



Anglo-Eastern Plantations Plc

Company Number: 1884630

**INTERIM REPORT
30 JUNE 2021**

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Chairman's Interim Statement

As of today, the world continues to struggle with the fallout from the Covid-19 pandemic with worldwide infections exceeding two hundred and twelve million and more than four million reported deaths. While vaccination efforts are picking up in many parts of the world, several countries are battling fresh Covid-19 infections. The emergence of a deadly Delta variant which is more contagious and transmissible has accelerated the pandemic especially in places where the vaccination of the mass population is making slow progress. The resurgence of infection brought renewed and expanded lockdowns in both Malaysia and Indonesia where the Group operates. The Indonesian government recently imposed large-scale movement restrictions to curb a spike in new infections as healthcare services are overwhelmed by increasing number of patients. In Malaysia despite a surge in the number of Covid infections, the lockdown was relaxed to allow interstate travel in certain circumstances and some social and commercial activities.

Our operations in Indonesia located mainly in remote plantations, away from main cities are generally spared from the lockdowns which are concentrated in populated cities and towns where infection rates are high. However, we are certainly not spared as our Indonesian operations recently recorded a spike and doubling of employees who have tested positive for the virus in Bengkulu and Kalimantan regions. We continue to reiterate to our employees to observe established safety protocols. We also encourage our employees to register promptly for the government vaccination programs. There are no reported Covid cases in the Malaysian operation probably due to the small number of employees and its remote location.

The interim results for the Group for the six months to 30 June 2021 are as follows:

Revenue for the six months to 30 June was \$201.1 million, 63% higher than \$123.1 million reported for the same period of 2020. The Group's gross profit was \$59.8 million compared to \$21.8 million for the first six months of 2020. Overall profit before tax after biological assets ("BA") movement for the first half of 2021 increased more than three fold to \$58.2 million against \$16.8 million for the corresponding period in 2020. The overall profit includes a reversal of impairment loss of \$0.1 million for the first half of 2021 compared to an impairment loss of \$2.5 million for the first half of 2020. The BA movement adjustment for the first half of 2021 was a credit of \$4.0 million against a debit of \$0.3 million in the last period. The higher profit was attributed to the higher Crude Palm Oil ("CPO") prices and increased production.

Fresh Fruit Bunches ("FFB") production for the first half of 2021 was 15% higher at 586,500mt compared to 511,700mt for the same period last year due to better weather conditions and an increased matured area. Our young palms in North Sumatera and Kalimantan performed exceptionally well contributing to the higher production numbers. Bought-in crops for the first half of 2021 also increased by 37% to 583,400mt from 425,400mt mainly due to the increase of crop purchases in the Bengkulu region.

Operational and financial performance

For the six months ended 30 June 2021, gross profit margin increased to 29.8% from 17.7% as the Group experienced higher CPO and palm kernel prices.

CPO price ex-Rotterdam averaged \$1,122/mt for the first six months to 30 June 2021, 73% higher than \$648/mt over the same period in 2020. Our Group's average ex-mill price for CPO was higher at \$706/mt for the same period (H1 2020: \$551/mt). The ex-mill prices are normally at a discount to ex-Rotterdam prices as buyers are required to pay logistic charges and Indonesian CPO tax and levy.

Chairman's Interim Statement (continued)

Profit after tax for the six months ended 30 June 2021 was \$45.9 million, compared to a profit after tax of \$12.5 million for the first six months of 2020.

The resulting basic earnings per share for the period was 96.79cts (H1 2020: 26.35cts).

The Group's balance sheet remains strong. Net assets as at 30 June 2021 were \$558.2 million compared to \$493.2 million as at 30 June 2020 and \$528.6 million as at 31 December 2020. 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 2021.

As at 30 June 2021, the Group had cash and cash equivalents, net of loans and borrowings, of \$159.1 million (H1 2020: \$88.7 million, 31 December 2020: \$115.2 million). The external bank borrowings as at 30 June 2020 of \$2.7 million which was part of the first half of \$88.7 million as mentioned above were fully repaid in 2020. The Group has no bank borrowing in 2021.

