



Anglo-Eastern Plantations Plc

Company Number: 1884630

**INTERIM REPORT
30 JUNE 2020**

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Chairman's Interim Statement

There is cautious reprieve from the Coronavirus pandemic as many countries are easing their lockdowns and encouraging their population to return to economic activities but to remain safe. There are expectations of a second wave and in fact some countries are experiencing it. We have gone through more than three months of the COVID-19 outbreak without significant impact to our productions as our plantations and mills have been able to operate close to normal levels. Likewise, the demand for Crude Palm Oil ("CPO") during the pandemic has not been affected, as reflected in the six months results to 30 June 2020.

While the total lockdown in Malaysia and Indonesia due to COVID-19 has been progressively lifted, local movement is still restricted and most international flights have not been restored. The Group continues to practise safety protocols like encouraging employees to wear masks, keep their distance, practise personal hygiene and avoid crowded places to minimize the spread of the virus. The pandemic is far from over as Indonesia reported more confirmed cases of COVID-19 compared to China.

As we are still facing a period of uncertainty, the Board and the management have carried out stress tests to ensure that the Group has adequate financial resources in a reasonable worse case scenario to remain as a going concern for at least twelve months from the date of this report. By the same token we have also carried out assessments of our significant assets to determine whether such assets need to be impaired as a result of the pandemic.

The interim results for the Group for the six months to 30 June 2020 are as follows:

Revenue for the six months to 30 June was \$123.1 million, 26% higher than \$97.9 million reported for the same period of 2019. The Group's gross profit was \$21.8 million compared to \$5.3 million for the first six months of 2019. Overall profit before tax for the first half of 2020 increased more than ten fold to \$16.8 million (after biological assets movement) against \$1.6 million for the corresponding period in 2019. This was attributed mainly to higher CPO prices and production.

Fresh Fruit Bunches ("FFB") production for the first half of 2020 was 9% higher at 511,700mt compared to 470,300mt in the same period last year due to better weather and increased matured area. Bengkulu plantations reported a 20% increase in crop production as the region recovered from the moisture stress. Young matured oil palms in North Sumatera are growing well and reported an 11% better harvest in the same period. Bought-in crops for the first half of 2020 also increased by 6% to 425,400mt from 402,900mt due to an abundance of crops in the Bengkulu region.

Operational and financial performance

For the six months ended 30 June 2020, gross profit margin increased to 17.7% from 5.4% as the Group experienced higher CPO and palm kernel prices.

CPO price ex-Rotterdam averaged \$648/mt for the first six months to 30 June 2020, 23% higher than \$527/mt over the same period in 2019. Our Group's average ex-mill price for CPO was higher at \$551/mt for the same period (1H 2019: \$466/mt).

Profit after tax for the six months ended 30 June 2020 was \$12.5 million, compared to a profit of \$0.3 million for the first six months of 2019, as a result of the increased gross profit margin.

Chairman's Interim Statement (continued)

The resulting basic earnings per share for the period was 26.35cts (1H 2019: loss of 3.74cts).

The Group's balance sheet remains strong. Net assets as at 30 June 2020 were \$493.2 million compared to \$472.7 million as at 30 June 2019 and \$495.8 million as at 31 December 2019. The increase in net assets from the last interim report was attributed to higher profit and lower capital expenditure. The Indonesian Rupiah has depreciated by 3% against the US dollar in the first half of 2020.

As at 30 June 2020, the Group had cash and cash equivalents of \$91.4 million (1H 2019: \$100.1 million) and borrowings of \$2.7 million (1H 2019: \$16.1 million), giving it a net cash position of \$88.7 million, compared to \$84.0 million as at 30 June 2019 and \$76.6 million as at 31 December 2019.

Operating costs

Operating costs for the Indonesian operations were higher in the first half of 2020 compared to the same period in 2019 mainly due to an increase in bought-in crops from third parties, higher wages due to the annual increase in minimum wage rates and a 5% increase in newly matured areas where the yield remains relatively low.

