also serves on the Board of The Narborough Plantations, PLC, a company listed on the London Stock Exchange in the United Kingdom. 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 offences within the past ten years. Lim Hu Fang is the Chairman of both the Audit Committee and the Remuneration and Nomination Committee

Plantation Statistics

OIL PALM	2010	2009	2008	2007	2006
Average area in production (hectares)	1,759	1,759	1,759	1,759	1,759
Crop (tonnes FFB)	41,945	49,284	44,976	39,589	43,651
Yield per mature hectare (tonnes FFB)	25.92	28.69	25.57	22.51	26.23
Average price realised (RM per tonne of FFB)	569.98	445.22	585.50	528.84	302.81
Profit per mature hectare	10,778	8,811	10,599	8,327	3,812

AREA STATEMENT as at 31 December

	2010	2009	2008	2007	2006
Oil palm - mature	1,618	1,718	1,759	1,759	1,664
- immature	141	41	-	-	95
Total planted hectarage	1,759	1,759	1,759	1,759	1,759
Buildings, sites, gardens, etc	27	27	27	27	27
Ravines and swamps	7	7	7	7	7
Total area (hectares)	1,793	1,793	1,793	1,793	1,793

Financial Calendar

FINANCIAL YEAR END	**31 December 2010**

ANNOUNCEMENT OF QUARTERLY RESULTS

First Quarter	28 April 2010
Second Quarter	30 July 2010
Third Quarter	29 October 2010
Fourth Quarter	25 February 2011

PUBLISHED ANNUAL REPORT

Despatch Date	21 May 2011

GENERAL MEETING

Seventy Second Annual General Meeting	24 June 2011

DIVIDEND

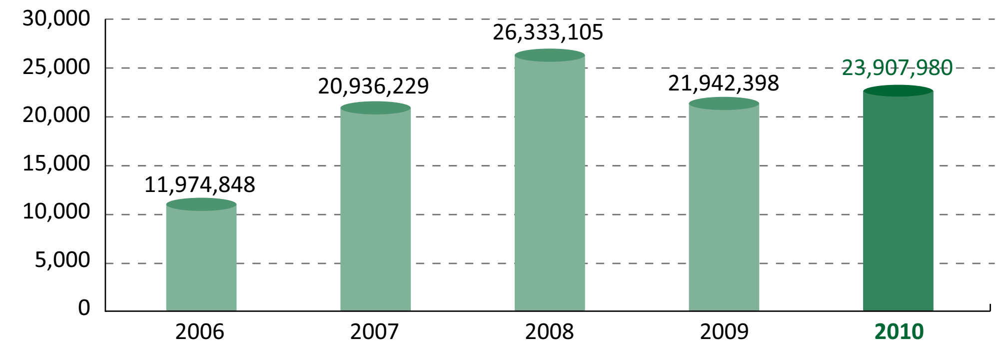
1st Interim of 8% less 25% taxation	Decalaration date	-	27 May 2010
	Entitlement date	-	28 June 2010
	Payment date	-	30 July 2010
2nd Interim of 9% under the single tier system	Decalaration date	-	8 November 2010
	Entitlement date	-	10 December 2010
	Payment date	-	21 January 2011

Financial Performance

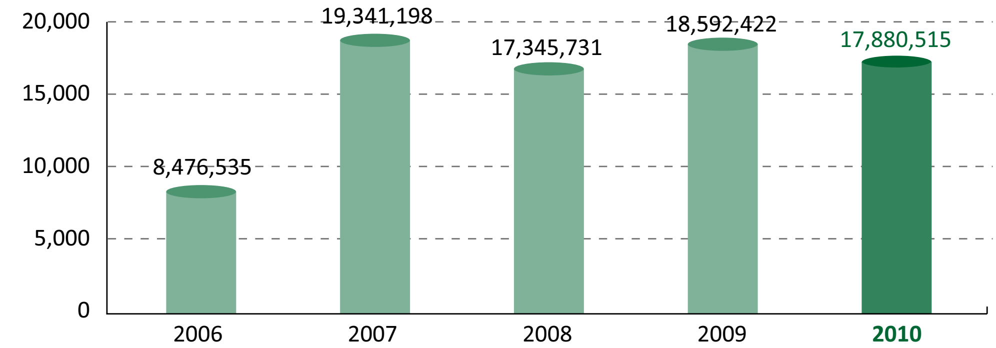
	1st Quarter RM '000	2nd Quarter RM '000	3rd Quarter RM '000	4th Quarter RM '000	2010 RM '000
Revenue	4,344	5,646	7,160	6,758	23,908
Operating profit	3,056	4,010	5,651	4,723	17,440
Profit before tax	1,723	3,663	6,745	5,750	17,881
Taxation	(737)	(1,005)	(1,392)	(824)	(3,958)
Profit attributable to shareholders	986	2,658	5,353	4,926	13,923
Earnings per share (sen)	1.52	4.10	8.25	7.60	21.47
Dividend per share (sen)	-	6.00	-	9.00	15.00
Net tangible assets per share (RM)	2.53	2.51	2.59	2.58	2.58

Financial Highlights

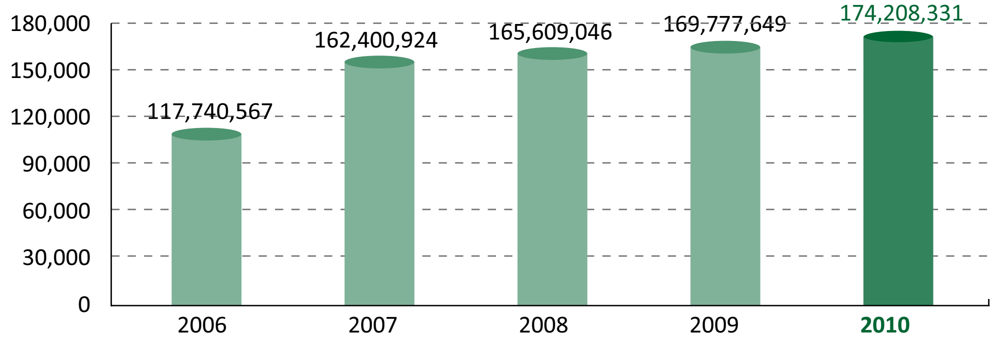
REVENUE (RM'000)



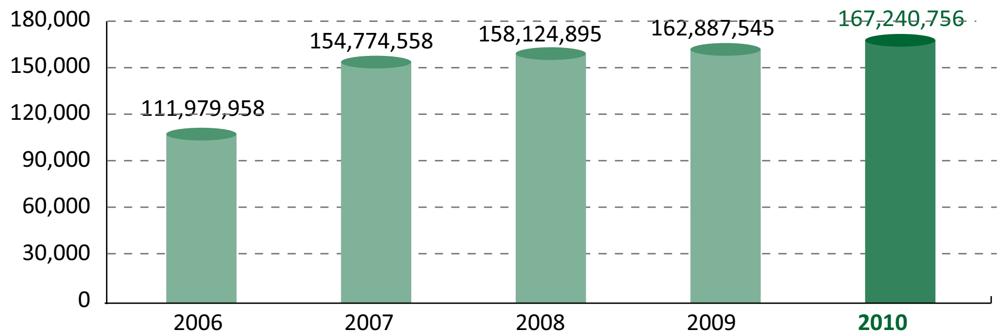
PROFIT BEFORE TAX (RM'000)



TOTAL ASSETS (RM'000)



SHAREHOLDERS' FUND (RM'000)



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 5th May 2011

No. of Holders	Total Holdings	Holdings	%
27	less than 100	1,181	*
585	101 - 1,000	499,727	0.77%
1,768	1,001 - 10,000	7,451,578	11.49%
386	10,001 - 100,000	9,761,562	15.05%
25	100,001 - 1,249,008**	6,276,308	9.68%
1	1,249,009 and above	40,860,092	63.01%
2,792		64,850,448	100.00%

SUBSTANTIAL SHAREHOLDERS IN THE COMPANY as at 5th May 2011

	No. of shares held			
	Direct	%	Deemed	%
Sungei Ream Holdings Sdn. Bhd. ("SRHSB")	40,860,092	63.00%	-	-
Buloh Akar Holdings Sdn. Bhd. ("BAHSB")	-	-	40,860,092 [1]	63.00%
William John Huntsman	6,000	0.01%	40,921,796 [2]	63.10%
Elizabeth Mary Huntsman	-	-	40,860,092 [3]	63.00%
Richard George Huntsman	-	-	40,860,092 [4]	63.00%
Stephen William Huntsman	67,300	0.10%	40,860,092 [5]	63.00%

DIRECTORS' SHAREHOLDINGS IN THE COMPANY as at 5th May 2011

	No. of shares held			
	Direct	%	Deemed	%
Juliana Manohari Devadason	6,000	0.01%	-	-
Tsen Keng Yam	1,000	*	-	-
Lim Hu Fang	6,000	0.01%	-	-
Stephen William Huntsman	67,300	0.10%	40,860,092 [5]	63.00%
Roslan bin Hamir	1,000	*	-	-

Notes :

[1] Deemed interested by virtue of its substantial shareholdings in SRHSB. William John Huntsman and Stephen William Huntsman are deemed to be substantial shareholders of BHSB by virtue of the shares held bny Keniocowdy Nominees Sdn. Bhd. ("Keniocowdy") as custodian trsutees. Elizabeth Mary Huntsman and Richard George Huntsman are deemed to be substantial shareholders of BAHSB by virtue of the shares held jointly by OSK Trsutees Berhad ("OSK") and Juliana Manohari Devadason ("JMD") as custodian trustees. The shares held by the custodian trustees are in the following proportions:

"William's Share"	:	458,013 shares in BAHSB held by Keniocowdy for William John Huntsman, his children and grandchildren
"Elizabeth's Share"	:	458,013 shares in BAHSB held by OSK and JMD for Elizabeth Mary Huntsman, her children and grandchildren
"Richard's Share"	:	457,914 shares in BAHSB held by OSK and JMD for Richard George Huntsman, his children and grandchildren

[2] Deemed interested by virtue of his interest in William's Share and his substantial shareholdings in Thansmun Holdings Sdn. Bhd.

[3] Deemed interested by virtue of her interest in Elizabeth's Share

[4] Deemed interested by virtue of his interes in Richard's Share

[5] Deemend interested by virtue of his interest in William's Share

* Negligible

** Denotes 2% of the issued capital

Analysis of Shareholdings (continued)

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATIONS as at 5th May 2011

The Directors' shareholdings in related corporations are as diclosed in the Directors' Report on page 47.

