Anglo-Eastern Plantations Plc

Company Number: 1884630

INTERIM REPORT
30 JUNE 2018

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Chairman's Interim Statement

The interim results for the Group for the six months to 30 June 2018 are as follows:

Revenue for the six months to 30 June was $133.3 million, 9% lower than $146.9 million reported for the first six months of 2017. In the same period the Group gross profit decreased to $25.2 million from $34.9 million. Overall the profit before tax for the first half of 2018 decreased by 30% to $22.0 million from $31.6 million for the corresponding period. This was due to the lower Crude Palm Oil (“CPO”) and rubber prices.

Fresh Fruit Bunches (“FFB”) production for the first half of 2018 was 9% higher at 477,400mt compared to 436,900mt in the same period last year. The increase in production was due to the better performance of plantations in Riau, Bengkulu and Kalimantan. The harvest in Riau was higher by 26% due to good weather conditions. The improvement in the evacuation of crops in Bengkulu together with a 20% increase in matured planted area in Kalimantan contributed to a 9% and 31% increase in regional production respectively. Bought-in crops, however, decreased by 3% to 473,100mt from 486,300mt due to intense competition from old and new mills.

Operational and financial performance

For the six months ended 30 June 2018, the gross profit margin decreased to 19% from 24% as the Group experienced lower palm and rubber prices, higher operational costs due to the increase in matured area mainly from Kalimantan and a decrease in the purchase of external crop.

CPO price ex-Rotterdam averaged $661/mt for the first six months of 2018, 11% lower than $740/mt over the same period in 2017.

Profit after tax for the six months ended 30 June 2018 was $16.2 million, 30% lower than $23.3 million for the first six months of 2017.

The resulting earnings per share for the period decreased by 33% to 30.90cts (1H 2017: 45.97cts).

The Group’s balance sheet remains reasonably strong and cash flow remains healthy. Net assets at 30 June 2018 were $463.8 million compared to $476.9 million at 31 December 2017. The decrease in net assets was attributed to a $27.1 million exchange translation loss due to a weaker Indonesian Rupiah which has depreciated by 6% against the US dollar in the first half of 2018.

As at 30 June 2018, the Group's total cash balance was $130.1 million (1H 2017: $123.0 million) with total borrowings of $25.6 million (1H 2017: $31.2 million), giving a net cash position of $104.5 million, compared to $91.8 million as at 30 June 2017.

Chairman's Interim Statement (continued)

Operating costs

The operating costs per hectare for the Indonesian operations were higher in the first half of 2018 compared to the same period in 2017 mainly due to the increase in wages, fuel, transportation costs and depreciation. Higher operating costs were also partly attributed to a 3% increase in matured areas.

Production and Sales

	2018	2017	2017
	6 months	6 months	Year
	to 30 June	to 30 June	to 31 December
	mt	mt	mt
Oil palm production			
FFB			
- all estates	**477,400**	436,900	929,600
- bought-in or processed for third parties	**473,100**	486,300	998,400
Saleable CPO	**193,800**	187,400	390,600
Saleable palm kernels	**46,700**	44,900	94,600
Oil palm sales			
CPO	**195,500**	192,900	388,900
Palm kernels	**45,000**	45,600	96,000
FFB sold outside	**14,000**	11,000	23,200
Rubber production	**291**	397	812

The Group’s six mills processed a total of 936,500mt in FFB for the first half of 2018, a 3% increase compared to 912,200mt for the same period last year. The higher throughput was due to higher internal crops production.

Overall CPO produced for the first half of 2018 was higher by 3% at 193,800mt from 187,400mt. The oil extraction rate for the first half of 2018 improved marginally to 20.7% from 20.5% in same period last year.

The Group continues to reduce its greenhouse gas (“GHG”) emissions by capturing the methane gas released from its effluent treatment plants to produce electricity. The two biogas plants in the Group produced over 7,060 MWh of electricity compared to 2,910 MWh in the same period last year. The third biogas plant located in Kalimantan will likely begin commercial operation by the start of the fourth quarter of 2018 after the installation of about 6.7km of 20kv transmission lines to the national grid is completed.

Chairman's Interim Statement (continued)

Commodity prices

The CPO price for first half of 2018 averaged $661/mt, 11% lower than last year (1H 2017: $740/mt). The CPO price has gradually trended downwards from the start of the year at $678/mt to close at $655/mt on 29 June 2018 and has further declined to $542.50/mt as at 22 August 2018. Subdued demand with production projected to rise at a higher pace amid a relatively high inventory will likely depress the CPO price for the remainder of the year.

