



Anglo-Eastern Plantations PLC

Company Number: 1884630

**INTERIM REPORT
30 JUNE 2019**

Company addresses

London Office

Anglo-Eastern Plantations PLC
Quadrant House, 6th Floor
4 Thomas More Square
London E1W 1YW
United Kingdom
Tel: 44 (0)20 7216 4621
Fax: 44 (0)20 7767 2602

Malaysian Office

Anglo-Eastern Plantations Management Sdn Bhd
7th Floor, Wisma Equity
150 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel: 60 (0)3 2162 9808
Fax: 60 (0)3 2164 8922

Indonesian Office

PT Anglo-Eastern Plantations Management Indonesia
3rd Floor, Wisma HSBC, Jalan Diponegoro, Kav 11
Medan 20152
North Sumatera
Indonesia
Tel: 62 (0)61 452 0107
Fax: 62 (0)61 452 0029

Secretary and registered office

Anglo-Eastern Plantations PLC
(Number 1884630)
(Registered in England and Wales)
CETC (Nominees) Limited
Quadrant House, 6th Floor
4 Thomas More Square
London E1W 1YW
United Kingdom
Tel: 44 (0)20 7216 4600
Fax: 44 (0)20 7767 2602

Company website

<https://www.angloeastern.co.uk/>

Company advisers

Auditors

BDO LLP
55 Baker Street
London W1U 7EU
United Kingdom

Principal Bankers

National Westminster Bank Plc
Liverpool Street Station
216 Bishopsgate
London EC2M 4QB
United Kingdom

The Hong Kong and Shanghai Banking
Corporation Limited
Wisma HSBC
Jalan Diponegoro, Kav 11
Medan 20152
North Sumatera
Indonesia

PT Bank DBS Indonesia
Uniplaza Building
Jalan Letjen MT Haryono A-1
Medan 20231
North Sumatera
Indonesia

RHB Bank Bhd
Podium Block, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia

Registrars

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
United Kingdom

Solicitors

Withers LLP
20 Old Bailey
London EC4M 7AN
United Kingdom

Sponsor/Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF
United Kingdom

Chairman's Interim Statement

The interim results for the Group for the six months to 30 June 2019 are as follows:

Revenue for the six months to 30 June was \$97.9 million, 27% lower than \$133.3 million reported for the first six months of 2018. The Group's gross profit was \$5.3 million compared to \$25.2 million for the first six months of 2018. Overall profit before tax for the first half of 2019 decreased by 93% to \$1.6 million (after BA movement) versus \$22.0 million for the corresponding period in 2018. This was attributed mainly to lower Crude Palm Oil ("CPO") prices.

Fresh Fruit Bunches ("FFB") production for the first half of 2019 was 1% lower at 470,300mt compared to 477,400mt in the same period last year. The decrease in production was due to a lower production trend observed in Riau, Bengkulu and South Sumatera which was similarly experienced by other planters in the region. Bought-in crops, however, decreased by 15% to 402,900mt from 473,100mt consistent with lower crop production by other planters in Riau and Bengkulu.

Operational and financial performance

For the six months ended 30 June 2019, gross profit margin decreased to 5.4% from 18.9% as the Group experienced lower CPO, palm kernel and rubber prices. Higher operational costs and the increase in newly matured areas also compressed the operating profit margin.

CPO price ex-Rotterdam averaged \$527/mt for the first six months to 30 June 2019, 20% lower than \$661/mt over the same period in 2018. Our Group's average ex-mill price for CPO was lower at \$466/mt for the same period (1H 2018: \$564/mt).

Profit after tax for the six months ended 30 June 2019 was \$0.3 million, 98% lower compared to a profit of \$16.2 million for the first six months of 2018.

The resulting basic earnings per share for the period decreased by 112% to a loss of 3.74cts (1H 2018: 30.90cts).

The Group's balance sheet remains strong. Net assets as at 30 June 2019 were \$472.7 million compared to \$463.8 million as at 30 June 2018 and \$464.6 million as at 31 December 2018. The increase in net assets was attributed to a \$10.5 million exchange translation gain for the first half of 2019 and a similar gain of \$8.1 million for the twelve months since June 2018. The Indonesian Rupiah has appreciated by 2% against the US dollar in each of the two respective periods.

