Anglo-Eastern Plantations Plc

INTERIM REPORT
30 JUNE 2016

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Chairman's Interim Statement

I am pleased to present the interim results for the Group for the six months to 30 June 2016.

The revenue for the six months to 30 June was $86.0 million, 17% lower than $104.0 million for the first six months of 2015. In the same period the Group experienced an increase in operating expenses which resulted in a lower gross profit of $15.7 million compared to $22.1 million for the same period last year. Overall profit before tax fell by 10% to $19.5 million from $21.8 million for the corresponding period.

Fresh Fruit Bunches ("FFB") production for the first half of 2016 was 3% lower at 378,400mt compared to 388,600mt in the same period last year. The decline in production, in spite of an increase in matured area, was mainly attributed to the replanting of old palms in North Sumatera while lower crop yield was evident in Riau and Kalimantan which were affected by four months of severe drought in the second half of last year. It was reported that plantations across Indonesia faced production decline, some up to 20% for a similar reason. The Group continued to buy external crops to maximise the utilization of its mills. However, bought-in crops decreased by 22% from 338,400mt to 264,500mt due to the dry weather and intense competition particularly at its mill in Riau.

Operational and financial performance

For the six months ended 30 June 2016, the revenue was $86.0 million, a decrease of 17% (1H 2015: $104.0 million). Gross profit margin dropped to 18% from 21% reflecting higher operating expenses in the first half of 2016 compared to the same period in the previous year.

Although for the first six months of 2016 Crude Palm Oil ("CPO") price ex-Rotterdam averaged $668/mt, higher than $663/mt for the first half of 2015, the net receivable by the Group is lower due to export tax levy of $50/mt imposed by Indonesian government in July 2015. The recovery of price since the beginning of the year was due to the decline in CPO production brought on by the drought from last year.

The financial statements for the comparative period of 2015 were restated with the adoption of new amendments to IAS 16 and IAS 41 for bearer plants which were mandatory from 1 January 2016. The new standards require bearer plants to be treated as property, plant and equipment to be valued at historical costs less depreciation or deemed costs at last valuation. The amendment means that the movement in the fair value of biological assets in the financial statements will be replaced by a depreciation charge which is expected to be a lower amount. The amendment also requires FFB growing on the trees which are not due for harvest to be measured at fair value. The methodology and its impact are explained in detail in Note 2 - Prior periods restatement.

Although the company has adopted the amendments to IAS41 by valuing the FFB growing on the trees as advised by our auditors, the Company, together with three other plantation companies have written to International Financial Reporting Interpretations Committee ("IFRIC") to seek guidance on the interpretation of whether the growing produce can be reliably measured. The guidance from IFRIC would influence and encourage our peer group to a common practice with regards to the accounting treatment of the growing produce.

Chairman's Interim Statement (continued)

In the restatement of operating results for the year ended 31 December 2015, $34.1 million in impairment of plantations previously recognized under Biological Asset adjustment is now charged under administration expenses. Profit after tax for the six months ended 30 June 2016 was $14.0 million, 11% lower than last year of $15.7 million.

The resulting earnings per share for the period were reduced by 14% at 27.38cts (1H 2015: 31.89cts).

The Group’s balance sheet remains reasonable strong and cash flow remains healthy. Net assets at 30 June 2016 after restatement were $396.4 million compared to $369.1 million at 31 December 2015. The increase in net assets was attributed partly to the strengthening of Rupiah against US Dollar.

As at 30 June 2016 the Group's total cash balance was $93.0 million (1H 2015: $110.9 million) with total borrowings of $35.6 million (1H 2015: $34.8 million), giving a net cash position of $57.4 million, compared to $76.1 million as at 30 June 2015.

The decline in cash reflects the need to sustain and finance five loss making subsidiaries as the revenue of newly matured plantations cannot cover operating expenses due to the low CPO price and yield.

Operating costs

The operating costs per hectare for the Indonesian operations were higher in the first half of 2016 compared to the same period in 2015 mainly due to an increase in wages, fertilisers, fuel, drainage maintenance, general upkeep of plantations costs and depreciation. Higher operating costs were also partly attributed to a 4% increase in matured areas for the corresponding period.