Production and Sales

	2020	2019	2019
	6 months	6 months	Year
	to 30 June	to 30 June	to 31 December
	mt	mt	mt
Oil palm production			
FFB			
- all estates	511,700	470,300	1,025,100
- bought-in from third parties	425,400	402,900	907,100
Saleable CPO	189,900	177,500	394,700
Saleable palm kernels	45,300	42,300	93,100
Oil palm sales			
CPO	195,900	182,600	397,300
Palm kernels	45,200	41,200	92,900
FFB sold outside	19,000	23,300	62,100
Rubber production	215	202	514

The Group's six mills processed a total of 918,100mt in FFB for the first half of 2020, an 8% increase compared to 849,900mt for the same period last year. The higher throughput was due to the higher FFB supplied from both own estates and bought-in from third parties due to reasons explained earlier.

Chairman's Interim Statement (continued)

Overall CPO produced for the first half of 2020 was 7% higher at 189,900mt from 177,500mt. The oil extraction rate for the first half of 2020 decreased to 20.7% from 20.9% in the same period last year. External crops, which made up 46% of the crop processed compared to 47% in the first half of 2020, were mainly made up of dura variety which has a thinner mesocarp resulting in lower oil content. The withdrawal of fertiliser for older trees due for replanting may also have contributed to an overall decline in oil extraction rate.

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 10,510 MWh of electricity compared to 7,470 MWh in the same period last year. However with the COVID-19 pandemic in Indonesia, many industries remain shut reducing the demand for power. The national grid temporarily suspended the uptake of electricity from one of our biogas plants in June 2020 until the economy recovers. There is a high risk that the authorities may reduce power purchases from biogas plants in North Sumatera despite the lower cost and cleaner energy as other power producers intensified their lobby for their energy to be prioritised for purchase.

Commodity prices

The CPO price ex-Rotterdam for the first half of 2020 averaged \$648/mt, 23% higher than last year (1H 2019: \$527/mt). The price has gradually trended downwards from the start of the year at \$878/mt to close at \$576/mt on 30 June 2020 but has since increased to \$702/mt as at 19 August 2020. CPO prices are expected to remain volatile and under pressure for the second half of 2020.

Rubber price averaged \$1,174/mt, 11% lower than 2019 (1H 2019: \$1,315/mt).

Development

The Group's planted areas at 30 June 2020 comprised:

	Total Ha	Mature ha	Immature Ha
North Sumatera	19,069	16,704	2,365
Bengkulu	16,844	16,844	-
Riau	4,873	4,873	-
South Sumatera	6,355	5,466	889
Kalimantan	15,900	13,441	2,459
Bangka	2,062	647	1,415
Plasma	3,885	2,612	1,273
Indonesia	68,988	60,587	8,401
Malaysia	3,453	3,453	-
Total: 30 June 2020	72,441	64,040	8,401
Total: 31 December 2019	71,481	61,151	10,330
Total: 30 June 2019	70,503	61,183	9,320

Chairman's Interim Statement (continued)

The Group's new planting and replanting for the first six months of 2020 totalled 971ha compared to 481ha for the same period last year. In addition, Plasma planting for the period was 216ha (1H 2019: 242ha).

The Group remains optimistic that it will meet substantially its total planting target of 3,100ha in 2020. The Group's total landholding comprises some 128,200ha, of which the planted area stands at around 72,441ha (1H 2019: 70,503ha) with the balance of estimated plantable land at 18,300ha.

The fourth biogas plant has been completed and work to connect its electricity supply to the national grid is in progress. The progress has however been slow due to the lockdown caused by the COVID-19 pandemic in Indonesia. The state electricity board is also evaluating the need to purchase as power demand has dropped drastically due to the economic lockdown.

Due to the virus pandemic in Indonesia, the Group is evaluating the tenders received for the civil and structural works for the seventh mill in North Sumatera to further reduce the cost of construction. The mill completion is likely to be delayed and is now scheduled for completion by 2022.

Dividend

As in previous years, no interim dividend has been declared. A final dividend of 0.5 cents per share in respect of the year ended 31 December 2019 was paid on 17 July 2020.