Operating costs

Operating costs for the Indonesian operations were higher in the first half of 2021 compared to the same period in 2020 mainly due to the increase in bought-in crops from third parties, higher upkeep of plantations and mills and higher harvesting cost related to the increase in production and the increase in matured area.

Production and Sales

	2021	2020	2020
	6 months	6 months	Year
	to 30 June	to 30 June	to 31 December
	mt	mt	mt
Oil palm production			
FFB			
- all estates	586,500	511,700	1,103,100
- bought-in from third parties	583,400	425,400	913,200
Saleable CPO	238,700	189,900	406,100
Saleable palm kernels	57,100	45,300	97,100
Oil palm sales			
CPO	237,900	195,900	400,400
Palm kernels	55,400	45,200	94,700
FFB sold outside	13,400	19,000	44,300
Rubber production	206	215	465

The Group's six mills processed a total of 1,156,500mt in FFB for the first half of 2021, a 26% increase compared to 918,100mt for the same period last year. The higher throughput was due to the higher FFB supplied from both our own estates and bought-in crops from third parties as explained earlier.

Chairman's Interim Statement (continued)

Overall CPO produced for the first half of 2021 was 26% higher at 238,700mt from 189,900mt. The oil extraction rate for the first half of 2021 was 20.6% compared to 20.7% in the same period last year. External crops made up 50% of the crop processed compared to 46% in the first half of 2020, which have historically always had a lower oil content.

Commodity prices

The CPO price ex-Rotterdam for the first half of 2021 averaged \$1,122/mt, 73% higher than last year (H1 2020: \$648/mt). The price was volatile for the first half of 2021. It started the year at \$1,014/mt, gradually trended upwards to peak in May at \$1,345/mt before dropping to a low of \$975/mt towards the middle of June, before recovering and closing at \$1,050/mt on 30 June 2021. The rally in the first half of 2021 was built upon speculation of unfavourable weather conditions in prime soybean-producing countries which may adversely affect the supply of soybean oil. This has resulted in a positive spill-over effect in the demand for CPO which is the closest substitute for soybean oil.

Rubber price averaged \$1,734/mt, 48% higher than H1 2020 at \$1,174/mt.

Development

The Group's planted areas at 30 June 2021 comprised:

	Total Ha	Mature ha	Immature Ha
North Sumatera	19,113	18,310	803
Bengkulu	16,750	15,725	1,025
Riau	4,873	4,873	-
South Sumatera	6,468	5,742	726
Kalimantan	16,764	14,208	2,556
Bangka	2,519	816	1,703
Plasma	4,191	3,077	1,114
Indonesia	70,678	62,751	7,927
Malaysia	3,453	3,453	-
Total: 30 June 2021	74,131	66,204	7,927
Total: 31 December 2020	73,600	63,414	10,186
Total: 30 June 2020	72,441	64,040	8,401

Chairman's Interim Statement (continued)

The Group's new planting and replanting for the first six months of 2021 totalled 1,025ha compared to 971ha for the same period last year. In addition, Plasma planting for the period was 187ha (H1 2020: 216ha).

The Group remains optimistic that it will meet substantially its total planting target of 3,800ha in 2021. The Group's total landholding comprises some 128,000ha, of which the planted area stands at around 74,131ha (H1 2020: 72,441ha) with the balance of estimated plantable land at 17,900ha.

The construction of the seventh mill in North Sumatera has been delayed by the frequent lockdowns caused by the pandemic in the country, affecting the deployment of manpower at construction site, as well as fabrication of mechanical works, interruption of supply chain and the transport of building materials. The mill is now likely to be completed at the end of Q2, 2022.

Dividend

As in previous years, no interim dividend has been declared. A final dividend of 1.0 cents per share in respect of the year ended 31 December 2020 was paid on 16 July 2021.