As at 30 June 2019, the Group had cash and cash equivalents of \$100.1 million (1H 2018: \$130.1 million) and borrowings of \$16.1 million (1H 2018: \$25.6 million), giving it a net cash position of \$84.0 million, compared to \$104.5 million as at 30 June 2018. This is largely due to further investment in new planting, maintenance of immature areas and repayment of loans.

Chairman's Interim Statement (continued)

Operating costs

Operating costs per hectare for the Indonesian operations were higher in the first half of 2019 compared to the same period in 2018 mainly due to an increase in wages, estate upkeep and mill maintenance. Higher operating costs were also partly attributed to a 5% increase in newly matured areas where the yield remains relatively low.

Production and Sales

	2019	2018	2018
	6 months	6 months	Year
	to 30 June	to 30 June	to 31 December
	mt	mt	mt
Oil palm production			
FFB			
- all estates	470,300	477,400	1,035,800
- bought-in from third parties	402,900	473,100	1,010,000
Saleable CPO	177,500	193,800	418,800
Saleable palm kernels	42,300	46,700	99,200
Oil palm sales			
CPO	182,600	195,500	418,800
Palm kernels	41,200	45,000	99,900
FFB sold outside	23,300	14,000	24,700
Rubber production	202	291	637

The Group's six mills processed a total of 849,900mt in FFB for the first half of 2019, a 9% decrease compared to 936,500mt for the same period last year. The lower throughput was mainly due to lower production trend in Riau and Bengkulu. Production in Riau moderated after a bumper harvest last year when yield peaked at 29.4mt/ha while lower production in Bengkulu was likely weather induced. As a result of the low FFB prices, AEP estates in South Sumatera have started to sell their crops to local millers to save on the high transport costs to their own mills.

Overall CPO produced for the first half of 2019 was 8% lower at 177,500mt from 193,800mt. The oil extraction rate for the first half of 2019 improved marginally to 20.9% from 20.7% in the 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 three biogas plants in the Group produced over 7,470 MWh of electricity compared to 7,060 MWh in the same period last year. The third biogas plant located in Kalimantan began commercial operation in February this year.

Chairman's Interim Statement (continued)

Commodity prices

The CPO price ex-Rotterdam for first half of 2019 averaged \$527/mt, 20% lower than last year (1H 2018: \$661/mt). The price has gradually trended downwards from the start of the year at \$517/mt to close at \$501/mt on 28 June 2019 and has since increased to \$522/mt as at 14 August 2019. CPO prices are expected to remain subdued in the coming months due to oversupply, competitive pricing of other vegetable oils and projection of higher production in the second half of 2019.

Rubber price averaged \$1,315/mt, 1% lower than 2018 (1H 2018: \$1,329/mt).

Development

The Group's planted areas at 30 June 2019 comprised:

	Total Ha	Mature ha	Immature Ha
North Sumatera	19,194	15,311	3,883
Bengkulu	16,981	16,981	-
Riau	4,873	4,873	-
South Sumatera	6,271	5,344	927
Kalimantan	15,118	12,858	2,260
Bangka	1,183	538	645
Plasma	3,423	1,818	1,605
Indonesia	67,043	57,723	9,320
Malaysia	3,460	3,460	-
Total: 30 June 2019	70,503	61,183	9,320
Total: 31 December 2018	69,792	57,909	11,883
Total: 30 June 2018	68,703	58,266	10,437

The Group's new planting for the first six months of 2019 totalled 481ha compared to 427ha for the same period last year. New planting is delayed as the Group awaits results of a peer review of high carbon stock sustainability study which will determine areas in Central Kalimantan which cannot be planted with oil palm due to high conservation and high carbon stock values.

The Group remains optimistic that planting will continue to pick up in the second half of 2019. The Group's total landholding comprises some 128,200ha, of which the planted area stands around 70,503ha (1H 2018: 68,703ha) with the balance of estimated plantable land at 21,000ha.