Outlook

There are rising concerns of a second wave of the virus pandemic in key importing countries in the second half of 2020 which may cloud market demand. The prolonged uncertainties together with low crude oil prices and higher seasonal crop production may put some downward pressure on CPO prices. Furthermore, it was reported that China may potentially import and crush more soybeans to feed and rebuild its hog population decimated by the swine flu resulting in more supply of rival soy oil in the China market. Palm oil used for biodiesel blending is also likely to suffer as a result of economic lockdown dampening demand and prices.

Principal risks and uncertainties

We believe that the potential impact on the Group, of the United Kingdom ("UK") leaving the European Union is limited, unless Brexit causes a worldwide recession. Other than maintaining its corporate presence and listing in the UK, all plantation and mill operations together with marketing are primarily based in Indonesia. I have previously mentioned in our last Annual Report that the prolonged lockdown arising from the Coronavirus pandemic could lead to a worldwide recession which could in turn have an adverse impact on the consumption and usage of palm oil. In this context, the UK has been reported to be in recession. The principal risks and uncertainties, including the risks due to the Coronavirus pandemic, have broadly remained the same since the publication of the annual report for the year ended 31 December 2019.

Chairman's Interim Statement (continued)

A more detailed explanation of the risks relevant to the Group is on pages 23 to 27 and from pages 101 to 106 of the 2019 annual report which is available at <https://www.angloeastern.co.uk/>.

Madam Lim Siew Kim
Chairman

26 August 2020

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 interim 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 2020 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

26 August 2020

Condensed Consolidated Income Statement

	Notes	2020 6 months to 30 June (unaudited)			2019 6 months to 30 June (unaudited)			2019 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	3	123,098	-	123,098	97,863	-	97,863	219,136	-	219,136
Cost of sales		(100,989)	(298)	(101,287)	(94,432)	1,845	(92,587)	(199,515)	3,255	(196,260)
Gross profit		22,109	(298)	21,811	3,431	1,845	5,276	19,621	3,255	22,876
Administration expenses		(3,336)	-	(3,336)	(3,143)	-	(3,143)	(8,068)	-	(8,068)
(Impairment losses) / Reversal of impairment		(2,491)	-	(2,491)	(2,337)	-	(2,337)	6,590	-	6,590
Provision for expected credit loss		(313)	-	(313)	(47)	-	(47)	(5,965)	-	(5,965)
Operating profit / (loss)		15,969	(298)	15,671	(2,096)	1,845	(251)	12,178	3,255	15,433
Exchange (losses) / gains		(11)	-	(11)	163	-	163	251	-	251
Finance income		1,376	-	1,376	2,257	-	2,257	4,169	-	4,169
Finance expense	4	(236)	-	(236)	(569)	-	(569)	(980)	-	(980)
Profit / (Loss) before tax	5	17,098	(298)	16,800	(245)	1,845	1,600	15,618	3,255	18,873
Tax expense	6	(4,415)	75	(4,340)	(804)	(461)	(1,265)	(1,885)	(814)	(2,699)
Profit / (Loss) for the period		12,683	(223)	12,460	(1,049)	1,384	335	13,733	2,441	16,174
Attributable to:										
- Owners of the parent		10,633	(190)	10,443	(2,664)	1,181	(1,483)	14,019	2,077	16,096
- Non-controlling interests		2,050	(33)	2,017	1,615	203	1,818	(286)	364	78
		12,683	(223)	12,460	(1,049)	1,384	335	13,733	2,441	16,174
Earnings per share for profit / (loss) attributable to the owners of the parent during the period										
- basic	8			26.35cts			(3.74)cts			40.61cts
- diluted	8			26.35cts			(3.74)cts			40.61cts