Outlook

India, the world's largest edible oil importer in its effort to tame its domestic inflation has at the end of June 2021 cut its taxes on CPO and other palm oil products for three months while maintaining the existing tax rates on other vegetable oils. This is likely to lead to a bigger import and improved demand at the expense of other vegetable oils.

The industry also welcomed the Indonesian government decision to reduce the CPO export levy at the start of the second half of 2021. Export levy is payable on a gradual basis starting at \$55/mt when CPO price reaches \$670/mt. The previous maximum export levy was \$255/mt when CPO price exceeds \$995/mt. The revised maximum export levy is \$175/mt when CPO price exceeds \$1000/mt.

On the whole CPO prices are expected to moderate in the second half of 2021 as the industry enters into the high production season and palm oil inventory inches higher over the next few months. Prices nevertheless are expected to remain volatile depending on how production levels unfold amidst a change in global weather pattern.

Despite the increase in the vaccination rate, there are rising concerns over the emergence of a new virus variant which has already spread to Indonesia and could interrupt our operations or in a worst case scenario shutdown our estates and mill operations. A prolonged pandemic in our main export markets may also hurt demand in the short term. The Group has policies in place and would be in a good position to mitigate these risks should they arise to limit the impact to the Group.

Principal risks and uncertainties

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 2020.

Chairman's Interim Statement (continued)

A more detailed explanation of the risks relevant to the Group is on pages 34 to 39 and from pages 114 to 119 of the 2020 annual report which is available at <https://www.angloeastern.co.uk/>.

Madam Lim Siew Kim
Chairman

26 August 2021

Responsibility Statements

We confirm that to the best of our knowledge:

- a) The unaudited interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34: Interim Financial Reporting as adopted by the European Union;
- b) The Chairman's interim statement includes a fair review of the information required by Disclosure and Transparency Rule (“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 2021 and any material changes in the related party transactions described in the last Annual Report) of the DTR of the United Kingdom Financial Conduct Authority.

By order of the Board
Dato’ John Lim Ewe Chuan
Executive Director, Corporate Finance and Corporate Affairs

26 August 2021

Condensed Consolidated Income Statement

	Notes	2021 6 months to 30 June (unaudited)			2020 6 months to 30 June (unaudited)			2020 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	201,105	-	201,105	123,098	-	123,098	269,060	-	269,060
Cost of sales		(145,214)	3,951	(141,263)	(100,989)	(298)	(101,287)	(213,370)	1,274	(212,096)
Gross profit		55,891	3,951	59,842	22,109	(298)	21,811	55,690	1,274	56,964
Administration expenses		(3,334)	-	(3,334)	(3,336)	-	(3,336)	(8,134)	-	(8,134)
Reversal of impairment / (Impairment losses)		54	-	54	(2,491)	-	(2,491)	2,008	-	2,008
Provision for expected credit loss		-	-	-	(313)	-	(313)	(1,485)	-	(1,485)
Operating profit / (loss)		52,611	3,951	56,562	15,969	(298)	15,671	48,079	1,274	49,353
Exchange (losses) / gains		300	-	300	(11)	-	(11)	(268)	-	(268)
Finance income	4	1,333	-	1,333	1,376	-	1,376	2,876	-	2,876
Finance expense	4	(12)	-	(12)	(236)	-	(236)	(292)	-	(292)
Profit / (Loss) before tax	5	54,232	3,951	58,183	17,098	(298)	16,800	50,395	1,274	51,669
Tax expense	6	(11,441)	(873)	(12,314)	(4,415)	75	(4,340)	(13,660)	(66)	(13,726)
Profit / (Loss) for the period		42,791	3,078	45,869	12,683	(223)	12,460	36,735	1,208	37,943
Attributable to:										
- Owners of the parent		35,781	2,581	38,362	10,633	(190)	10,443	30,784	1,051	31,835
- Non-controlling interests		7,010	497	7,507	2,050	(33)	2,017	5,951	157	6,108
		42,791	3,078	45,869	12,683	(223)	12,460	36,735	1,208	37,943
Earnings per share for profit attributable to the owners of the parent during the period										
- basic	8			96.79cts			26.35cts			80.32cts
- diluted	8			96.79cts			26.35cts			80.32cts

* The total column represents the IFRS figures and the result before BA movement is an Alternative Performance Measure ("APM"). We have opted to additionally disclose this APM as the BA movement is considered to be a fair value calculation which does not appropriately represent the Group's result for the year.