Rubber price averaged $1,329/mt, 28% lower than 2017 (1H 2017: $1,849/mt).

Development

The Group's planted areas at 30 June 2018 comprised:

	Total ha	Mature ha	Immature Ha
North Sumatera	19,072	14,093	4,979
Bengkulu	16,996	16,996	-
Riau	4,873	4,873	-
South Sumatera	5,977	5,180	797
Kalimantan	14,440	11,606	2,834
Bangka	884	449	435
Plasma	2,951	1,609	1,342
Indonesia	65,193	54,806	10,387
Malaysia	3,510	3,460	50
Total: 30 June 2018	**68,703**	**58,266**	**10,437**
Total: 31 December 2017	68,310	54,900	13,410
Total: 30 June 2017	67,592	56,529	11,063

The Group's new planting for the first six months of 2018 totalled 427ha compared to 781ha for the same period last year. The slower than anticipated rate of new planting is due to protracted land compensation negotiations. New planting was also slower in Kalimantan as the Group awaits results of the high carbon stock sustainability study which will determine which areas cannot be planted with oil palm due to high conservation and high carbon stock values.

The Group remains optimistic that planting will pick up in the second half of 2018. The Group's total landholding comprises some 128,200ha, of which the planted area stands around 68,703ha (1H 2017: 67,592ha) with the balance of estimated plantable land at 22,700ha.

Chairman's Interim Statement (continued)

Significant capital expenditure is expected in the replanting of over 471ha covering old palms and rubber trees in North Sumatera which started in May 2018.

The earthwork for the fourth biogas plant, expected to cost an estimated $3.8 million, in North Sumatera has started and is expected to be completed by the end of first half of 2019. The earthworks for the seventh mill in North Sumatera, expected to cost an estimated $19 million, have been hampered by high rainfall. The mill is scheduled for completion by the end of the third quarter of 2020.

Dividend

As in previous years, no interim dividend has been declared. A final dividend of 4.0 cents per share in respect of the year ended 31 December 2017 was paid on 13 July 2018.

Outlook

The demand for palm oil in India may rebound in the second half of 2018 as India has reportedly raised the import taxes on soft oils from July 2018 making palm oil more competitive again. Also, the higher tariff on the import of soybean from United States into China could lead to an increase in demand for palm oil, being the closest substitute to soybean. This higher tariff would make palm oil more attractive as the price difference between CPO and soybean oil would be widened further.

The Board looks forward to reporting further progress in its next trading update.

Principal risks and uncertainties

It is believed that the potential impact on the Group of Britain’s vote to leave the European Union is limited, unless Brexit causes a worldwide recession. Other than maintaining its corporate presence and listing in United Kingdom (“UK”), all plantation and mill operations together with marketing are primarily based in Indonesia. The principal risks and uncertainties have broadly remained the same since the publication of the annual report for the year ended 31 December 2017.

Chairman's Interim Statement (continued)

A more detailed explanation of the risks relevant to the Group is on pages 19 to 23 and from pages 88 to 92 of the 2017 annual report which is available at www.angloeastern.co.uk.

Madam Lim Siew Kim
Chairman

28 August 2018

Responsibility Statements

We confirm that to the best of our knowledge:

a) The unaudited interim financial statements have been prepared in accordance with IAS34: Interim Financial Reporting as adopted by the European Union;

b) The Chairman's statement includes a fair review of the information required by DTR 4.2.7R (an indication of important events during the first six months and a description of the principal risks and uncertainties for the remaining six months of the year); and

c) The interim financial statements include a fair review of the information required by DTR 4.2.8R (material related party transactions in the six months ended 30 June 2018 and any material changes in the related party transactions described in the last Annual Report) of the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority.