Chairman's Interim Statement (continued)

The earthwork for the fourth biogas reactor lagoon has been completed. The contractor will begin civil works and the lining of the lagoon membrane which are expected to be completed by the fourth quarter of 2019. The sinking and uneven settlement of soil which have affected the progress of the construction of the seventh mill in North Sumatera have been addressed and the need for additional filling is being monitored. Tenders will be invited for the civil and mechanical works by the third quarter of 2019. The mill is scheduled for completion by 2021.

Dividend

As in previous years, no interim dividend has been declared. A final dividend of 3.0 cents per share in respect of the year ended 31 December 2018 was paid on 12 July 2019.

Outlook

The Group expects CPO prices to remain subdued due to likely higher output and inventories across the market in the second half of 2019. Analysts also highlighted the spread between CPO futures and spot prices has narrowed over the past months signalling the market's negative sentiments on CPO prices going forward. We expect production volumes in the second half of the year to improve.

Principal risks and uncertainties

We believe 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, 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 2018.

Chairman's Interim Statement (continued)

A more detailed explanation of the risks relevant to the Group is on pages 21 to 25 and from pages 92 to 97 of the 2018 annual report which is available at <https://www.angloeastern.co.uk/>.

Madam Lim Siew Kim
Chairman

20 August 2019

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 2019 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

20 August 2019

Condensed Consolidated Income Statement

	Notes	2019 6 months to 30 June (unaudited)			2018 6 months to 30 June (unaudited)			2018 Year to 31 December (audited)		
		Result before BA movement \$000	BA movement \$000	Total \$000	Result before BA movement \$000	BA movement \$000	Total \$000	Result before BA movement \$000	BA movement \$000	Total \$000
Continuing operations										
Revenue	4	97,863	-	97,863	133,331	-	133,331	250,859	-	250,859
Cost of sales		(94,432)	1,845	(92,587)	(108,458)	332	(108,126)	(206,224)	(2,286)	(208,510)
Gross profit		3,431	1,845	5,276	24,873	332	25,205	44,635	(2,286)	42,349
Administration expenses		(3,190)	-	(3,190)	(3,544)	-	(3,544)	(9,368)	-	(9,368)
Impairment losses		(2,337)	-	(2,337)	-	-	-	(4,339)	-	(4,339)
Operating (loss) / profit		(2,096)	1,845	(251)	21,329	332	21,661	30,928	(2,286)	28,642
Exchange gains / (losses)		163	-	163	(1,222)	-	(1,222)	(1,250)	-	(1,250)
Finance income		2,257	-	2,257	2,374	-	2,374	5,048	-	5,048
Finance expense	3	(569)	-	(569)	(793)	-	(793)	(1,511)	-	(1,511)
(Loss) / Profit before tax	4	(245)	1,845	1,600	21,688	332	22,020	33,215	(2,286)	30,929
Tax expense	5	(804)	(461)	(1,265)	(5,739)	(83)	(5,822)	(13,633)	571	(13,062)
(Loss) / Profit for the period		(1,049)	1,384	335	15,949	249	16,198	19,582	(1,715)	17,867
Attributable to:										
- Owners of the parent		(2,664)	1,181	(1,483)	12,037	209	12,246	12,882	(1,469)	11,413
- Non-controlling interests		1,615	203	1,818	3,912	40	3,952	6,700	(246)	6,454
		(1,049)	1,384	335	15,949	249	16,198	19,582	(1,715)	17,867
Earnings per share for (loss) / profit attributable to the owners of the parent during the period										
- basic	7			(3.74)cts			30.90cts			28.79cts
- diluted	7			(3.74)cts			30.87cts			28.79cts