Condensed Consolidated Statement of Comprehensive Income

	2021 6 months to 30 June (unaudited) \$000	2020 6 months to 30 June (unaudited) \$000	2020 Year to 31 December (audited) \$000
Profit for the period	45,869	12,460	37,943
Other comprehensive expenses:			
<i>Items may be reclassified to profit or loss:</i>			
Loss on exchange translation of foreign operations	(14,879)	(13,973)	(5,490)
Net other comprehensive expenses may be reclassified to profit or loss	(14,879)	(13,973)	(5,490)
<i>Items not to be reclassified to profit or loss:</i>			
Unrealised (loss) / gain on revaluation of leasehold land, net of tax	(1,014)	(932)	1,309
Remeasurement of retirement benefits plan, net of tax	-	-	(649)
Net other comprehensive (expenses) / income not being reclassified to profit or loss	(1,014)	(932)	660
Total other comprehensive expenses for the period, net of tax	(15,893)	(14,905)	(4,830)
Total comprehensive income / (expenses) for the period	29,976	(2,445)	33,113
Attributable to:			
- Owners of the parent	25,492	(1,560)	27,722
- Non-controlling interests	4,484	(885)	5,391
	29,976	(2,445)	33,113

Condensed Consolidated Statement of Financial Position

	2021 as at 30 June (unaudited) \$000	2020 as at 30 June (unaudited) \$000	2020 as at 31 December (audited) \$000
Non-current assets			
Property, plant and equipment	356,170	355,006	365,353
Receivables	24,153	17,895	22,236
Deferred tax assets	9,317	12,470	8,817
	389,640	385,371	396,406
Current assets			
Inventories	15,038	6,297	12,541
Income tax receivables	10,034	14,225	10,071
Other tax receivables	34,717	35,803	41,618
Biological assets	12,443	7,054	8,783
Trade and other receivables	5,492	6,108	4,693
Short-term investments	1,539	-	1,957
Cash and cash equivalents	159,140	91,442	115,211
	238,403	160,929	194,874
Current liabilities			
Loans and borrowings	-	(2,734)	-
Trade and other payables	(27,223)	(17,178)	(26,310)
Income tax liabilities	(11,863)	(3,409)	(5,981)
Other tax liabilities	(1,171)	(1,258)	(1,089)
Dividend payables	(420)	(221)	(24)
Lease liabilities	(244)	(221)	(236)
	(40,921)	(25,021)	(33,640)
Net current assets	197,482	135,908	161,234

Condensed Consolidated Statement of Financial Position (continued)

	2021 as at 30 June (unaudited) \$000	2020 as at 30 June (unaudited) \$000	2020 as at 31 December (audited) \$000
Non-current liabilities			
Deferred tax liabilities	(14,659)	(15,984)	(15,467)
Retirement benefits - net liabilities	(14,220)	(11,792)	(13,383)
Lease liabilities	(90)	(328)	(217)
	(28,969)	(28,104)	(29,067)
Net assets	558,153	493,175	528,573
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	48,465	47,530	49,367
Exchange reserves	(245,502)	(240,146)	(233,534)
Retained earnings	611,459	552,660	573,493
	453,777	399,399	428,681
Non-controlling interests	104,376	93,776	99,892
Total equity	558,153	493,175	528,573