Production and Sales

	2016 6 months to 30 June mt	2015 6 months to 30 June mt	2015 Year to 31 December mt
Oil palm production			
FFB			
- all estates	**378,400**	388,600	900,400
- bought-in or processed for third parties	**264,500**	338,400	678,200
Saleable CPO	**134,100**	141,300	321,400
Saleable palm kernels	**30,500**	33,500	74,000
Oil palm sales			
CPO	**130,400**	144,900	326,000
Palm kernels	**29,300**	34,200	75,200
FFB sold outside	**12,100**	50,000	65,100
Rubber production	**371**	457	847

Chairman's Interim Statement (continued)

The Group's six mills processed a total of 630,800mt in FFB for the first half of 2016, a 7% decrease compared to 677,000mt for the same period last year.

Bought-in crops were 22% lower than last year due to the effect of the dry season and haze during the second half of 2015 and intense competition from private mills in Riau and North Sumatera. Overall CPO produced was lower by 5% at 134,100mt from 141,300mt due to higher oil extraction rate of 21.2% compared to 20.9% previously.

In spite of lower profits this year the Group continues with its commitment to reduce its carbon footprint as it began construction of a third biogas plant in Bengkulu in addition to another plant nearing commissioning in Kalimantan. Both projects upon completion will cost an estimate of $6.8 million. The existing biogas plant in North Sumatera is performing well and the final arrangements are being made to sell the surplus electricity generated from its biogas plant to the National Grid.

Commodity prices

CPO price hit a low of $535/mt in January 2016 before recovering fairly strongly in the second quarter of 2016. CPO price for first half of 2016 averaged $668/mt, marginally higher than last year (1H 2015: $663/mt). Despite lower production, CPO price recovery was short lived due to weakness in demand and abundance of vegetable oil.

Rubber price averaged $1,188/mt, 15% lower than 2015 (1H 2015: $1,393/mt).

Development

The Group's planted areas at 30 June 2016 comprised:

	Total	Mature	Immature
	ha	ha	Ha
North Sumatera	19,085	16,076	3,009
Bengkulu	16,938	16,933	5
Riau	4,873	4,873	-
South Sumatera	6,278	5,178	1,100
Kalimantan	13,189	8,521	4,668
Bangka	555	103	452
Plasma	947	778	169
Indonesia	61,865	52,462	9,403
Malaysia	3,696	3,380	316
Total : 30 June 2016	**65,561**	**55,842**	**9,719**
Total : 31 December 2015	65,068	51,957	13,111
Total : 30 June 2015	64,486	53,605	10,881

Chairman's Interim Statement (continued)

The Group's new planting for the first six months ended 30 June 2016 totalled 518ha compared to 1,016ha for the same corresponding period for 2015. The slower than anticipated rate of new planting is due to protracted land compensation negotiations and also the dry condition which was not conducive for planting.

The Group remains optimistic that planting will pick up in the second half of 2016. The Group's total landholding comprises some 128,600ha, of which the planted area stands around 65,561ha (1H 2015: 64,486ha).

Significant capital expenditure is expected in the replanting of over 1,500ha of old palms in North Sumatera which started in May 2016.

Dividend

As in previous years no interim dividend has been declared. The Board is mindful that given the anticipated further capital commitments the level of dividend needs to be balanced against the planned expenditure. A final dividend of 1.75 pence per share in respect of the year to 31 December 2015 was paid on 11 July 2016.

Outlook

The upside of CPO price is limited as the industry heads into its peak production cycle in the third quarter of 2016. But as the El Nino weather phenomenon dissipated, weather forecasters globally are predicting a 50-75% chance of La Nina developing in the second half of 2016. The emergence of La Nina and resultant rains in the region could help improve FFB yields. At the same time it will bring extreme dryness to the eastern side of the Pacific affecting regions generally known for growing soy bean. If La Nina develops, it could potentially see CPO price strengthen in the fourth quarter of 2016 especially in the wake of a wider discount to soybean oil.

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

Principal risks and uncertainties

The directors believe the potential impact of Britain's vote to leave the European Union, better known as Brexit, on the Group is limited. Other than maintaining its corporate presence and listing in United Kingdom ("UK"), all plantation and mill operations together with marketing are primarily based in Indonesia. Unless Brexit causes a worldwide recession which significantly reduces the consumption of CPO, the principal risks and uncertainties have broadly remained the same since the publication of the annual report for the year ended 31 December 2015.

