ANNUAL REPORT 2002

AEP

ANGLO-EASTERN

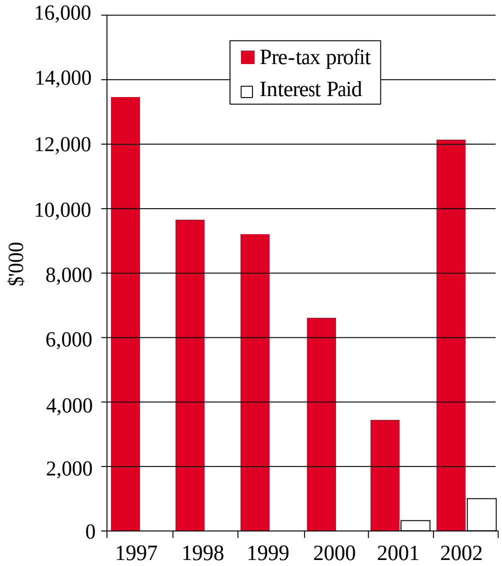
CONTENTS

Anglo-Eastern Plantations Plc, quoted on the London Stock Exchange, operates and is developing plantations in Indonesia and Malaysia, amounting to some 40,000 hectares producing palm oil, rubber and cocoa.

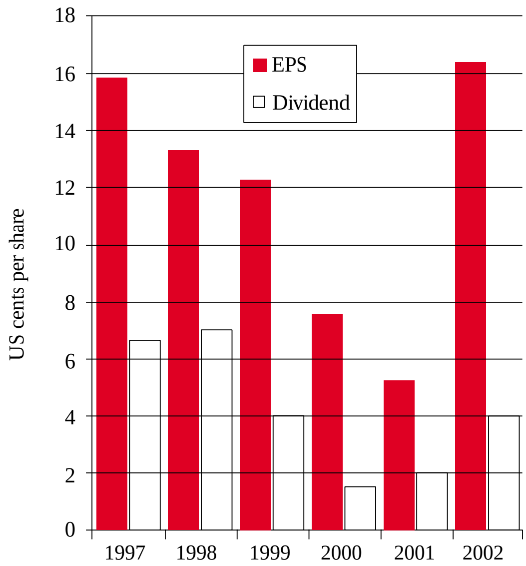
FINANCIAL SUMMARY

	2002	*2001*	**2002**	*2001*
	US$000	*US$000*	**£ 000**	*£ 000*
Turnover	**31,139**	*16,992*	**20,622**	*11,800*
Profit before tax	**12,092**	*3,359*	**8,008**	*2,333*
Shareholders' funds (year end)	**81,133**	*80,629*	**50,393**	*55,225*
Earnings per share	**16.5cts**	*5.2cts*	**10.9p**	*3.6p*
Dividends per share	**4.0cts**	*2.0cts*	**2.58p**	*1.40p*

PROFIT BEFORE TAX: NET INTEREST PAID



EARNINGS: DIVIDENDS PER SHARE



I am pleased to report that in 2002 the group achieved a turnover of $31.1 million and profit before tax of $12.1 million. The previous year's turnover and profit were $17.0 million and $3.4 million respectively.

The increase reflects mainly a strong palm oil price after three years of falling or weak prices, but is also supported by increasing production from our Bengkulu project which is now coming to maturity and was the principal contributor to a 16% increase in group FFB production. There was also an exchange gain of $0.8 million arising on our long term borrowings compared to a loss of $0.2 million in the previous year. Against these positives there were significant increases in operating costs following an industry wide 36% increase in wages and a reduction in fuel subsidies in Indonesia from January 2002. The results for 2001 included an exceptional provision of $1.5 million against the value of our Malaysian estates.

Earnings per share were 16.5 cts (10.9p) compared to 5.2 cts (3.6p) in 2001. Group net assets per share at the year end amounted to 207 cts, largely unchanged from the previous year because of exchange effects.

In line with its major capital expenditure programme, the group completed draw down of its long term development loan facilities during 2002 bringing the total borrowings outstanding to $10.1 million. Against this, the group's cash balances stood at $8.4 million at the year end.

Commodity prices

The CPO price began to improve from March 2002 after reaching a low of $215/mt (cif Rotterdam) in May 2001, the lowest level for 15 years. The average price for 2002 was $400/mt, compared to $281/mt in 2001. At

the end of 2002 the price was $465/mt.

Prices for the other two crops produced by the group also recorded strong increases in 2002. Average prices for rubber were around 27% higher and for cocoa, which reached a 15 year peak, 56% higher. These two crops contributed about 6% of group profits in 2002.

Indonesia

FFB production from our main estate, Tasik, and from Anak Tasik in North Sumatra, was 149,000 mt, down 3,000 mt from the previous year. Although this was the second consecutive year of decline in output, the cause was probably due more to weather factors rather than reflecting the age of the plantings.

By contrast, FFB crops from our three smaller estates around Medan registered an increase of 22% to an all time record of 51,000 mt. Cocoa and rubber crops at these estates also improved.

New planting in Bengkulu was scaled down to 350 ha in 2002 while we concentrated on improving infrastructure and consolidating the areas already planted. Total area planted there now is 9,600 ha, of which 2,100 ha are still immature. FFB production at Bengkulu was 62,000 mt compared to 30,000 mt in 2001.

The 40mt/hr mill in Bengkulu, pictured below, was commissioned on schedule in April 2002. In the eight months of its operation, the mill was able to run at a satisfactory throughput as a result of processing bought-in crop of 28,000 mt as well as 52,000 mt of our own. However, this high proportion of bought-in crop affected the extraction rate. It is planned that the mill will be expanded to a capacity of 60mt/hr in

2004/5 which will allow us to handle all the crops from Bengkulu for the next five years.

Definitive land titles were finally obtained over all the Bengkulu areas which we have planted, or will plant, in the next three or four years. The terms are described in note 10 to the accounts. We have rights over another 5,000 ha of vacant land and will apply for the relevant papers in the light of prevalent conditions at the appropriate time.

I am pleased to report that the Indonesian operations continue to operate with no unusual interruption. Our local management and staff continue to pay particular attention to good relations with local authorities and local residents.

Malaysia

Our Malaysian estates experienced an exceptionally dry spell in early 2002 which affected production. Although the FFB crop of 32,000 mt was an improvement of 11% over the previous year, it was below our expectations.

At present prices, the estates are just self-funding, including loan repayments. The operation made a loss, at the pre-tax level, of $190,000 in 2002 compared to a loss of $490,000 in the previous year. However, low yields remain a concern. We have recently strengthened local management and hope that new approaches to field husbandry, in what is hilly terrain, will accelerate the move to profitability.

Directors

Mr Wee Sin Tho, who was instrumental in the acquisition by my family of its holding in Anglo-Eastern in 1993, has decided not to seek re-election at the forthcoming annual general meeting. We are grateful to him for his help and advice over the time he has been with us.

Outlook and dividend

Group crops for the first three months of 2003 have been above expectations and are 35% ahead of same period in 2002. However, it is difficult to predict whether this improvement will continue for the rest of the year.

The CPO price settled at $450/mt in January and February but has since fallen to $405/mt. Rubber and cocoa prices are around 15% better than last year's averages and our production is at a similar level to that of the same period in 2002. Competition for bought-in crop at Bengkulu and Tasik is expected to increase with new mill capacities coming on stream near both locations, so contribution from this source is expected to be lower in the current year.

The group's cash position has continued to improve but significant capital expenditure in Bengkulu remains and repayment of our long term loans commenced this year. In addition, we are considering building a small oil mill for our Medan estates which is expected to cost nearly $3 million.

If CPO prices average about $400/mt, the group can expect an improved profit for 2003.

Having regard to the satisfactory results and to the increasing production from the Bengkulu estates, the board is proposing to double the dividend in respect of 2002 to 4.0 cts per share.

CHAN TEIK HUAT
Chairman

9 April 2003


1 Cenderung
2 Sungei Musam
3 Blankahan
4 Rambung
5 Anak Tasik
6 Tasik
7 Bengkulu project
PENINSULAR MALAYSIA
SINGAPORE
ACEH
SUMATERA UTARA
RIAU
JAMBI
SELATAN
LAMPUNG
BENGKULU
BARAT
Simeulue
Nias
Siberut
Kepulauan Mentawai
INDIAN OCEAN
S O U
M
Kuala Lumpur
Medan
Bengkulu
©1996 George Philip & Son Ltd Cartography by Philip's

ESTATE AREAS

At 31 December 2002	GROUP TOTAL hectares	MALAYSIA CENDERUNG hectares	INDONESIA TOTAL hectares	NORTH SUMATRA TASIK hectares	ANAK TASIK hectares	BLANKAHAN hectares	RAMBUNG hectares	SUNGEI MUSAM hectares	BENGKULU PUDING MAS hectares	ALNO hectares	SUMINDO hectares	AIR IKAN hectares
Oil Palm												
Mature	**19,335**	2,953	**16,382**	6,020	766	926	30	1,125	3,463	3,881	171	-
Immature												
due to mature 2003	**746**	478	**268**	-	-	-	-	-	-	268	-	-
other	**2,643**	416	**2,227**	-	-	-	-	381	170	808	609	259
under preparation	**-**	-	**-**	-	-	-	-	-	-	-	-	-
Total	**22,724**	3,847	**18,877**	6,020	766	926	30	1,506	3,633	4,957	780	259
Rubber												
Mature	**843**	-	**843**	-	-	-	540	303	-	-	-	-
Immature	**-**	-	**-**	-	-	-	-	-	-	-	-	-
Total	**843**	-	**843**	-	-	-	540	303	-	-	-	-
Cocoa												
Mature	**197**	-	**197**	-	-	-	197	-	-	-	-	-
Immature	**61**	-	**61**	-	-	-	61	-	-	-	-	-
Total	**258**	-	**258**	-	-	-	258	-	-	-	-	-
Timber	**48**	48	**-**	-	-	-	-	-	-	-	-	-
Total planted area	**23,873**	3,895	**19,978**	6,020	766	926	828	1,809	3,633	4,957	780	259
Reserves												
Plantable	**8,295**	1,766	**6,529**	-	-	-	-	-	364	510	2,941	2,714
Unplantable	**1,839**	740	**1,099**	11	-	1	27	-	211	331	153	365
Other - housing, roads, etc	**677**	17	**660**	66	31	29	22	115	115	221	43	18
Total land titles	**34,684**	6,418	**28,266**	6,097	797	956	877	1,924	4,323	6,019	3,917	3,356
Further title to be issued	**5,397**	-	**5,397**	-	-	-	-	-	-	-	5,397	-
Total	**40,081**	6,418	**33,663**	6,097	797	956	877	1,924	4,323	6,019	9,314	3,356

Note: The group has rights over a further 5,397 ha on Sumindo where the main application procedures have been completed.