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the parent							Total \$000	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			
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 gain on revaluation of leasehold land, net of tax	-	-	-	-	954	-	-	954	355	1,309
-Remeasurement of retirement benefits plan, net of tax	-	-	-	-	-	-	(559)	(559)	(90)	(649)
-Loss on exchange translation of foreign operations	-	-	-	-	-	(4,508)	-	(4,508)	(982)	(5,490)
Total other comprehensive income / (expenses)	-	-	-	-	954	(4,508)	(559)	(4,113)	(717)	(4,830)
Profit for the year	-	-	-	-	-	-	31,835	31,835	6,108	37,943
Total comprehensive income / (expenses) for the year	-	-	-	-	954	(4,508)	31,276	27,722	5,391	33,113
Dividends paid	-	-	-	-	-	-	(198)	(198)	(160)	(358)
Balance at 31 December 2020	15,504	(1,171)	23,935	1,087	49,367	(233,534)	573,493	428,681	99,892	528,573
Items of other comprehensive income:										
-Unrealised loss on revaluation of leasehold land, net of tax	-	-	-	-	(902)	-	-	(902)	(112)	(1,014)
-Loss on exchange translation of foreign operations	-	-	-	-	-	(11,968)	-	(11,968)	(2,911)	(14,879)
Total other comprehensive expenses	-	-	-	-	(902)	(11,968)	-	(12,870)	(3,023)	(15,893)
Profit for the period	-	-	-	-	-	-	38,362	38,362	7,507	45,869
Total comprehensive (expenses) / income for the period	-	-	-	-	(902)	(11,968)	38,362	25,492	4,484	29,976
Dividends payable	-	-	-	-	-	-	(396)	(396)	-	(396)
Balance at 30 June 2021	15,504	(1,171)	23,935	1,087	48,465	(245,502)	611,459	453,777	104,376	558,153

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 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 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 Cash Flows

	2021 6 months to 30 June (unaudited) \$000	2020 6 months to 30 June (unaudited) \$000	2020 Year to 31 December (audited) \$000
Cash flows from operating activities			
Profit before tax	58,183	16,800	51,669
Adjustments for:			
Biological assets movement	(3,951)	298	(1,274)
(Gain) / Loss on disposal of property, plant and equipment	(1)	26	(2)
Depreciation	9,379	8,993	18,143
Retirement benefit provisions	1,357	932	1,793
Net finance income	(1,321)	(1,140)	(2,584)
Unrealised (gain) / loss in foreign exchange	(300)	11	268
Property, plant and equipment written off	139	263	587
(Reversal of impairment) / Impairment losses	(54)	2,491	(2,008)
(Reversal) / Provision for expected credit loss	(1)	313	1,485
Operating cash flows before changes in working capital	63,430	28,987	68,077
(Increase) / Decrease in inventories	(2,835)	2,209	(3,915)
Decrease / (Increase) in non- current, trade and other receivables	1,789	(372)	(12)
Increase in trade and other payables	1,737	1,786	10,554
Cash inflows from operations	64,121	32,610	74,704
Interest paid	-	(217)	(258)
Retirement benefits paid	(141)	(175)	(434)
Overseas tax paid	(1,351)	(6,147)	(8,917)
Net cash flows from operating activities	62,629	26,071	65,095

Condensed Consolidated Statement of Cash Flows (continued)

	2021 6 months to 30 June (unaudited) \$000	2020 6 months to 30 June (unaudited) \$000	2020 Year to 31 December (audited) \$000
Investing activities			
Property, plant and equipment			
- purchases	(12,031)	(11,141)	(21,277)
- sales	1	50	83
Interest received	1,333	1,376	2,876
Increase in receivables from cooperatives under plasma scheme	(5,197)	(1,792)	(4,563)
Placement of fixed deposits with original maturity of more than three months	418	-	(1,957)
Net cash used in investing activities	(15,476)	(11,507)	(24,838)
Financing activities			
Dividends paid to the holders of the parent	-	-	(197)
Dividends paid to non-controlling interests	-	-	(160)
Repayment of existing long-term loans	-	(5,425)	(8,167)
Repayment of lease liabilities - principal	(106)	(106)	(223)
Repayment of lease liabilities - interest	(12)	(19)	(34)
Net cash used in financing activities	(118)	(5,550)	(8,781)
Net increase in cash and cash equivalents	47,035	9,014	31,476
Cash and cash equivalents			
At beginning of period	115,211	84,846	84,846
Exchange losses	(3,106)	(2,418)	(1,111)
At end of period	159,140	91,442	115,211
Comprising:			
Cash at end of period	159,140	91,442	115,211

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 2020 Annual Report. The financial information for the half years ended 30 June 2021 and 30 June 2020 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 International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The comparative financial information for the year ended 31 December 2020 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2020 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2020 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 this interim report. 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.