By order of the Board
Dato' John Lim Ewe Chuan
Executive Director, Corporate Finance and Corporate Affairs 28 August 2018

Condensed Consolidated Income Statement

Continuing operations	Notes	2018 6 months to 30 June (unaudited) Result before BA movement $000	2018 BA movement $000	2018 Total $000	2017 6 months to 30 June (unaudited) Result before BA movement $000	2017 BA movement $000	2017 Total $000	2017 Year to 31 December (audited) Result before BA movement $000	2017 BA movement $000	2017 Total $000
Revenue	4	**133,331**	**-**	**133,331**	146,870	-	146,870	291,907	-	291,907
Cost of sales		**(108,458)**	**332**	**(108,126)**	(111,826)	(181)	(112,007)	(217,543)	(297)	(217,840)
Gross profit		**24,873**	**332**	**25,205**	35,044	(181)	34,863	74,364	(297)	74,067
Administration expenses		**(3,544)**	**-**	**(3,544)**	(3,269)	-	(3,269)	(8,611)	-	(8,611)
(Impairment losses) / Reversal of impairment		**-**	**-**	**-**	(1,596)	-	(1,596)	923	-	923
Operating profit		**21,329**	**332**	**21,661**	30,179	(181)	29,998	66,676	(297)	66,379
Exchange (losses) / gains		**(1,222)**	**-**	**(1,222)**	156	-	156	(272)	-	(272)
Finance income		**2,374**	**-**	**2,374**	2,390	-	2,390	5,337	-	5,337
Finance expense	3	**(793)**	**-**	**(793)**	(913)	-	(913)	(1,753)	-	(1,753)
Profit before tax	4	**21,688**	**332**	**22,020**	31,812	(181)	31,631	69,988	(297)	69,691
Tax expense	5	**(5,739)**	**(83)**	**(5,822)**	(8,394)	45	(8,349)	(23,451)	73	(23,378)
Profit for the period		**15,949**	**249**	**16,198**	23,418	(136)	23,282	46,537	(224)	46,313
Attributable to:										
- Owners of the parent		**12,037**	**209**	**12,246**	18,328	(109)	18,219	36,386	(172)	36,214
- Non-controlling interests		**3,912**	**40**	**3,952**	5,090	(27)	5,063	10,151	(52)	10,099
		15,949	**249**	**16,198**	23,418	(136)	23,282	46,537	(224)	46,313
Earnings per share for profit attributable to the owners of the parent during the period										
- basic	7			**30.90cts**			45.97cts			91.37cts
- diluted	7			**30.87cts**			45.93cts			91.29cts

Condensed Consolidated Statement of Comprehensive Income

	2018 6 months to 30 June (unaudited) $000	2017 6 months to 30 June (unaudited) $000	2017 Year to 31 December (audited) $000
Profit for the period	**16,198**	23,282	46,313
Other comprehensive (expenses) / income:			
Items may be reclassified to profit or loss:			
(Loss) / Gain on exchange translation of foreign operations	**(27,093)**	4,606	(1,718)
Net other comprehensive (expenses) / income may be reclassified to profit or loss	**(27,093)**	4,606	(1,718)
Items not to be reclassified to profit or loss:			
Unrealised loss on revaluation of leasehold land, net of tax	**(531)**	(795)	(9,948)
Remeasurement of retirement benefits plan, net of tax	**-**	-	(1,271)
Net other comprehensive expenses not being reclassified to profit or loss	**(531)**	(795)	(11,219)
Total other comprehensive (expenses) / income for the period, net of tax	**(27,624)**	3,811	(12,937)
Total comprehensive (expenses) / income for the period	**(11,426)**	27,093	33,376
Attributable to:			
- Owners of the parent	**(10,906)**	21,049	23,496
- Non-controlling interests	**(520)**	6,044	9,880
	(11,426)	27,093	33,376

Condensed Consolidated Statement of Financial Position

	2018 as at 30 June (unaudited) $000	2017 as at 30 June (unaudited) $000	2017 as at 31 December (audited) $000
Non-current assets			
Property, plant and equipment	**337,719**	361,270	353,680
Receivables	**8,746**	5,248	8,358
Deferred tax assets	**10,857**	15,883	9,309
	357,322	382,401	371,347
Current assets			
Inventories	**10,718**	8,257	9,398
Tax receivables	**34,327**	33,664	29,430
Biological assets	**6,695**	6,995	6,772
Trade and other receivables	**6,308**	8,903	5,184
Cash and cash equivalents	**130,127**	123,041	139,489
	188,175	180,860	190,273
Current liabilities			
Loans and borrowings	**(11,844)**	(7,234)	(8,594)
Trade and other payables	**(20,553)**	(15,459)	(16,805)
Tax liabilities	**(4,688)**	(7,500)	(8,637)
Dividend payables	**(1,617)**	(1,515)	-
	(38,702)	(31,708)	(34,036)
Net current assets	**149,473**	149,152	156,237
Non-current liabilities			
Loans and borrowings	**(13,719)**	(24,000)	(19,281)
Deferred tax liabilities	**(20,023)**	(29,688)	(22,390)
Retirement benefits - net liabilities	**(9,246)**	(7,257)	(9,022)
	(42,988)	(60,945)	(50,693)
Net assets	**463,807**	470,608	476,891