Condensed Consolidated Statement of Comprehensive Income

	2020 6 months to 30 June (unaudited) \$000	2019 6 months to 30 June (unaudited) \$000	2019 Year to 31 December (audited) \$000
Profit for the period	12,460	335	16,174
Other comprehensive expenses:			
<i>Items may be reclassified to profit or loss:</i>			
(Loss) / gain on exchange translation of foreign operations	(13,973)	10,523	18,680
Net other comprehensive (expenses) / income may be reclassified to profit or loss	(13,973)	10,523	18,680
<i>Items not to be reclassified to profit or loss:</i>			
Unrealised loss on revaluation of leasehold land, net of tax	(932)	(1,521)	(1,715)
Remeasurement of retirement benefits plan, net of tax	-	-	(768)
Net other comprehensive expenses not being reclassified to profit or loss	(932)	(1,521)	(2,483)
Total other comprehensive (expenses) / income for the period, net of tax	(14,905)	9,002	16,197
Total comprehensive (expenses) / income for the period	(2,445)	9,337	32,371
Attributable to:			
- Owners of the parent	(1,560)	5,475	28,550
- Non-controlling interests	(885)	3,862	3,821
	(2,445)	9,337	32,371

Condensed Consolidated Statement of Financial Position

	2020 as at 30 June (unaudited) \$000	2019 as at 30 June (unaudited) \$000	2019 as at 31 December (audited) \$000
Non-current assets			
Property, plant and equipment	355,006	350,914	367,891
Receivables	17,895	13,343	16,500
Deferred tax assets	12,470	15,318	11,251
	385,371	379,575	395,642
Current assets			
Inventories	6,297	10,015	8,752
Tax receivables	50,028	38,521	49,527
Biological assets	7,054	6,041	7,574
Trade and other receivables	6,108	6,159	5,774
Cash and cash equivalents	91,442	100,123	84,846
	160,929	160,859	156,473
Current liabilities			
Loans and borrowings	(2,734)	(13,328)	(8,203)
Trade and other payables	(17,178)	(17,452)	(16,110)
Tax liabilities	(4,667)	(4,847)	(2,898)
Dividend payables	(221)	(1,262)	(23)
Lease liabilities	(221)	-	(222)
	(25,021)	(36,889)	(27,456)
Net current assets	135,908	123,970	129,017
Non-current liabilities			
Loans and borrowings	-	(2,734)	-
Deferred tax liabilities	(15,984)	(19,032)	(17,047)
Retirement benefits - net liabilities	(11,792)	(9,107)	(11,338)
Lease liabilities	(328)	-	(456)
	(28,104)	(30,873)	(28,841)
Net assets	493,175	472,672	495,818

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Condensed Consolidated Statement of Financial Position (continued)

	2020 as at 30 June (unaudited) \$000	2019 as at 30 June (unaudited) \$000	2019 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	47,530	49,864	48,413
Exchange reserves	(240,146)	(236,768)	(229,026)
Retained earnings	552,660	523,815	542,415
	399,399	376,266	401,157
Non-controlling interests	93,776	96,406	94,661
Total equity	493,175	472,672	495,818

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 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) / gain on revaluation of leasehold land, net of tax	-	-	-	-	(3,040)	1,211	-	(1,829)	114	(1,715)
-Remeasurement of retirement benefits plan, net of tax	-	-	-	-	-	-	(650)	(650)	(118)	(768)
-Gain on exchange translation of foreign operations	-	-	-	-	-	14,933	-	14,933	3,747	18,680
Total other comprehensive (expenses) / income	-	-	-	-	(3,040)	16,144	(650)	12,454	3,743	16,197
Profit for the year	-	-	-	-	-	-	16,096	16,096	78	16,174
Total comprehensive (expenses) / income for the year	-	-	-	-	(3,040)	16,144	15,446	28,550	3,821	32,371
Issue of subsidiaries shares to non-controlling interests	-	-	-	-	-	-	-	-	512	512
Accretion from change in stake	-	-	-	-	145	-	1,671	1,816	(1,816)	-
Dividends paid	-	-	-	-	-	-	(1,189)	(1,189)	(457)	(1,646)
Balance at 31 December 2019	15,504	(1,171)	23,935	1,087	48,413	(229,026)	542,415	401,157	94,661	495,818
Items of other comprehensive income:										
-Unrealised loss on revaluation of leasehold land, net of tax	-	-	-	-	(883)	-	-	(883)	(49)	(932)
-Loss on exchange translation of foreign operations	-	-	-	-	-	(11,120)	-	(11,120)	(2,853)	(13,973)
Total other comprehensive expenses	-	-	-	-	(883)	(11,120)	-	(12,003)	(2,902)	(14,905)
Profit for the period	-	-	-	-	-	-	10,443	10,443	2,017	12,460
Total comprehensive (expenses) / income for the period	-	-	-	-	(883)	(11,120)	10,443	(1,560)	(885)	(2,445)
Dividends payable	-	-	-	-	-	-	(198)	(198)	-	(198)
Balance at 30 June 2020	15,504	(1,171)	23,935	1,087	47,530	(240,146)	552,660	399,399	93,776	493,175