In November 2020, the President of Republic of Indonesia enacted a Job Creation Law that will have an impact on employee benefit obligations. As at 31 December 2020, the Group has calculated the employee benefit obligation based on the law that was in effect prior to this Job Creation Law, namely UU No. 13/2003, due to the fact that the basis of the calculation for employee benefit obligations is further regulated in an implementing regulation which was only enacted on 16 February 2021. Until the completion date of this report, the Group is still calculating the impact of the implementation of this regulation, and its effect on the Group's financial statements.

Notes to the interim statements (continued)

2. Foreign exchange

	2021 6 months to 30 June (unaudited)	2020 6 months to 30 June (unaudited)	2020 Year to 31 December (audited)
Closing exchange rates			
Rp : \$	14,496	14,302	14,105
\$: £	1.38	1.24	1.36
RM : \$	4.15	4.28	4.02
Average exchange rates			
Rp : \$	14,298	14,600	14,572
\$: £	1.39	1.26	1.28
RM : \$	4.10	4.25	4.20

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 2021	CPO, palm kernel and FFB \$000	Rubber \$000	Shell nut \$000	Biomass products \$000	Biogas products \$000	Others \$000	Total \$000
Contract counterparties							
Government	-	-	-	-	423	-	423
Non-government							
- Wholesalers	197,552	356	2,187	218	-	369	200,682
	197,552	356	2,187	218	423	369	201,105
Timing of transfer of goods							
Delivery to customer premises	2,502	356	-	-	-	-	2,858
Delivery to port of departure	-	-	-	218	-	-	218
Customer collect from our mills / estates	195,050	-	2,187	-	-	-	197,237
Upon generation / others	-	-	-	-	423	369	792
	197,552	356	2,187	218	423	369	201,105

Notes to the interim statements (continued)

3. Revenue (continued)

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
<i>Contract counterparties</i>							
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
<i>Timing of transfer of goods</i>							
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
 Year to 31 December 2020	 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	-	-	-	-	970	-	970
Non-government							
- Wholesalers	262,348	631	3,959	427	-	725	268,090
	262,348	631	3,959	427	970	725	269,060
<i>Timing of transfer of goods</i>							
Delivery to customer premises	5,613	631	-	-	-	-	6,244
Delivery to port of departure	-	-	-	427	-	-	427
Customer collect from our mills / estates	256,735	-	3,959	-	-	-	260,694
Upon generation / others	-	-	-	-	970	725	1,695
	262,348	631	3,959	427	970	725	269,060

4. Finance income and expense

	2021 6 months to 30 June (unaudited) \$000	2020 6 months to 30 June (unaudited) \$000	2020 Year to 31 December (audited) \$000
<u>Finance income</u>			
Interest receivable on:			
Credit bank balances and time deposits	1,333	1,376	2,876
<u>Finance expense</u>			
Interest payable on:			
Development loans	-	(217)	(257)
Interest expense on lease liabilities	(12)	(19)	(35)
	(12)	(236)	(292)
Net finance income recognized in income statement	1,321	1,140	2,584