Condensed Consolidated Statement of Comprehensive Income

	2019 6 months to 30 June (unaudited) \$000	2018 6 months to 30 June (unaudited) \$000	2018 Year to 31 December (audited) \$000
Profit for the period	335	16,198	17,867
Other comprehensive expenses:			
<i>Items may be reclassified to profit or loss:</i>			
Profit / (loss) on exchange translation of foreign operations	10,523	(27,093)	(29,550)
Net other comprehensive income / (expenses) may be reclassified to profit or loss	10,523	(27,093)	(29,550)
<i>Items not to be reclassified to profit or loss:</i>			
Unrealised (loss) / gain on revaluation of leasehold land, net of tax	(1,521)	(531)	137
Remeasurement of retirement benefits plan, net of tax	-	-	894
Net other comprehensive (expenses) / income not being reclassified to profit or loss	(1,521)	(531)	1,031
Total other comprehensive income / (expenses) for the period, net of tax	9,002	(27,624)	(28,519)
Total comprehensive income / (expenses) for the period	9,337	(11,426)	(10,652)
Attributable to:			
- Owners of the parent	5,475	(10,906)	(11,527)
- Non-controlling interests	3,862	(520)	875
	9,337	(11,426)	(10,652)

Condensed Consolidated Statement of Financial Position

	2019 as at 30 June (unaudited) \$000	2018 as at 30 June (unaudited) \$000	2018 as at 31 December (audited) \$000
Non-current assets			
Property, plant and equipment	350,914	337,719	340,367
Receivables	13,343	8,746	11,020
Deferred tax assets	15,318	10,857	11,147
	379,575	357,322	362,534
Current assets			
Inventories	10,015	10,718	9,540
Tax receivables	38,521	34,327	44,310
Biological assets	6,041	6,695	4,093
Trade and other receivables	6,159	6,308	5,203
Cash and cash equivalents	100,123	130,127	112,212
	160,859	188,175	175,358
Current liabilities			
Loans and borrowings	(13,328)	(11,844)	(11,078)
Trade and other payables	(17,452)	(20,553)	(20,083)
Tax liabilities	(4,847)	(4,688)	(5,626)
Dividend payables	(1,262)	(1,617)	(37)
	(36,889)	(38,702)	(36,824)
Net current assets	123,970	149,473	138,534
Non-current liabilities			
Loans and borrowings	(2,734)	(13,719)	(8,203)
Deferred tax liabilities	(19,032)	(20,023)	(20,040)
Retirement benefits - net liabilities	(9,107)	(9,246)	(8,244)
	(30,873)	(42,988)	(36,487)
Net assets	472,672	463,807	464,581

Condensed Consolidated Statement of Financial Position (continued)

	2019 as at 30 June (unaudited) \$000	2018 as at 30 June (unaudited) \$000	2018 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	49,864	50,789	51,308
Exchange reserves	(236,768)	(244,088)	(245,170)
Retained earnings	523,815	526,545	526,487
	376,266	372,601	371,980
Non-controlling interests	96,406	91,206	92,601
Total equity	472,672	463,807	464,581

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the parent								Non-controlling interests \$000	Total equity \$000
	Share capital \$000	Treasury shares \$000	Share premium \$000	Capital redemption reserve \$000	Revaluation reserves \$000	Exchange Reserves \$000	Retained earnings \$000	Total \$000		
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 gain on revaluation of leasehold land, net of tax	-	-	-	-	20	-	-	20	117	137
-Remeasurement of retirement benefits plan, net of tax	-	-	-	-	-	-	775	775	119	894
-Loss on exchange translation of foreign operations	-	-	-	-	-	(23,735)	-	(23,735)	(5,815)	(29,550)
Total other comprehensive income / (expenses)	-	-	-	-	20	(23,735)	775	(22,940)	(5,579)	(28,519)
Profit for the year	-	-	-	-	-	-	11,413	11,413	6,454	17,867
Total comprehensive income / (expenses) for the year	-	-	-	-	20	(23,735)	12,188	(11,527)	875	(10,652)
Dividends paid	-	-	-	-	-	-	(1,585)	(1,585)	(73)	(1,658)
Balance at 31 December 2018	15,504	(1,171)	23,935	1,087	51,308	(245,170)	526,487	371,980	92,601	464,581
Items of other comprehensive income:										
-Unrealised loss on revaluation of leasehold land, net of tax	-	-	-	-	(1,444)	-	-	(1,444)	(77)	(1,521)
-Gain on exchange translation of foreign operations	-	-	-	-	-	8,402	-	8,402	2,121	10,523
Total other comprehensive (expenses) / income	-	-	-	-	(1,444)	8,402	-	6,958	2,044	9,002
(Loss) / Profit for the period	-	-	-	-	-	-	(1,483)	(1,483)	1,818	335
Total comprehensive (expenses) / income for the period	-	-	-	-	(1,444)	8,402	(1,483)	5,475	3,862	9,337
Dividends payable	-	-	-	-	-	-	(1,189)	(1,189)	(57)	(1,246)
Balance at 30 June 2019	15,504	(1,171)	23,935	1,087	49,864	(236,768)	523,815	376,266	96,406	472,672