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 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 Cash Flows

	2020 6 months to 30 June (unaudited) \$000	2019 6 months to 30 June (unaudited) \$000	2019 Year to 31 December (audited) \$000
Cash flows from operating activities			
Profit before tax	16,800	1,600	18,873
Adjustments for:			
Biological assets movement	298	(1,845)	(3,255)
Gain / (Loss) on disposal of property, plant and equipment	26	(21)	(83)
Depreciation	8,993	8,511	18,590
Retirement benefit provisions	932	764	2,152
Net finance income	(1,140)	(1,688)	(3,189)
Unrealised loss / (gain) in foreign exchange	11	(163)	(251)
Property, plant and equipment written off	263	46	261
Impairment losses / (Reversal of impairment)	2,491	2,337	(6,590)
Provision for expected credit loss	313	47	5,965
Operating cash flows before changes in working capital	28,987	9,588	32,473
(Increase) / Decrease in inventories	2,209	(246)	1,185
Increase in non-current, trade and other receivables	(372)	(1,160)	(1,586)
Increase / (Decrease) in trade and other payables	1,786	(2,778)	(4,629)
Cash inflows from operations	32,610	5,404	27,443
Interest paid	(217)	(569)	(939)
Retirement benefits paid	(175)	(103)	(475)
Overseas tax paid	(6,147)	(162)	(11,438)
Net cash flows from operating activities	26,071	4,570	14,591
Investing activities			
Property, plant and equipment			
- purchases	(11,141)	(15,992)	(33,169)
- sales	50	52	135
Interest received	1,376	2,257	4,169
Increase in receivables from cooperatives under plasma scheme	(1,792)	(2,266)	(5,116)
Net cash used in investing activities	(11,507)	(15,949)	(33,981)

Condensed Consolidated Statement of Cash Flows (continued)

	2020 6 months to 30 June (unaudited) \$000	2019 6 months to 30 June (unaudited) \$000	2019 Year to 31 December (audited) \$000
Financing activities			
Dividends paid to the holders of the parent	-	-	(1,240)
Dividends paid to non-controlling interests	-	(57)	(457)
Issue of subsidiaries shares to non-controlling interests	-	-	512
Repayment of existing long-term loans	(5,425)	(3,219)	(11,078)
Repayment of lease liabilities - principal	(106)	-	(169)
Repayment of lease liabilities - interest	(19)	-	(41)
Net cash used in financing activities	(5,550)	(3,276)	(12,473)
Net increase / (decrease) in cash and cash equivalents	9,014	(14,655)	(31,863)
Cash and cash equivalents			
At beginning of period	84,846	112,212	112,212
Exchange (losses) / gains	(2,418)	2,566	4,497
At end of period	91,442	100,123	84,846
Comprising:			
Cash at end of period	91,442	100,123	84,846

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 2019 Annual Report. The financial information for the half years ended 30 June 2020 and 30 June 2019 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 2019 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2019 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2019 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.

The Directors have a reasonable expectation, having made the appropriate enquiries, that the Group has control of the monthly cashflows and that the Group has sufficient cash resources to cover the fixed cashflows for a period of at least 12 months from the date of approval of these interim report, including having to make full repayment of the bank loan. For these reasons, the Directors adopted a going concern basis in the preparation of the interim report. The Directors have made this assessment after consideration of the Group's budgeted cash flows and related assumptions including appropriate stress testing of identified uncertainties, specifically on the potential shut down of the entire operations if all the plantations are infected with Coronavirus as well as the impact on the demand for palm oil due to the Coronavirus pandemic. Stress testing of other identified uncertainties was undertaken on primarily commodity prices and currency exchange rates.