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 2021 (unaudited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	57,451	70,051	198	31,239	925	36,442	196,306	1,246	-	197,552
- Rubber	356	-	-	-	-	-	356	-	-	356
- Shell nut	663	648	-	746	-	130	2,187	-	-	2,187
- Biomass products	218	-	-	-	-	-	218	-	-	218
- Biogas products	-	220	-	-	-	203	423	-	-	423
- Others	45	48	88	21	11	143	356	13	-	369
Total revenue	58,733	70,967	286	32,006	936	36,918	199,846	1,259	-	201,105
Profit / (loss) before tax	16,480	16,640	(2,198)	8,441	131	15,503	54,997	(169)	(596)	54,232
BA movement	1,550	770	86	206	54	1,132	3,798	153	-	3,951
Profit / (loss) for the period before tax per consolidated income statement	18,030	17,410	(2,112)	8,647	185	16,635	58,795	(16)	(596)	58,183
Interest income	969	297	2	52	-	10	1,330	3	-	1,333
Interest expense	(9)	-	-	-	-	-	(9)	(3)	-	(12)
Depreciation	(2,601)	(2,075)	(982)	(452)	(172)	(2,829)	(9,111)	(268)	-	(9,379)
Reversal of impairment	-	-	-	-	-	133	133	-	-	133
Impairment losses	-	-	(79)	-	-	-	(79)	-	-	(79)
(Provision) / Reversal of expected credit loss	-	(1)	1	-	-	(1)	(1)	-	1	-
Inter-segment transactions	2,549	(1,002)	(378)	(288)	(141)	(968)	(228)	218	10	-
Inter-segmental revenue	18,561	637	3,140	-	-	4,075	26,413	-	-	26,413
Tax expense	(4,484)	(3,402)	670	(1,800)	(17)	(3,153)	(12,186)	(127)	(1)	(12,314)
Total assets	245,486	124,423	40,142	36,003	16,630	137,654	600,338	20,859	6,846	628,043
Non-current assets	108,443	68,525	29,375	17,008	14,761	101,808	339,920	16,250	-	356,170
Non-current assets - additions	2,638	2,285	1,308	391	930	3,949	11,501	370	-	11,871

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 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	219	-	-	-	181	551	-	-	551
- Others	46	62	91	21	7	204	431	-	-	431
Total revenue	37,613	43,198	144	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	110,228	69,317	30,649	17,481	13,529	97,807	339,011	15,995	-	355,006
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
Year to 31 December 2020 (audited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	81,764	85,699	1,561	46,865	1,026	43,103	260,018	2,330	-	262,348
- Rubber	631	-	-	-	-	-	631	-	-	631
- Shell nut	1,232	956	-	1,586	-	185	3,959	-	-	3,959
- Biomass products	427	-	-	-	-	-	427	-	-	427
- Biogas products	152	444	-	-	-	374	970	-	-	970
- Others	60	105	176	-	16	355	712	6	7	725
Total revenue	84,266	87,204	1,737	48,451	1,042	44,017	266,717	2,336	7	269,060
Profit / (loss) before tax	18,915	16,809	(6,639)	12,341	(76)	11,174	52,524	(682)	(1,447)	50,395
BA movement	550	130	71	126	36	344	1,257	17	-	1,274
Profit / (loss) for the year before tax per consolidated income statement	19,465	16,939	(6,568)	12,467	(40)	11,518	53,781	(665)	(1,447)	51,669
Interest income	2,121	670	3	34	-	25	2,853	22	1	2,876
Interest expense	(25)	-	-	-	-	(257)	(282)	(10)	-	(292)
Depreciation	(4,741)	(4,253)	(2,090)	(886)	(308)	(5,387)	(17,665)	(478)	-	(18,143)
Reversal of impairment	-	-	31	-	-	2,165	2,196	-	-	2,196
Impairment losses	-	-	-	-	-	-	-	(188)	-	(188)
Reversal / (Provision) for expected credit loss	65	(1)	(1,383)	-	(1)	(167)	(1,487)	1	1	(1,485)
Inter-segment transactions	4,744	(1,966)	(741)	(564)	(195)	(1,913)	(635)	467	168	-
Inter-segmental revenue	27,668	3,293	3,505	-	-	4,167	38,633	-	-	38,633
Tax expense	(6,734)	(3,218)	1,361	(2,742)	25	(1,594)	(12,902)	(737)	(87)	(13,726)
Total assets	227,471	111,470	39,554	33,572	16,580	134,973	563,620	21,682	5,978	591,280
Non-current assets	111,483	70,332	30,320	17,543	14,713	104,295	348,686	16,667	-	365,353
Non-current assets - additions	4,582	2,413	2,319	342	4,474	6,868	20,998	127	-	21,125

