AEP

ANGLO-EASTERN

annual report

2008

Contents

Anglo-Eastern Plantations Plc, quoted on the London Stock Exchange, owns, operates and develops plantations in Indonesia and Malaysia, amounting to some 132,000 hectares producing mainly palm oil and some rubber.

Financial Highlights

	2008	2007
	$ m	$ m
Revenue	**174.7**	127.9
Profit before tax		
- before biological asset (BA) adjustment	**76.5**	52.6
- after BA adjustment	**77.9**	53.6
EPS before BA adjustment	**103.0cts**	77.2cts
EPS after BA adjustment	**105.1cts**	78.5cts
Dividend (cents)	**5.0cts**	14.0cts
Dividend (pence)	***3.4p**	7.0p

Note: * Based on exchange rate at 7 April 2009 of $1.4751/£

Chairman's Statement

Results

I am pleased to report a record profit for 2008 which was largely attributable to both higher average Crude Palm Oil (CPO) prices and production volume. Equally important, the group has expanded its total landholding to 132,000 ha, a 50% increase in landholding from 2007. Out of this, 40,000 ha are planted and 63,000 ha are available for planting. With a measured land clearing and planting programme, the group will be able to double its planted area in the next five years.

Group operating profit for 2008, before biological asset (BA) adjustment, was $74.1 million, 41% more than 2007. Estate fresh fruit bunch (FFB) output for 2008 was 7% above the previous year. The increase is attributed by higher overall productivity and larger mature hectarage.

Profit before tax and after BA adjustment was $77.9 million, compared to $53.6 million in 2007. The BA adjustment was a credit of $1.3 million, compared to $1.0 million in 2007, reflecting our estate valuations referred to in the following "Business Review" section. However, note that the BA adjustment has no bearing on cash generation of the group.

Earnings per share before BA adjustment increased by 33% to 103.0 cts, compared to 77.2 cts in 2007.

Financing

Our policy is to fund the group's operations, capital expenditure and development from internally generated funds or from the drawdown of existing bank loans. The group is confident additional loan facilities can be obtained, should the necessity arise. For the two acquisitions announced in 2008, described below under 'Recent acquisitions', amounting to $11.4 million, this was mainly funded via internally generated funds. Capital expenditure is planned for two new mills at Cahaya Pelita Andhika (CPA), North Sumatra and in Sumindo estate, Bengkulu, amounting to $20.5 million. The construction of the mill in Sumindo estate, Bengkulu, has started and is expected to be completed by 2010.

During the year, we repaid $4.2 million of our existing borrowings. There were no new borrowings.

The group's balance sheet remains strong. The group continued to experience strong cash flow generation for 2008, enabling it to have higher cash reserves and reduce its borrowings. As at 31 December 2008, the group had a cash position of US$69.4 million and lower borrowings of $35.6 million, giving it a net cash position of $33.8 million, compared to $23.3 million in 2007.

Our policy is to continue seeking to purchase mature and immature land to increase total landholdings.

Recent acquisitions

In 2008, the group acquired a 95% equity interest in PT Riau Agrindo Agung (RAA), an Indonesian company owning the rights to 15,000 ha of vacant land in Bengkulu, and a 95% equity interest in PT Empat Lawang Agro Perkasa (ELAP) and PT Karya Kencana Sentosa Tiga (KKST); two Indonesian companies which hold the rights to 14,100 ha and 16,000 ha respectively in South Sumatra. The total addition of 45,100 ha brings the group's total landholding to 132,000 ha from 86,900 ha in the previous year. While these new properties are all evidenced by official "rights to occupy" (a temporary title which precedes application for and grant of a full land title or Hak Guna Usaha (HGU)), they require detailed surveys. In addition to identifying plantable areas, this survey involves an assessment of the areas that ought to be set aside for local community use. With land available for commercial and private agriculture becoming increasingly scarce in Indonesia, this is an important and sensitive issue.

The peak net development cost of the total plantable area of about 63,000 ha, including the above acquisitions, is likely to be about $170 million to be spread over a period of five to ten years.

Chairman's Statement

Directors
The Board had undergone rejuvenation in terms of new appointments to replace long-serving directors.

Mr Peter O'Connor and Mr Ho Soo Ching, two of our long-serving independent non-executive directors, have retired subsequent to our twenty third annual general meeting on 31 July 2008. Mr. David Smith resigned on 4 March 2009. Datuk H Chin Poy-Wu, our long-serving independent non-executive director, will be retiring at the forthcoming annual general meeting and will not be seeking re-election. The Board thank these directors for their service.

I am pleased to welcome the appointment of Mr. Donald Han Low as Acting Chief Executive Officer with effect from 26 August 2008 as well as Mr. Nik Din Nik Sulaiman as an independent non-executive director with effect from 1 April 2009. Brief profiles of the directors are set out in a subsequent section of this Annual Report. Both Mr. Donald Han Low and Mr. Nik Din Nik Sulaiman are submitting themselves for re-appointment by shareholders at the forthcoming annual general meeting.