Condensed Consolidated Statement of Financial Position (continued)

	2018 as at 30 June (unaudited) $000	2017 as at 30 June (unaudited) $000	2017 as at 31 December (audited) $000
Issued capital and reserves attributable to owners of the parent			
Share capital	**15,504**	15,504	15,504
Treasury shares	**(1,171)**	(1,171)	(1,171)
Share premium	**23,935**	23,935	23,935
Capital redemption reserve	**1,087**	1,087	1,087
Revaluation reserves	**50,789**	60,322	51,288
Exchange reserves	**(244,088)**	(216,024)	(221,435)
Retained earnings	**526,545**	498,992	515,884
	372,601	382,645	385,092
Non-controlling interests	**91,206**	87,963	91,799
Total equity	**463,807**	470,608	476,891

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the parent									
	Share capital $000	Treasury shares $000	Share premium $000	Capital redemption reserve $000	Revaluation reserves $000	Exchange reserves $000	Retained earnings $000	Total $000	Non-controlling interests $000	Total equity $000
Balance at 31 December 2016	15,504	(1,171)	23,935	1,087	61,038	(219,570)	482,288	363,111	82,150	445,261
Items of other comprehensive income:										
-Unrealised loss on revaluation of leasehold land, net of tax	-	-	-	-	(9,750)	-	-	(9,750)	(198)	(9,948)
-Remeasurement of retirement benefits plan, net of tax	-	-	-	-	-	-	(1,103)	(1,103)	(168)	(1,271)
-(Loss) / Gain on exchange translation of foreign operations	-	-	-	-	-	(1,865)	-	(1,865)	147	(1,718)
Total other comprehensive expenses	-	-	-	-	(9,750)	(1,865)	(1,103)	(12,718)	(219)	(12,937)
Profit for the year	-	-	-	-	-	-	36,214	36,214	10,099	46,313
Total comprehensive (expenses) / income for the year	-	-	-	-	(9,750)	(1,865)	35,111	23,496	9,880	33,376
Dividends paid	-	-	-	-	-	-	(1,515)	(1,515)	(231)	(1,746)
Balance at 31 December 2017	**15,504**	**(1,171)**	**23,935**	**1,087**	**51,288**	**(221,435)**	**515,884**	**385,092**	**91,799**	**476,891**
Items of other comprehensive income:										
-Unrealised loss on revaluation of leasehold land, net of tax	**-**	**-**	**-**	**-**	**(499)**	**-**	**-**	**(499)**	**(32)**	**(531)**
-Loss on exchange translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**(22,653)**	**-**	**(22,653)**	**(4,440)**	**(27,093)**
Total other comprehensive expenses	**-**	**-**	**-**	**-**	**(499)**	**(22,653)**	**-**	**(23,152)**	**(4,472)**	**(27,624)**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**12,246**	**12,246**	**3,952**	**16,198**
Total comprehensive (expenses) / income for the period	**-**	**-**	**-**	**-**	**(499)**	**(22,653)**	**12,246**	**(10,906)**	**(520)**	**(11,426)**
Dividends payable	**-**	**-**	**-**	**-**	**-**	**-**	**(1,585)**	**(1,585)**	**(73)**	**(1,658)**
Balance at 30 June 2018	**15,504**	**(1,171)**	**23,935**	**1,087**	**50,789**	**(244,088)**	**526,545**	**372,601**	**91,206**	**463,807**