Notes to the interim statements (continued)

5. Segment information (continued)

In the 6 months to 30 June 2021, revenues from 4 customers of the Indonesian segment represent approximately \$112.6m (H1 2020: \$63.5m) of the Group's total revenues. In the year 2020, revenues from 4 customers of the Indonesian segment represent approximately \$130.8m of the Group's total revenues. An analysis of this revenue is provided below. Although Customers 1 and 2 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. Two of the top four customers were the same as in the year to 31 December 2020.

	2021 6 months to 30 June (unaudited)		2020 6 months to 30 June (unaudited)		2020 Year to 31 December (audited)	
	\$m	%	\$m	%	\$m	%
Major Customers						
Customer 1	53.7	26.7	19.5	15.8	53.6	20.0
Customer 2	23.5	11.7	16.0	13.0	31.6	11.7
Customer 3	18.4	9.2	15.1	12.2	25.0	9.3
Customer 4	17.0	8.5	12.9	10.4	20.6	7.6
Total	112.6	56.1	63.5	51.4	130.8	48.6

Notes to the interim statements (continued)

6. Tax expense

	2021 6 months to 30 June (unaudited) \$000	2020 6 months to 30 June (unaudited) \$000	2020 Year to 31 December (audited) \$000
Foreign corporation tax - current year	13,194	6,036	9,920
Foreign corporation tax - prior year	-	50	287
Deferred tax adjustment - origination and reversal of temporary differences	(880)	(1,746)	2,832
Recognition of previously unrecognized deferred tax assets	-	-	687
	12,314	4,340	13,726

Corporation tax rate in Indonesia is at 22% (H1 2020: 25%, 2020: 22%) whereas Malaysia is at 24% (H1 2020: 24%, 2020: 24%). The standard rate of corporation tax in the UK for the current year is 19% (H1 2020: 19%, 2020: 19%).

7. Dividend

The final and only dividend in respect of 2020, amounting to 1.0 cents per share, or \$396,364 was paid on 16 July 2021 (2019: 0.5 cents per share, or \$198,182, paid on 17 July 2020). As in previous years, no interim dividend has been declared.

8. Earnings per ordinary share ("EPS")

	2021 6 months to 30 June (unaudited) \$000	2020 6 months to 30 June (unaudited) \$000	2020 Year to 31 December (audited) \$000
Profit for the period attributable to owners of the Company before BA movement	35,781	10,633	30,784
BA movement	2,581	(190)	1,051
Earnings used in basic and diluted EPS	38,362	10,443	31,835
	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	90.27cts	26.83cts	77.67cts
Basic and diluted EPS after BA movement	96.79cts	26.35cts	80.32cts

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:

	2021		2020		2020	
	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	5,413	3,032	3,487	1,974	5,493	3,050
Due from cooperatives under Plasma scheme	18,740	17,061	14,408	13,626	16,743	14,857
	24,153	20,093	17,895	15,600	22,236	17,907

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:

	2021	2020	2020
	6 months	6 months	Year
	to 30 June	to 30 June	to 31 December
	(unaudited)	(unaudited)	(audited)
	\$000	\$000	\$000
Non-current assets - Land			
Opening balance	142,276	137,936	137,936
Addition	1,567	2,581	4,858
Disposal	(321)	-	(243)
Net unrealised loss recognised during the period	(1,300)	(1,243)	(1,142)
Reversal of impairment loss / (Impairment loss)	54	(1,338)	2,196
Exchange difference	(3,901)	(4,131)	(1,329)
Closing balance	138,375	133,805	142,276

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% (H1 2020 and 2020: 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 6.75% (H1 2020: 6.78%, 2020: 6.75%).	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 2021 are available on the AEP website at <https://www.angloeastern.co.uk/>.