FINANCIAL RECORD

Profit and Loss Account		2002 $000	2001 $000	2000 $000	1999 $000	1998 $000
Turnover		**31,139**	16,992	17,562	19,636	14,944
Operating profit		**12,767**	3,369	6,560	8,954	9,421
Net interest	- (paid)/received	**(895)**	(320)	27	277	245
	- capitalised	**220**	310	56	-	-
Profit before tax		**12,092**	3,359	6,643	9,231	9,666
Taxation		**(4,367)**	(1,638)	(3,147)	(3,399)	(3,170)
Minority interests		**(1,250)**	320	(522)	(984)	(1,042)
Profit attributable to shareholders		**6,475**	2,041	2,974	4,848	5,454
Dividends		**(1,571)**	(785)	(588)	(1,569)	(2,746)
Retained profit		**4,904**	1,256	2,386	3,279	2,708

Balance Sheet	**$000**	$000	$000	$000	$000
Fixed assets	**103,558**	104,333	97,556	95,284	87,587
Cash net of short term borrowings	**6,376**	2,149	1,660	2,709	6,943
Long term loans	**(8,085)**	(6,460)	(1,412)	-	-
Other working capital and deferred tax	**(3,339)**	(1,594)	(2,910)	(4,344)	(5,614)
	98,510	98,428	94,894	93,649	88,916
Minority interests	**(17,377)**	(17,799)	(17,993)	(19,073)	(17,896)
Net worth	**81,133**	80,629	76,901	74,576	71,020
Share capital	**15,171**	15,171	15,171	15,171	15,480
Share premium and capital redemption account	**24,657**	24,657	24,657	24,657	24,348
Revaluation and exchange reserve	**6,586**	10,986	8,514	8,575	6,290
Profit and loss account	**34,719**	29,815	28,559	26,173	24,902
Shareholders' funds	**81,133**	80,629	76,901	74,576	71,020

Ordinary shares in issue ('000s)	**39,227**	39,227	39,227	39,227	40,027
Earnings per share (US cents)	**16.5cts**	5.2cts	7.6cts	12.3cts	13.3cts
Dividends per share (US cents)	**4.0cts**	2.0cts	1.50cts	4.00cts	7.00cts
Asset value per share (US cents)	**207cts**	206cts	196cts	190cts	177cts
Earnings per share (pence equivalent)	**10.9p**	3.6p	5.0p	7.6p	8.0p
Dividends per share (pence equivalent)	**2.58p**	1.40p	1.04p	2.56p	4.34p
Asset value per share (pence equivalent)	**128p**	141p	132p	118p	106p
Borrowings net of cash: shareholders' funds (%)	**2%**	5%	-	-	-

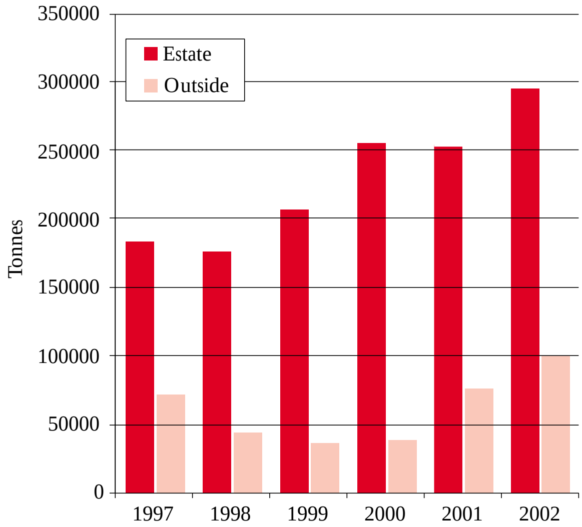
Relevant exchange rates shown on page 9.

ADDITIONAL INFORMATION

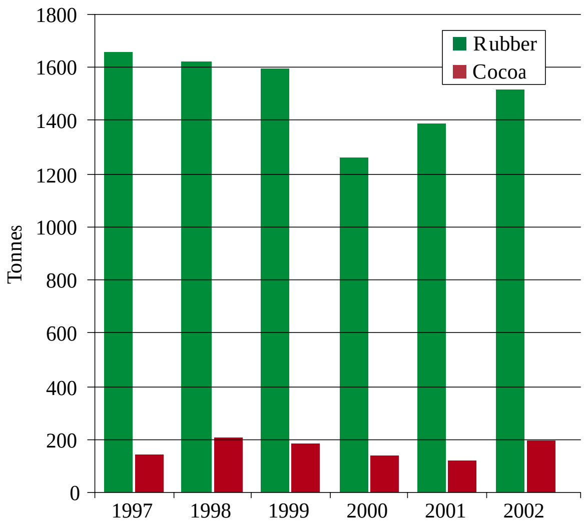
Crops	2002 Tonnes	2001 Tonnes	2000 Tonnes	1999 Tonnes	1998 Tonnes
FFB - all estates	**294,062**	252,632	253,094	206,725	176,546
- bought in or processed for third parties	**99,029**	74,789	38,730	36,730	42,750
Saleable Crude Palm Oil (CPO)	**63,240**	52,073	52,297	42,941	31,224
Rubber	**1,491**	1,376	1,253	1,595	1,621
Cocoa	**193**	120	131	182	206
Sales					
CPO - Tasik	**63,042**	52,072	53,169	44,619	29,012
FFB - other estates	**93,929**	61,458	54,114	31,887	26,486
Rubber	**1,508**	1,351	1,251	1,595	1,621
Cocoa	**170**	127	134	175	162
Average Sales Prices - Indonesia	**Rp/kg**	Rp/kg	Rp/kg	Rp/kg	Rp/kg
CPO (after export tax)	**3,113**	2,271	2,026	2,295	3,166
Rubber	**6,698**	5,254	5,206	5,037	6,941
Cocoa	**15,214**	9,712	6,029	7,791	15,787
FFB	**617**	380	358	491	668
Average Sales Prices - Malaysia	**RM/mt**	RM/mt	RM/mt	RM/mt	RM/mt
FFB	**242**	152	158	243	424
Exchange Rates - Year End					
Rp : $	**8,940**	10,400	9,595	7,100	8,025
$: £	**1.61**	1.46	1.49	1.61	1.67
RM: $	**3.80**	3.80	3.80	3.80	3.80
Exchange Rates - Average					
Rp : $	**9,253**	10,270	8,510	7,795	9,935
$: £	**1.51**	1.44	1.51	1.61	1.66
RM: $	**3.80**	3.80	3.80	3.80	3.89

ADDITIONAL INFORMATION

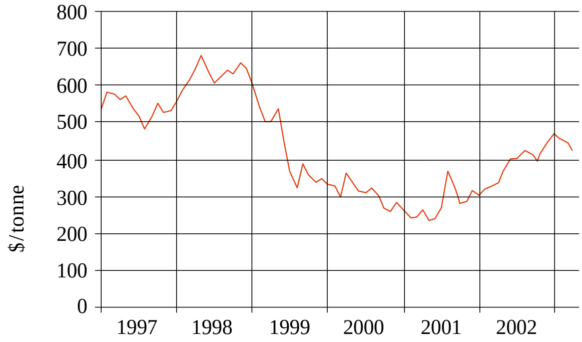
FFB PRODUCTION



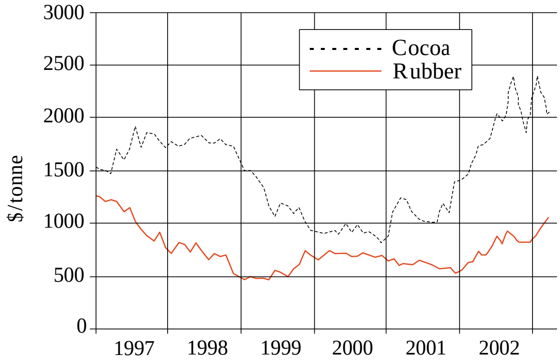
RUBBER AND COCOA PRODUCTION



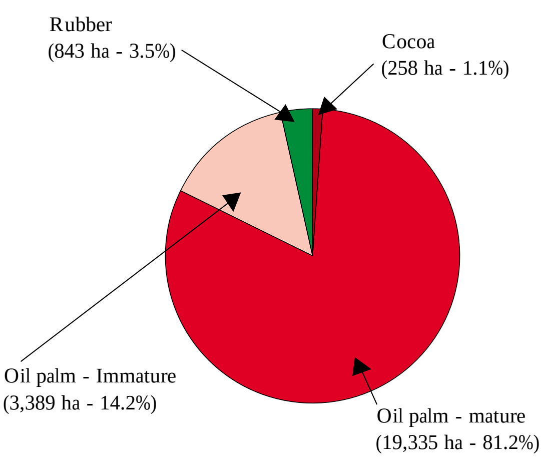
PALM OIL - PRICE *
(Rotterdam)



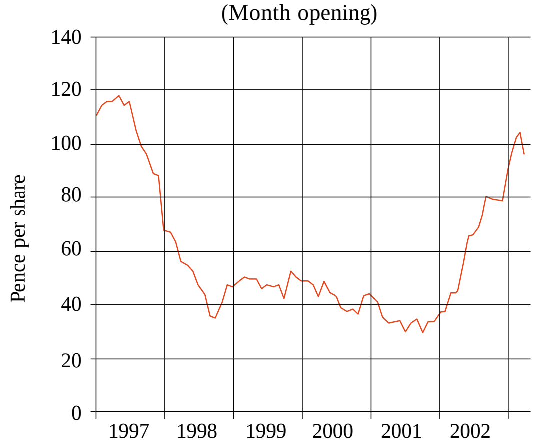
RUBBER AND COCOA PRICES *



PLANTED AREAS - HECTARES



ANGLO-EASTERN SHARE PRICE
(Month opening)



*** = Source: Thomson Financial Datastream**

The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 31 December 2002.

Principal Activity

The company acts as a holding company and co-ordinates the businesses of its subsidiaries. At 31 December 2002 these comprised principally the cultivation of oil palm, rubber and cocoa in Indonesia and Malaysia.

The subsidiary undertakings principally affecting the profits or net assets of the group in the year are listed in note 26 to the financial statements.