Chairman's Interim Statement (continued)

A more detailed explanation of the risks relevant to the Group is on pages 19 to 25 and from pages 86 to 90 of the 2015 annual report which is available at www.angloeastern.co.uk.

Madam Lim Siew Kim
Chairman

25 August 2016

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 2016 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 25 August 2016

Condensed Consolidated Income Statement

Continuing operations	Notes	**2016 6 months to 30 June (unaudited) $000**	2015 6 months to 30 June (unaudited & restated) $000	2015 Year to 31 December (audited & restated) $000
Revenue	5	**86,044**	103,952	196,451
Cost of sales		**(70,335)**	(81,872)	(151,597)
Gross profit		**15,709**	22,080	44,854
Biological asset movement		**3,288**	2,603	(732)
Administration expenses		**(3,338)**	(3,360)	(40,014)
Operating profit		**15,659**	21,323	4,108
Exchange gain / (loss)		**1,244**	(1,800)	(2,354)
Finance income		**3,406**	3,238	6,683
Finance expense	4	**(835)**	(1,004)	(2,010)
Profit before tax	5	**19,474**	21,757	6,427
Tax expense	6	**(5,472)**	(6,083)	(10,385)
Profit / (Loss) for the period		**14,002**	15,674	(3,958)
Attributable to:				
- Owners of the parent		**10,852**	12,640	(7,981)
- Non-controlling interests		**3,150**	3,034	4,023
		14,002	15,674	(3,958)
Earnings per share for profit / (loss) attributable to the owners of the parent during the period				
- basic	8	**27.38cts**	31.89cts	(20.14)cts
- diluted	8	**27.38cts**	31.86cts	(20.14)cts

Condensed Consolidated Statement of Comprehensive Income

	2016 6 months to 30 June (unaudited) $000	2015 6 months to 30 June (unaudited & restated) $000	2015 Year to 31 December (audited & restated) $000
Profit / (Loss) for the period	**14,002**	15,674	(3,958)
Other comprehensive income			
Items may be reclassified to profit or loss in subsequent periods:			
Profit / (Loss) on exchange translation of foreign operations	**17,814**	(29,969)	(44,367)
Net other comprehensive income / (expense) may be reclassified to profit or loss in subsequent periods	**17,814**	(29,969)	(44,367)
Items not to be reclassified to profit or loss in subsequent periods:			
Unrealised (loss) / gain on revaluation of the estates	**(1,516)**	(860)	4,902
Deferred tax on revaluation	**398**	193	(1,266)
Remeasurements of retirement benefit plan	**-**	-	445
Deferred tax on retirement benefit	**-**	-	(111)
Net other comprehensive (expenses) / income not being reclassified to profit or loss in subsequent periods	**(1,118)**	(667)	3,970
Total other comprehensive income / (expenses) for the period, net of tax	**16,696**	(30,636)	(40,397)
Total comprehensive income / (expenses) for the period	**30,698**	(14,962)	(44,355)
Attributable to:			
- Owners of the parent	**23,874**	(12,028)	(40,254)
- Non-controlling interests	**6,824**	(2,934)	(4,101)
	30,698	(14,962)	(44,355)

Condensed Consolidated Statement of Financial Position

	2016 as at 30 June (unaudited) $000	2015 as at 30 June (unaudited & restated) $000	2015 as at 31 December (audited & restated) $000
Non-current assets			
Property, plant and equipment	**329,788**	338,513	310,167
Receivables	**3,565**	3,044	3,655
Deferred tax assets	**10,931**	5,714	8,021
	344,284	347,271	321,843
Current assets			
Inventories	**8,147**	8,248	6,693
Tax receivables	**22,856**	11,158	16,679
Biological assets	**7,195**	7,079	3,673
Trade and other receivables	**8,460**	8,153	4,704
Cash and cash equivalents	**92,994**	110,860	104,614
	139,652	145,498	136,363
Current liabilities			
Loans and borrowings	**(4,391)**	(438)	(1,750)
Trade and other payables	**(14,508)**	(22,660)	(17,406)
Tax liabilities	**(3,690)**	(3,764)	(5,917)
Dividend payables	**(1,003)**	(1,869)	-
	(23,592)	(28,731)	(25,073)
Net current assets	**116,060**	116,767	111,290
Non-current liabilities			
Loans and borrowings	**(31,234)**	(34,375)	(32,875)
Deferred tax liabilities	**(27,437)**	(26,356)	(26,618)
Retirement benefits - net liabilities	**(5,241)**	(4,623)	(4,528)
	(63,912)	(65,354)	(64,021)
Net assets	**396,432**	398,684	369,112