Madam Lim Siew Kim, our non-executive director, will submit herself for re-election at the forthcoming annual general meeting.

I will submit myself for re-appointment by the shareholders at that same annual general meeting.

Outlook
Fresh Fruit Bunch (FFB) production as of February 2009 has been satisfactory in all estates and comparable to the same period in 2008. It is too early to forecast whether the performance can be sustained for the rest of the year.

The CPO price opened the year at $962.5/mt and ended the year at $495/mt, averaging $945/mt for the year. Since its peak of $1,420/mt achieved in March 2008, CPO price has fallen back sharply and hit a low of $455/mt in October 2008. This significant price adjustment of a 68% drop from its peak is not unlike the sharp drop across the board experienced by other vegetable oil and commodities, especially crude oil.

In response to the sharp fall in CPO price, prevalent in the second half of 2008, the Indonesian government has annulled the export tax on CPO to zero with effect from 1 November 2008. The resulting tax saving has cushioned the impact of the CPO price decline, and this calming effect can be seen by the CPO price strongly supported around $460/mt and $520/mt price band. Since January 2009, CPO prices have been steadily trading in the range of $495/mt and $620/mt. The industry generally feels that a long term sustainable price is around $600/mt-$700/mt.

The US dollar appreciated by approximately 25% against the Indonesian Rupiah in 2008, and this had an impact in terms of an unrealised exchange loss on the exchange reserve position. The Indonesian Rupiah has not experienced adverse fluctuations against the US dollar during early 2009 and we expect a satisfactory exchange level to be attainable for the rest of the year. To mitigate exposure to currency exchange volatility, the group is managing its cash in dollars and local currencies prudently, taking into consideration its dollar-denominated borrowings and operational cost currencies requirements.

Prospects for 2009 will be challenging in view of the lower CPO price and the global recession. Market perception is that Indonesia will remain economically stable, in spite of the global recession, and this is expected to bode well as demand for basic foodstuff, such as cooking oil in the domestic market, may continue to sustain. The group is confident that demand for its product will be sustainable and we can expect a satisfactory profit level and cash flow for 2009.

Chairman's Statement

Dividend

The board is mindful that the group's development programme will require a considerable capital commitment. In this respect, the dividend level needs to be balanced against the planned capital expenditure. The board is proposing to declare a final dividend of 5.0 cts in respect of 2008, representing a reduction of 64% from 14.0 cts in respect of 2007. Shareholders choosing to receive their dividend in sterling will do so at the rate ruling on 26 June 2009, when the register closes. Based on the exchange rate at 7 April 2009 of $1.4751/£, the proposed dividend would be equivalent to 3.4p, compared to 7.0p declared in respect of 2007.

CHAN TEIK HUAT
Chairman

15 April 2009

Financial Record

Income statement	2008 IFRS $000	2007 IFRS $000	2006 IFRS $000	2005 IFRS $000	2004 IFRS $000
Revenue	**174,684**	127,898	79,094	64,321	65,676
Trading profit	**74,064**	52,521	26,270	22,201	24,934
Biological asset (BA) movement	**1,347**	1,001	2,312	(35)	1,950
Exchange profits/(losses)	**1,503**	215	368	(550)	147
Net finance income/(expense)	**959**	(145)	90	(196)	(287)
Profit before tax	**77,873**	53,592	29,040	21,420	26,744
Tax	**(25,891)**	(15,628)	(9,289)	(7,097)	(9,034)
Minority interests	**(9,981)**	(6,964)	(3,277)	(2,140)	(2,901)
Profit attributable to shareholders	**42,001**	31,000	16,474	12,183	14,809
Dividend proposed for year	**(1,973)**	(5,524)	(4,266)	(3,514)	(3,147)