Results and Dividends

The audited financial statements for the year ended 31 December 2002 are set out on pages 19 to 37. The group profit for the year on ordinary activities before taxation was $12,092,000 *(2001 - $3,359,000)* and the profit attributable to ordinary shareholders was $6,475,000 *(2001 - $2,041,000)*. No interim dividend was paid. The directors recommend a final dividend of 4.00 cts *(2001 – 2.00cts)* to be paid on 18 June 2003 to shareholders on the register on 23 May 2003. Shareholders who elect to receive their dividend in sterling as described on page 12 will receive a dividend of 2.58p *(2001 – 1.40p)*.

Fixed Assets

Information relating to changes in tangible fixed assets is given in note 10 to the financial statements.

Directors

A full list of directors appears on page 14.

All the directors served throughout the year. Mr S T Wee will not seek re-election at the forthcoming annual general meeting and will therefore resign on that date. In accordance with the Articles of Association, Mr P E O'Connor and Datuk H Chin Poy-Wu will retire by rotation and offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests

The beneficial interests of the directors together with those of their immediate families in the securities of the company were as shown below:

Directors' beneficial interests at 31 December	2002 Ordinary shares	2001 Ordinary shares
R O B Barnes	3,602	3,602
T H Chan	345,500	345,500
Datuk Chin	-	-
Dato Haron	-	249,000
S C Ho	340,000	400,000
S K Lim	20,917,914	20,917,914
P E O'Connor	300,000	300,000
S T Wee	-	-

Until November 2002 Mr S T Wee was general manager of SouthQuay Global Markets Ltd, which owned 244,117 shares at 31 December 2001 and 2002 but sold its entire interest in February 2003. Mr Wee has no beneficial interests.

The interests disclosed for Madam S K Lim are held by Genton International Ltd and certain other companies of which Madam Lim is the controlling shareholder.

Between 31 December 2002 and the date of this report, Mr T H Chan disposed of 245,500 shares.

Other than as set out in note 18 to the financial statements no director had a material interest in any contract of the company subsisting during, or at the end of, the financial year.

Substantial Share Interests

As at 9 April 2003 the following were the interests in excess of 3% of the issued ordinary share capital:

Name of holder	Number	Percentage held
Genton International Limited	20,176,414	51.4%
Alcatel Bell Pension Fund	5,000,000	12.7%
S N Roditi	2,116,900	5.4%

Power to Issue Share Capital

At the annual general meeting held on 13 June 2002 shareholders authorised the board under the provisions of section 80 of the Companies Act 1985 to allot relevant securities within specified limits for a period of five years. Renewal of this authority on similar terms is being sought under Resolution 6 at the forthcoming annual general meeting. Such authority will be limited to the unissued authorised share capital.

A fresh authority is also being sought under the provisions of section 95 of the Companies Act 1985 to enable the board to make an issue to existing shareholders without being obliged to comply with certain technical requirements of the Companies Act, which create problems with regard to fraction entitlements and to overseas shareholders. In addition the authority will give the board power to make issues of shares for cash to other than existing shareholders up to a maximum nominal amount of £490,936 representing 5% of the current issued share capital. The section 95 authority will last for up to 15 months from the date of the annual general meeting.

Scrip Dividends

Resolution 7 to be proposed at the annual general meeting seeks renewal for a further five years of the authority under which the directors are able to offer shareholders a scrip dividend alternative. No scrip alternative is being offered in respect of the 2002 final dividend.

Acquisition of the Company's Own Shares and Authority to Purchase Own Shares

At 9 April 2003, the directors had remaining authority, under the shareholders' resolution of 13 June 2002, to make purchases of 3,922,692 of the company's ordinary shares. This authority expires on 10 June 2003.

The board will only make purchases if they believe the earnings or net assets per share of the company would be improved by such purchases. All such purchases will be market purchases made through the London Stock Exchange and will be subject to the Financial Services Authority model code of dealings. Any shares purchased by the company will be cancelled and the number of shares in issue will accordingly be reduced.

Resolution 8 to be proposed at the forthcoming annual general meeting seeks renewed authority to purchase up to a maximum of 3,927,492 ordinary shares of 25p each on the London Stock Exchange, representing 10% of the company's issued ordinary share capital. The maximum price which may be paid for ordinary shares on any exercise of the authority will be restricted to 5% above the average middle market quotations for such shares as derived from the London Stock Exchange Daily Official List for the 5 business days before the purchase is made.

Payment of Dividends

The group reporting currency is US dollars. However at the time of acquiring their interest shareholders can choose to receive dividends in US dollars or in sterling. In the absence of any specific instruction up to the date of closing the register, shareholders with addresses in the UK are deemed to have elected to receive their dividends in sterling and those with addresses outside the UK in US dollars.

The sterling equivalent dividend will be paid at the exchange rate ruling at the date of the preliminary announcement of the company's results and in the case of the current year is recorded within the section "Results and Dividends" on page 11.

Supplier Payment Policy

It is the group's policy to pay suppliers promptly in accordance with agreed terms of payment. Year end trade creditor days were about 30 *(2001 – 30)*.

Liability Insurance for Company Officers

As permitted by the Companies Act 1985 the company has maintained insurance cover for the directors against liabilities in relation to the company.

Political and Charitable Donations

None *(2001: none)*.

Income and Corporation Taxes Act 1988

In the opinion of the directors, the company is not a close company within the meaning of the above Act.

By order of the board
R O B Barnes
Secretary 9 April 2003

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period.

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.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

T H Chan (Chairman and CEO, aged 63)
Chartered Accountant; managing director of Metroplex Berhad, an investment holding company, listed on the Kuala Lumpur Stock Exchange, primarily engaged in property development, investment property, hotel ownership, building materials, leisure and gaming; founder and managing partner of a leading accounting firm in Malaysia for some 17 years.

R O B Barnes (Chief financial officer, aged 58)
Chartered Accountant; director of The Chillington Corporation Plc from 1986 to 1989.

Dato Haron bin Dato Mohd Salleh
(Managing director, Anglo-Eastern Plantations (M) Sdn Bhd, aged 59)
Vice Admiral Royal Malaysian Navy, now retired. Chief of Staff Malaysian Armed Forces HQ 1994 - 1996.

Madam S K Lim (Non-executive, aged 54)
Executive chairman of Metroplex Berhad.

S T Wee (Independent non-executive, aged 54)
Consultant.

P E O'Connor (Senior independent non-executive, aged 62)
Chairman of City Merchants High Yield Trust Plc and of Advance Developing Markets Plc; director of AMR Technologies Inc and of IMS Investment Manager Selection Limited; director of GT Management Plc 1975 to 1990 (in London and Hong Kong).

S C Ho (Independent non-executive, chairman of audit committee, aged 53)
Executive director of Nexgen Financial Solutions (Asia) Ltd, a financial services firm.

Datuk H Chin Poy-Wu (Independent non-executive, chairman of remuneration committee, aged 66)
Chairman of Hap Sang Consolidated, director of Glenealy Plantations Berhad, Bhd and Sabah Forest Industries Sdn Bhd. Commissioner of Police - Kuala Lumpur, retired 1993.

In June 1998 the Stock Exchange published the Principles of Good Governance and Code of Best Practice (the "Combined Code"). During 2002 the company has complied with the majority of the requirements of the Combined Code.

Where the requirements were not met during 2002, particular comment is made in the statements below and in the Directors' Remuneration Report on page 16.

The Board

Mr T H Chan has been both chairman and chief executive since 1998. Together with his wife, Madam S K Lim, he is a controlling shareholder of the company. In the opinion of the board, given the size of his family's commitment to the company, his common interest as shareholder and manager in the company make it reasonable that the post of chairman and chief executive are combined. The other members of the board are satisfied that through the specific powers reserved for the board, and given the presence of four wholly independent non-executives, there is a reasonable balance of influence.

Mr P E O'Connor has been senior non-executive director since January 1999.

Non-executives are not appointed for specified terms. There have been changes in non-executive directors at intervals in the past for a variety of reasons. While accepting the need to maintain the vitality of the board the directors do not intend to specify terms of office for non-executives. However, the board will review the position of each director at the time set for his normal two to three yearly reappointment under the Articles.

New directors have not received formal training on the occasion of their appointment to the board as all have previous experience of public company directorships.

Remuneration

The required report is set out at the end of this statement.

Relations with Shareholders

Company executives attempt to contact principal shareholders at least twice a year and at all times are pleased to speak to and meet any shareholder.

A member of the audit and remuneration committees will be available at the 2003 annual general meeting.

Accountability and Audit

The responsibilities of the directors as regards the financial statements are set out on page 14. A statement of going concern is also on page 14.

The audit committee comprises Mr S C Ho, Mr P E O'Connor and Datuk H Chin Poy-Wu. The committee met prior to the completion of the 2002 accounts, and three times during the year.

Internal Control

The company has followed the Combined Code provisions and Turnbull Committee guidance on internal control since 1999. The board has overall responsibility for the group's internal control and risk management; the audit committee reviews and monitors specific risks and internal control procedures and reports to the board where appropriate. Executive staff and directors are responsible for implementation of control procedures and for identifying and managing business risks. The audit committee review is a continuous but sequential process and in any one year does not necessarily cover all risks which are significant to the group. The process aims to provide reasonable assurance against material misstatement or loss.

The board receives regular reports from executive management in Indonesia and Malaysia and focuses at each meeting on the principal continuing risks to which the group is exposed. These comprise: commodity price movements, exchange rate movements, political and social change and government legislation.

This report by the remuneration committee has been approved by the board of directors for submission to shareholders for their approval at the forthcoming annual general meeting.

Membership

The remuneration committee comprised throughout the year Mr S C Ho and Mr P E O'Connor and was chaired by Datuk H Chin Poy-Wu.

Policy

The remuneration committee makes recommendations on senior management pay and conditions, after consultation with the chief executive, and recommends to the board the terms of executive directors.

Non-executive directors' remuneration is considered by the board as a whole.

The committee recommends remuneration terms by reference to individual performance, market conditions, the company's performance and the need to maintain an economic operation. The committee is also charged with overseeing the company's share option scheme.

Components

Base salary

Base salaries are reviewed on an annual basis by the remuneration committee or when an individual changes responsibilities. Non-executive directors receive no benefits other than a fixed fee.

Bonus

The group operates a bonus scheme for senior executives and managers which is generally determined by physical and operating cost performance criteria. Annual bonuses for senior executives and managers are capped at 66% of base salary. Executive directors receive a bonus which has ranged from 25% to zero in past years, at the discretion of the board.

Share options

Options are granted to senior executives and managers throughout the group. Policy is generally to phase the grant over three years. The total grant to each holder is determined by seniority and total market value at date of grant is limited to four times base salary. Exercise of options is only permitted three years after grant and there are no performance criteria for exercise.