Condensed Consolidated Statement of Financial Position (continued)

	2016 as at 30 June (unaudited) $000	2015 as at 30 June (unaudited & restated) $000	2015 as at 31 December (audited & restated) $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 reserve	**23,935**	23,935	23,935
Share capital redemption reserve	**1,087**	1,087	1,087
Revaluation reserves	**58,587**	56,456	59,572
Exchange reserves	**(211,615)**	(214,598)	(225,622)
Retained earnings	**433,069**	443,538	423,220
	319,396	324,751	296,525
Non-controlling interests	**77,036**	73,933	72,587
Total equity	**396,432**	398,684	369,112

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the parent									
	Share capital $000	Treasury shares $000	Share premium $000	Share capital redemption reserve $000	Revaluation reserve $000	Foreign exchange reserve $000	Retained earnings $000	Total $000	Non-controlling interests $000	Total equity $000
Balance at 31 December 2014	15,504	(1,171)	23,935	1,087	57,029	(190,503)	521,355	427,236	90,813	518,049
Restatement (Note 2)	-	-	-	-	-	-	(88,588)	(88,588)	(13,917)	(102,505)
Balance at 31 December 2014 after restatement	15,504	(1,171)	23,935	1,087	57,029	(190,503)	432,767	338,648	76,896	415,544
Items of other comprehensive income:										
-Unrealised gain on revaluation of estates, net of tax	-	-	-	-	2,543	-	-	2,543	1,093	3,636
-Remeasurement of retirement benefit plan, net of tax	-	-	-	-	-	-	303	303	31	334
-Loss on exchange translation of foreign operations	-	-	-	-	-	(35,119)	-	(35,119)	(9,248)	(44,367)
Total other comprehensive income / (expenses)	-	-	-	-	2,543	(35,119)	303	(32,273)	(8,124)	(40,397)
(Loss) / Profit for the year	-	-	-	-	-	-	(7,981)	(7,981)	4,023	(3,958)
Total comprehensive income / (expenses) for the year	-	-	-	-	2,543	(35,119)	(7,678)	(40,254)	(4,101)	(44,355)
Dividends paid	-	-	-	-	-	-	(1,869)	(1,869)	(208)	(2,077)
Balance at 31 December 2015 after restatement	**15,504**	**(1,171)**	**23,935**	**1,087**	**59,572**	**(225,622)**	**423,220**	**296,525**	**72,587**	**369,112**
Items of other comprehensive income:										
-Unrealised loss on revaluation of estates, net of tax	**-**	**-**	**-**	**-**	**(985)**	**-**	**-**	**(985)**	**(133)**	**(1,118)**
-Gain on exchange translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**14,007**	**-**	**14,007**	**3,807**	**17,814**
Total other comprehensive (expenses) / income	**-**	**-**	**-**	**-**	**(985)**	**14,007**	**-**	**13,022**	**3,674**	**16,696**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**10,852**	**10,852**	**3,150**	**14,002**
Total comprehensive (expenses) / income for the period	**-**	**-**	**-**	**-**	**(985)**	**14,007**	**10,852**	**23,874**	**6,824**	**30,698**
Dividend payable	**-**	**-**	**-**	**-**	**-**	**-**	**(1,003)**	**(1,003)**	**(2,375)**	**(3,378)**
Balance at 30 June 2016	**15,504**	**(1,171)**	**23,935**	**1,087**	**58,587**	**(211,615)**	**433,069**	**319,396**	**77,036**	**396,432**