THIRTY LARGEST REGISTERED SHAREHOLDERS as at 5th May 2011

	Name	Shareholdings	%
1	SUNGEI REAM HOLDINGS SDN BHD	40,860,092	63.01%
2	HSBC NOMINEES (ASING) SDN BHD	1,249,008	1.93%
3	LIM SENG CHEE	798,200	1.23%
4	NG BEH TONG	768,300	1.18%
5	YEO KHEE BEE	592,000	0.91%
6	LIM KEOW GNOH	216,000	0.33%
7	CIMSEC NOMINEES (ASING) SDN BHD	181,000	0.28%
8	CHONG YEAN FONG	175,000	0.27%
9	CHOW SOO HAR @ CHOW YIN KONG	160,000	0.25%
10	GEMAS BAHRU ESTATES SDN. BHD.	153,000	0.24%
11	PARIN D/O LAFFA	153,000	0.24%
12	MAYBAN NOMINEES (TEMPATAN) SDN BHD	150,000	0.23%
13	CHONG FA @ CHONG NAM YEN	139,800	0.22%
14	CITIGROUP NOMINEES (ASING) SDN BHD	136,800	0.21%
15	HSBC NOMINEES (ASING) SDN BHD	129,600	0.20%
16	CHUAH LEE SHYUN	124,100	0.19%
17	WONG LOKE SING	122,000	0.19%
18	HDM NOMINEES (ASING) SDN BHD	120,200	0.19%
19	CHONG MEOW CHONG	120,000	0.19%
20	KWOK CHEE YAN	120,000	0.19%
21	MAYBAN SECURITIES NOMINEES (ASING) SDN BHD	120,000	0.19%
22	YANG YEN FANG	120,000	0.19%
23	SAI DEZHAO	115,000	0.18%
24	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD	108,000	0.17%
25	HSBC NOMINEES (ASING) SDN BHD	105,000	0.16%
26	MIKDAVID SDN BHD	100,300	0.15%
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	100,000	0.15%
28	HO SIM GUAN	100,000	0.15%
29	TEH LIAN KIM	100,000	0.15%
30	HLG NOMINEE (ASING) SDN BHD	84,000	0.13%
	Total	47,520,400	73.28%

Profile of Directors

JULIANA MANOHARI DEVADASON

Age 61. Malaysian. Non-Independent Non-Executive Director and Chairman. Appointed to the Board in 1987 and elected Chairman in 2001. Attended all six Board Meetings in the financial year. Holds a Bachelor of Arts (Honours) Degree in Law and is a Barrister-at-Law, Grays Inn. Was a partner at Maxwell, Kenion, Cowdy & Jones from 1984 to 2003 and had been in practice as an advocate and solicitor for 28 years. Also serves as Chairman of the Board of The Narborough Plantations, PLC, a company listed on the London Stock Exchange in the United Kingdom. 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 offences within the past ten years.

TSEN KENG YAM

Age 61. Malaysian. Non- Independent Executive Director. Appointed to the Board in 2007. Also the Company Secretary. Attended all six Board Meetings in the financial year. A Fellow of the Institute of Chartered Accountants in England & Wales, a Chartered Accountant under the Malaysian Institute of Accountants and a Certified Public Accountant under the Malaysian Institute of Certified Public Accountants. Was a Partner of Arthur Andersen & Co from 1988 to June 2003. Also serves on the Board of The Narborough Plantations, PLC, a company listed on the London Stock Exchange in the United Kingdom and as Chairman of Talam Corporation Berhad, a company listed on Bursa Malaysia Securities Berhad. 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 offences within the past ten years.

LIM HU FANG

Age 60. Malaysian. Independent Non-Executive Director. Appointed to the Board in 2002. Attended all six Board Meetings in the financial year. A Fellow of the Institute of Chartered Accountants in England & Wales, a Chartered Accountant under the Malaysian Institute of Accountants. Also serves on the Board of The Narborough Plantations, PLC, a company listed on the London Stock Exchange in the United Kingdom. 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 offences within the past ten years. Lim Hu Fang is the Chairman of both the Audit Committee and the Remuneration and Nomination Committee.

Profile of Directors (continued)

STEPHEN WILLIAM HUNTSMAN

Age 53. Malaysian. Non- Independent Non-Executive Director. Appointed to the Board in 2001. Attended all six Board Meetings in the financial year. Has a Masters in Business Administration and is an Associate Member of the Chartered Institute of Secretaries. Was a Manager of Plessey Plc from 1980 to 1986 and Manager of the Automobile Association from 1986 to 1996. Also serves on the Board of The Narborough Plantations, PLC, a company listed on the London Stock Exchange in the United Kingdom. No conflict of interest with the Company and is the son of William John Huntsman, a substantial shareholder of the Company. Has not been convicted for offences within the past ten years. Stephen William Huntsman sits on both the Audit Committee and the Remuneration and Nomination Committee.

ROSLAN BIN HAMIR

Age 44. Malaysian. Independent Non-Executive Director. Appointed to the Board in 2008. Attended all six Board Meetings in the financial year. Is an ACCA graduate with Bachelor of Arts (Honours) in Accounting and Finance. Was a Management Consultant and Auditor with Ernst & Young from 1993 until 1998. Currently serves as Managing Director of Kumpulan Fima Berhad and Fima Corporation Berhad, both of which are companies listed on Bursa Malaysia Securities Berhad. Also serves on the Board of The Narborough Plantations, PLC, a company listed on the London Stock Exchange in the United Kingdom. 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 offences within the past ten years. Roslan bin Hamir sits on both the Audit Committee and the Remuneration and Nomination Committee

Chairman's Statement

Dear Shareholders,

Collection of Fresh Fruit Bunch

On behalf of the Board of Directors, I am pleased to present the Seventy - Second Annual Report of Riverview Rubber Estates, Berhad for the financial year ended 31 December 2010.

I am pleased to report that the Company has turned in another profitable year. The year began with the global economy showing signs of recovery through efforts of governments of the world implementing stimulus packages. However, your Board is mindful that this recovery may be fragile and the world economy may suffer another dip. Hence, we have implemented a prudent approach in the operations to sustain shareholder's value. In spite of these challenges, we continued to make positive strides by building upon our culture of sustainable progress and reliability.

The year 2010 held special meaning to the Group, our associate, The Narborough Plantations, plc celebrated its 100th year of incorporation on 27th April 2010 and this year on 26th March, your Company will be celebrating its 75th year of incorporation.

Financial Performance

Your Company's performance in 2010 was impacted by fluctuations in production and volatility in Crude Palm Oil ("CPO") prices. Despite the vagaries of the operating environment, your company posted a higher gross profit of RM17.44 million.

The Company registered revenue of RM23.91 million this year, an increase of 8.96% as compared to last year. The higher revenue despite the drop in production of 14.89% is due to an increase in the average selling price of fresh fruit bunch ("FFB") of oil palm by 28.02%.

The Company recorded a pre-tax profit of RM15.84 million this year, a decrease of 8.01% as compared to last year. The lower pre-tax profit is primarily attributable to unrealised foreign exchange losses of RM1.82 million in this year as compared to gains of 1.40 million for last year, a negative turn around of RM3.22 million. The overall performance translated to a decrease in earnings per share of 8.56% from 23.48 sen in 2009 to 21.47 sen in 2010.

Buloh Akar Estate

Chairman's Statement (continued)

In Field Picture

Review of Operations

2010 was a challenging year for the Company, the commodity industry remained mixed with CPO prices fluctuating between the 1st and 2nd half of the year. Our results were supported by improved CPO prices towards the end of the year.

Replanting which began in July 2009 at the Hibernia Estate, continued with 25.58 acres on Sadang Estate and 74.05 acres on Buloh Akar Estate, the replanting programme was fully completed in March 2010.

Unusually hot and dry weather conditions in the first half of the year affected the fruit production and the excessive rainfalls in the second half of the year affected harvesting activity, this together with our replanting programme impacted our total production for 2010, yields dropped to 25.92 tons per mature hectare. Nevertheless our yields remain much higher than the national average of 18.03 tons per hectare.

I am delighted to report that this is your Company's highest ever profit per mature hectare, against our previous high in 2008.

Together with the Agronomist, Planting Adviser and Senior Management, your Board will continuously review the need to replant, taking into account economic, agronomic and management factors.

2010 Directors Visit

2010 Directors Visit

Chairman's Statement (continued)

Market Overview

The Malaysian oil palm industry recorded mixed performance in 2010. Lower crude palm oil (CPO) production and higher exports pushed palm oil stocks down to 1.62 million tons.

CPO prices traded at RM2,549.50 per ton during the first half of the year, supported by positive sentiments related to supply tightness of vegetable oils in the world market and low domestic palm oil stocks. Subsequently, during the second-half of the year, bullish market sentiments supported by firmer crude oil price, coupled with world vegetable oils supply tightness, especially that of palm oil and soy bean oil supported positive price sentiments. This resulted in the increase of second half of the year average CPO price to RM2,837.50 per ton. The average CPO price in 2010 increased by 20.8% or RM464.50 to RM2,701.00 against RM2,236.50 in the previous year. Palm oil prices traded wider during the year, with the highest monthly average CPO price recorded in December at RM3,620.00 and the lowest attained in July at RM2,453.00

Replanting done under the SITS incentive programme which took place in 2009 and 2010 also had an impact on the CPO production. In 2009 and 2010, a total of 207,754 hectares of old palm trees had been felled for replanting. This reduced an estimated 350,000 to 400,000 ton of CPO production in 2010.

(Source : The Malaysian Palm Oil Board)

Loading of Fresh Fruit Bunches

2010 Directors Visit

Tanjong Tualang Head Office

Chairman's Statement (continued)

Current Year's Prospects

Production for 2011 will continue to be affected by the replanting exercise, nevertheless we have adopted a disciplined approach towards replanting and are working on a five year replanting programme and such an approach will enable us to achieve and maintain sustained performance.

Furthermore, a review of field management techniques including harvesting and fertilizer application is expected to bring about greater efficiency in costs and production.


2010 Directors Visit


2010 Directors Visit

Dividend

For the year ended 31 December 2010, the Company declared the following dividends.

1st Interim dividend of 8 sen per share less income tax on 64,850,448 ordinary shares, was paid on 30 July 2010.

2nd Interim dividend of 9 sen per share under the single tier system on 64,850,448 ordinary shares, was paid on 21 January 2011.


Hibernia Manager, Staff and Family


Harvesting in Progress

Chairman's Statement (continued)

Appreciation

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.