Pensions

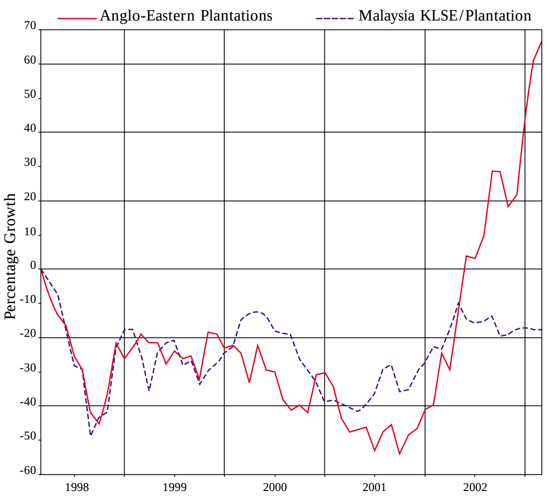
There is no company pension scheme for executive directors or senior executives and management. In the case of one executive director, Mr Barnes, the company makes contributions based on base salary only to a personal money purchase scheme. Senior executives who leave voluntarily after more than five years' service are entitled to a leaving payment of one month's base salary for each year of service.

Service contracts

Other than Mr Barnes, as a matter of policy no director has either a service contract or notice period. Mr Barnes has a contract which expires in May 2004; in the event that this contract is not renewed in certain circumstances Mr Barnes would be entitled to one year's termination payment. Notice periods for all other senior management are generally three months.

Performance graph

The graph at the top of the next page shows the company's performance, measured by capital return, compared to the Kuala Lumpur Stock Exchange (KLSE) Plantation Index for the period 27 February 1998 to 28 February 2003. This is the only relevant index available in terms of sector but many Malaysian plantation companies are diversified as well as not holding as great a proportion of their assets in Indonesia as Anglo-Eastern.



In determining senior management compensation, the remuneration committee is influenced by the operating performance of the company and not directly by the share price.

Directors' share options

Share options granted to the directors of the company under the company's 1994 Executive Share Option Scheme and Overseas Share Option Scheme at 31 December 2002 were:

Name of Director	No of ordinary shares under option	Date of Grant	Exercise price	Exercise period
R O B Barnes	31,412	5.11.94	93.2p	5.11.97-4.11.04
	14,338	24.5.96	124p	24.5.99-23.5.06
	250,000	25.10.99	47p	25.10.02-24.10.09
T H Chan	40,800	25.10.99	47p	25.10.02-24.10.09
	30,600	16.10.00	37p	16.10.03-24.10.10

The market price of shares at 31 December 2002 was 91.5p and the range during 2002 was 36.5p to 95.5p.

Directors' remuneration

The remuneration of all directors who served during the year was:

Name of director	Fees $000	Executive salary $000	Bonus (re 2001) $000	Benefits in kind $000	**Total 2002 $000**	*Total 2001 $000*	Pension contribution **2002 $000**	*2001 $000*
Executive:								
T H Chan (Chairman and CEO)	-	60	-	-	**60**	*59*	**-**	-
R O B Barnes	-	130	11	8	**149**	*135*	**22**	*23*
Dato Haron	12	33	1	6	**52**	*48*	**-**	-
Non-executive:								
S K Lim	12	-	-	-	**12**	*12*	**-**	-
Datuk H Chin	12	-	-	-	**12**	*12*	**-**	-
S C Ho	12	-	-	-	**12**	*12*	**-**	-
P E O'Connor	12	-	-	-	**12**	*12*	**-**	-
S T Wee	12	-	-	-	**12**	*12*	**-**	-
2002	**72**	**223**	**12**	**14**	**321**		**22**	
2001	*72*	*210*	*10*	*10*		*302*		*23*

The executive salary and other benefits of Dato Haron are paid by a third party company with whom he has an employment contract. Since his entire salary is charged to the group it has been decided his remuneration should be included in the table above for the year ended 31 December 2002. The comparative for the year ended 31 December 2001 has been amended accordingly.

The disclosures on this page on share options and directors' remuneration have been audited, as required by Part 3 of Schedule 7A of the Companies Act 1985.
Graph source : Lipper Hindsight

AUDITORS' REPORT

Independent auditors' report to the shareholders of Anglo-Eastern Plantations Plc

We have audited the financial statements of Anglo-Eastern Plantations Plc for the year ended 31 December 2002 on pages 19 to 37 which have been prepared under the accounting policies set out on pages 23 and 24. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the parts of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the group is not disclosed.

We review whether the Corporate Governance Statement reflects the group's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statement on internal control covers all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Financial Summary, Chairman's Statement, Location of Estates, Estate Areas, Financial Record, Additional Information, Directors' Report, the unaudited parts of the Directors' Remuneration Report and the Statement on Corporate Governance. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in note 25 to the financial statements concerning political change in Indonesia where most of the group's activities are based.

In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the company's affairs as at 31 December 2002 and of the group's profit for the year then ended; and
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985.

10 April 2003

BDO Stoy Hayward
Chartered Accountants and Registered Auditors
8 Baker Street
London W1U 3LL

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	**2002 US$000**	*2001 US$000*
Turnover - continuing operations	2	**31,139**	*16,992*
Cost of sales		**(17,475)**	*(10,334)*
Gross profit - continuing operations		**13,664**	*6,658*
Administration and other expenses	3	**(897)**	*(3,289)*
Operating profit - continuing operations	4	**12,767**	*3,369*
Interest - receivable		**50**	*48*
- payable	5	**(725)**	*(58)*
Profit on ordinary activities before taxation	2	**12,092**	*3,359*
Tax on profit on ordinary activities	7	**(4,367)**	*(1,638)*
Profit on ordinary activities after taxation		**7,725**	*1,721*
Minority interests (all equity interests)	19	**(1,250)**	*320*
Profit for the financial year		**6,475**	*2,041*
Dividends proposed	8	**(1,571)**	*(785)*
Retained profit for the year	19	**4,904**	*1,256*
Earnings per ordinary share (basic and diluted)			
- basic	9	**16.5cts**	*5.2cts*
- diluted	9	**16.4cts**	*5.2cts*

The accompanying notes are an integral part of this consolidated profit and loss account.

CONSOLIDATED AND COMPANY BALANCE SHEETS

31 DECEMBER 2002

	Notes	Consolidated 2002 US$000	Consolidated 2001 US$000	Company 2002 US$000	Company 2001 US$000 (restated)
Fixed Assets					
Tangible assets	10	**103,558**	*104,333*	**-**	-
Investments in subsidiary undertakings	26	**-**	-	**45,425**	*43,115*
		103,558	*104,333*	**45,425**	*43,115*
Current Assets					
Stocks	11	**928**	*600*	**-**	-
Debtors	12	**2,001**	*1,916*	**31**	*26*
Investments	13,24	**234**	*266*	**234**	*266*
Cash at bank and in hand	24	**8,416**	*2,248*	**1,335**	*1,202*
		11,579	*5,030*	**1,600**	*1,494*
Current Liabilities					
Creditors: falling due within one year					
Borrowings	15,24	**(2,040)**	*(99)*	**-**	-
Other creditors	14	**(7,717)**	*(5,266)*	**(1,702)**	*(862)*
		(9,757)	*(5,365)*	**(1,702)**	*(862)*
Net current assets/(liabilities)		**1,822**	*(335)*	**(102)**	*632*
Total assets less current liabilities		**105,380**	*103,998*	**45,323**	*43,747*
Non-current Assets/Liabilities					
(Creditors)/assets: due after more than one year					
Borrowings	15,24	**(8,085)**	*(6,460)*	**-**	-
Deferred taxation	16	**1,215**	*890*	**-**	-
Net assets		**98,510**	*98,428*	**45,323**	*43,747*
Capital and Reserves					
Called-up share capital	17	**15,171**	*15,171*	**15,171**	*15,171*
Share premium account	19	**23,570**	*23,570*	**23,570**	*23,570*
Share capital redemption reserve	19	**1,087**	*1,087*	**1,087**	*1,087*
Revaluation and exchange reserve	19	**6,586**	*10,986*	**3,872**	*3,872*
Profit and loss account	19	**34,719**	*29,815*	**1,623**	*47*
Shareholders' funds - all equity interests		**81,133**	*80,629*	**45,323**	*43,747*
Minority interests - all equity interests	19,27	**17,377**	*17,799*	-	-
Total capital employed		**98,510**	*98,428*	**45,323**	*43,747*

The financial statements were approved by the board of directors on 9 April 2003 and were signed on its behalf by R O B Barnes.

The accompanying notes are an integral part of these balance sheets.

RECOGNISED GAINS AND LOSSES
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
HISTORICAL COST PROFITS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2002

	Consolidated		Company	
	2002	*2001*	**2002**	*2001*
Statement of Total Recognised Gains and Losses	**US$000**	*US$000*	**US$000**	*US$000*
Profit for the financial year	**6,475**	*2,041*	**3,147**	*740*
Unrealised (deficit)/surplus on revaluation of the estates	**(15,375)**	*7,292*	**-**	-
Profit/(loss) on exchange translation	**10,975**	*(4,820)*	**-**	-
Total recognised gains relating to the year	**2,075**	*4,513*	**3,147**	*740*
Reconciliation of Movements in Shareholders' Funds				
Total recognised gains	**2,075**	*4,513*	**3,147**	*740*
Dividends	**(1,571)**	*(785)*	**(1,571)**	*(785)*
Net increase/(decrease) in shareholders' funds	**504**	*3,728*	**1,576**	*(45)*
Beginning of year	**80,629**	*76,901*	**43,747**	*43,792*
End of year	**81,133**	*80,629*	**45,323**	*43,747*
Historical Cost Profits and Losses				
Reported profit on ordinary activities before taxation	**12,092**	*3,359*	**3,172**	*818*
Difference between historical cost depreciation charge and the actual depreciation charge for the year	**(692)**	*(800)*	**-**	-
Historical cost profit on ordinary activities before taxation	**11,400**	*2,559*	**3,172**	*818*
Historical cost retained profit/(loss) for the year	**4,212**	*456*	**1,576**	*(45)*

The accompanying notes are an integral part of this statement of total recognised gains and losses, and this note of historical cost profits and losses.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 US$000	2002 US$000	*2001 US$000*	*2001 US$000*
Net cash inflow from operating activities	22		**13,691**		*6,666*
Returns on Investments and Servicing of Finance					
Interest received		**50**		*48*	
Interest paid		**(942)**		*(362)*	
Interest element of finance lease payment		**(3)**		*(6)*	
Dividends paid to minority shareholders		**(263)**		-	
			(1,158)		*(320)*
Taxation					
Foreign tax paid		**(2,424)**		*(2,511)*	
UK tax paid		**-**		*(2)*	
			(2,424)		*(2,513)*
Capital Expenditure					
Payments to acquire tangible fixed assets		**(6,136)**		*(7,605)*	
Payments to acquire land		**(620)**		*(270)*	
Proceeds from sale of tangible fixed assets		**34**		*71*	
			(6,722)		*(7,804)*
Equity Dividends Paid					
Parent company			**(785)**		*(588)*
Cash inflow/(outflow) before financing			**2,602**		*(4,559)*
Financing					
Drawdown of long term loan		**3,663**		*5,080*	
Finance lease repayments		**(29)**		*(29)*	
			3,634		*5,051*
Increase in cash in year	23		**6,236**		*492*

The accompanying notes are an integral part of this consolidated cash flow statement.