Condensed Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the parent									
	Share capital $000	Treasury shares $000	Share premium $000	Share capital redemption reserve $000	Revaluation reserve $000	Foreign exchange reserve $000	Retained earnings $000	Total $000	Non-controlling interests $000	Total Equity $000
Balance at 31 December 2014	15,504	(1,171)	23,935	1,087	57,029	(190,503)	521,355	427,236	90,813	518,049
Restatement (Note 2)	-	-	-	-	-	-	(88,588)	(88,588)	(13,917)	(102,505)
Balance at 31 December 2014 after restatement	15,504	(1,171)	23,935	1,087	57,029	(190,503)	432,767	338,648	76,896	415,544
Items of other comprehensive income:										
-Unrealised loss on revaluation of estates, net of tax	-	-	-	-	(573)	-	-	(573)	(94)	(667)
-Loss on exchange translation of foreign operations	-	-	-	-	-	(24,095)	-	(24,095)	(5,874)	(29,969)
Total other comprehensive expenses	-	-	-	-	(573)	(24,095)	-	(24,668)	(5,968)	(30,636)
Profit for the period	-	-	-	-	-	-	12,640	12,640	3,034	15,674
Total comprehensive (expenses) / income for the period	-	-	-	-	(573)	(24,095)	12,640	(12,028)	(2,934)	(14,962)
Dividends payable	-	-	-	-	-	-	(1,869)	(1,869)	(29)	(1,898)
Balance at 30 June 2015 after restatement	15,504	(1,171)	23,935	1,087	56,456	(214,598)	443,538	324,751	73,933	398,684

Condensed Consolidated Statement of Cash Flows

	2016 6 months to 30 June (unaudited) $000	2015 6 months to 30 June (unaudited & restated) $000	2015 Year to 31 December (audited & restated) $000
Cash flows from operating activities			
Profit before tax	**19,474**	21,757	6,427
Adjustments for:			
Biological asset movement	**(3,288)**	(2,603)	732
(Gain) / Loss on disposal of tangible fixed assets	**(2)**	41	(391)
Depreciation	**7,017**	6,329	12,405
Retirement benefit provisions	**502**	494	973
Net finance income	**(2,571)**	(2,234)	(4,673)
Unrealised (gain) / loss in foreign exchange	**(1,244)**	1,800	2,354
Tangible fixed assets written off	**54**	86	34,246
Operating cash flow before changes in working capital	**19,942**	25,670	52,073
(Increase) / Decrease in inventories	**(1,140)**	(959)	341
(Increase) / Decrease in trade and other receivables	**(3,888)**	971	4,425
(Decrease) / Increase in trade and other payables	**(3,628)**	2,999	(1,623)
Cash inflow from operations	**11,286**	28,681	55,216
Interest paid	**(835)**	(1,004)	(2,010)
Retirement benefit paid	**-**	(1)	(103)
Overseas tax paid	**(15,689)**	(17,259)	(27,856)
Net cash (used in) / from operations	**(5,238)**	10,417	25,247
Investing activities			
Property, plant and equipment			
- purchase	**(13,366)**	(19,694)	(38,562)
- sale	**58**	19	979
Interest received	**3,406**	3,238	6,683
Net cash used in investing activities	**(9,902)**	(16,437)	(30,900)

Condensed Consolidated Statement of Cash Flows (continued)

	2016 6 months to 30 June (unaudited) $000	2015 6 months to 30 June (unaudited & restated) $000	2015 Year to 31 December (audited & restated) $000
Financing activities			
Dividends paid by Company	**(1,003)**	-	(1,869)
Dividends paid to non-controlling interests	**(1,372)**	(46)	(228)
Drawdown of long term loans	**1,250**	-	-
Repayment of existing long term loans	**(250)**	(125)	(313)
Net cash used in financing activities	**(1,375)**	(171)	(2,410)
Decrease in cash and cash equivalents	**(16,515)**	(6,191)	(8,063)
Cash and cash equivalents			
At beginning of period	**104,614**	125,937	125,937
Foreign exchange	**4,895**	(8,886)	(13,260)
At end of period	**92,994**	110,860	104,614
Comprising:			
Cash at end of period	**92,994**	110,860	104,614

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 2015 Annual Report. The financial information for the half years ended 30 June 2016 and 30 June 2015 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 2015 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2015 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2015 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Changes in accounting standards
The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the Group's latest annual audited financial statements except for the following new standards that have come into effect from the previous reporting date:

- IAS 16 Amendments - Property, Plant and Equipment; and
- IAS 41 Amendments - Agriculture.

The nature and the impact of the amendments to IAS 16 and IAS 41 are disclosed in Note 2 - Prior periods restatement.

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.