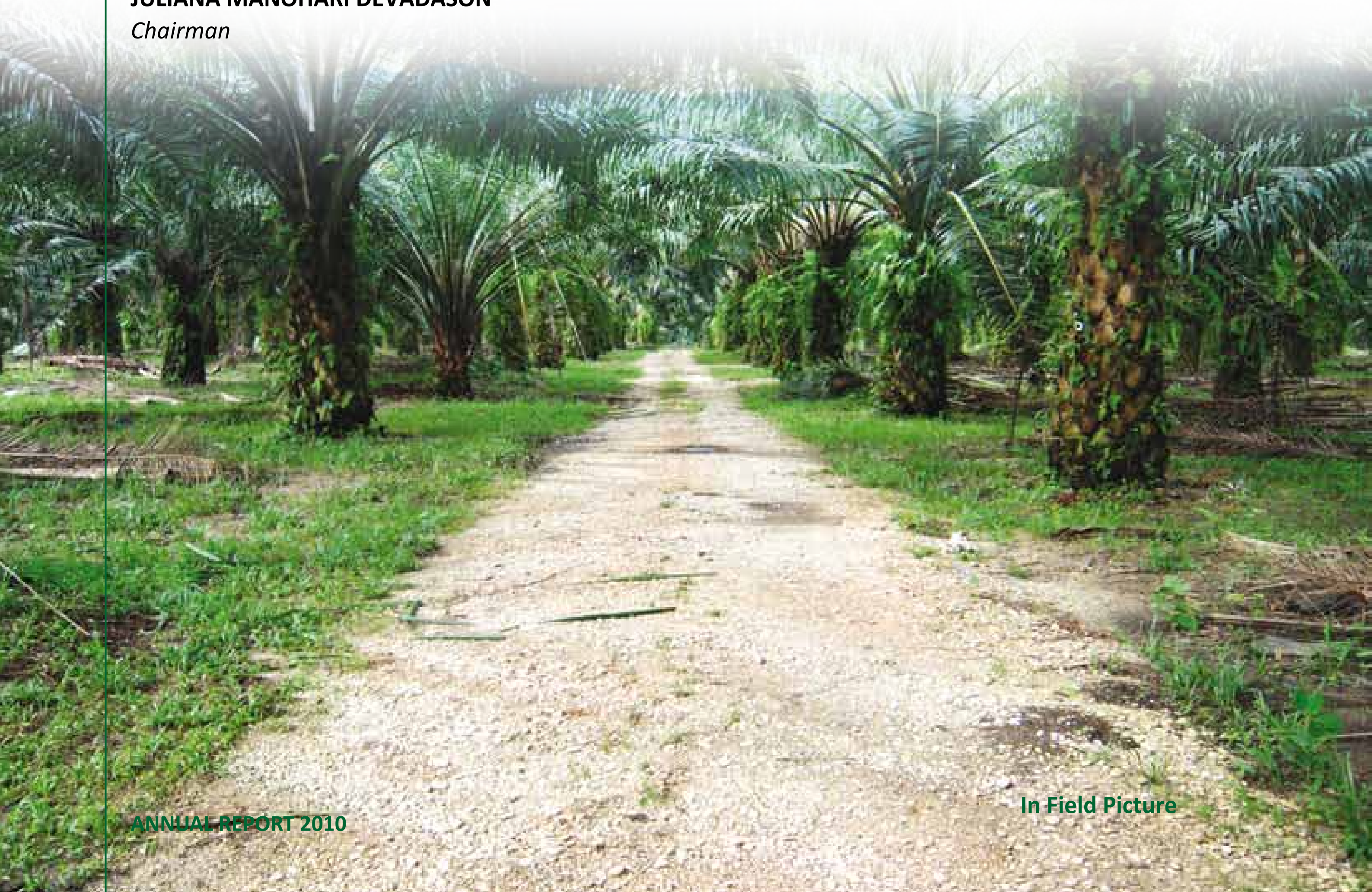
I take this opportunity to thank our valued shareholders, business associates, customers, friends and authorities for their continued trust confidence support and guidance

I would like to thank Mr. Jeraman @ Jayaraman a/l Narainan who resigned with effect from 31 December 2010 for his invaluable service to the Company.

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

Tall palms due for replanting

JULIANA MANOHARI DEVADASON
Chairman



In Field Picture

Corporate Governance Statement

The Board of Directors recognises the importance of ensuring high standards of corporate governance and is committed to comply with the principles and best practices of the Malaysian Code of Corporate Governance (the "Code").

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

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 Part 1 and 2 of the Code.

I. DIRECTORS

The Board

The Board has overall responsibility for the direction and control of the Company. The diverse professional expertise of Directors, spanning various fields including accounting, legal and business administration provide the Board with the requisite depth and quality in its deliberation and decision making which involves reviewing and adopting a strategic plan for business performance, overseeing the proper conduct of the Company'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.

While the Board is responsible for creating a framework within which the Company should be operating, Management is responsible for instituting compliance with laws and regulations including the achievement of the Company's corporate and social objectives. This demarcation of roles complements and reinforces the supervisory role of the Board.

The Board has reserved certain specific matters for its collective review and decision. These include among others, the approval of annual and interim results, approval of annual budget, declaration of dividend and authorisation of major transactions. The Directors ensure that they have full and timely access to all relevant information to aid their decision making.

Meetings

The Board meets at least four (4) times a year and as and when required for specific matters. 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.

Corporate Governance Statement (continued)

Meetings (continued)

The agenda for each Board meeting and papers relating to the agenda are disseminated to all Directors at least five (5) 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
Juliana Manohari Devadason	Chairman, Non Independent, Non Executive	6
Tsen Keng Yam	Non Independent, Executive	6
Lim Hu Fang	Independent, Non Executive	6
Stephen William Huntsman	Non Independent, Non Executive	6
Roslan Bin Hamir	Independent, Non Executive	6

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 two Board committees, namely the Audit Committee and the Remuneration and Nomination Committee with written terms of reference which define their membership, authorities and responsibilities.

Board Balance

The Board currently consist five (5) members, comprising four (4) Non-Executive Directors, including the Chairman, and one (1) Executive Director. Two (2) of the Directors on the Board are independent. A brief profile of each Director is presented on pages 12 and 13 of this Annual Report

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 PNN No. 13/2002. 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 judgement or the ability to act in the best interest of the Company. The Board complies with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad which requires that at least two Directors or one-third of the Board, whichever is higher, are independent Directors.

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 check and balance in the Board.

Corporate Governance Statement (continued)

Board Balance (continued)

There is clear segregation of responsibilities between the Chairman, who is a Non-Independent Non-Executive Director, and the Executive Director 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 forthcoming. The Executive Director 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 Chairman of the Audit Committee and the Remuneration and Nomination Committee, Madam Lim Hu Fang, is the Senior Independent Non-Executive Director of the Company.

The Board is satisfied that the current Board composition fairly reflects the interest of minority shareholders in the Company.

Supply of Information

The Chairman in conjunction with the Company Secretary draws up the agenda, which is circulated together with the relevant support papers, at least five (5) 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.

The Audit Committee as well as the Remuneration and Nomination Committee 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.

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. The Board believes that the Company Secretary is capable of carrying out his duties to ensure the effective functioning of the Board and his removal from post, if contemplated, is a matter for consideration by the Board as a whole.

All Directors have full and immediate access to information relating to the Company'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 Company's expense.

Corporate Governance Statement (continued)

Appointments to the Board

Nomination Committee

The Remuneration and Nomination Committee is currently made up of three (3) Non-Executive Directors, two (2) of which are Independent, as follows:

Lim Hu Fang ***Chairman***
Roslan Bin Hamir
Stephen William Huntsman

The Committee has met once 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.

The Committee, empowered by the Board, keeps under review the composition of the Board, a profile of the required skills, attributes and experience and makes recommendations to the Board concerning new appointments and re-appointment of all directors. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.

The Board, through this committee, believes that the Board possess the required mix of skills, experience and core competencies brought by Non-Executive Directors to the Board which enables it to discharge its duties.

Directors' Training

The Board through the Remuneration and Nomination Committee, ensures 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 Company and the environment in which it operates.

All Directors have attended the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Malaysia Securities Berhad. During the financial year, the seminar attended by Directors is as follows:

Training Programme	Director
22 June 2010 Global Economic Outlook 2010 – UBS AG	- Juliana Manohari Devadason - Tsen Keng Yam - Lim Hu Fang - Stephen William Huntsman - Roslan Bin Hamir
6 July 2010 Recent Changes to Financial Reporting Standards - Ernst & Young	- Lim Hu Fang

The Directors will 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.

Corporate Governance Statement (continued)

Re-election

At the Annual General Meeting each year, at least one Director shall retire by rotation from office. All Directors, shall retire by rotation from office at least once in every three years. Directors who are appointed during the year shall retire at the following Annual General Meeting immediately after their appointment. The Directors who retire by rotation are the Directors who have been longest in office since their re-appointment. In any event, a Director, over seventy years old, retires annually.

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. REMUNERATION

Remuneration Committee

The Remuneration and Nomination Committee is currently made up of three (3) Non-Executive Directors, two (2) of which are Independent, as follows:

Lim Hu Fang ***Chairman***
Roslan Bin Hamir
Stephen William Huntsman

The Committee has met once 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.

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 Executive Director and Senior Management as well as directors.

The Executive Director plays no part in deciding their own remuneration. In addition, the Committee makes recommendations to the Board regarding the annual fee for the Directors for each financial year. Directors' fees are tabled to the shareholders for approval at the Annual General Meeting prior to payment to the Director.

In its consideration of remuneration matters for the financial period under review, the Committee takes into account the compensation practices of other companies of comparable sizes, market sectors and business complexity and the performance of individual Directors. In ensuring continuing improvement in the performance of the Company, the overall remuneration policy is aimed at attracting, retaining and motivating high calibre Management. Consistent with this policy, the component parts of the remuneration package are designed to link rewards to individual and corporate performance in the case of General Manager. For Directors, the fee levels are intended to commensurate with the experience and level of responsibilities of the concerned.

Corporate Governance Statement (continued)

Details of Directors' Remuneration

The details of the remuneration of each Director of the Company during the financial year are as follows:

	2011	←	2010	→	2009
	Proposed	Basic fee	Others	Total	Total
	RM	RM	RM	RM	RM
Executive					
Tsen Keng Yam	55,000	50,000	-	50,000	50,000
Non-Executive					
Juliana Manohari Devadason	60,000	50,000	-	50,000	50,000
Lim Hu Fang	55,000	50,000	-	50,000	50,000
Stephen William Huntsman	55,000	50,000	-	50,000	50,000
Roslan bin Hamir	55,000	50,000	-	50,000	50,000
Jeraman @ Jayaraman a/l Narainan *	-	50,000	-	50,000	50,000
	225,000	250,000	-	250,000	250,000
Grand Total	280,000	300,000	-	300,000	300,000

** resigned on 31 December 2010*

III. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board maintains a policy of keeping its shareholders and investors, irrespective of size, informed about the Company'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 and also contact details.

The principal forum for dialogue with shareholders remains at the Annual General Meeting ("AGM"). Notice of the Annual General Meeting 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.

Corporate Governance Statement (continued)

IV. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is committed to present a balanced and meaningful assessment of the Company'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. The Chairman's statement and review of operations also highlight the financial and operational performance as well as the company'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 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 50 of the Annual Report.

A statement of the Directors' responsibility in relation to the financial statements is set out on page 36 of the Annual Report.

Internal Control

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

A statement on Internal Control of the Company is set out on pages 33 to 35 to the Annual Report

Relationship with Auditors

The Company has established a transparent, active and formal relationship with the Auditors, both External and Internal, through the Audit Committee. The amount of non-audit fees (excluding service tax and expenses) paid to the External Auditors by the Company during the financial year under review amounted to RM5,000.00.

The role of the Audit Committee in relation to the Auditors is set out in the Audit Committee Report on pages 27 to 29 of the Annual Report.

Corporate Governance Statement (continued)

Corporate Social Responsibility

The Company is committed to sustainable development. Community responsibilities, environment, health and safety are absolutely essential to way we conduct our business. We recognize our obligation to our stakeholders which encompasses our commitment to deliver profits to enhance shareholder value and at the same time, make a positive contribution to our employees, stakeholders and to society in general.

The Corporate Social Responsibility Statement of the Company is set out on pages 37 to 43 to the Annual Report.

Compliance Statement

The Company has complied throughout the financial year with all the Best Practices of Corporate Governance set out in Part 2 of the Code.

Audit Committee Report

The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 December 2010.