Condensed Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the parent									
	Share capital $000	**Treasury shares $000**	**Share premium $000**	**Capital redemption reserve $000**	**Revaluation reserves $000**	**Exchange reserves $000**	**Retained earnings $000**	**Total $000**	**Non-controlling interests $000**	**Total Equity $000**
Balance at 31 December 2016	15,504	(1,171)	23,935	1,087	61,038	(219,570)	482,288	363,111	82,150	445,261
Items of other comprehensive income:										
-Unrealised loss on revaluation of leasehold land, net of tax	-	-	-	-	(716)	-	-	(716)	(79)	(795)
-Gain on exchange translation of foreign operations	-	-	-	-	-	3,546	-	3,546	1,060	4,606
Total other comprehensive (expenses) / income	-	-	-	-	(716)	3,546	-	2,830	981	3,811
Profit for the period	-	-	-	-	-	-	18,219	18,219	5,063	23,282
Total comprehensive (expenses) / income for the period	-	-	-	-	(716)	3,546	18,219	21,049	6,044	27,093
Dividends payable	-	-	-	-	-	-	(1,515)	(1,515)	(231)	(1,746)
Balance at 30 June 2017	**15,504**	**(1,171)**	**23,935**	**1,087**	**60,322**	**(216,024)**	**498,992**	**382,645**	**87,963**	**470,608**

Condensed Consolidated Statement of Cash Flows

	2018 6 months to 30 June (unaudited) $000	2017 6 months to 30 June (unaudited) $000	2017 Year to 31 December (audited) $000
Cash flows from operating activities			
Profit before tax	**22,020**	31,631	69,691
Adjustments for:			
Biological assets movement	**(332)**	181	297
Gain on disposal of property, plant and equipment	**(8)**	(7)	(18)
Depreciation	**8,375**	8,050	16,284
Retirement benefits provisions	**878**	680	1,520
Net finance income	**(1,581)**	(1,477)	(3,584)
Unrealised loss / (gain) in foreign exchange	**1,222**	(156)	272
Property, plant and equipment written off	**17**	88	585
Impairment losses / (reversal of impairment)	**-**	1,596	(923)
Operating cash flow before changes in working capital	**30,591**	40,586	84,124
(Increase) / Decrease in inventories	**(1,877)**	1,044	(252)
Increase in non-current, trade and other receivables	**(1,062)**	(4,597)	(4,413)
Decrease / (Increase) in trade and other payables	**4,629**	(734)	837
Cash inflow from operations	**32,281**	36,299	80,296
Interest paid	**(793)**	(913)	(1,753)
Retirement benefits paid	**(83)**	(148)	(774)
Overseas tax paid	**(19,636)**	(19,350)	(26,412)
Net cash from operations	**11,769**	15,888	51,357
Investing activities			
Property, plant and equipment			
- purchases	**(13,279)**	(11,628)	(27,192)
- sales	**41**	81	267
Interest received	**2,374**	2,390	5,337
Net cash used in investing activities	**(10,864)**	(9,157)	(21,588)

Condensed Consolidated Statement of Cash Flows (continued)

	2018 6 months to 30 June (unaudited) $000	2017 6 months to 30 June (unaudited) $000	2017 Year to 31 December (audited) $000
Financing activities			
Dividends paid by Company	**-**	-	(1,515)
Dividends paid to non-controlling interests	**(73)**	(202)	(231)
Repayment of existing long term loans	**(2,313)**	(2,844)	(6,197)
Net cash used in financing activities	**(2,386)**	(3,046)	(7,943)
(Decrease) / Increase in cash and cash equivalents	**(1,481)**	3,685	21,826
Cash and cash equivalents			
At beginning of period	**139,489**	118,176	118,176
Foreign exchange	**(7,881)**	1,180	(513)
At end of period	**130,127**	123,041	139,489
Comprising:			
Cash at end of period	**130,127**	123,041	139,489

Notes to the interim statements

1. Basis of preparation of interim financial statements

These interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2017 Annual Report. The financial information for the half years ended 30 June 2018 and 30 June 2017 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and has been neither audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

Basis of preparation
The annual financial statements of Anglo-Eastern Plantations Plc are prepared in accordance with IFRSs as adopted by the European Union. The comparative financial information for the year ended 31 December 2017 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2017 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2017 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Changes in accounting standards
The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the Group's latest annual audited financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on 1 January 2018 and will be adopted in the 2018 annual financial statements. The new standard impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2018, and which has given rise to changes in the Group's accounting policies is IFRS 9 *Financial Instruments*.