Condensed Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the parent								Non-controlling interests \$000	Total Equity \$000
	Share capital \$000	Treasury shares \$000	Share premium \$000	Capital redemption reserve \$000	Revaluation reserves \$000	Exchange reserves \$000	Retained earnings \$000	Total \$000		
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)
-Gain on exchange translation of foreign operations	-	-	-	-	-	(22,653)	-	(22,653)	(4,440)	(27,093)
Total other comprehensive (expenses) / income	-	-	-	-	(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 Cash Flows

	2019 6 months to 30 June (unaudited) \$000	2018 6 months to 30 June (unaudited) \$000	2018 Year to 31 December (audited) \$000
Cash flows from operating activities			
Profit before tax	1,600	22,020	30,929
Adjustments for:			
Biological assets movement	(1,845)	(332)	2,286
Gains on disposal of property, plant and equipment	(21)	(8)	(21)
Depreciation	8,511	8,375	16,752
Retirement benefit provisions	764	878	1,250
Net finance income	(1,688)	(1,581)	(3,537)
Unrealised (gains) / losses in foreign exchange	(163)	1,222	1,250
Property, plant and equipment written off	46	17	620
Impairment losses	2,337	-	4,339
Operating cash flows before changes in working capital	9,541	30,591	53,868
Increase in inventories	(246)	(1,877)	(746)
Increase in non-current, trade and other receivables	(3,383)	(1,062)	(2,173)
(Decrease) / Increase in trade and other payables	(2,774)	4,629	4,148
Cash inflows from operations	3,138	32,281	55,097
Interest paid	(569)	(793)	(1,511)
Retirement benefits paid	(103)	(83)	(257)
Overseas tax paid	(162)	(19,636)	(36,508)
Net cash flows from operating activities	2,304	11,769	16,821
Investing activities			
Property, plant and equipment			
- purchases	(15,992)	(13,279)	(30,282)
- sales	52	41	42
Interest received	2,257	2,374	5,048
Net cash used in investing activities	(13,683)	(10,864)	(25,192)

Condensed Consolidated Statement of Cash Flows (continued)

	2019 6 months to 30 June (unaudited) \$000	2018 6 months to 30 June (unaudited) \$000	2018 Year to 31 December (audited) \$000
Financing activities			
Dividends paid to the holders of the parent	-	-	(1,585)
Dividends paid to non-controlling interests	(57)	(73)	(73)
Repayment of existing long-term loans	(3,219)	(2,313)	(8,594)
Net cash used in financing activities	(3,276)	(2,386)	(10,252)
Net decrease in cash and cash equivalents	(14,655)	(1,481)	(18,623)
Cash and cash equivalents			
At beginning of period	112,212	139,489	139,489
Exchange gains / (losses)	2,566	(7,881)	(8,654)
At end of period	100,123	130,127	112,212
Comprising:			
Cash at end of period	100,123	130,127	112,212

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 2018 Annual Report. The financial information for the half years ended 30 June 2019 and 30 June 2018 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 2018 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2018 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2018 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.

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.

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 2019 and will be adopted in the 2019 annual financial statements. The new standard impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2019, and which has given rise to changes in the Group's accounting policies is IFRS 16 *Leases*.

Details of the impact of 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 16 Leases

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a leased liability representing its obligation to make lease payments. The impact to the Group is immaterial.