Membership

The Audit Committee comprise the following Non-Executive Directors:

Lim Hu Fang (***Chairman)*** - *Independent Non-Executive Director*

Roslan Bin Hamir - *Independent Non-Executive Director*

Stephen William Huntsman - *Non-Independent Non-Executive Director*

Each member of the Committee is financially literate and has extensive years of relevant industry experience, profile of each Director is presented on pages 12 to 13 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 30 to 32 of this Annual Report.

Meetings

During the financial year, four (4) Audit Committee meetings were held and the details of the meeting attendance by each member are as follows:

Name of members	Number of meetings held	Number of meetings attended
Lim Hu Fang	4	4
Roslan bin Hamir	4	4
Stephen William Huntsman	4	4

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

The Executive Director 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.

Audit Committee Report (continued)

Training and Continuous Engagement

The training seminar attended by members of the Audit Committee is as follows:

Training Programme	Director
22 June 2010 Global Economic Outlook 2010 - UBS	- Lim Hu Fang - Stephen William Huntsman - Roslan Bin Hamir
6 July 2010 Recent Changes to Financial Reporting Standards - Ernst & Young	- Lim Hu Fang

During the financial year, the Audit Committee Chairman continuously engages with members of Senior Management by way of telephone conversations and meetings and with the Auditors by way of meetings, in order to be kept informed of matters affecting the Company. Through such engagements, relevant issues were brought to the attention of the Audit Committee in a timely manner.

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 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 8 to the financial statements;

- Reviewed the independence, objectivity and effectiveness of the External Auditor and the services provided, including non-audit services. Non-audit fees totaling RM5,000 were paid to the External Auditors during the financial year for the review of the Statement of Internal Control.

- Met with the External Auditor twice (2) during the financial year without the presence of the Executive Director, to discuss problems and reservations arising from the and final audit, if any, or any other matter the Auditor may wish to discuss;

- 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;

Audit Committee Report (continued)

Summary of Activities during the Financial Year (continued)

- 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 Executive Director and Senior Management;

- 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.

Internal Audit Department

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

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

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

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

- Prepared the annual risk based internal audit plan for the Audit Committee’s approval;

- Conducted two (2) internal audit projects in accordance with the approved Internal Audit Plan. These internal audit projects cover the estate operations with particular focus the following:
  - control environment;
  - payroll and compliance;
  - job contracting;
  - payment verification and approval; and
  - procurement, receipt, storage and issuance of plantation materials.

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

Internal audit fees of RM21,000 were paid to the Outsourced Internal Auditors for the financial year 2010.

Further details of the activities of the internal audit are set out in the Statement of Internal Control on pages 33 to 35.

Term of Reference of the Audit Committee

Objectives

The primary function of the Audit 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 Committee comprising at least three (3) Directors. All members of the Audit Committee shall be Non-Executive Directors, with a majority Independent. All members of the Audit Committee 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 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 Committee shall engage continuously with Senior Management, such as the Executive Director, The Head 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 Head 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 Executive Director 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 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 Of Internal Control

Introduction

Paragraph 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors of public listed companies to include in its Annual Report a "statement about the state of internal controls of the listed issuer". The Board is committed to maintaining a sound system of internal control in the Economic Entity and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Economic Entity during the financial year.

Board Responsibility

The Board acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Economic Entity's assets and for reviewing its adequacy 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 Economic Entity's corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

Following the publication of the Statement of Internal Control : Guidance for Directors of Public Listed Companies (the "Internal Control Guidance") by the Task Force on Internal Control in June 2001, The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Economic Entity. The Board, through its Audit Committee, regularly reviews the results of this process. The Board confirms that this process is in place for the year under review and that it accords with the Internal Control Guidance.

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

Risk Management Framework

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 risk management processes in place within the various operating businesses in Malaysia and Australia.

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.

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 Economic Entity's risk management framework:

- A formal risk policy and guidelines, available in hard copy, have been established and communicated to all employees throughout the Economic Entity;

Statement Of Internal Control (continued)

Risk Management Framework (continued)

- A risk management structure which outlines the lines of reporting and responsibility at the Board, Audit Committee, 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 Economic Entity and individual business units have been articulated so as to gauge acceptability of risk exposure;

- The Risk Management Committee's implementation of an economic entity 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 profiles of the Economic Entity and individual business units are generated through the Risk Management Committee to the Audit Committee on a half yearly basis. The Chairman of the Audit Committee thereafter reports the significant risk and control issues to the Board for its consideration;

- The Risk Management Facilitator ensures that there is clear leadership, direction and coordination of the Economic Entity wide application of risk management; and

- Ongoing risks management education and training is provided at Management and staff levels.

Internal Audit

The Economic Entity has outsourced its internal audit to an external service provider, which provides assurance to the Audit Committee on the adequacy and integrity of internal control systems. The out-sourced internal audit function meets the requirements of the Guidelines on Internal Audit Function released by the Institute of Internal Auditors Malaysia in July 2002.

The Internal audit reviews the internal audit control systems within the Economic Entity 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 Economic Entity.

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 Economic Entity'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.

Statement Of Internal Control (continued)

Other Risk and Control Processes (continued)

These procedures are relevant across the Economic Entity 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 Executive Director 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 Audit Committee and Management.

The Board's Commitment

The Board remains committed towards maintaining a sound system of internal control and believe that a balanced achievement of the Economic Entity'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 Economic Entity continues to take measures to strengthen the internal control environment.

Pursuant to paragraph 15.23 of the Listing Requirements of Bursa Malaysia, the external auditor has reviewed this statement for inclusion in the Annual Report of the Economic Entity for the year ended 31 December 2010 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Statement Of Directors' Responsibility
in relation to the financial statements

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Company 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 maintains accounting records that disclose with reasonable accuracy the financial position of the Company, 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.

Corporate Social Responsibility Statement

Corporate Social Responsibility (CSR) is not new to your Company, being involved in the agriculture industry with a presence of close to 75 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.

In the recent years, claims indicating oil palm cultivation as the main cause towards deforestation in Malaysia have often made headlines globally. We wish to categorically state that we welcome environmental consciousness and view it as absolutely essential. Nevertheless, it has to be said that the most robust kind of development can only be carried out through the interchange of facts and not through altercation laced with emotions, which regretfully, have often been the case with such claims. In this regard, it is important to acknowledge that the pace of oil palm cultivation and expansion is disproportionate to deforestation caused by illegal logging.

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 and compassion for our employees, today such practices are known as CSR.

In assuming CSR, 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. Our CSR involvement primarily focuses with the direct community with which your Company operates. Past, present and ongoing CSR initiatives and include the following:

Replanted Field - Up Close With Leguminous Cover Crop

Corporate Social Responsibility Statement (continued)

WORKPLACE

Safety

To ensure a safe, productive and efficient work environment, our estates have a pictorial safety and awareness campaign to educate and train our workforce to operate with Occupational Safety And Health Act ("OSHA") requirements.

All FFB loading ramps have been converted to a chain block door system for added safety features.

Loader with required safety specifications

Medical

On one of our estates, we have a trained resident Hospital Assistant who gives medical treatment when required. We have also appointed additional Medical Doctors to our panel, one of whom is a qualified Occupational Health Physician.

Loader ramps with Chain Block Doors

Housing

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

Your Company is currently renovating employee housing to ensure that we provide comfortable and modern housing. We have also donated towards the repair and maintenance of places of worship within the estates.

Staff Quarters

Corporate Social Responsibility Statement (continued)

COMMUNITY

LaSallian Education Programme

The LaSallian Expedition and Development ("LEAD") programme is organised by the La Salle Centre and is a project of the De La Salle brothers in Malaysia focusing on the development and leadership training in Malaysia, with particular attention paid to disadvantaged youths.

The LEAD programme is for students from financially disadvantaged or large families, and is an outdoor adventure camp meant as a character and confidence building programme for its participants.

LEAD Participants

Your Company has continued to provide financial assistance to the La Salle Centre to carry out this programme and intends to continue providing such support as we subscribe to the principle of meeting the needs of future generations as young people are the nation's future.

LEAD Participants

Corporate Social Responsibility Statement (continued)

COMMUNITY (continued)

Rice and Cooking Oil Programme

This is a programme is to distribute rice and cooking oil to the needy. To date with assistance of the local authorities among others, your company has identified more than 20 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.

This year, the programme was extended to certain orphanages and children homes in Perak.

We intend to expand this programme to include more families as well as the type of assistance, we have sponsored school uniforms and shoes and future plans include the reimbursement of transportation to schools.

Asrama Bintang Rumah Wanita Cacat

The Asrama Bintang is an orphanage for mentally and physically challenged women who were abandoned as infants or children. This orphanage is run by the Infant Jesus Sisters and is attached to the Main Convent School in Ipoh, Perak.

Dinner with Asrama Bintang Residents

This year we paid for a new roof for Asrama Bintang's existing building.

Public Clinic

This year we sponsored clinics on physiotherapy for the public, these were made free of charge and held throughout 2010 at the YMCA building in Ipoh. These clinics were conducted by a licensed sports therapist.

Public Seminars

During the year, the Company sponsored a talk titled "The 2008 Global Financial Crisis : Origins and Response".

Corporate Social Responsibility Statement (continued)

COMMUNITY (continued)

School Visit

For the first time, we organized and sponsored a field trip to one of our estates by 40 students and staff from St. Michaels Institution as we feel that it is important to introduce to the younger generation one of Malaysia's primary industries.

We will continue to conduct such field trips on an annual basis.

School Visit - Walk into the field

ENVIRONMENT

Pest Management

We have a history of using of biological control to combat pests and diseases instead of chemical control.

The use of barn owls and nectarfarious plants to combat rodents and bag worms infestation is a prime example of this practice which enables us to use chemical based pesticides as a last resort.

School Visit - Briefing by Manager

Barn Owls

School Visit - Refreshments

Corporate Social Responsibility Statement (continued)

ENVIRONMENT (continued)

Soil Fertility

To maintain soil fertility and reduce erosion, best practices through bio-engineering means via vegetation and plant succession on hilly terrain is used and encouraged at all our estates. Frond placement, cover crop, use of empty fruit bunch (EFB) mulching is used to enable organic matter intensity to build up.

Nephrolepis Biserrata

Land Clearing

We have a policy against open burning as this not only ensures that the air pollution is mimimised but also results in numerous advantages as well. The vestige debris is left to biodegrade, thus releasing nutrients and adding valuable organic matter to the soil, this reduces the use of inorganic fertlisers and also lowers carbon dioxide emission. The replanting programme did not involve any slash and burn methods and trunks of felled trees were chipped and re-used as organic material.

Nectarfarious Plant-Tunera Subulata

Corporate Social Responsibility Statement (continued)

ENVIRONMENT (continued)

Fertiliser Use

We have a policy of maximising organic manuring and minimising the use of inorganic fertlisers by a program of nutrient recycling of oil palm and palm oil by products such as EFB and decanter cakes which are recycled through the fields for mulching.

When inorganic fertiliser are purchased, extra attention and care is paid to ensure that the fertilisers come from reliable sources that are mercury free. Your company has a policy of testing every batch of fertiliser to ensure that the required specifications are met.

Organic manuring ready for application

Efficient Water Use

Oil palms benefit from a good supply of water and we maintain a system to harvest rain water such as strategically placed silt pits and dams throughout the estates to for water retention.