1 Accounting Policies

The principal accounting policies are summarised below. Except as noted below they have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets, and in accordance with applicable United Kingdom law and accounting standards.

Basis of consolidation

The group financial statements consolidate those of Anglo-Eastern Plantations Plc and its subsidiary undertakings, drawn up to 31 December each year under the acquisition method of accounting.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset as described below.

Estates are shown at valuation, which are calculated internally every year and reviewed by an external valuer every five years. Estates are valued at the lower of replacement cost and recoverable amount, which is the higher of value in use and net realisable value. Value in use is calculated as the present value of the local currency cash flows of each estate over the next twenty years, including replanting where required.

Any surplus or deficit on revaluation is transferred to the revaluation and exchange reserve, except that a deficit which is in excess of any previously recognised surplus relating to the same property is charged to the profit and loss account. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation and exchange reserve is transferred to the profit and loss account as a movement on reserves.

The Tasik oil mill is included at cost less depreciation.

The depreciation charge on Indonesian estates is based on mature values at the beginning of the year and is provided at a rate of 2% per annum. The Tasik oil mill is depreciated at a rate of 5% per annum. The Malaysian leasehold land is depreciated over the remaining term of the lease. Mature plantations in Malaysia are depreciated at a rate of 5% per annum.

Fixed asset investments

The company's fixed asset investments in subsidiary undertakings are stated at cost less provisions for impairment. Only dividends received or receivable are credited to the company's profit and loss account.

Leasing

Assets financed by leasing agreements which give rights approximating to ownership (finance leases) are capitalised at amounts equal to the original cost of the asset to the lessors and depreciation is provided on the asset over the shorter of the lease term or its useful economic life on the basis of group depreciation policy. The capital elements of future obligations under finance leases are included as liabilities in the balance sheet and the current year's interest element is charged to the profit and loss account to produce a constant rate of charge on the balance of capital repayments outstanding. There are no operating leases.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Current asset investments

The company's current asset investments are stated at the lower of cost or market value.

Foreign currency

Normal trading transactions in foreign currencies are recorded at the rates of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

In the group financial statements the results and year end balances of foreign group companies are translated using the average and closing rates respectively which are shown on page 9. Exchange rate adjustments arising from translation are transferred direct to the revaluation and exchange reserves.

Exchange differences on foreign currency intercompany loans, to the extent that they relate to investments in overseas operations, are also taken to the revaluation and exchange reserve.

Turnover

Turnover represents amounts receivable for goods and services provided by the group in the normal course of business, net of trade discounts, VAT and export taxes.

1 Accounting Policies - continued

Overhead capitalisation

Directly attributable overheads are capitalised in respect of immature areas.

Interest capitalisation

Interest on loans directly related to field development is capitalised in the proportion that the opening immature area bears to the total planted area of the relevant estate. Interest on loans related to construction in progress (such as an oil mill) is capitalised up to the commissioning of that asset.

Pensions

The group operates a number of defined pension schemes in respect of its Indonesian operations. The pension costs of these schemes charged to the profit and loss accounts comprise the annual payments to the schemes as advised by the schemes' actuaries together with any provision required for any shortfall in funding as disclosed by annual valuations of the schemes.

This policy is not in accordance with SSAP24 'Accounting for Pension Costs', but any differences are not material.

Taxation

UK and foreign corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax

Following the adoption of FRS19, Deferred Tax, is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted. The adoption of the accounting standard has not had a material impact on current or prior year.

Liquid resources

For the purposes of the cash flow statement liquid resources are defined as current asset investments and short term deposits.

2 Segment Information

	Net assets		Turnover		Profit/(loss) before taxation	
	2002	*2001*	**2002**	*2001*	**2002**	*2001*
	$000	*$000*	**$000**	*$000*	**$000**	*$000*
By activity:						
Oil palm	**91,271**	*94,893*	**29,768**	*16,180*	**12,852**	*6,275*
Rubber	**1,632**	*1,884*	**1,092**	*692*	**629**	*338*
Cocoa	**700**	*435*	**279**	*120*	**183**	*45*
Administration and other expenses	**-**	-	**-**	-	**(897)**	*(3,289)*
Interest	**-**	-	**-**	-	**(675)**	*(10)*
Unallocated assets	**4,907**	*1,216*	**-**	-	**-**	-
	98,510	*98,428*	**31,139**	*16,992*	**12,092**	*3,359*

	Net assets		Turnover		Profit/(loss) before taxation	
	2002	*2001*	**2002**	*2001*	**2002**	*2001*
	$000	*$000*	**$000**	*$000*	**$000**	*$000*
By geographic origin:						
Indonesia	**80,555**	*79,531*	**29,132**	*15,864*	**12,970**	*6,174*
Malaysia	**17,498**	*17,710*	**2,007**	*1,128*	**(269)**	*(2,143)*
UK	**457**	*1,187*	**-**	-	**(609)**	*(672)*
	98,510	*98,428*	**31,139**	*16,992*	**12,092**	*3,359*
By location of customer:						
Indonesia			**29,132**	*15,864*		
Malaysia			**2,007**	*1,128*		
			31,139	*16,992*		

3 Administration and Other Expenses

	2002 $000	*2001 $000*
Administrative expenses	**(1,751)**	*(1,646)*
Other operating income	**63**	*43*
Income from current asset investments	**-**	*4*
(Loss)/profit on disposal of fixed assets	**(5)**	*4*
Movement in market value of current asset investments	**(32)**	*47*
Exchange profit/(losses)	**828**	*(188)*
Provision for reduction in value of Malaysian estates	**-**	*(1,553)*
	(897)	*(3,289)*

4 Operating Profit

Operating profit is stated after charging

	2002 $000	*2001 $000*
Depreciation (including $16,000 *(2001 – $19,000)* in respect of leased assets)	2,411	2,115
Auditors' remuneration - audit	67	65
- other advisory services – company only	11	7

5 Interest Payable

	2002 $000	*2001 $000*
Payable on loans repayable within five years:		
Development loans - (note 15)	**667**	*332*
Overdraft - (note 15)	**17**	*30*
Other (including $3,000 *(2001 –$6,000)* in respect of finance leases)	**261**	*6*
Interest capitalised on loans related to field development and construction in progress	**(220)**	*(310)*
	725	*58*

6 Employees' and Directors' Remuneration

		2002 number	*2001 number*
Average numbers employed (primarily overseas) during the year	- full time	**2,927**	*2,645*
	- casual	**2,974**	*2,812*

	2002 $000	*2001 $000*
Staff costs (primarily overseas):		
Wages and salaries	**4,495**	*3,102*
Social security costs	**136**	*100*
Retirement benefit costs	**195**	*152*
	4,826	*3,354*

The company has contributed $31,000 *(2001 - $29,000)* to directors' and employees' money purchase pension plans administered by UK insurance companies. Only one director is a member of such plans and no other director has a pension entitlement. The remaining amount of $164,000 *(2001 - $119,000)* for retirement benefit costs charged to profit and loss account relates to schemes described in note 21.

The information required by the Company Act and the listing rules of the Financial Services Authority is contained in the directors' report on remuneration on pages 16 to 17 of which the information on page 17 has been audited.

	2002 $000	*2001 $000*
Directors' emoluments	**321**	*302*
Pension contributions	**22**	*23*
	343	*325*

7 Taxation

The tax charge comprises:

	2002 $000	*2001 $000*
Foreign corporation tax - current year	**4,170**	*2,443*
Foreign withholding tax on remittances	**372**	*97*
Deferred tax adjustment - current year	**(175)**	*(472)*
- prior years	**-**	*(430)*
	4,367	*1,638*

The corporation tax rates in Indonesia and Malaysia, the group's countries of operation, are close to the 30% standard rate of corporation tax in the UK but the charge for the year differs from the standard UK rate of corporation tax for the reasons below.

	2002 $000	*2001 $000*
Profit on ordinary activities before tax	**12,092**	*3,359*
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 30% *(2001 – 30%)*	**3,628**	*1,008*
Effects of:		
Rate adjustment relating to overseas profits	**(13)**	*(18)*
Group accounting adjustments not subject to tax	**73**	*(210)*
Provision for reduction in value of Malaysian estates	**-**	*466*
Expenses not allowable for tax	**63**	*47*
Timing differences	**64**	*9*
Losses not offsetable against fellow subsidiary profits	**402**	*1,335*
Utilisation of tax losses brought forward	**(47)**	*(194)*
Current tax charge for period	**4,170**	*2,443*

8 Dividends

	2002 $000	*2001 $000*
Final proposed – 4.00 cts per ordinary share *(2001 – 2.00cts)*	**1,571**	*785*

9 Earnings per Ordinary Share

Basic net earnings per ordinary share have been calculated on the profit attributable to ordinary shareholders being $6,475,000 *(2001: - $2,041,000)* divided by 39,226,922 *(2001 – 39,226,922)* ordinary shares, being the weighted average number of ordinary shares in issue during the year. The equivalent figure for diluted net earnings per share is 39,440,025 *(2001 – 39,226,922)* which includes the effect of share options granted to directors and employees.

10 Tangible Fixed Assets

	Estates $000	Oil mills $000	Total $000
Cost or valuation			
Beginning of year	101,753	5,129	106,882
Revaluations and exchange translations	(9,637)	830	(8,807)
Additions	5,320	1,656	6,976
Disposals	(35)	(6)	(41)
End of year	**97,401**	**7,609**	**105,010**
Depreciation			
Beginning of year	(1,553)	(996)	(2,549)
Revaluations and exchange translations	3,671	(165)	3,506
Charge for the year	(2,118)	(293)	(2,411)
Disposals	-	2	2
End of year	**-**	**(1,452)**	**(1,452)**
Net book value			
Beginning of year	100,200	4,133	104,333
End of year	**97,401**	**6,157**	**103,558**

10 Tangible Fixed Assets – continued

Net book value of estates includes $48,000 *(2001 - $55,000)* in respect of assets held under finance leases.