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.

Notes to the interim statements (continued)

2. Foreign exchange

	2020 6 months to 30 June (unaudited)	2019 6 months to 30 June (unaudited)	2019 Year to 31 December (audited)
Closing exchange rates			
Rp : \$	14,302	14,141	13,901
\$: £	1.24	1.27	1.32
RM : \$	4.28	4.13	4.09
Average exchange rates			
Rp : \$	14,600	14,197	14,146
\$: £	1.26	1.29	1.28
RM : \$	4.25	4.12	4.14

3. Revenue

Disaggregation of Revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- Depict how the nature, amount and uncertainty of revenue and cash flows are affected by timing of revenue recognition; and
- Enable users to understand the relationship with revenue segment information provided in note 5.

There is no right of return and warranty provided to the customers on the sale of products and services rendered.

6 months to 30 June 2020	CPO, palm kernel and FFB \$000	Rubber \$000	Shell nut \$000	Biomass products \$000	Biogas products \$000	Others \$000	Total \$000
Contract counterparties							
Government	-	-	-	-	551	-	551
Non-government							
- Wholesalers	120,002	252	1,649	213	-	431	122,547
	120,002	252	1,649	213	551	431	123,098
Timing of transfer of goods							
Delivery to customer premises	2,073	252	-	-	-	-	2,325
Delivery to port of departure	-	-	-	213	-	-	213
Customer collect from our mills / estates	117,929	-	1,649	-	-	-	119,578
Upon generation / others	-	-	-	-	551	431	982
	120,002	252	1,649	213	551	431	123,098

Notes to the interim statements (continued)

3. Revenue (continued)

6 months to 30 June 2019	CPO, palm kernel and FFB \$000	Rubber \$000	Shell nut \$000	Biomass products \$000	Biogas products \$000	Others \$000	Total \$000
<i>Contract counterparties</i>							
Government	-	-	-	-	384	-	384
Non-government							
- Wholesalers	95,999	266	737	303	-	174	97,479
	95,999	266	737	303	384	174	97,863
<i>Timing of transfer of goods</i>							
Delivery to customer premises	2,147	266	-	-	-	-	2,413
Delivery to port of departure	-	-	-	303	-	-	303
Customer collect from our mills / estates	93,852	-	737	-	-	-	94,589
Upon generation / others	-	-	-	-	384	174	558
	95,999	266	737	303	384	174	97,863
 Year to 31 December 2019	 CPO, palm kernel and FFB \$000	 Rubber \$000	 Shell nut \$000	 Biomass products \$000	 Biogas products \$000	 Others \$000	 Total \$000
<i>Contract counterparties</i>							
Government	-	-	-	-	908	-	908
Non-government							
Wholesalers	214,416	653	2,224	733	-	202	218,228
	214,416	653	2,224	733	908	202	219,136
<i>Timing of transfer of goods</i>							
Delivery to customer premises	5,624	653	-	-	-	-	6,277
Delivery to port of departure	-	-	-	733	-	-	733
Customer collect from our mills / estates	208,792	-	2,224	-	-	-	211,016
Upon generation / others	-	-	-	-	908	202	1,110
	214,416	653	2,224	733	908	202	219,136

4. Finance expense

	2020 6 months to 30 June (unaudited) \$000	2019 6 months to 30 June (unaudited) \$000	2019 Year to 31 December (audited) \$000
Interest payable on:			
Development loans	217	569	939
Interest expense on lease liabilities	19	-	41
	236	569	980

Notes to the interim statements (continued)