Details of the impact for this standard are given below. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 9 *Financial Instruments*
IFRS 9 has replaced IAS 39 *Financial Instruments: Recognition and Measurement* and introduces some new requirements in relation to impairment based on the expected credit loss model. The Group has chosen not to restate comparatives on adoption of IFRS 9 as the impact to the Group is immaterial and, therefore, these changes have been charged into the condensed consolidated income statement for the period of 30 June 2018.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the interim statements (continued)

2. Foreign exchange

	2018 6 months to 30 June (unaudited)	2017 6 months to 30 June (unaudited)	2017 Year to 31 December (audited)
Average exchange rates			
Rp : $	**13,753**	13,331	13,383
$: £	**1.38**	1.26	1.29
RM : $	**3.94**	4.39	4.30
Closing exchange rates			
Rp : $	**14,404**	13,319	13,548
$: £	**1.32**	1.30	1.35
RM : $	**4.04**	4.29	4.05

3. Finance expense

	2018 6 months to 30 June (unaudited) $000	2017 6 months to 30 June (unaudited) $000	2017 Year to 31 December (audited) $000
Payable	**793**	913	1,753

Notes to the interim statements (continued)

4. Segment information

	North Sumatera $000	Bengkulu $000	South Sumatera $000	Riau $000	Bangka $000	Kalimantan $000	Total Indonesia $000	Malaysia $000	UK $000	Total $000
6 months to 30 June 2018 (unaudited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	**43,054**	**44,177**	**-**	**22,318**	**143**	**19,597**	**129,289**	**1,234**	**-**	**130,523**
- Rubber	**393**	**-**	**-**	**-**	**-**	**-**	**393**	**-**	**-**	**393**
- Shell nut	**289**	**281**	**-**	**421**	**-**	**12**	**1,003**	**-**	**-**	**1,003**
- Biomass products	**310**	**-**	**-**	**-**	**-**	**-**	**310**	**-**	**-**	**310**
- Biogas products	**226**	**266**	**-**	**-**	**-**	**-**	**492**	**-**	**-**	**492**
- Others	**531**	**-**	**10**	**18**	**-**	**51**	**610**	**-**	**-**	**610**
Total revenue	**44,803**	**44,724**	**10**	**22,757**	**143**	**19,660**	**132,097**	**1,234**	**-**	**133,331**
Profit / (loss) before tax	**5,191**	**10,303**	**(2,694)**	**7,208**	**(226)**	**3,121**	**22,903**	**(57)**	**(1,158)**	**21,688**
BA movement	**583**	**80**	**(56)**	**(28)**	**(2)**	**(241)**	**336**	**(4)**	**-**	**332**
Profit / (loss) for the period before tax per consolidated income statement	**5,774**	**10,383**	**(2,750)**	**7,180**	**(228)**	**2,880**	**23,239**	**(61)**	**(1,158)**	**22,020**
Depreciation	**(2,008)**	**(2,033)**	**(1,276)**	**(463)**	**(119)**	**(2,215)**	**(8,114)**	**(261)**	**-**	**(8,375)**
Reversal of impairment / (impairment losses)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inter-segment transactions	**2,569**	**(1,051)**	**(364)**	**(301)**	**(49)**	**(880)**	**(76)**	**46**	**30**	**-**
Inter-segmental revenue	**11,867**	**568**	**1,959**	**-**	**-**	**194**	**14,588**	**-**	**-**	**14,588**
Tax expense	**(3,613)**	**(2,177)**	**2,077**	**(2,802)**	**133**	**641**	**(5,741)**	**(52)**	**(29)**	**(5,822)**
Total assets	**168,247**	**147,978**	**40,952**	**34,332**	**11,305**	**111,967**	**514,781**	**24,261**	**6,455**	**545,497**
Non-current assets	**100,619**	**69,203**	**39,232**	**17,973**	**11,038**	**98,390**	**336,455**	**17,869**	**2,998**	**357,322**
Non-current assets - additions	**3,786**	**1,597**	**1,382**	**315**	**677**	**5,417**	**13,174**	**105**	**-**	**13,279**

Notes to the interim statements (continued)