2. Prior periods restatement

The amendments to IAS 16 and the amendments to IAS 41, which came into effect on 1 January 2016, require Biological Assets that meet the definition of bearer plants to be accounted for as Property, Plant and Equipment in accordance with IAS 16, adopting either a cost model or a revaluation model. This required retrospective application.

As the Biological Assets of the Group fall within the definition of bearer plants, with effect from 1 January 2016 the immature plants are stated at accumulated cost until maturity, subject to impairment reviews, and the mature plantations are stated at historical cost less accumulated depreciation. The unharvested FFB, which is agricultural produce under the revised IAS 41, are recognised as Biological Assets and are stated at fair value less cost to sell at the point of harvest, with changes recognised in profit and loss. This has resulted in the accounts for the periods ended 30 June 2015 and 31 December 2015 being restated.

Notes to the interim statements (continued)

2. Prior periods restatement (continued)

Although the company has adopted the amendments to IAS41 by valuing the FFB growing on the trees as advised by our auditors, the Company, together with three other plantation companies have written to International Financial Reporting Interpretations Committee ("IFRIC") to seek guidance on the interpretation of whether the growing produce can be reliably measured. The guidance from IFRIC would influence and encourage our peer group to a common practice with regards to the accounting treatment of the growing produce.

The effects of the restatements are summarised as follows:

	2015 6 months to 30 June (unaudited & restated) $000	2015 Year to 31 December (audited & restated) $000
Impact on condensed consolidated income statement		
Profit for the period before restatement	3,182	(13,429)
Effect of change in restatement:		
Cost of sales	(2,948)	(5,700)
Biological asset movement	19,561	63,389
Administration expenses	118	(32,188)
Tax expense	(4,239)	(16,030)
	12,492	9,471
Profit for the period after restatement	15,674	(3,958)

The effect of these prior period adjustments had a positive impact on the earnings per share of 25.98cts for the period to 30 June 2015 and 17.44cts for the year to 31 December 2015.

Notes to the interim statements (continued)

2. Prior periods restatement (continued)

	2015 6 months to 30 June (unaudited & restated) $000	2015 Year to 31 December (audited & restated) $000
Impact on condensed consolidated statement of comprehensive income		
Other comprehensive expenses for the period before restatement	(37,559)	(50,585)
Effect of change in restatement:		
Loss on exchange translation of foreign operations	6,945	10,228
Deferred tax on revaluation	(22)	(40)
	6,923	10,188
Other comprehensive expenses for the period after restatement	(30,636)	(40,397)

Impact on condensed consolidated statement of financial position

	Non-current assets - Biological assets $000	Property, plant and equipment $000	Deferred tax $000	Current assets - Biological assets $000	Revaluation reserves $000	Exchange reserves $000	Retained earnings $000	Non-controlling interests $000
6 months to 30 June 2015 (unaudited & restated)								
Balance as reported 30 June 2015	225,728	217,241	(34,929)	-	(56,468)	220,612	(521,828)	(84,735)
Effect of restatement during the period	(225,728)	121,272	14,287	7,079	12	(6,014)	78,290	10,802
Restated balance at 30 June 2015	-	338,513	(20,642)	7,079	(56,456)	214,598	(443,538)	(73,933)
Year to 31 December 2015 (audited & restated)								
Balance as reported 31 December 2015	179,010	219,990	(20,911)	-	(59,594)	234,490	(504,892)	(82,607)
Effect of restatement during the year	(179,010)	90,177	2,314	3,673	22	(8,868)	81,672	10,020
Restated balance at 31 December 2015	-	310,167	(18,597)	3,673	(59,572)	225,622	(423,220)	(72,587)

Notes to the interim statements (continued)

3. Foreign exchange

	2016 6 months to 30 June (unaudited)	2015 6 months to 30 June (unaudited)	2015 Year to 31 December (audited)
Average exchange rates			
Rp : $	**13,420**	12,968	13,392
$: £	**1.43**	1.52	1.53
RM : $	**4.10**	3.64	3.91
Closing exchange rates			
Rp : $	**13,180**	13,332	13,795
$: £	**1.34**	1.57	1.48
RM : $	**4.03**	3.78	4.29

4. Finance costs

	2016 6 months to 30 June (unaudited) $000	2015 6 months to 30 June (unaudited) $000	2015 Year to 31 December (audited) $000
Payable	**835**	1,004	2,010