Frond Stacking

Water Conservation Dam

Properties of the Company

Location	Description	Area	Tenure	Date of Revaluation	Net Book Value at 31 December 2010 * RM
Buloh Akar Estate, Parit, Perak	Oil Palm Plantation	1,041.78 hectares	Freehold	November 2007	42,849,952
Hibernia Estate, Selama, Perak	Oil Palm Plantation	372.67 hectares	Freehold	November 2007	16,500,000
Riverview Estate, Tanjung Tualang, Perak	Oil Palm Plantation	376.97 hectares	Freehold	November 2007	16,626,319
					75,976,271
	Oil Palm Plantation	9.41 hectares	Leasehold - expiring 20.11.2012		35,000
					76,011,271
	Office Building	-	Freehold		417,670
					76,428,941

** Amount includes value of biological assets*

2010 Annual Report
72nd Annual General Meeting

Directors' Report &
Audited Financial Statements

Directors' Report

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Economic Entity and of the Company for the financial year ended 31 December 2010.

Principal activity

The principal activity of the Company during the financial year is the cultivation of oil palm. There has been no significant change in the nature of the principal activity during the financial year.

Results

	Economic Entity RM	Company RM
Profit net of tax	13,923,035	11,789,522

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Economic Entity 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 2009 are as follows:

In respect of the financial year ended 31 December 2010:

	RM
First interim ordinary dividend of 8 sen per share on 64,850,448 ordinary shares, less income tax, paid on 30 July 2010	3,891,027
Second interim ordinary dividend of 9 sen per share under the single tier system on 64,850,448 ordinary shares, payable on 21 January 2011	5,836,540

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

Directors' Report (continued)

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:

Juliana Manohari Devadason
Tsen Keng Yam
Lim Hu Fang
Stephen William Huntsman
Roslan bin Hamir
Jeraman @ Jayaraman A/L Narainan (resigned on 31 December 2010)

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 Note 9 to 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 1.1.2010**	**Bought**	**Sold**	**At 31.12.2010**
Direct interest				
Juliana Manohari Devadason	6,000	-	-	6,000
Tsen Keng Yam	1,000	-	-	1,000
Lim Hu Fang	6,000	-	-	6,000
Stephen William Huntsman	67,300	-	-	67,300
Roslan bin Hamir	1,000	-	-	1,000
Jeraman @ Jayaraman A/L Narainan	15,000	-	-	15,000

Directors' Report (continued)

Directors' interests (continued)

The Company	Number of ordinary shares of RM1 each At 1.1.2010	Bought	Sold	At 31.12.2010
Indirect interest				
Stephen William Huntsman	40,842,892	-	-	40,842,892
Sungei Ream Holdings Sdn Bhd (Immediate holding company)				
Indirect interest				
Stephen William Huntsman	11,739,022	-	-	11,739,022
Buloh Akar Holdings Sdn Bhd (Ultimate holding company)				
Indirect interest				
Stephen William Huntsman	1,373,940	-	-	1,373,940

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Economic Entity 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 Economic Entity and of the Company; and

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

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

Other statutory information (continued)

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Economic Entity 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 Economic Entity 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 Economic Entity 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 Economic Entity 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 Economic Entity or of the Company for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 March 2011.

Juliana Manohari Devadason **Tsen Keng Yam**

Ipoh, Perak Darul Ridzuan, Malaysia

Statement by Directors

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

We, Juliana Manohari Devadason and Tsen Keng Yam, 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 53 to 95 are drawn up in accordance with applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Economic Entity and of the Company as at 31 December 2010 and of the results and the cash flows of the Economic Entity and of the Company for the year then ended.

The information set out in Note 28 on page 95 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 15 March 2011.

Juliana Manohari Devadason
Ipoh, Perak Darul Ridzuan, Malaysia

Tsen Keng Yam

Statutory Declaration

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

I, Tsen Keng Yam, 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 53 to 95 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
Tsen Keng Yam at Ipoh in the
State of Perak Darul Ridzuan
on 15 March 2011

Tsen Keng Yam

Before me,

MOHD YUSOF B HARON, KPP, PNPBB, PJK
No. A112
Commissioner for Oaths

Independent Auditors' Report

to the members of Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Riverview Rubber Estates, Berhad, which comprise the statements of financial position as at 31 December 2010 of the Economic Entity and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Economic Entity and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 53 to 95.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

to the members of Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Economic Entity and of the Company as at 31 December 2010 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other matters

The supplementary information set out in Note 28 on page 57 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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

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.

Ernst & Young
AF: 0039
Chartered Accountants

Abraham Verghese a/l T.V. Abraham
No. 1664/10/12 (J)
Chartered Accountant

Ipoh, Perak Darul Ridzuan, Malaysia
Date: 15 March 2011

Statements Of Comprehensive Income

For the financial year ended 31 December 2010

	Note	Economic Entity 2010 RM	Economic Entity 2009 RM	Company 2010 RM	Company 2009 RM
Revenue	4	23,907,980	21,942,398	23,907,980	21,942,398
Cost of sales		(6,467,699)	(6,805,228)	(6,467,699)	(6,805,228)
Gross profit		17,440,281	15,137,170	17,440,281	15,137,170
Other items of income					
Interest income	5	1,017,023	993,694	1,017,023	993,694
Dividend income	6	41,761	44,650	1,021,251	977,662
Other income	7	155,769	538,943	155,769	538,943
Other items of expense					
Replanting expenditure		(786,388)	(202,498)	(786,388)	(202,498)
Administrative expenses		(1,187,938)	(1,627,163)	(1,187,938)	(1,627,163)
Results from operating activities		16,680,508	14,884,796	17,659,998	15,817,808
Foreign exchange (loss)/gain		(1,820,276)	1,401,324	(1,820,276)	1,401,324
Profit for the year		14,860,232	16,286,120	15,839,722	17,219,132
Share of profit from associates		3,020,283	2,306,302	-	-
Profit before tax	8	17,880,515	18,592,422	15,839,722	17,219,132
Taxation	10	(3,957,480)	(3,367,368)	(4,050,200)	(3,616,440)
Profit net of tax		13,923,035	15,225,054	11,789,522	13,602,692
Other comprehensive income, net of tax					
Reversal of deferred taxation on revaluation surplus		4,375	152,320	4,375	152,320
Share of associates' reserves		153,368	(239,254)	-	-
Reversal on capital reserves on impairment loss		-	(647,903)	-	(647,903)
		157,743	(734,837)	4,375	(495,583)
Total comprehensive income for the year		14,080,778	14,490,217	11,793,897	13,107,109
Profit attributable to:					
- Owners of the Company		13,923,035	15,225,054	11,789,522	13,602,692
Total comprehensive income attributable to:					
- Owners of the Company		14,080,778	14,490,217	11,793,897	13,107,109
Earnings per share attributed to owners of the Company (sen)					
Basic	11	21.47	23.48		

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

Statements Of Financial Position

As at 31 December 2010

		Economic Entity		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
Assets					
Non-current assets					
Property, plant and equipment	13	32,088,177	31,993,421	32,088,177	31,993,421
Biological assets	14	44,986,454	44,986,454	44,986,454	44,986,454
Prepaid lease payments	15	35,000	52,500	35,000	52,500
Investment in associates	16	35,347,223	33,060,342	1,006,505	1,006,505
Other investment	17	778,034	778,034	778,034	778,034
Deferred tax assets	18	1,990	-	1,990	-
		113,236,878	110,870,751	78,896,160	78,816,914
Current assets					
Inventories		27,349	27,046	27,349	27,046
Trade and other receivables	19	2,218,459	1,452,059	2,218,459	1,452,059
Cash on hand and at banks	20	1,389,718	1,154,152	1,389,718	1,154,152
Deposits with financial institutions	20	57,335,927	56,273,641	57,335,927	56,273,641
		60,971,453	58,906,898	60,971,453	58,906,898
Total assets		174,208,331	169,777,649	139,867,613	137,723,812
Equity and liabilities					
Current liabilities					
Trade and other payables	21	6,872,820	6,784,062	6,872,820	6,784,062
Net current assets		54,098,633	52,122,836	54,098,633	52,122,836
Non-current liabilities					
Provision for retirement benefits	22	94,755	88,579	94,755	88,579
Deferred tax liabilities	18	-	17,463	-	17,463
		94,755	106,042	94,755	106,042
Total liabilities		6,967,575	6,890,104	6,967,575	6,890,104
Net assets		167,240,756	162,887,545	132,900,038	130,833,708
Equity attributable to owners of the Company					
Share capital	23	64,850,448	64,850,448	64,850,448	64,850,448
Reserves	24	63,569,519	63,411,776	45,293,336	45,288,961
Retained profits	25	38,820,789	34,625,321	22,756,254	20,694,299
Total equity		167,240,756	162,887,545	132,900,038	130,833,708
Total equity and liabilities		174,208,331	169,777,649	139,867,613	137,723,812

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 2010

		Non-distributable	Distributable			
	Share capital RM	Capital reserve RM	Capital reserve RM	General reserve RM	Retained profits RM	Total RM
Economic Entity						
At 1 January 2009	64,850,448	55,808,401	1,793,446	6,148,085	29,524,515	158,124,895
Total comprehensive income	-	(755,982)	-	417,826	14,828,373	14,490,217
Transactions with owners						
Dividends (Note12)	-	-	-	-	(9,727,567)	(9,727,567)
At 31 December 2009	64,850,448	55,052,419	1,793,446	6,565,911	34,625,321	162,887,545
At 1 January 2010	64,850,448	55,052,419	1,793,446	6,565,911	34,625,321	162,887,545
Total comprehensive income	-	157,743	-	-	13,923,035	14,080,778
Transactions with owners						
Dividends (Note 12)	-	-	-	-	(9,727,567)	(9,727,567)
At 31 December 2010	64,850,448	55,210,162	1,793,446	6,565,911	38,820,789	167,240,756

Statements Of Changes In Equity (continued)

For the financial year ended 31 December 2010

		Non-distributable	Distributable			
	Share capital RM	Capital reserve RM	Capital reserve RM	General reserve RM	Retained profits RM	Total RM
Company						
At 1 January 2009	64,850,448	40,043,496	-	5,344,367	17,215,855	127,454,166
Total comprehensive income	-	(516,728)	-	417,826	13,206,011	13,107,109
Transactions with owners						
Dividends (Note 12)	-	-	-	-	(9,727,567)	(9,727,567)
At 31 December 2009	64,850,448	39,526,768	-	5,762,193	20,694,299	130,833,708
At 1 January 2010	64,850,448	39,526,768	-	5,762,193	20,694,299	130,833,708
Total comprehensive income	-	4,375	-	-	11,789,522	11,793,897
Transactions with owners						
Dividends (Note 12)	-	-	-	-	(9,727,567)	(9,727,567)
At 31 December 2010	64,850,448	39,531,143	-	5,762,193	22,756,254	132,900,038