4. Segment information (continued)

	North Sumatera $000	Bengkulu $000	South Sumatera $000	Riau $000	Bangka $000	Kalimantan $000	Total Indonesia $000	Malaysia $000	UK $000	Total $000
6 months to 30 June 2017 (unaudited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	46,827	51,956	-	25,930	51	18,083	142,847	1,588	-	144,435
- Rubber	745	-	-	-	-	-	745	-	-	745
- Shell nut	316	343	-	418	-	8	1,085	-	-	1,085
- Biomass products	209	-	-	-	-	-	209	-	-	209
- Biogas products	242	57	-	-	-	-	299	-	-	299
- Others	57	22	2	16	-	-	97	-	-	97
Total revenue	48,396	52,378	2	26,364	51	18,091	145,282	1,588	-	146,870
Profit / (loss) before tax	10,414	13,319	(1,921)	7,351	(293)	3,237	32,107	288	(583)	31,812
BA movement	131	(17)	(41)	(167)	(1)	(62)	(157)	(24)	-	(181)
Profit / (loss) for the period before tax per consolidated income statement	10,545	13,302	(1,962)	7,184	(294)	3,175	31,950	264	(583)	31,631
Depreciation	(1,959)	(2,026)	(1,356)	(461)	(79)	(1,875)	(7,756)	(294)	-	(8,050)
Reversal of impairment / (impairment losses)	-	-	446	-	(110)	(1,932)	(1,596)	-	-	(1,596)
Inter-segment transactions	2,559	(1,058)	(402)	(304)	(40)	(831)	(76)	46	30	-
Inter-segmental revenue	14,851	533	1,894	-	-	143	17,421	-	-	17,421
Tax expense	(4,448)	(2,918)	1,906	(2,517)	86	(214)	(8,105)	(102)	(142)	(8,349)
Total assets	182,406	140,227	57,161	36,290	11,913	107,376	535,373	22,334	5,554	563,261
Non-current assets	104,221	75,796	55,473	20,108	11,699	97,809	365,106	16,717	578	382,401
Non-current assets - additions	3,353	1,171	997	368	222	5,495	11,606	22	-	11,628

Notes to the interim statements (continued)

4. Segment information (continued)

	North Sumatera $000	Bengkulu $000	South Sumatera $000	Riau $000	Bangka $000	Kalimantan $000	Total Indonesia $000	Malaysia $000	UK $000	Total $000
Year to 31 December 2017 (audited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	98,290	98,666	-	54,074	147	31,828	283,005	3,159	-	286,164
- Rubber	1,305	-	-	-	-	-	1,305	-	-	1,305
- Shell nut	729	559	-	897	-	29	2,214	-	-	2,214
- Biomass products	644	-	-	-	-	-	644	-	-	644
- Biogas products	527	338	-	-	-	-	865	-	-	865
- Others	632	63	4	-	-	-	699	-	16	715
Total revenue	102,127	99,626	4	54,971	147	31,857	288,732	3,159	16	291,907
Profit / (loss) before tax	24,778	28,952	(4,284)	15,795	(317)	6,552	71,476	103	(1,591)	69,988
BA movement	(478)	(114)	(14)	(91)	12	472	(213)	(84)	-	(297)
Profit / (loss) for the year before tax per consolidated income statement	24,300	28,838	(4,298)	15,704	(305)	7,024	71,263	19	(1,591)	69,691
Depreciation	(3,955)	(4,114)	(2,730)	(940)	(159)	(3,825)	(15,723)	(561)	-	(16,284)
Reversal of impairment / (impairment losses)	-	-	1,112	-	-	(189)	923	-	-	923
Inter-segment transactions	5,083	(2,123)	(806)	(610)	(80)	(1,845)	(381)	112	269	-
Inter-segmental revenue	31,496	1,469	3,643	-	-	721	37,329	-	-	37,329
Tax expense	(11,210)	(6,124)	(69)	(5,564)	89	(203)	(23,081)	(155)	(142)	(23,378)
Total assets	178,841	146,741	40,479	41,544	11,814	110,692	530,111	24,464	7,045	561,620
Non-current assets	105,243	73,888	39,222	19,258	11,587	100,990	350,188	17,986	3,173	371,347
Non-current assets - additions	8,609	2,959	2,383	554	1,030	11,779	27,314	58	13	27,385

Notes to the interim statements (continued)

4. Segment information (continued)

In the 6 months to 30 June 2018, revenues from 4 customers of the Indonesian segment represent approximately $60.1m (1H 2017: $78.5m) of the Group's total revenues. In year 2017, revenues from 4 customers of the Indonesian segment represent approximately $131.0m of the Group's total revenues. An analysis of this revenue is provided below. Although Customer 1 to 3 are over 10% of the Group’s total revenue, there is no over reliance on these Customers as tenders are performed on a monthly basis. Three of the top four customers are the same as in the year to 31 December 2017.