The directors valued the estates at 31 December 2002 and 2001 at the higher of net realisable value and value in use. In the case of the Indonesian estates the 2001 valuations were independently reviewed in accordance with the requirement of FRS 15, Tangible Fixed Assets, by PT Nagadi Ekasakti, management consultants in Indonesia, who have extensive plantation experience. The Indonesian estates have been included at value in use, which in the opinion of the directors are probably above market values at the date of this report. The impairment loss, if any, has not been accounted for as the directors believe that valuations of the Indonesian estates on the basis of their value to the company as a going concern best reflect their worth as opposed to general market values, which are impacted by current conditions in Indonesia and current palm oil prices and are in any event difficult to determine. The Malaysian estates were professionally valued by Messrs Khong & Jafaar in December 2001 on an open market existing use basis and are included at this valuation plus subsequent additions at cost less depreciation.

Tangible fixed assets include $220,000 *(2001: $310,000)* of interest and $1,589,000 *(2001: $1,725,000)* of overheads capitalised during the year in respect of expenditure on estates under development during 2002.

Original cost and depreciation at historical rates of exchange of tangible fixed assets at 31 December 2002 were:

	Estates $000	Oil mill $000	Total $000
Original cost	117,895	14,904	132,799
Cumulative depreciation based on original cost	(20,083)	(5,468)	(25,551)
	97,812	9,436	107,248

The Indonesian authorities have granted certain land exploitation rights and operating permits for the estates. In the case of estates in North Sumatra these rights and permits expire between 2023 and 2028 with rights of renewal thereafter for a period of 35 years. In the case of estates in Bengkulu outstanding land titles were issued in 2002 and the titles expire between 2028 and 2032 with rights of renewal thereafter for two consecutive periods of 25 and 35 years respectively. Renewal is subject to compliance with the laws and regulations of Indonesia. As described in note 1 the values in use of the Indonesian estates are depreciated over a period of fifty years since the directors expect the renewals will take place.
The land title of the estate in Malaysia is a long lease expiring in 2084.

11 Stocks

These are estate and mill stores of $718,000 *(2001 - $574,000)*, and produce stocks of $210,000 *(2001 - $26,000)*, stated at the lower of cost and net realisable value. Replacement value is not materially different.

12 Debtors

	2002 $000	*2001 $000*
Consolidated balance sheet		
Due within one year		
Trade debtors	**657**	*493*
Other debtors	**344**	*238*
Taxation	**250**	*428*
Prepayments and accrued income	**193**	*200*
Due after more than one year		
Minority shareholders (note 27)	**557**	*557*
	2,001	*1,916*

	2002 $000	*2001 $000*
Company balance sheet		
Due within one year		
Other debtors	**4**	*4*
Prepayments and accrued income	**27**	*22*
	31	*26*

13 Investments

These represent short term investments listed on the Kuala Lumpur Stock Exchange and are shown at market value, being lower than cost of $591,000 *(2001 - $591,000).*

14 Creditors: Amounts Falling Due Within One Year

	2002 $000	*2001 $000*
Consolidated balance sheet		
Trade creditors	**666**	*520*
Overseas taxation	**3,051**	*1,111*
Other creditors	**1,401**	*1,813*
Accruals	**1,028**	*1,037*
Proposed dividend	**1,571**	*785*
	7,717	*5,266*

	2002 $000	*2001 $000*
Company balance sheet		
Other creditors	**11**	*4*
Proposed dividend	**1,571**	*785*
Accruals	**120**	*74*
	1,702	*863*

15 Borrowings

Consolidated balance sheet	2002		*2001*	
	under one year	more than one year	*under one year*	*more than one year*
Bank overdraft (a)	-	-	*68*	-
Finance lease obligations (b)	**20**	-	*31*	*18*
Long term development loan (c)	**1,600**	**6,400**	-	*4,734*
Long term development loan (d)	**420**	**1,685**	-	*1,708*
	2,040	**8,085**	*99*	*6,460*
Amounts repayable after more than one year, as follows:				
in more than one year but not more than two years		**2,021**		*2,360*
in more than two years but not more than five years		**6,064**		*3,760*
more than five years		-		*340*
		8,085		*6,460*

(a) The bank overdraft is secured by a fixed and floating charge over the land titles and assets of the company's Malaysian operating subsidiary, Anglo-Eastern Plantations (M) Sdn Bhd ("AEP Malaysia") as well as over the company's shareholding in AEP Malaysia. The company has guaranteed the overdraft. Interest is at 2% above Malaysian Bank Lending Rate or about 8.4%.

(b) Finance lease obligations relate to vehicles and machinery, on which the obligations are secured, in the Indonesian subsidiaries. Interest is effectively at 8%. Payments complete by the end of 2003.

(c) The long term development loan, which is part of a facility of $8,000,000, is made to and secured by a fixed and floating charge on the land titles and other assets of PT Mitra Puding Mas and PT Alno Agro Utama. The company has guaranteed the loan. Interest is at 1% under the US dollar Indonesian prime rate or about 8.3% through 2002. The loan is repayable in eight quarterly instalments of $400,000 from January 2003 to September 2004, and four quarterly instalments of $1,200,000 from January 2004 to September 2005.

(d) The long term development loan is made to AEP Malaysia on the same security and interest terms described for the overdraft in note 15(a) above. The loan is repayable in equal monthly instalments over five years commencing January 2003.

16 Deferred Taxation

Consolidated balance sheet

	2002 $000
Beginning of year asset	**890**
Transfer to revaluation reserve	**-**
Credit to profit and loss account during year	**175**
Exchange adjustment	**150**
End of year asset	**1,215**

	2002 $000	*2001 $000*
Deferred tax asset at end of year comprises:		
Unutilised tax losses	**1,069**	*816*
Other timing differences	**146**	*74*
	1,215	*890*

	2002 $000	*2001 $000*
Potential tax payable if revalued assets realised for their carrying value	**14,835**	*17,762*

	Company		Consolidated	
	2002 $000	*2001 $000*	**2002 $000**	*2001 $000*
Unutilised tax losses for which no deferred tax asset created	**369**	*565*	**12,554**	*11,884*

17 Share Capital

	Authorised Number	Issued and fully paid Number	Authorised $000	Issued and fully paid $000	Authorised £000	Issued and fully paid £000
Ordinary shares of 25p each						
Beginning of year	60,000,000	39,226,922	23,865	15,171	15,000	9,808
End of year	**60,000,000**	**39,226,922**	**23,865**	**15,171**	**15,000**	**9,808**

Options have been granted under the company's 1994 Executive Share Option Scheme and Overseas Share Option Scheme to subscribe for ordinary shares of 25p each of the company as follows:

			Number of options			Number of shares subject to option		
Date of grant	**Price per share**	**Period of option**	1 Jan 01	Granted/ (Lapsed)	31 Dec 01	1 Jan 01	Granted/ (Lapsed)	31 Dec 01
5.11.94	93.2p	5.11.97 - 4.11.04	1	0	1	31,412	0	31,412
3.11.95	115.8p	3.11.98 - 2.11.05	1	0	1	8,000	0	8,000
24.5.96	124.0p	24.5.99 - 23.5.06	1	0	1	14,338	0	14,338
25.10.99	47.0p	25.10.02 – 24.10.09	28	(6)	22	440,800	(31,200)	409,600
16.10.00	37.0p	16.10.03 – 15.10.10	32	(7)	25	192,100	(27,200)	164,900
16.04.02	44.7p	30.04.05 – 29.04.12	0	28	28	0	196,500	196,500
			63	**15**	**78**	**686,650**	**138,100**	**824,750**

Options granted to directors, included above, are shown on page 17.

In January 2003 options over 48,000 shares were exercised at 47p increasing the number of shares in issue to 39,274,922.

18 Ultimate Controlling Shareholder

At 31 December 2002 Genton International Limited, a company registered in Hong Kong, held 20,176,414 *(2001 – 20,176,414)* shares of the company representing 51.4% *(2000 – 51.4%)* of the issued share capital of the company. Madam S K Lim, a director of the company has advised the company that she is the controlling shareholder of Genton International Limited.

A subsidary of the company rents office space at $20,000 p.a. from, and for a fee of $6,000 p.a. manages a small plantation owned by, companies controlled by Madam S K Lim. These contracts are on an arm’s length basis.

19 Reserves and Minority Interests

(a) Consolidated balance sheet

	Share premium account $000	Share capital redemption $000	Revaluation and exchange reserve $000	Profit and loss account $000	Minority interests $000
Beginning of year	23,570	1,087	10,986	29,815	17,799
Revaluation	-	-	(15,375)	-	(3,044)
Exchange translation	-	-	10,975	-	2,299
Retained profit for year	-	-	-	4,904	1,250
Minority dividends	-	-	-	-	(927)
End of year	**23,570**	**1,087**	**6,586**	**34,719**	**17,377**

As significantly all foreign exchange translation is attributable to fixed assets, foreign exchange translation effects have been included in the revaluation and exchange reserve. This reserve includes cumulative revaluation reserve of $76,258,000 (credit), the reserve of $3,449,000 (credit) referred to in note 19(b) below and exchange translation loss of $73,121,000 (debit). No deferred tax has been provided by the group in respect of the revaluation and exchange reserve.

(b) Company balance sheet

	Share premium account $000	Share capital redemption $000	Revaluation and exchange reserve $000	Profit and loss account (distributable) $000
Beginning of year	23,570	1,087	3,872	47
Profit for the financial year	-	-	-	3,147
Proposed dividend	-	-	-	(1,571)
Retained profit for year	-	-	-	1,576
End of year	**23,570**	**1,087**	**3,872**	**1,623**

As permitted by section 230 of the Companies Act 1985, a separate profit and loss account dealing with the results of the company has not been presented. The profit before tax of the company for the year was $3,252,000 *(2001 - $818,000).* Of the revaluation and exchange reserve, $3,449,000 is available to meet any reduction in dollar terms of investments in and loans to subsidiaries caused by adverse exchange rate movements on the underlying assets.

20 Guarantees and Other Financial Commitments

		2002 $000	*2001 $000*
Consolidated			
Capital commitments at 31 December			
Contracted for but not provided for	- normal operations	**477**	*231*
	- oil mill	**-**	*1,239*
Authorised but not contracted for	- normal operations	**1,350**	*1,190*
	- acquisition of new land	**-**	*100*

Contingent liabilities

A subsidiary is facing a claim over 236ha of unplanted land in Indonesia. The subsidiary in question has a valid HGU land title covering the relevant area and has won its case in the local and Appeal courts but the plaintiff has appealed to the Supreme Court. The company is reasonably confident of winning this case. The relevant piece of land is valued in the consolidated financial statements at approximately $45,000.