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 2010

	Economic Entity		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Operating activities				
Profit before taxation	17,880,515	18,592,422	15,839,722	17,219,132
Adjustments for:				
Amortisation of prepaid land lease payments	17,500	25,068	17,500	25,068
Depreciation of property, plant and equipment	124,008	207,579	124,008	207,579
Impairment of property, plant and equipment	-	456,852	-	456,852
Gain on disposal of property, plant and equipment	-	(38,881)	-	(38,881)
Gain on disposal of other investments	-	(357,800)	-	(357,800)
Dividend income	(41,761)	(44,650)	(1,021,251)	(977,662)
Loss/(Gain) on foreign exchange	1,820,276	(1,401,324)	1,820,276	(1,401,324)
Interest income	(1,017,023)	(993,694)	(1,017,023)	(993,694)
Provision for retirement benefits	9,001	6,622	9,001	6,622
Share of profit from associate	(3,020,283)	(2,306,302)	-	-
Operating profit before working capital changes	15,772,233	14,145,892	15,772,233	14,145,892
Changes in working capital:				
Inventories	(303)	9,194	(303)	9,194
Receivables	(9,582)	(85,122)	(9,582)	(85,122)
Related companies				
Payables	88,758	28,279	88,758	28,279
Cash flows from operating activities	15,851,106	14,098,243	15,851,106	14,098,243
Retirement benefits paid	(2,825)	-	(2,825)	-
Taxes paid	(4,707,969)	(3,521,193)	(4,707,969)	(3,521,193)
Net cash flows from operating activities	11,140,312	10,577,050	11,140,312	10,577,050

Statements Of Cash Flows (continued)

For the financial year ended 31 December 2010

	Economic Entity		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Investing activities				
Purchase of biological asset	-	(588)	-	(588)
Purchase of property, plant and equipment	(218,764)	(136,284)	(218,764)	(136,284)
Proceeds from disposal of property, plant and equipment	-	2,179,700	-	2,179,700
Proceeds from disposal of other investments	-	2,095,288	-	2,095,288
Interest received	890,401	1,041,791	890,401	1,041,791
Dividends received	1,033,746	1,005,592	1,033,746	1,005,592
Net cash flows from investing activities	1,705,383	6,185,499	1,705,383	6,185,499
Financing activity				
Dividends paid, representing net cash flows used in financing activity	(9,727,567)	(9,649,747)	(9,727,567)	(9,649,747)
Net increase in cash and cash equivalents	3,118,128	7,112,802	3,118,128	7,112,802
Effects of exchange rate changes	(1,820,276)	1,401,324	(1,820,276)	1,401,324
Cash and cash equivalents at beginning of year	57,427,793	48,913,667	57,427,793	48,913,667
Cash and cash equivalents at end of year	58,725,645	57,427,793	58,725,645	57,427,793
Cash and cash equivalents comprise:				
Cash on hand and at banks	1,389,718	1,154,152	1,389,718	1,154,152
Deposits with financial institutions	57,335,927	56,273,641	57,335,927	56,273,641
Cash and bank balances (Note 20)	58,725,645	57,427,793	58,725,645	57,427,793

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

Notes To The Financial Statements
For the year ended 31 December 2010

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 of the Company is located at 33A Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan, Malaysia.

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

The principal activity of the Company is the cultivation of oil palm.

There has been no significant change in the nature of the principal activity 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 15 March 2011.

2. Financial risk management policies

The Company's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions. The policy in respect of the major areas of treasury activity is set out as follows:

(a) Foreign currency exchange risk

The Company is exposed to currency risk as a result of the foreign currency transactions entered into in currencies other than Ringgit Malaysia. The Company's policy is to limit its 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 Company that are not denominated in their functional currencies are disclosed in their respective notes.

(b) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. As the Company does not have any borrowing, interest rate exposure arises solely from the Company's deposits, and is managed through the placement of fixed rate short-term deposits.

The information on maturity dates and interest rates of financial assets are disclosed in their respective notes.

(c) Market risk

The Company does not face significant exposure from the risk of changes in market prices other than fluctuations in commodity prices.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

2. Financial risk management policies (continued)

(d) Credit risk

Credit risk is controlled by ensuring that sales of products are made to customers with an appropriate credit history and appropriate monitoring procedures. The Company does not have any significant exposure to any individual customer nor does it have any major concentration of credit risk related to any financial instrument.

(e) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term deposits at call. As the Company seeks to invest cash assets safely and profitably, the operating cash flows ensure the availability of funding.

3. Significant accounting policies

3.1 Basis of preparation

The financial statements of the Economic Entity and of the Company are prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM").

3.2 Changes in accounting policies

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

On 1 January 2010, the Economic Entity and the Company adopted the following applicable new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRS issued in 2009
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment

Notes To The Financial Statements (continued)
For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

The following new and amended FRS and IC Interpretations were also be effective for annual periods beginning on or after 1 January 2010:

- FRS 4 Insurance Contracts
- Amendments to FRS 2 Share-based Payment – Vesting Conditions and Cancellations
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

These are, however, not applicable to the Economic Entity or the Company.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Economic Entity and the Company except for those discussed below:

FRS 101 : Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items and of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Economic Entity and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Economic Entity and the Company to make new disclosures to enable users of the financial statements to evaluate the Economic Entity's and the Company's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Economic Entity and the Company.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs, revised FRSs, Amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Economic Entity and by the Company:

FRSs, Amendments to FRSs and IC Interpretations	Effective for financial periods beginning on or after
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations (revised)	1 July 2010
Amendments to FRS 2 : Share-based Payment	1 July 2010
Amendments to FRS 5 : Non-current Assets Held for Sale and Discountinued Operations	1 July 2010
Amendments to FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 : Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 : Service Concession Arrangements	1 July 2010
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 : Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132 : Classification of Rights Issues	1 March 2010
IC Interpretation 18 : Transfers of Assets from Customers	1 January 2011
Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7 : Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	1 January 2011
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)	1 July 2011
IC Interpretation 15 : Agreements for the Construction of Real Estate	1 January 2012
FRS 124 : Related Party Disclosures	1 January 2012

Except for the changes in accounting policies arising from the adoption of the revised FRS 3, the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7 and revised FRS 124, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes are described below.

3. Significant accounting policies (continued)

3.3 Standards issued but not yet effective (continued)

- Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

  The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Economic Entity does not intend to early adopt.

- Revised FRS 124 : Related Party Disclosures

  The revised FRS 124 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Economic Entity and the Company are currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Economic Entity and the Company when implemented.

3.4 Summary of significant accounting policies

(a) Associates

Associates are entities in which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(a) Associates (continued)

Investments in associates are accounted for in the Economic Entity financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the Economic Entity statement of financial position at cost adjusted for post-acquisition changes in the Company's share of net assets of the associate. The Company's share of the net profit or loss of the associate is recognised in the Economic Entity profit or loss. Where there has been a change recognised directly in the equity of the associate, the Economic Entity recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Company and the associate are eliminated to the extent of the Company's interest in the associate. After application of the equity method, the Company determines whether it is necessary to recognise any additional impairment loss with respect to the Company's net investment in the associate. The associate is equity accounted for from the date the Company obtains significant influence until the date the Company ceases to have significant influence over the associate.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Company's net investment in the associate, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Company in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Company, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

(b) Other investments

Other investments are stated at cost less allowance for any decline other than temporary in value. Income arising from these investments is taken to the profit or loss as and when received.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the profit or loss. Thereafter, in the event of gain arising from disposal, an equivalent amount is transferred from retained profits to general reserve. In the event of loss arising from disposal, the loss is charged to profit or loss. On the disposal of a revalued investment, the amounts in revaluation reserve relating to those investments are transferred directly to general reserve.

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(c) 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 Economic Entity and to 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 recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are stated at cost or valuation. 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 credited to the revaluation reserve included within equity, 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 general reserve.

Freehold estate land are not depreciated.

Other property, plant and equipment are depreciated on a straight-line basis to write off the cost or revalued amount of each asset to its residual value over its estimated useful life at the following annual rates:

Buildings	2% - 5%
Machinery	10% - 20%
Vehicles	15% - 20%
Furniture and fittings	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 general reserve.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(d) 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 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 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 assets 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 earnings.

(e) Impairment of non-financial assets

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

For 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.

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.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(e) Impairment of non-financial assets (continued)

An impairment loss for an asset is reversed if, and 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. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(f) 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.

(g) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or an expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

(h) Employee benefits

(i) 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 Company. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

(ii) Retirement benefits

The Company 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 Company.

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

(i) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period except for exchange differences arising on monetary items that form part of the Economic Entity's net investment in foreign operation. 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.

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(i) Foreign currencies (continued)

(ii) Foreign currency transactions (continued)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the 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.

(j) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) 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.

(ii) Interest income

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

(iii) Dividend income

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

(k) Deferred nursery expenditure

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

(l) Replanting expenditure

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

(m) Replanting cesses

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

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(n) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Economic Entity 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 Economic Entity 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.

(i) 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.

(ii) 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.

Notes To The Financial Statements (continued)
For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(n) Financial assets (continued)

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Economic Entity 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.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or 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 Economic Entity 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 Economic Entity and the Company commit to purchase or sell the asset.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(o) Impairment of financial assets

(i) 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 Economic Entity 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 Economic Entity'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.

(ii) 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.

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(o) Impairment of financial assets (continued)

(iii) Available-for-sale financial assets

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

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

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

(p) 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 Economic Entity 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.

(i) 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 Economic Entity 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 Economic Entity and the Company have not designated any financial liabilities as at fair value through profit or loss.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(p) Financial liabilities (continued)

(ii) Other financial liabilities

The Economic Entity'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.

(q) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the 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) Operating leases - the Company as lessee

In the case of a lease of land, the up-front payments made represent prepaid lease payments and are amortised on a straight-line basis over the lease term.

3. Significant accounting policies (continued)

3.4 Summary of significant accounting policies (continued)

(r) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include 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.

(s) Share capital and share issuance expenses

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

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

3.5 Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

The following are the judgements made by the management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Assessment of impairment of land and buildings

For the purpose of impairment testing of these assets, the recoverable amount is determined based on prevailing market value determined by professional valuers. At reporting date, the recoverable amount of land and buildings of the Company exceeds the carrying amount.

(b) 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:

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 5 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.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

3. Significant accounting policies (continued)

3.5 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty (continued)

Biological assets - Oil palm

The allocation of value from property, plant and equipment to biological assets was calculated as the present value of the estate's operating cash flows over the next ten 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 RM2,000 and average discount rate of 10.30% based on the Company's return on capital employed.

Changes in the underlying assumptions could impact the allocation made, therefore changing the carrying value of the biological assets. Management is of the opinion that the current assumptions are still valid and therefore, no revision is required.

4. Revenue

Revenue of the Company comprises sales of fresh fruit bunches of oil palm.