5. 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 2020 (unaudited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	36,438	42,582	53	20,307	466	19,014	118,860	1,142	-	120,002
- Rubber	252	-	-	-	-	-	252	-	-	252
- Shell nut	513	335	-	692	-	109	1,649	-	-	1,649
- Biomass products	213	-	-	-	-	-	213	-	-	213
- Biogas products	151	218	-	-	-	181	550	-	-	550
- Others	46	62	92	21	7	204	432	-	-	432
Total revenue	37,613	43,197	145	21,020	473	19,508	121,956	1,142	-	123,098
Profit / (loss) before tax	6,244	9,000	(3,592)	5,466	(113)	1,098	18,103	(155)	(850)	17,098
BA movement	302	(123)	(64)	(144)	12	(337)	(354)	56	-	(298)
Profit / (loss) for the period before tax per consolidated income statement	6,546	8,877	(3,656)	5,322	(101)	761	17,749	(99)	(850)	16,800
Interest income	1,028	300	2	14	-	16	1,360	15	1	1,376
Interest expense	(13)	-	-	-	-	(217)	(230)	(6)	-	(236)
Depreciation	(2,279)	(2,102)	(1,048)	(436)	(180)	(2,679)	(8,724)	(269)	-	(8,993)
Impairment losses	-	-	(23)	-	-	(2,468)	(2,491)	-	-	(2,491)
(Provision) / Reversal of expected credit loss	(58)	-	(255)	-	-	(1)	(314)	-	1	(313)
Inter-segment transactions	2,546	(981)	(370)	(282)	(97)	(975)	(159)	71	88	-
Inter-segmental revenue	12,402	653	1,661	-	-	1,394	16,110	-	-	16,110
Tax expense	(2,501)	(1,887)	1,105	(1,257)	43	184	(4,313)	(29)	2	(4,340)
Total assets	208,010	104,609	38,880	30,438	15,069	123,131	520,137	20,077	6,086	546,300
Non-current assets	118,109	69,567	37,384	17,481	14,463	108,873	365,877	15,995	3,499	385,371
Non-current assets - additions	2,610	621	1,173	267	2,048	4,025	10,744	85	-	10,829

Notes to the interim statements (continued)

5. 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 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
Interest expense	(33)	-	-	-	-	(536)	(569)	-	-	(569)
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)
Provision for expected credit loss	(3)	(1)	(7)	-	(2)	(19)	(32)	(7)	(8)	(47)
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)

5. 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 2019 (audited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	75,933	65,102	2,487	36,060	513	32,679	212,774	1,642	-	214,416
- Rubber	653	-	-	-	-	-	653	-	-	653
- Shell nut	674	582	-	929	-	39	2,224	-	-	2,224
- Biomass products	733	-	-	-	-	-	733	-	-	733
- Biogas products	141	442	-	-	-	325	908	-	-	908
- Others	25	57	32	-	-	88	202	-	-	202
Total revenue	78,159	66,183	2,519	36,989	513	33,131	217,494	1,642	-	219,136
Profit / (loss) before tax	6,174	7,727	(8,933)	8,514	244	4,868	18,594	(1,264)	(1,712)	15,618
BA movement	927	1,086	108	307	23	806	3,257	(2)	-	3,255
Profit / (loss) for the year before tax per consolidated income statement	7,101	8,813	(8,825)	8,821	267	5,674	21,851	(1,266)	(1,712)	18,873
Interest income	1,921	1,789	3	299	-	29	4,041	124	4	4,169
Interest expense	(73)	-	-	-	-	(901)	(974)	(6)	-	(980)
Depreciation	(4,791)	(4,470)	(2,465)	(916)	(281)	(5,146)	(18,069)	(521)	-	(18,590)
Reversal of impairment	-	-	5,151	-	600	3,117	8,868	-	-	8,868
Impairment losses	-	-	(1,595)	-	-	(431)	(2,026)	(252)	-	(2,278)
(Provision) / Reversal for expected credit loss	(124)	4	(5,998)	-	4	163	(5,951)	-	(14)	(5,965)
Inter-segment transactions	(40,471)	(2,027)	25,745	(581)	1,198	15,760	(376)	153	223	-
Inter-segmental revenue	23,395	1,981	1,847	-	-	1,274	28,497	-	-	28,497
Tax expense	8,851	(995)	(3,418)	(2,009)	(234)	(4,884)	(2,689)	186	(196)	(2,699)
Total assets	206,764	104,756	39,151	31,083	14,667	127,746	524,167	21,678	6,270	552,115
Non-current assets	121,161	73,106	37,553	18,166	13,970	111,159	375,115	16,944	3,583	395,642
Non-current assets - additions	10,342	3,950	2,919	333	4,265	11,881	33,690	351	-	34,041