Notes to the interim statements (continued)

2. Foreign exchange

	2019 6 months to 30 June (unaudited)	2018 6 months to 30 June (unaudited)	2018 Year to 31 December (audited)
Closing exchange rates			
Rp : \$	14,141	14,404	14,481
\$: £	1.27	1.32	1.28
RM : \$	4.13	4.04	4.13
Average exchange rates			
Rp : \$	14,197	13,753	14,246
\$: £	1.29	1.38	1.33
RM : \$	4.12	3.94	4.04

3. Finance expense

	2019 6 months to 30 June (unaudited) \$000	2018 6 months to 30 June (unaudited) \$000	2018 Year to 31 December (audited) \$000
Payable	569	793	1,511

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 2019 (unaudited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	34,900	28,837	813	15,902	217	14,474	95,143	854	-	95,997
- Rubber	266	-	-	-	-	-	266	-	-	266
- Shell nut	189	242	-	290	-	17	738	-	-	738
- Biomass products	303	-	-	-	-	-	303	-	-	303
- Biogas products	33	229	-	-	-	123	385	-	-	385
- Others	34	29	25	-	-	28	116	58	-	174
Total revenue	35,725	29,337	838	16,192	217	14,642	96,951	912	-	97,863
Profit / (loss) before tax	701	1,509	(3,533)	3,941	(242)	(1,451)	925	(401)	(769)	(245)
BA movement	805	651	50	(42)	13	348	1,825	20	-	1,845
Profit / (loss) for the period before tax per consolidated income statement	1,506	2,160	(3,483)	3,899	(229)	(1,103)	2,750	(381)	(769)	1,600
Interest income	1,012	962	2	180	-	16	2,172	83	2	2,257
Depreciation	(2,026)	(2,142)	(1,205)	(447)	(135)	(2,306)	(8,261)	(250)	-	(8,511)
Impairment losses	-	-	(115)	-	-	(2,222)	(2,337)	-	-	(2,337)
Inter-segment transactions	2,514	(1,010)	(367)	(290)	(61)	(972)	(186)	58	128	-
Inter-segmental revenue	10,314	560	622	-	-	624	12,120	-	-	12,120
Tax expense	(2,730)	(59)	2,155	(2,216)	154	1,593	(1,103)	(117)	(45)	(1,265)
Total assets	176,332	120,118	45,785	33,772	12,600	124,385	512,992	21,553	5,889	540,434
Non-current assets	108,550	71,925	43,493	17,975	12,238	105,731	359,912	16,630	3,033	379,575
Non-current assets - additions	4,377	2,127	1,521	111	1,935	5,540	15,611	95	-	15,706

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 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
Interest income	788	1,309	1	182	-	11	2,291	82	1	2,374
Depreciation	(2,008)	(2,033)	(1,276)	(463)	(119)	(2,215)	(8,114)	(261)	-	(8,375)
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
Year to 31 December 2018 (audited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	84,771	79,652	1	43,970	261	34,848	243,503	2,092	-	245,595
- Rubber	792	-	-	-	-	-	792	-	-	792
- Shell nut	651	432	-	930	-	34	2,047	-	-	2,047
- Biomass products	914	-	-	-	-	-	914	-	-	914
- Biogas products	417	446	-	-	-	-	863	-	-	863
- Others	519	38	18	-	-	73	648	-	-	648
Total revenue	88,064	80,568	19	44,900	261	34,955	248,767	2,092	-	250,859
Profit / (loss) before tax	12,993	18,753	(7,445)	13,112	(531)	(557)	36,325	(894)	(2,216)	33,215
BA movement	(296)	(1,074)	(93)	(272)	(4)	(479)	(2,218)	(68)	-	(2,286)
Profit / (loss) for the year before tax per consolidated income statement	12,697	17,679	(7,538)	12,840	(535)	(1,036)	34,107	(962)	(2,216)	30,929
Interest income	1,594	2,978	3	318	-	20	4,913	133	2	5,048
Depreciation	(4,031)	(4,120)	(2,530)	(900)	(234)	(4,425)	(16,240)	(512)	-	(16,752)
Impairment losses	-	-	(914)	-	-	(3,425)	(4,339)	-	-	(4,339)
Inter-segment transactions	4,887	(2,021)	(700)	(579)	(94)	(1,870)	(377)	103	274	-
Inter-segmental revenue	24,409	1,608	3,710	-	-	1,049	30,776	-	-	30,776
Tax expense	(7,872)	(2,994)	1,862	(5,351)	151	1,154	(13,050)	19	(31)	(13,062)
Total assets	188,266	118,098	41,074	36,900	11,815	113,186	509,339	22,347	6,206	537,892
Non-current assets	103,648	70,237	39,672	17,884	11,588	99,738	342,767	16,783	2,984	362,534
Non-current assets - additions	8,578	4,460	3,753	472	1,647	11,355	30,265	110	-	30,375