5. Interest income

	Economic Entity and Company	
	2010 RM	2009 RM
Held to maturity investment	1,016,936	993,151
Loans and receivables	87	543
	1,017,023	993,694

6. Dividend income

	Economic Entity		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Equity instruments				
- quoted in Malaysia	41,761	44,650	41,761	44,650
- quoted outside Malaysia	-	-	979,490	933,012
	41,761	44,650	1,021,251	977,662

Notes To The Financial Statements (continued)
For the financial year ended 31 December 2010

7. Other income

	Economic Entity and Company	
	2010 RM	2009 RM
Rental income	2,887	123,062
Replanting subsidies and incentives	152,882	19,200
Gain on disposal of other investments	-	357,800
Gain on disposal of property, plant and equipment	-	38,881
	155,769	538,943

8. Profit before taxation

	Economic Entity		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before taxation is stated after charging/(crediting):				
Auditors' remuneration				
Statutory audit	20,000	20,000	20,000	20,000
Other services	-	5,000	-	5,000
Amortisation of prepaid land lease payments	17,500	25,068	17,500	25,068
Depreciation	124,008	207,579	124,008	207,579
Directors' remuneration (Note 9)	300,000	300,000	300,000	300,000
Provision for retirement benefits	9,001	6,622	9,001	6,622
Staff costs (excluding remuneration of executive director) *	2,933,393	2,428,386	2,933,393	2,428,386
Loss/(Gain) on foreign exchange - unrealised	1,820,276	(1,401,324)	1,820,276	(1,401,324)
Gain on disposal of other investments	-	(357,800)	-	(357,800)
Gain on disposal of property, plant and equipment	-	(38,881)	-	(38,881)
Impairment of property, plant and equipment	-	456,852	-	456,852
Gross dividends :				
- other investment	(41,761)	(44,650)	(41,761)	(44,650)
- associate quoted outside Malaysia	-	-	(979,490)	(933,012)
Interest income	(1,017,023)	(993,694)	(1,017,023)	(993,694)
Rental income	(2,887)	(123,062)	(2,887)	(123,062)

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

8. Profit before taxation (continued)

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

	Economic Entity and Company	
	2010 RM	2009 RM
Salaries and wages	2,723,203	2,291,631
Employees' Provident Fund contributions	174,308	99,759
Social Security Fund contributions	14,615	7,059
Other staff related expenses	21,267	29,937
	2,933,393	2,428,386

9. Directors' remuneration

	Economic Entity and Company	
	2010 RM	2009 RM
Executive:		
Fees	50,000	50,000
Non-Executive:		
Fees	250,000	250,000
Total	300,000	300,000

	2010	2009
The number of directors of the Company whose total remuneration during the financial year fall within the following bands is as follows:		
Executive director:		
RM50,000 and below	1	1
RM50,001 – RM100,000	-	-
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	-
Non-executive directors:		
RM50,000 and below	5	5

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

10. Taxation

	Economic Entity		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current tax:				
Current year provision	4,395,280	4,191,747	4,488,000	4,440,819
Over provision in prior year	(422,722)	(269,930)	(422,722)	(269,930)
	3,972,558	3,921,817	4,065,278	4,170,889
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	(18,843)	(571,534)	(18,843)	(571,534)
Under provision in prior year	3,765	17,085	3,765	17,085
	(15,078)	(554,449)	(15,078)	(554,449)
Tax expense for the year	3,957,480	3,367,368	4,050,200	3,616,440

Domestic current income tax is calculated at the statutory tax rate of 25% (2009 : 25%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Economic Entity and of the Company is as follows:

	2010 RM	2009 RM
Economic Entity		
Profit before taxation	17,880,515	18,592,422
Taxation at applicable rate	4,470,129	4,648,106
Effects of share of results of associates	(602,918)	(592,395)
Income not subject to tax	(9,476)	(158,709)
Unrealised loss/(gain) on foreign exchange	455,069	(350,331)
Expenses not deductible for tax purposes	63,633	73,542
Under provision of deferred tax in prior year	3,765	17,085
Over provision of current tax in prior year	(422,722)	(269,930)
Tax expense for the year	3,957,480	3,367,368

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

10. Taxation (continued)

	2010 RM	2009 RM
Company		
Profit before taxation	15,839,722	17,219,132
Taxation at applicable rate	3,959,931	4,304,783
Income not subject to tax	(9,476)	(158,709)
Unrealised loss/(gain) on foreign exchange	455,069	(350,331)
Expenses not deductible for tax purposes	63,633	73,542
Under provision of deferred tax in prior year	3,765	17,085
Over provision of current tax in prior year	(422,722)	(269,930)
Tax expense for the year	4,050,200	3,616,440

11. Earnings per share

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

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

	Economic Entity	
	2010 RM	2009 RM
Profit net of tax attributable to owners of the Company used in the computation of basic earnings per share	13,923,035	15,225,054
Weighted average number of ordinary shares for basic earnings per share computation	64,850,448	64,850,448
Basic earnings per share (sen)	21.47	23.48

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 2010

12. Dividends

	Dividends in respect of Year		Dividends recognised in Year	
	2010 RM	2009 RM	2010 RM	2009 RM
Recognised during the year:				
Interim dividend for 2009:				
6% less 25% taxation on 64,850,448 ordinary shares (4.50 sen per ordinary share)	-	2,918,270	-	2,918,270
6% less 25% taxation on 64,850,448 ordinary shares (4.50 sen per ordinary share)	-	2,918,270	-	2,918,270
Special dividend for 2009:				
2% less 25% taxation on 64,850,448 ordinary shares (1.50 sen per ordinary share)	-	972,757	-	972,757
6% less 25% taxation on 64,850,448 ordinary shares (4.50 sen per ordinary share)	-	2,918,270	-	2,918,270
Interim dividend for 2010:				
8% less 25% taxation on 64,850,448 ordinary shares (6.00 sen per ordinary share)	3,891,027	-	3,891,027	-
9% under the single tier system 64,850,448 ordinary shares (9.00 sen per ordinary share)	5,836,540	-	5,836,540	-
	9,727,567	9,727,567	9,727,567	9,727,567

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

13. Property, plant and equipment

	Freehold estate land RM	Buildings RM	Machinery RM	Vehicles RM	Office and Furniture and fittings RM	Total RM
Economic Entity and Company						
Cost or valuation						
At 1 January 2010	30,922,915	948,796	1,109,811	1,517,640	532,444	35,031,606
Additions	66,902	12,390	120,944	-	18,528	218,764
At 31 December 2010	30,989,817	961,186	1,230,755	1,517,640	550,972	35,250,370
Representing:						
At cost	151,502	961,186	1,230,755	1,517,640	550,972	4,412,055
At valuation	30,838,315	-	-	-	-	30,838,315
At 31 December 2010	30,989,817	961,186	1,230,755	1,517,640	550,972	35,250,370
Accumulated depreciation						
At 1 January 2010	-	140,749	1,052,259	1,378,402	466,775	3,038,185
Charge for the year	-	33,595	31,227	42,449	16,737	124,008
At 31 December 2010	-	174,344	1,083,486	1,420,851	483,512	3,162,193
Net carrying amount						
At cost	151,502	786,842	147,269	96,789	67,460	1,249,862
At valuation	30,838,315	-	-	-	-	30,838,315
At 31 December 2010	30,989,817	786,842	147,269	96,789	67,460	32,088,177

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

13. Property, plant and equipment (continued)

	Freehold estate land RM	Buildings RM	Machinery RM	Vehicles RM	Furniture and fittings RM	Total RM
Economic Entity and Company						
Cost or valuation						
At 1 January 2009	30,963,734	3,573,878	1,097,331	1,421,691	529,507	37,586,141
Additions	-	24,918	12,480	95,949	2,937	136,284
Disposals	(40,819)	(2,650,000)	-	-	-	(2,690,819)
At 31 December 2009	30,922,915	948,796	1,109,811	1,517,640	532,444	35,031,606
Representing:						
At cost	84,600	948,796	1,109,811	1,517,640	532,444	4,193,291
At valuation	30,838,315	-	-	-	-	30,838,315
At 31 December 2009	30,922,915	948,796	1,109,811	1,517,640	532,444	35,031,606
Accumulated depreciation						
At 1 January 2009	-	161,584	1,016,066	1,306,548	447,991	2,932,189
Charge for the year	-	80,748	36,193	71,854	18,784	207,579
Impairment loss recognised						
- in equity	-	515,212	-	-	-	515,212
- in comprehensive income	-	363,288	-	-	-	363,288
Disposals	-	(980,083)	-	-	-	(980,083)
At 31 December 2009	-	140,749	1,052,259	1,378,402	466,775	3,038,185
Net carrying amount						
At cost	84,600	808,047	57,552	139,238	65,669	1,155,106
At valuation	30,838,315	-	-	-	-	30,838,315
At 31 December 2009	30,922,915	808,047	57,552	139,238	65,669	31,993,421

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

13. Property, plant and equipment (continued)

(a) Details of independent professional valuation of property, plant and equipment are as follows:

Description	Year of valuation	Basis of valuation	RM
Freehold estate land	2007	Investment method	75,865,000
Building	2007	Cost method	2,650,000
			78,515,000
Biological assets - oil palm (Note 14)			(44,985,866)
			33,529,134

Had the revalued freehold land and building been carried at historical cost less accumulated depreciation, the net book value of each class of property, plant and equipment that would have been included in the financial statements of the Economic Entity and of the Company would be as follows:

	Economic Entity and Company	
	2010 RM	2009 RM
Freehold estate land	8,288,045	8,372,645
Buildings	-	-
	8,288,045	8,372,645

(b) Included in the property, plant and equipment of the Economic Entity and of the Company are the following costs of fully depreciated assets which are still in use:

	Economic Entity and Company	
	2010 RM	2009 RM
Machinery	1,015,771	928,441
Motor vehicles	1,327,564	1,207,564
Furniture and fittings	399,096	394,340
	2,742,431	2,530,345

(c) Property, plant and equipment of the Economic Entity and of the Company are acquired during the year by means of cash payments.

14. Biological assets

	Economic Entity and Company	
	2010	2009
	RM	RM
Oil palm		
At valuation		
At 1 January	44,986,454	44,985,866
Addition	-	588
At 31 December	44,986,454	44,986,454
At valuation	44,985,866	44,985,866
At cost	588	588
Total	44,986,454	44,986,454

Biological assets of the Economic Entity and of the Company comprise oil palm and are stated at valuation based on allocation of valuation of the freehold estate land of the Company as detailed in Note 13.

The allocation was calculated as the present value of the estate's operating cash flows over the next ten 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 RM2,000 and average discount rate of 10.30% based on the Company's return on capital employed.

15. Prepaid land lease payments

	Economic Entity and Company	
	2010	2009
	RM	RM
At 1 January	52,500	733,906
Amortisation for the year	(17,500)	(25,068)
Impairment loss		
- recognised in equity	-	(132,691)
- recognised in profit or loss	-	(93,564)
Disposal	-	(430,083)
At 31 December	35,000	52,500
Analysed as:		
Short term leasehold land	35,000	52,500

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

16. Investments in associates

	Economic Entity 2010 RM	Economic Entity 2009 RM	Company 2010 RM	Company 2009 RM
Quoted shares outside Malaysia, at cost	698,105	698,105	698,105	698,105
Unquoted shares at cost	308,400	308,400	308,400	308,400
	1,006,505	1,006,505	1,006,505	1,006,505
Share of post-acquisition reserves	34,340,718	32,053,837	-	-
	35,347,223	33,060,342	1,006,505	1,006,505
Market value of quoted shares outside Malaysia	24,410,991	13,861,591	24,410,991	13,861,591

Details of the associates are as follows:

Name of company	Country of incorporation	Effective interest (%) 2010	Effective interest (%) 2009	Principal activities
The Narborough Plantations Plc	England	49.8	49.8	Oil palm plantations
Rivaknar Holdings Sdn. Bhd.	Malaysia	33.3	33.3	Investment holding

The financial statements of the above associates are coterminous with those of the Company.