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 2016 (unaudited)										
Total sales revenue (all external)										
- CPO	**33,302**	**30,876**	**1**	**11,771**	**5**	**7,526**	**83,481**	**1,637**	**-**	**85,118**
- Rubber	**441**	**-**	**-**	**-**	**-**	**-**	**441**	**-**	**-**	**441**
- Biomass products	**107**	**-**	**-**	**-**	**-**	**-**	**107**	**-**	**-**	**107**
Other income	**90**	**252**	**-**	**27**	**-**	**9**	**378**	**-**	**-**	**378**
Total revenue	**33,940**	**31,128**	**1**	**11,798**	**5**	**7,535**	**84,407**	**1,637**	**-**	**86,044**
Profit / (loss) for the period before tax	**9,377**	**7,971**	**(2,453)**	**3,415**	**(78)**	**479**	**18,711**	**148**	**615**	**19,474**
Depreciation	**(1,920)**	**(1,934)**	**(799)**	**(439)**	**6**	**(1,601)**	**(6,687)**	**(330)**	**-**	**(7,017)**
Inter-segment transactions	**1,683**	**(1,060)**	**(384)**	**(305)**	**-**	**(637)**	**(703)**	**673**	**30**	**-**
Income tax	**(3,816)**	**(1,309)**	**1,634**	**(1,286)**	**25**	**673**	**(4,079)**	**(116)**	**(1,277)**	**(5,472)**
Total Assets	**160,798**	**113,213**	**31,069**	**38,053**	**10,363**	**102,449**	**455,945**	**23,296**	**4,695**	**483,936**
Non-Current Assets	**97,092**	**74,309**	**29,340**	**19,851**	**10,142**	**94,537**	**325,271**	**18,435**	**578**	**344,284**
Non-Current Assets – Additions	**3,353**	**1,576**	**1,228**	**525**	**254**	**6,399**	**13,335**	**31**	**-**	**13,366**

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 2015 (unaudited & restated)										
Total sales revenue (all external)										
- CPO	36,594	38,458	38	21,377	-	3,615	100,082	1,691	-	101,773
- Rubber	633	-	-	-	-	-	633	-	-	633
- Biomass products	299	-	-	-	-	-	299	-	-	299
Other income	553	302	2	362	-	-	1,219	28	-	1,247
Total revenue	38,079	38,760	40	21,739	-	3,615	102,233	1,719	-	103,952
Profit / (loss) for the period before tax	10,239	8,308	(548)	8,651	15	(4,287)	22,378	(311)	(310)	21,757
Depreciation	(1,977)	(1,977)	(237)	(376)	14	(1,369)	(5,922)	(407)	-	(6,329)
Inter-segment transactions	1,835	(1,078)	(380)	(310)	-	(619)	(552)	522	30	-
Income tax	(3,824)	(1,622)	649	(2,263)	3	1,247	(5,810)	(248)	(25)	(6,083)
Total Assets	146,792	108,695	46,638	55,718	12,535	94,122	464,500	23,854	4,415	492,769
Non-Current Assets	93,132	72,314	45,034	17,308	12,375	87,717	327,880	18,198	1,193	347,271
Non-Current Assets - Additions	3,520	1,342	1,812	584	646	11,689	19,593	101	-	19,694

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 2015 (audited & restated)										
Sales revenue (all external)										
- CPO	67,978	73,661	37	37,129	1	11,426	190,232	3,132	-	193,364
- Rubber	1,075	-	-	-	-	-	1,075	-	-	1,075
- Biomass products	327	-	-	-	-	-	327	-	-	327
Other income	513	812	10	225	38	87	1,685	-	-	1,685
Total revenue	69,893	74,473	47	37,354	39	11,513	193,319	3,132	-	196,451
Profit / (loss) for the year before tax	12,799	15,032	(22,905)	15,216	(1,061)	(10,828)	8,253	(783)	(1,043)	6,427
Depreciation	(3,809)	(3,824)	(309)	(842)	37	(2,905)	(11,652)	(753)	-	(12,405)
Inter-segment transactions	3,546	(2,169)	(765)	(624)	-	(1,427)	(1,439)	1,157	282	-
Income tax	(7,309)	(3,053)	1,373	(3,868)	-	2,647	(10,210)	(70)	(105)	(10,385)
Total Assets	145,288	105,275	27,361	54,020	9,606	90,734	432,284	21,628	4,294	458,206
Non-Current Assets	91,516	71,341	26,243	18,929	9,451	85,592	303,072	17,578	1,193	321,843
Non-Current Assets - Additions	8,923	3,623	4,219	2,658	1,012	17,986	38,421	141	-	38,562