Company

The company has provided a guarantee for loans and overdrafts to subsidiaries totalling $10,105,000 *(2001 - $6,442,000),* as set out in note 15.

The company had no capital commitments at 31 December 2002 *(2001 - nil).*

21 Retirement Benefits

The group maintains a defined benefit funded pension scheme for labour in Indonesia. The scheme is valued by an actuary at the end of each financial year. The major assumptions used by the actuary were:

	2002 $000	2001 $000
Inflation	10%	10%
Rate of increase in wages	10%	10%
Discount rate	12%	12%

The fair values of assets in the scheme were:

	2002 $000	2001 $000
Cash (expected long term rate of return: 12%)	397	287

The following amounts were measured in accordance with the requirements of FRS 17.

	2002 $000	2001 $000
Fair value of scheme assets	397	287
Actuarial value of scheme liabilities	(473)	(363)
Deficit in scheme provided within accruals (note 14)	(76)	(76)

The group also operates a non-contributory non-funded retirement plan for staff in Indonesia. Retirement benefits are paid to employees in a single lump sum at the time of retirement. Retirement benefit is accrued by the group based on individual employees' service up to the end of the financial year.

	2002 $000	2001 $000
Amount included in accruals (note 14)	227	147

Since deficits have been provided in full within the group financial statements the group net assets and results would be unaffected if the schemes were combined within the financial statements in accordance with FRS 17.

22 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2002 $000	2001 $000
Operating profit	12,767	3,369
Depreciation and amortisation	2,411	2,115
Provision for reduction in value of Malaysian estates	-	1,553
Loss/(profit) on sale of fixed assets	5	(4)
Movement in market value of investments	32	(47)
(Increase)/decrease in stocks	(328)	184
Increase in debtors	(263)	(314)
(Decrease)/increase in creditors	(815)	130
Foreign exchange	(118)	(320)
Net cash inflow from ordinary activities	13,691	6,666

23 Reconciliation of Net Cash Flows to Movement in Net Debt

	2002 $000	2001 $000
Increase in cash in year	6,236	492
Cash inflow from increase in long term loans	(3,663)	(5,080)
Cash outflow from decrease in finance leases	29	29
Change in net debt resulting from cash flows	2,602	(4,559)
Change in market value of current asset investments	(32)	47
Movement in net debt in year	2,570	(4,512)
Net (debt)/funds at start of year (note 24)	(4,045)	467
Net debt at end of year (note 24)	(1,475)	(4,045)

24 Analysis of Net Debt

	At 31 Dec 2001 $000	Flows $000	Reclas-sification $000	Change in market value $000	At 31 Dec 2002 $000
Cash at bank and in hand	*2,248*	**6,168**	**-**	**-**	**8,416**
Overdraft	*(68)*	**68**	**-**	**-**	**-**
Net cash	*2,180*	**6,236**	**-**	**-**	**8,416**
Loans due within 1 year	-	**-**	**(2,020)**	**-**	**(2,020)**
Finance leases due within 1 year	*(31)*	**29**	**(18)**	**-**	**(20)**
Borrowings due in more than 1 year	*(6,442)*	**(3,663)**	**2,020**	**-**	**(8,085)**
Finance leases due in more than 1 year	*(18)*	**-**	**18**	**-**	**-**
Current asset investments	*266*	**-**	**-**	**(32)**	**234**
Net funds/(debt)	*(4,045)*	**2,602**	**-**	**(32)**	**(1,475)**

25 Disclosure of Financial Instruments and Other Risks

General

The group's financial instruments at present comprise cash and liquid resources, some short term creditors, together with normal trade debtors and creditors, and long term loans in Indonesia and Malaysia. The main risks which arise from these financial instruments relate to liquidity, interest rates and exchange rates.

Liquidity risk

At 31 December 2002 the group had the following loans and facilities.

		Borrowings $000	Facilities $000	Repayable
Malaysia:	ringgit denominated			
	- overdraft	-	790	on demand
	- long term loan	2,105	2,105	2003 – 2007 (note 15)
Indonesia:	US dollar denominated			
	- long term loan	8,000	8,000	2003 – 2005 (note 15)

The total long term loan facilities of $10,105,000 are repayable as follows:

2003 $000	2004 $000	2005 $000	2006 $000	2007 $000
2,021	2,021	5,221	421	421

Interest rate risk

The loans listed above are all at variable rates of interest as described in note 15.

The group's financial liabilities comprise long term loans as set out above, as well as short term creditors, and a potential short term overdraft facility.

The group's financial assets comprise short term debtors, short term portfolio investments, cash at bank and long term debtors. All surplus cash is in bank deposits at variable short term rates of interest. Long term debtors comprise dollar denominated amounts due from minority shareholders, as described in note 27, on which amounts interest is due at 6% (fixed) but not accrued in the group accounts; these debtors are expected to be settled in about five years.

The interest rate profiles of the group's financial liabilities at 31 December 2002 and 2001 were:

Currency	Total	Fixed rate financial (liabilities)	Variable rate financial (liabilities)	Financial (liabilities) on which no interest is paid
2002	**$000**	**$000**	**$000**	**$000**
Sterling	(131)	-	-	(131)
US dollar	(10,631)	-	(8,020)	(2,611)
Rupiah	(4,836)	-	-	(4,836)
Ringgit	(2,244)	-	(2,105)	(139)
Total	(17,842)	-	(10,125)	(7,717)

25 Disclosure of Financial Instruments and Other Risks

Interest rate risk – continued

	Total	Fixed rate financial (liabilities)	Variable rate financial (liabilities)	Financial (liabilities) on which no interest is paid
2001	*$000*	*$000*	*$000*	*$000*
Sterling	*(78)*	-	-	*(78)*
US dollar	*(7,113)*	*(1,314)*	*(4,734)*	*(1,065)*
Rupiah	*(2,277)*	-	-	*(2,277)*
Ringgit	*(2,357)*	-	*(1,776)*	*(581)*
Total	*(11,825)*	*(1,314)*	*(6,510)*	*(4,001)*

	Fixed rate financial (liabilities)		Financial (liabilities) on which no interest is paid
	Weighted average interest rate	Weighted average period on which rate is fixed	Weighted average period until maturity
	%	Years	Years
All currencies - 2002	-	-	<1

Foreign currency risk

All the group's operations are overseas. The group is therefore exposed to currency movements on its net investment overseas.

The effects of devaluation in local currencies on the group's operations are as follows:

Since selling prices of the group's produce are linked directly to the US dollar, a depreciation of local currencies against the US dollar would increase the profit of the Malaysian and Indonesian subsidiaries. However, this benefit is partly offset over time by consequent inflation in local costs. Cost of development in dollar terms also reduces.

Value of plantations in Indonesia are included in the group's financial statements based on estimated future cash flows in rupiah. Plantations in Malaysia have been included in the group's financial statements at ringgit market valuation determined by a professional valuer. In both cases, exchange losses on translation of these values into US dollars are offset against revaluation surpluses.

The group retains little of its cash balances in local currencies. The exchange profits or losses arising in overseas subsidiaries holding foreign currency balances are also credited or charged in the group profit and loss account.

The group's subsidiaries which are borrowing US dollars, as shown under "Liquidity risk" above, could face significant exchange losses, which would be charged in the group profit and loss account. This risk is mitigated in part by the dollar denomination of the group's income, and by any dollar liquid assets.

Exchange losses on long term dollar intercompany debt are charged against the revaluation surpluses referred to above and do not affect the group's profit.

Gains and losses arising from structural currency exposures are taken to the revaluation and exchange reserve and are therefore recognised in the Statement of Total Recognised Gains and Losses.

The table below shows the net monetary assets and liabilities of the group at 31 December 2002 and 2001 that were not denominated in the operating (or "functional") currency of the operating unit involved.

	Net foreign currency assets/(liabilities)			
Functional currency of group operation	**US dollar**	**Ringgit**	**Sterling**	**Total**
2002	**$000**	**$000**	**$000**	**$000**
Indonesian rupiah	(2,996)	-	-	(2,996)
US dollar	-	244	(69)	175
Total	(2,996)	244	(69)	(2,821)
2001	*$000*	*$000*	*$000*	*$000*
Indonesian rupiah	*(6,018)*	-	-	*(6,018)*
US dollar	-	*273*	*(20)*	*253*
Total	*(6,018)*	*273*	*(20)*	*(5,765)*

25 Disclosure of Financial Instruments and Other Risks

Fair values of financial assets and financial liabilities

There is no material difference between the book values and fair values of the group's financial assets and liabilities as at 31 December 2002.

Gains and losses on hedges

The group enters into no hedging transactions and normally does not contract to sell produce more than one month ahead.

Other risks

Indonesia has been through a period of major political change. Further changes could affect exchange and interest rates and social stability. Indonesian government policy towards foreign investment and the plantation industry may also change, affecting the group's future profits and cash flow. The net assets of the group in Indonesia subject to these risks are set out in note 2.

26 Investments in Subsidiary Undertakings - Company

	Investments in subsidiary undertaking $000	Loans to subsidiary undertakings $000	Total $000
At beginning of year	1,599	41,516	43,115
Movement in year	-	2,310	2,310
At end of year	1,599	43,826	45,425

Loans to and from subsidiary companies do not have fixed repayment dates and on this basis have previously been included under current assets and liabilities. Since these balances are effectively long term in nature it has been decided to reclassify them with the investments in subsidiaries at 31 December 2002. The comparative figures for investments and for amounts due from and to subsidiaries at 31 December 2001 have been re-stated accordingly.

	Percentage holding of ordinary shares
Principal United Kingdom sub-holding company	
Anglo-Indonesian Oil Palms Limited	100
UK management company	
Indopalm Services Limited	100
Malaysian operating companies	
Anglo-Eastern Plantations (M) Sdn Bhd	55
Anglo-Eastern Plantations Management Sdn Bhd	100
Indonesian operating companies	
PT Alno Agro Utama	94
PT Anak Tasik	100
PT Mitra Puding Mas	90
PT Musam Utjing	75
PT Simpang Ampat	100
PT Tasik Raja	80
PT United Kingdom Indonesia Plantations	75

The principal United Kingdom sub-holding company and UK management company are registered in England and Wales and are direct subsidiaries of the company. Details of United Kingdom subsidiaries which are not significant have been omitted. The Malaysian operating companies are incorporated in Malaysia and are direct subsidiaries of the company. The Indonesian operating companies are incorporated in Indonesia and are direct subsidiaries of the principal sub-holding company. The principal activity of the operating companies is plantation agriculture.