The summarised financial information representing the Company's interest in the associates are as follows:

	2010 RM	2009 RM
Assets and liabilities		
Current assets	10,537,142	8,940,912
Non-current assets	28,263,706	24,522,606
Total assets	38,800,848	33,463,518
Current liabilities	3,389,144	361,265
Non-current liabilities	79,877	75,206
Total liabilities	3,469,021	436,471

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

16. Investments in associates (continued)

The summarised financial information representing the Company's interest in the associates are as follows (continued):

	2010 RM	2009 RM
Results		
Revenue	5,039,248	4,099,745
Profit for the year	3,028,222	2,306,302

17. Other investment

	Economic Entity and Company	
	2010 RM	2009 RM
Quoted shares in Malaysia, at cost	778,034	778,034
Market value of quoted shares	1,424,430	1,136,212

18. Deferred taxation

	Economic Entity and Company	
	2010 RM	2009 RM
At 1 January	17,463	724,231
Recognised in income statement (Note 10)	(15,078)	(554,448)
Recognised in equity	(4,375)	(152,320)
At 31 December	(1,990)	17,463
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	21,699	39,608
Deferred tax assets	(23,689)	(22,145)
	(1,990)	17,463

Notes To The Financial Statements (continued)
For the financial year ended 31 December 2010

18. Deferred taxation (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	Recognised in equity RM	Recognised in income statement RM	At 31 December RM
2010				
Deferred tax liabilities				
Dividend receivables	3,123	-	(3,123)	-
Revaluation surplus	13,656	(4,375)	-	9,281
Property, plant and equipment	22,829	-	(10,411)	12,418
	39,608	(4,375)	(13,534)	21,699
Deferred tax assets				
Provision for retirement benefits	(22,145)	-	(1,544)	(23,689)
	17,463	(4,375)	(15,078)	(1,990)
2009				
Deferred tax liabilities				
Dividend receivables	10,106	-	(6,983)	3,123
Revaluation surplus	165,976	(152,320)	-	13,656
Property, plant and equipment	568,638	-	(545,809)	22,829
	744,720	(152,320)	(552,792)	39,608
Deferred tax assets				
Provision for retirement benefits	(20,489)	-	(1,656)	(22,145)
	724,231	(152,320)	(554,448)	17,463

19. Receivables

	Economic Entity and Company	
	2010	2009
	RM	RM
Trade receivables	1,194,684	955,046
Other receivables	147,577	239,954
Deposits	33,371	59,367
Prepayments	6,650	4,206
Tax recoverable	836,177	193,486
	2,218,459	1,452,059

The Economic Entity's and the Company's normal trade credit term does not exceed 30 days and trade receivables aging is within 30 days.

The carrying amount of receivables approximate to their fair values.

Trade receivables and other receivables are denominated in Ringgit Malaysia.

20. Cash and bank balances

	Economic Entity and Company	
	2010	2009
	RM	RM
Cash on hand and at banks	1,389,718	1,154,152
Deposits with:		
licensed banks in Malaysia	46,239,746	43,412,198
a foreign financial institution	11,096,181	12,861,443
	57,335,927	56,273,641
	58,725,645	57,427,793
The currency exposure profile of deposits, cash and bank balances is as follows:		
- Ringgit Malaysia	46,194,718	43,254,152
- Pound Sterling	7,551,273	8,621,764
- Australian Dollar	1,385,008	1,312,198
- Euro	1,697,522	4,239,679
- Singapore	1,897,124	-
	58,725,645	57,427,793

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

20. Cash and bank balances (continued)

The following table set out the carrying amounts, the effective interest rates ("EIR") as at reporting date and the maturities of the Economic Entity'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 2010			
Economic Entity and Company			
Fixed			
Deposits with licensed banks in Malaysia at the following EIR			
- 1.20%	49,738	-	49,738
- 2.55%	7,800,000	-	7,800,000
- 2.70%	12,300,000	-	12,300,000
- 2.75%	9,000,000	205,000	9,205,000
- 2.80%	10,200,000	-	10,200,000
- 2.85%	1,000,000	-	1,000,000
- 2.90%	4,300,000	-	4,300,000
- 4.25%	1,385,008	-	1,385,008
	46,034,746	205,000	46,239,746
Deposits with foreign financial institution at the following EIR			
- 0.046%	1,847,386	-	1,847,386
- 0.204%	7,551,273	-	7,551,273
- 0.227%	1,697,522	-	1,697,522
	57,130,927	205,000	57,335,927

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

20. Cash and bank balances (continued)

The following table set out the carrying amounts, the effective interest rates ("EIR") as at reporting date and the maturities of the Economic Entity's and the Company's financial instruments that are exposed to interest rate risk (continued):

	Within 1 year RM	1 - 2 years RM	Total RM
At 31 December 2009			
Economic Entity and Company			
Fixed			
Deposits with licensed banks in Malaysia at the following EIR			
- 1.80%	19,100,000	-	19,100,000
- 2.00%	10,000,000	-	10,000,000
- 2.10%	8,800,000	-	8,800,000
- 2.12%	1,000,000	-	1,000,000
- 2.45%	2,000,000	-	2,000,000
- 2.50%	-	1,200,000	1,200,000
- 2.70%	1,312,198	-	1,312,198
	42,212,198	1,200,000	43,412,198
Deposits with foreign financial institution at the following EIR			
- 0.68%	4,239,679	-	4,239,679
- 1.08%	8,621,764	-	8,621,764
	55,073,641	1,200,000	56,273,641

21. Payables

	Economic Entity and Company 2010 RM	Economic Entity and Company 2009 RM
Trade payables	75,415	83,824
Payroll liabilities	557,487	650,823
Other payables	373,894	133,391
Dividend payable	5,836,540	5,836,540
Deposits refundable	29,484	79,484
	6,872,820	6,784,062

Credit terms of trade payables granted to the Economic Entity and to the Company range from 30 to 90 days.

The carrying amount of payables approximate to their fair values.

Payables are denominated in Ringgit Malaysia.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

22. Provision for retirement benefits

	Economic Entity and Company	
	2010 RM	2009 RM
At 1 January	88,579	81,957
Additional provision	9,001	6,622
Payments made	(2,825)	-
At 31 December	94,755	88,579
Represented by:		
Payable not later than 1 year	7,198	3,158
Payable between more than 1 year and less than 5 years	30,698	35,040
Payable later than 5 years	56,859	50,381
	94,755	88,579

23. Share capital

	shares of RM1 each		Amount	
	2010 RM	2009 RM	2010 RM	2009 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 declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

24. Reserves

	Economic Entity		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Non-distributable:				
Capital reserve	55,210,162	55,052,419	39,531,143	39,526,768
Distributable:				
Capital reserve	1,793,446	1,793,446	-	-
	57,003,608	56,845,865	39,531,143	39,526,768
General reserve	6,565,911	6,565,911	5,762,193	5,762,193
	63,569,519	63,411,776	45,293,336	45,288,961
Non-distributable capital reserve comprises:				
Exchange fluctuation reserves	1,606,886	1,460,048	-	-
Surplus on revaluation of property, plant and equipment	53,603,276	53,592,371	39,531,143	39,526,768
Distributable capital reserve comprises:				
Reserves realised on disposal of assets	1,793,446	1,793,446	-	-
	57,003,608	56,845,865	39,531,143	39,526,768
General reserve comprises:				
Gain on maturity of investments	23,678	23,678	23,678	23,678
Surplus on revaluation realised on disposal of properties	3,029,563	3,029,563	3,029,563	3,029,563
Reserves realised on disposal of assets	717,951	717,951	417,826	417,826
Unappropriated retained earnings	2,794,719	2,794,719	2,291,126	2,291,126
	6,565,911	6,565,911	5,762,193	5,762,193

The non-distributable capital reserves are not distributable by way of cash dividends.

Notes To The Financial Statements (continued)
For the financial year ended 31 December 2010

25. Retained earnings

As at 31 December 2010, the Company has tax exempt profits available for distribution of tax exempt dividends of approximately RM2,468,000 (2009 : RM2,468,000).

Prior to year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company has elected for the irrevocable option to disregard the 108 balance as at 31 December 2010. Hence, The Company will be able to distribute dividends out of its distributable reserves as at 31 December 2010 under the single tier system.

26. Segmental information

The Company operates in the agricultural segment in Malaysia. All sales are made within Malaysia. The relevant financial information has been appropriately presented in the financial statements.

27. Capital management

The Economic Entity considers its capital to comprise its ordinary share capital, retained earnings and distributable reserves.

In managing its capital, the Economic Entity'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 Economic Entity seeks to balance risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Economic Entity to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, the Economic Entity considers not only its short-term position but also its long-term operational and strategic objectives.

Notes To The Financial Statements (continued)

For the financial year ended 31 December 2010

27. Capital management (continued)

There have been no other significant changes to the Economic Entity's capital management objectives, policies and processes in the year nor has there been any change in what the Economic Entity considers to be its capital.

The total amount of capital is as follows:

	Economic Entity		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Share capital	64,850,448	64,850,448	64,850,448	64,850,448
Retained profits	38,820,789	34,625,321	22,756,254	20,694,299
Distributable reserves	8,359,357	8,359,357	5,762,193	5,762,193
	112,030,594	107,835,126	93,368,895	91,306,940

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

The breakdown of the retained profits of the Economic Entity and of the Company as at 31 December 2010 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.

	Economic Entity	Company
	RM	RM
Total retained profits of the Economic Entity		
- Realised	24,542,756	24,542,756
- Unrealised	(1,786,502)	(1,786,502)
	22,756,254	22,756,254
Total share of retained profits from associates		
- Realised	16,382,504	-
- Unrealised	(317,969)	-
Less: Adjustments	-	-
Retained profits as per financial statements	38,820,789	22,756,254

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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 ____

of ____

being a member of Riverview Rubber Estates, Berhad hereby appoint ______________________

____

of ____

or failing him / her ____

of ____

as my / our proxy to vote for me / us on my / our behalf at the Seventy Second Annual General Meeting of Riverview Rubber Estates, Berhad held at 33A Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Friday, 24 June 2011 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
Resolution 1	To approve an increase in Directors fees totaling RM30,000 for the financial year ending 31 December 2011.			
Resolution 2	To approve the payment of Directors fees totaling RM280,000 for the financial year ending 31 December 2011.			
Resolution 3	To re-elect Lim Hu Fang who retires by rotation in accordance with Article 96 of the Company's Articles of Association and, being eligible, offers herself for re-election.			
Resolution 4	To re-appoint the retiring, Messrs Ernst & Young as the Auditors of the Company and to authorize the Directors to fix their remuneration			

Signed this ____________day of _____________ 2011.

Signature ______________________________

No. of shares held	

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 33A Jalan Tun Sambanthan, 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 in the Notice 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.

STAMP

The Secretary
Riverview Rubber Estates, Berhad (820-V)
33A Jalan Tun Sambanthan,
30000 Ipoh,
Perak Darul Ridzuan,
Malaysia.

RIVERVIEW RUBBER ESTATES, BERHAD (820-V)

33A, JALAN TUN SAMBANTHAN, 30000 IPOH, PERAK DARUL RIDZUAN, MALAYSIA.