Notes to the interim statements (continued)

5. Segment information (continued)

In the 6 months to 30 June 2020, revenues from 4 customers of the Indonesian segment represent approximately \$63.5m (1H 2019: \$57.2m) of the Group's total revenues. In year 2019, revenues from 4 customers of the Indonesian segment represent approximately \$113.6m of the Group's total revenues. An analysis of this revenue is provided below. Although Customer 1 to 4 each contribute over 10% of the Group's total revenue, there was no over reliance on these Customers as tenders were performed on a weekly basis. Three of the top four customers were the same as in the year to 31 December 2019.

	2020 6 months to 30 June (unaudited)		2019 6 months to 30 June (unaudited)		2019 Year to 31 December (audited)	
	\$m	%	\$m	%	\$m	%
Major Customers						
Customer 1	19.5	15.8	21.8	22.3	42.8	19.5
Customer 2	16.0	13.0	16.9	17.2	27.8	12.7
Customer 3	15.1	12.2	10.4	10.6	23.0	10.5
Customer 4	12.9	10.4	8.1	8.3	20.0	9.1
Total	63.5	51.4	57.2	58.4	113.6	51.8

Notes to the interim statements (continued)

6. Tax expense

	2020 6 months to 30 June (unaudited) \$000	2019 6 months to 30 June (unaudited) \$000	2019 Year to 31 December (audited) \$000
Foreign corporation tax - current year	6,036	6,087	5,222
Foreign corporation tax - prior year	50	-	12
Deferred tax adjustment - origination and reversal of temporary differences	(1,746)	(4,822)	(2,535)
	4,340	1,265	2,699

7. Dividend

The final and only dividend in respect of 2019, amounting to 0.5 cents per share, or \$198,182 was paid on 17 July 2020 (2018: 3.0 cents per share, or \$1,189,091, paid on 12 July 2019). As in previous years, no interim dividend has been declared.

8. Earnings per ordinary share ("EPS")

	2020 6 months to 30 June (unaudited) \$000	2019 6 months to 30 June (unaudited) \$000	2019 Year to 31 December (audited) \$000
Profit / (Loss) for the period attributable to owners of the Company before BA movement	10,633	(2,664)	14,019
BA movement	(190)	1,181	2,077
Earnings used in basic and diluted EPS	10,443	(1,483)	16,096
	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	-	-	-
- used in diluted EPS	39,636	39,636	39,636
Basic and diluted EPS before BA movement	26.83cts	(6.72)cts	35.37cts
Basic and diluted EPS after BA movement	26.35cts	(3.74)cts	40.61cts

Notes to the interim statements (continued)

9. 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:

	2020		2019		2019	
	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	3,487	1,974	3,022	1,850	3,571	1,994
Due from cooperatives under Plasma scheme	14,408	13,626	10,321	7,407	12,929	11,924
	17,895	15,600	13,343	9,257	16,500	13,918
Borrowings due after one year						
Long-term loan	-	-	2,734	2,473	-	-

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

Reconciliation - Level 3 recurring fair value measurements:

	2020	2019
	6 months	6 months
	to 30 June	to 30 June
	(unaudited)	(unaudited)
	\$000	\$000
Non-current assets - Land		
Opening balance	137,936	131,597
Addition	2,581	2,488
Net unrealized loss recognized during the period	(1,243)	(2,028)
Impairment loss	(1,338)	(460)
Exchange difference	(4,131)	2,810
Closing balance	133,805	134,407

Notes to the interim statements (continued)

9. 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 2019 and 2019: 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 6.78% (1H 2019: 6.58%, 2019: 6.78%).	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 6.78% (1H 2019: 6.58%, 2019: 6.78%).	Discount rate	The higher the discount rate, the lower the fair value.

10. Report and financial information

Copies of the interim report for the Group for the period ended 30 June 2020 are available on the AEP website at <https://www.angloeastern.co.uk/>.