Notes to the interim statements (continued)

4. Segment information (continued)

In the 6 months to 30 June 2019, revenues from 4 customers of the Indonesian segment represent approximately \$57.2m (1H 2018: \$60.1m) of the Group's total revenues. In year 2018, revenues from 4 customers of the Indonesian segment represent approximately \$115.4m of the Group's total revenues. An analysis of this revenue is provided below. Although Customer 1 to 3 each contribute over 10% of the Group's total revenue, there is no over reliance on these Customers as tenders are performed on a monthly basis. Two of the top four customers are the same as in the year to 31 December 2018.

	2019 6 months to 30 June (unaudited)		2018 6 months to 30 June (unaudited)		2018 Year to 31 December (audited)	
	\$m	%	\$m	%	\$m	%
Major Customers						
Customer 1	21.8	22.3	18.6	14.0	37.1	14.8
Customer 2	16.9	17.2	15.3	11.5	29.6	11.8
Customer 3	10.4	10.6	14.7	11.0	24.9	9.9
Customer 4	8.1	8.3	11.5	8.6	23.8	9.5
Total	57.2	58.4	60.1	45.1	115.4	46.0

Notes to the interim statements (continued)

5. Tax expense

	2019 6 months to 30 June (unaudited) \$000	2018 6 months to 30 June (unaudited) \$000	2018 Year to 31 December (audited) \$000
Foreign corporation tax - current year	6,087	9,043	16,852
Foreign corporation tax - prior year	-	6	70
Deferred tax adjustment - origination and reversal of temporary differences	(4,822)	(3,227)	(3,860)
	1,265	5,822	13,062

6. Dividend

The final and only dividend in respect of 2018, amounting to 3.0 cents per share, or \$1,189,091 was paid on 12 July 2019 (2017: 4.0 cents per share, or \$1,585,455, paid on 13 July 2018). As in previous years, no interim dividend has been declared.

7. Earnings per ordinary share ("EPS")

	2019 6 months to 30 June (unaudited) \$000	2018 6 months to 30 June (unaudited) \$000	2018 Year to 31 December (audited) \$000
(Loss) / Profit for the period attributable to owners of the Company before BA movement	(2,664)	12,037	12,882
BA movement	1,181	209	(1,469)
Earnings used in basic and diluted EPS	(1,483)	12,246	11,413
	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	-
- used in diluted EPS	39,636	39,669	39,636
Basic EPS before BA movement	(6.72)cts	30.37cts	32.50cts
Basic EPS after BA movement	(3.74)cts	30.90cts	28.79cts
Dilutive EPS before BA movement	(6.72)cts	30.34cts	32.50cts
Dilutive EPS after BA movement	(3.74)cts	30.87cts	28.79cts

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:

	2019		2018		2018	
	6 months		6 months		Year	
	to 30 June		to 30 June		to 31 December	
	(unaudited)		(unaudited)		(audited)	
	Carrying	Fair	Carrying	Fair	Carrying	Fair
	amount	value	amount	value	amount	value
	\$000	\$000	\$000	\$000	\$000	\$000
Non-current receivables						
Due from non-controlling interests	3,022	1,850	2,977	1,837	2,965	1,833
Due from cooperatives under Plasma scheme	10,321	7,407	5,769	5,495	8,055	6,240
	13,343	9,257	8,746	7,332	11,020	8,073
Borrowings due after one year						
Long-term loan	2,734	2,473	13,719	13,403	8,203	7,742

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 2018 and 2018: 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 6.58% (1H 2018: 6.05%, 2018: 6.58%).	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 6.58% (1H 2018: 6.05%, 2018: 6.58%).	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 2019 are available on the AEP website at <https://www.angloeastern.co.uk/>.