The company's entire interest in Anglo-Eastern Plantations (M) Sdn Bhd has been secured against the loans to that subsidiary set out in note 15.

27 Minority Interests

The minority shareholders in PT Mitra Puding Mas and PT Alno Agro Utama have acquired their interests on deferred terms. The resulting debts together with accrued interest will be settled from dividends arising from these projects.

CONSOLIDATED PROFIT AND LOSS ACCOUNT (£ STERLING)

FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes (References in US Dollars)	**2002 £000**	*2001 £000*
Turnover - continuing operations	2	**20,622**	*11,800*
Cost of sales		**(11,573)**	*(7,176)*
Gross profit - continuing operations		**9,049**	*4,624*
Administration and other expenses	3	**(594)**	*(2,284)*
Operating profit - continuing operations	4	**8,455**	*2,340*
Interest - receivable		**33**	*33*
- payable	5	**(480)**	*(40)*
Profit on ordinary activities before taxation		**8,008**	*2,333*
Tax on profit on ordinary activities	7	**(2,892)**	*(1,138)*
Profit on ordinary activities after taxation		**5,116**	*1,195*
Minority interests (all equity interests)	19	**(828)**	*222*
Profit for the financial year		**4,288**	*1,417*
Dividends proposed	8	**(1,040)**	*(545)*
Retained profit for the year	19	**3,248**	*872*
Earnings per ordinary share (basic and diluted)			
- basic	9	**10.9p**	*3.6p*
- diluted	9	**10.9p**	*3.6p*

The accompanying notes are an integral part of this consolidated profit and loss account.

CONSOLIDATED AND COMPANY BALANCE SHEETS (£ STERLING)

31 DECEMBER 2002

	Notes (References in US dollars)	Consolidated 2002 £000	Consolidated *2001 £000*	Company 2002 £000	Company *2001 £000 (restated)*
Fixed Assets					
Tangible assets	10	**64,322**	*71,461*	**-**	-
Investments	26	**-**	-	**28,214**	*29,531*
		64,322	*71,461*	**28,214**	*29,531*
Current Assets					
Stocks	11	**576**	*411*	**-**	-
Debtors	12	**1,243**	*1,312*	**20**	*18*
Investments	13,24	**145**	*182*	**145**	*182*
Cash at bank and in hand	24	**5,227**	*1,540*	**829**	*823*
		7,191	*3,445*	**994**	*1,023*
Current Liabilities					
Creditors: falling due within one year					
Borrowings	15,24	**(1,267)**	*(68)*	**-**	-
Other creditors	14	**(4,793)**	*(3,607)*	**(1,057)**	*(591)*
		(6,060)	*(3,675)*	**(1,057)**	*(591)*
Net current (liabilities)/assets		**1,131**	*(230)*	**(63)**	*432*
Total assets less current liabilities		**65,453**	*71,231*	**28,151**	*29,963*
Non-current Assets/Liabilities					
Creditors: falling due after more than one year					
Borrowings	15,24	**(5,022)**	*(4,425)*	**-**	-
Deferred taxation	16	**755**	*610*	**-**	-
Net assets		**61,186**	*67,416*	**28,151**	*29,963*
Capital and Reserves					
Called-up share capital	17	**9,808**	*9,808*	**9,808**	*9,808*
Share premium account	19	**15,329**	*15,329*	**15,329**	*15,329*
Share capital redemption reserve	19	**663**	*663*	**663**	*663*
Revaluation and exchange reserve	19	**3,028**	*9,004*	**1,342**	*4,131*
Profit and loss account	19	**21,565**	*20,421*	**1,009**	*32*
Shareholders' funds - all equity interests		**50,393**	*55,225*	**28,151**	*29,963*
Minority interests - all equity interests	19,27	**10,793**	*12,191*	**-**	-
Total capital employed		**61,186**	*67,416*	**28,151**	*29,963*

The accompanying notes are an integral part of these balance sheets.

CONSOLIDATED CASH FLOW STATEMENT (£ STERLING)

FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes (References in US dollars)	**2002** £000	**2002** £000	*2001* £000	*2001* £000
Net cash inflow from operating activities	22		**8,670**		*4,647*
Returns on Investments and Servicing of Finance					
Interest received		**33**		*33*	
Interest paid		**(624)**		*(251)*	
Interest element of finance lease payment		**(2)**		*(4)*	
Dividends paid to minority shareholders		**(174)**		-	
			(767)		*(222)*
Taxation					
Foreign tax paid		**(1,605)**		*(1,744)*	
UK tax paid/repaid		**-**		*(1)*	
			(1,605)		*(1,745)*
Capital Expenditure					
Payments to acquire tangible fixed assets		**(4,064)**		*(5,281)*	
Payments to acquire land		**(411)**		*(188)*	
Proceeds from sale of tangible fixed assets		**23**		*49*	
			(4,452)		*(5,420)*
Equity Dividends Paid					
Parent company			**(520)**		*(408)*
Cash inflow/(outflow) before financing			**1,326**		*(3,148)*
Financing					
Drawdown of long term loan		**2,427**		*3,508*	
Finance lease repayments		**(19)**		-	
			2,408		*3,508*
Increase in cash in year	23		**3,734**		*360*

The accompanying notes are an integral part of this consolidated cash flow statement.

NOTICE OF MEETING

Notice is hereby given that the eighteenth Annual General Meeting of Anglo-Eastern Plantations Plc will be held at the offices of Lovells, Atlantic House, 50 Holborn Viaduct, London EC1A 2FG on 11 June 2003 at 11.30 am for the following purposes:

As Ordinary Business

1 To receive and consider the company's annual report for the year ended 31 December 2002.
2 To declare a dividend.
3 To approve the remuneration report for the year ended 31 December 2002.
4 To re-elect the following directors.
   a) Mr P E O'Connor
   b) Datuk H Chin Poy-Wu
5 To re-appoint BDO Stoy Hayward as auditors and to authorise the directors to fix their remuneration.

As Special Business

6 To consider and, if thought fit, to pass the following resolution as a special resolution:

That

(a) the directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 ("the Act") to exercise for the period ending on 10 June 2008 all the powers of the company to allot relevant securities up to an aggregate nominal amount equal to the company's authorised but unissued share capital at the date of this resolution;

(b) pursuant to the said authority and during the period expiring on the date of the next Annual General Meeting or on 10 September 2004 (whichever shall be earlier) the directors be empowered to allot equity securities wholly for cash:

   (i) in connection with a rights issue; and
   (ii) up to an aggregate nominal amount of £490,936 otherwise than in connection with a rights issue; as if section 89 (1) of the Act did not apply to any such allotment;

(c) by such authority and power the directors may during such periods make offers or agreements which would or might require the making of allotments after the expiry of such period; and

(d) for the purposes of this resolution:
   (i) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the directors to holders of equity securities on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory);
   (ii) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the company, the nominal amount of such shares which may be allotted pursuant to such rights; and
   (iii) words and expressions defined in or for the purposes of part IV of the Act shall bear the same meanings herein.

7 To consider and if thought fit to pass the following resolution as a special resolution:

That the directors be and they are hereby authorised

(i) to exercise the powers contained in Articles 137 and 138 of the Articles of Association of the company so that, to the extent determined by the directors, the holders of ordinary shares be permitted to elect to receive new ordinary shares of 25p each in the capital of the company, credited as fully paid, instead of all or part of any interim or final dividend or dividends which may be declared or paid at any time or times prior to 10 June 2008; and

(ii) to capitalise the appropriate nominal amount of additional ordinary shares, falling to be allotted pursuant to elections made as aforesaid, out of the amount standing to the credit of any reserves of the company, to apply such sum in paying up such ordinary shares and pursuant to section 80 of the Act to allot such ordinary shares up to a maximum nominal value of an aggregate nominal amount equal to the company's authorised but unissued share capital at the date of this resolution to members of the company validly making such elections at any time or times prior to 10 June 2008 as if sub-section (1) of section 89 of the said Act did not apply thereto and so that this authority shall be without prejudice and additional to the authority conferred by resolution no 6.

8 To consider and if thought fit to pass the following as a special resolution:

That the company is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the Act) of ordinary shares of 25p each in the capital of the company provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 3,927,492 (representing 10% of the issued ordinary share capital);

(b) the minimum price which may be paid for each ordinary share is 25p;

(c) the maximum price which may be paid for each ordinary share is an amount equal to 105% of the average of the middle market quotations for such share as derived from the Daily Official List of the London Stock Exchange Limited for the five business days immediately preceding the date of purchase; and

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the company save that the company may before the expiry of this authority make a contract of purchase which will or may be executed wholly or partly after such expiry and may make a purchase of shares pursuant to any such contract.

By order of the board
R O B BARNES
Secretary

9 April 2003

A member of the company entitled to attend and vote at the meeting may appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member. The instrument appointing a proxy must be deposited at the office of the registrars not less than forty-eight hours before the time appointed for holding the meeting.

Pursuant to regulation 34 of the Uncertified Securities Regulations 1995, the company has specified that only those shareholders on the register of members of the company at 11.30 am on 9 June 2003 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after 11.30 am on 9 June 2003 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

The register of directors' interests, showing any transactions of directors and of their families in the securities of the company, will be available for inspection at the registered office of the company during usual business hours from the date of this notice until the date of the Annual General Meeting and on that day until the conclusion of the meeting. No directors have service agreements exceeding one year's duration.

COMPANY ADDRESSES

Malaysian Office
Level 9
Grand Seasons Avenue
72 Jalan Pahang
53000 Kuala Lumpur
Tel : 60 (3) 2693 1828
Fax : 60 (3) 2691 1028

Indonesian Office
P T United Kingdom Indonesia Plantations
Wisma HSBC
Jalan Diponegoro, Kav 11
Medan 20152
North Sumatra
Tel : 62 (0)61 4528683
Fax : 62 (0)61 4520029

Secretary and Registered Office (Number 1884630)
R O B Barnes
6/7 Queen Street
London EC4N 1SP
Tel : 44 (0)20 7236 2838
Fax : 44 (0)20 7236 8283

COMPANY ADVISERS

Auditors
BDO Stoy Hayward
8 Baker Street
London W1U 3LL

Principal Bankers
National Westminster Bank Plc
15 Bishopsgate
London EC2P 2AP

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

Malayan Banking Corporation Bhd
Menara Promenade
100 Jalan Tun Razak
50050 Kuala Lumpur

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Solicitors
Lovells
Atlantic House
Holborn Viaduct
London EC1A 2FG