	2018 6 months to 30 June (unaudited)		2017 6 months to 30 June (unaudited)		2017 Year to 31 December (audited)	
	$m	**%**	$m	%	$m	%
Major Customers						
Customer 1	**18.6**	**14.0**	28.2	19.2	44.9	15.4
Customer 2	**15.3**	**11.5**	23.3	15.9	30.5	10.5
Customer 3	**14.7**	**11.0**	14.6	9.9	28.6	9.8
Customer 4	**11.5**	**8.6**	12.4	8.4	27.0	9.2
Total	**60.1**	**45.1**	78.5	53.4	131.0	44.9

Notes to the interim statements (continued)

5. Tax expense

	2018 6 months to 30 June (unaudited) $000	2017 6 months to 30 June (unaudited) $000	2017 Year to 31 December (audited) $000
Foreign corporation tax - current year	**9,043**	11,049	22,796
Foreign corporation tax - prior year	**6**	-	365
Deferred tax adjustment - origination and reversal of temporary differences	**(3,227)**	(2,700)	217
	5,822	8,349	23,378

6. Dividend

The final and only dividend in respect of 2017, amounting to 4.0 cents per share, or $1,585,455 was paid on 13 July 2018 (2016: 3.0p per share, or $1,515,140, paid on 14 July 2017). As in previous years, no interim dividend has been declared.

7. Earnings per ordinary share ("EPS")

	2018 6 months to 30 June (unaudited) $000	2017 6 months to 30 June (unaudited) $000	2017 Year to 31 December (audited) $000
Profit for the period attributable to owners of the Company before BA movement	**12,037**	18,328	36,386
BA movement	**209**	(109)	(172)
Earnings used in basic and diluted EPS	**12,246**	18,219	36,214
	Number '000	Number '000	Number '000
Weighted average number of shares in issue in the period			
- used in basic EPS	**39,636**	39,636	39,636
- dilutive effect of outstanding share options	**33**	33	33
- used in diluted EPS	**39,669**	39,669	39,669
Basic EPS before BA movement	**30.37cts**	46.24cts	91.80cts
Basic EPS after BA movement	**30.90cts**	45.97cts	91.37cts
Dilutive EPS before BA movement	**30.34cts**	46.20cts	91.72cts
Dilutive EPS after BA movement	**30.87cts**	45.93cts	91.29cts

Notes to the interim statements (continued)

8. Fair value measurement of financial instruments

The carrying amounts and fair values of the financial instruments which are not recognised at fair value in the Statement of Financial Position are exhibited below:

	2018 6 months to 30 June (unaudited)		2017 6 months to 30 June (unaudited)		2017 Year to 31 December (audited)	
	Carrying amount $000	**Fair value $000**	Carrying amount $000	Fair value $000	Carrying amount $000	Fair value $000
Non-current receivables						
Due from non-controlling interests	**2,977**	**1,837**	578	424	3,161	1,882
Due from cooperatives under Plasma scheme	**5,769**	**5,495**	4,670	4,394	5,197	4,621
	8,746	**7,332**	5,248	4,818	8,358	6,503
Borrowings due after one year						
Long term loan	**13,719**	**13,403**	24,000	23,349	19,281	18,661

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, and borrowings due within one year.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and borrowings due within one year approximates their fair value.

All non-current receivables and long term loan are classified as Level 3 in the fair value hierarchy.

Notes to the interim statements (continued)

8. Fair value measurement of financial instruments (continued)

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of non-current receivables and borrowings due after one year, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below:

Item	Valuation approach	Inputs used	Inter-relationship between key unobservable inputs and fair value
Non-current receivables			
Due from non-controlling interests	Based on cash flows discounted using current lending rate of 6% (1H 2017 and 2017: 6%)	Discount rate	The higher the discount rate, the lower the fair value
Due from cooperatives under Plasma scheme	Based on cash flows discounted using an estimated current lending rate of 6.05% (1H 2017: 5.56%, 2017: 6.05%)	Discount rate	The higher the discount rate, the lower the fair value
Borrowings due after one year			
Long term loan	Based on cash flows discounted using an estimated current lending rate of 6.05% (1H 2017: 5.56%, 2017: 6.05%)	Discount rate	The higher the discount rate, the lower the fair value

9. Report and financial information

Copies of the interim report for the Group for the period ended 30 June 2018 are available on the AEP website at www.angloeastern.co.uk.