Notes to the interim statements (continued)

5. Segment information (continued)

In the 6 months to 30 June 2016, revenues from 4 customers of the Indonesian segment represent approximately $47.5m of the Group's total revenues. In the year of 2015, revenues from 4 customers of the Indonesian segment represent approximately $107.2m of the Group's total revenues. An analysis of these revenues is provided below. Although Customer 1 to 3 are over 10% of the Group’s total revenue, there is no over reliance on these Customers as tenders are performed on a monthly basis. Two of the top four customers are the same as in the year to 31 December 2015.

	2016 6 months to 30 June (unaudited)		2015 6 months to 30 June (unaudited)		2015 Year to 31 December (audited)	
	$m	**%**	$m	%	$m	%
Major Customers						
Customer 1	**16.9**	**19.6**	19.7	18.9	35.1	17.9
Customer 2	**13.6**	**15.8**	16.9	16.2	32.6	16.6
Customer 3	**10.7**	**12.4**	14.7	14.2	19.9	10.1
Customer 4	**6.4**	**7.5**	10.1	9.7	19.6	10.0
Total	**47.6**	**55.3**	61.4	59.0	107.2	54.6

Notes to the interim statements (continued)

6. Tax

	2016 6 months to 30 June (unaudited) $000	2015 6 months to 30 June (unaudited & restated) $000	2015 Year to 31 December (audited & restated) $000
Foreign corporation tax - current year	**7,963**	8,155	15,069
Foreign corporation tax - prior year	**-**	-	208
Deferred tax adjustment - current year	**(2,491)**	(2,072)	(4,892)
	5,472	6,083	10,385

7. Dividend

The final and only dividend in respect of 2015, amounting to 1.75p per share, or $1,002,785 was paid on 11 July 2016 (2014: 3.0p per share, or $1,869,091, paid on 10 July 2015). As in previous years no interim dividend has been declared.

8. Earnings per ordinary share (EPS)

	2016 6 months to 30 June (unaudited) $000	2015 6 months to 30 June (unaudited & restated) $000	2015 Year to 31 December (audited & restated) $000
Earnings used in basic and diluted EPS	**10,852**	12,640	(7,981)
	Number ‘000	Number ‘000	Number ‘000
Weighted average number of shares in issue in period			
- used in basic EPS	**39,636**	39,636	39,636
- dilutive effect of outstanding share options	**-**	43	-
- used in diluted EPS	**39,636**	39,679	39,636
Shares in issue at period end	**39,976**	39,976	39,976
Less: Treasury shares	**(340)**	(340)	(340)
Shares in issue at period end excluding treasury shares	**39,636**	39,636	39,636
Basic EPS	**27.38cts**	31.89cts	(20.14)cts
Dilutive EPS	**27.38cts**	31.86cts	(20.14)cts

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:

	2016 6 months to 30 June (unaudited)		2015 6 months to 30 June (unaudited)		2015 Year to 31 December (audited)	
	Carrying amount $000	**Fair value $000**	Carrying amount $000	Fair value $000	Carrying amount $000	Fair value $000
Non-current receivables						
Due from non-controlling interests	**578**	**424**	1,193	924	1,193	924
Due from cooperatives under Plasma scheme	**2,987**	**2,843**	1,612	1,527	2,231	2,056
Due from village smallholder schemes	**-**	**-**	239	220	231	213
	3,565	**3,267**	3,044	2,671	3,655	3,193
Borrowings due after one year						
Long term loan	**31,234**	**31,433**	34,375	34,499	32,875	32,306

Financial instruments not measured at fair value includes 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)

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 2015 and 2015: 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 5.57% (1H 2015: 5.55%, 2015: 5.57%)	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 5.57% (1H 2015: 5.55%, 2015: 5.57%)	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 2016 are available on the AEP website at www.angloeastern.co.uk.