Balance Sheet	$000	$000	$000	$000	$000
Fixed assets	**198,855**	187,023	160,823	129,518	127,302
Cash net of short term borrowings	**60,803**	59,065	15,079	9,091	9,357
Long term loans	**(27,025)**	(35,719)	(5,454)	(3,940)	(5,558)
Other working capital	**(11,894)**	(8,979)	(1,919)	255	(4,341)
Deferred tax	**(28,450)**	(23,052)	(21,152)	(16,941)	(16,698)
	192,289	178,338	147,377	117,983	110,062
Minority interests	**(31,558)**	(32,367)	(25,421)	(20,519)	(19,276)
Net worth	**160,731**	145,971	121,956	97,464	90,786
Share capital	**15,504**	15,504	15,495	15,481	15,424
Treasury shares	**(1,785)**	(1,785)	(1,387)	(1,387)	(1,387)
Share premium and capital redemption account	**25,022**	25,022	24,991	24,955	24,912
Revaluation and exchange reserve	**(22,083)**	46	2,407	(9,121)	(6,674)
Profit and loss account	**144,073**	107,184	80,450	67,536	58,511
Equity attributable to shareholders' funds	**160,731**	145,971	121,956	97,464	90,786
Ordinary shares in issue ('000s)	**39,976**	39,976	39,958	39,928	39,804
Earnings per share before BA adjustment (US cents)	**103.0cts**	77.2cts	38.3cts	31.0cts	34.5cts
Earnings per share after BA adjustment (US cents)	**105.1cts**	78.5cts	41.7cts	30.9cts	n/a
Dividend per share for year (US cents)	**5.0cts**	14.0cts	10.8cts	8.8cts	8.0cts
Asset value per share (US cents)	**402cts**	370cts	309cts	244cts	228cts
Earnings per share before BA adjustment (pence equivalent)	**55.9p**	38.4p	20.6p	17.1p	18.7p
Dividend per share for year (pence)	**3.4p**	7.0p	5.5p	5.0p	4.3p
Asset value per share (pence equivalent)	**285p**	186p	158p	142p	135p
Exchange rates – year end					
Rp : $	**10,950**	9,419	9,020	9,830	9,290
$: £	**1.41**	1.99	1.96	1.72	1.92
RM : $	**3.48**	3.31	3.53	3.78	3.80
Exchange rates – average					
Rp : $	**9,735**	9,170	9,141	9,751	9,001
$: £	**1.84**	2.01	1.86	1.81	1.84
RM : $	**3.34**	3.43	3.66	3.79	3.80

Estate Areas

	GROUP TOTAL	MALAYSIA	INDONESIA TOTAL	NORTH SUMATRA							BENGKULU					RIAU	BANGKA	KALI-MANTAN
													← South Sumatra →					
		Cenderung		Tasik	Anak Tasik	Labuhan Bilk	Blankahan	Rambung	Sungei Musam	Cahaya Pelita Andhika	Puding Mas	Alno	KKST	ELAP	RAA	Bina Pitri	BML	SGM
Group interest in total areas below		**55%**		80%	100%	80%	75%	100%	75%	90%	90%	90%	95%	95%	95%	80%	95%	95%
Planted at 31 December 2008	**Hectares (Ha)**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**
Oil Palm																		
Mature	**32,571**	**3,425**	**29,146**	5,947	766	0	917	149	1,808	1,378	3,633	9,605	0	0	0	4,943	0	0
Immature due to mature end 2009	**2,165**	**271**	**1,894**	0	0	349	0	0	0	0	0	1,528	0	0	0	17	0	0
other	**4,852**	**0**	**4,852**	59	0	3,149	0	0	0	993	0	529		0	12	0	0	110
Total	**39,588**	**3,696**	**35,892**	6,006	766	3,498	917	149	1,808	2,371	3,633	11,662	0	0	0	4,960	0	0
Rubber																		
Mature	**406**	**0**	**406**	0	0	0	0	406	0	0	0	0	0	0		0	0	0
Immature	**270**	**0**	**270**	0	0	0	0	270	0	0	0	0	0	0		0	0	0
Total	**676**	**0**	**676**	0	0	0	0	676	0	0	0	0	0	0	0	0	0	0
Total planted area	**40,264**	**3,696**	**36,568**	6,006	766	3,498	917	825	1,808	2,371	3,633	11,662	0	0	0	4,960	0	0
Reserves													(a)	(a)	(a)		(a)	(a)
Plantable	**63,888**	**2,061**	**61,827**	0	0	1,863	0	0	0	3,157	0	1,429	11,200	9,800	10,488	0	6,000	17,890
Unplantable	**26,562**	**526**	**26,036**	18	0	385	3	27	0	80	209	638	4,800	4,300	4,500	76	3,000	8,000
Other	**1,755**	**85**	**1,670**	72	31	191	37	24	116	84	482	566			0	67	0	0
	92,205	**2,672**	**89,533**	90	31	2,439	40	51	116	3,321	691	2,633	16,000	14,100	14,488	143	9,000	25,890
Total area at 31 March 2009	**132,469**	**6,368**	**126,101**	6,096	797	5,937	957	876	1,924	5,692	4,324	14,295	16,000	14,100	15,000	5,103	9,000	26,000
of which																		
Land titles	**46,833**	**6,368**	**40,465**	5,946	791	3,557	957	876	1,924	4,469	4,324	13,292	0	0	0	4,329	0	0
Land rights	**85,636**	**0**	**85,636**	150	6	2,380	0	0	0	1,223	0	1,003	16,000	14,100	15,000	774	9,000	26,000

Note: (a) For new acquisitions in 2008 and 2007, ultimate plantable areas are estimated at 70% of total

Locations of Estates

Business Review

Commodity Prices
2008 has been an exceptionally volatile year for vegetable oil prices, including CPO. The CPO price opened the year at $962.5/mt and continued to creep upwards before hitting its peak of $1,420/mt in March 2008. CPO price was steadily high until June 2008, when it fell back sharply and hit a low of $455/mt in October 2008. The sharp drop in CPO price is in correlation with falls experienced by other vegetable oil and commodities, especially crude oil. The CPO price ended the year at $495/mt, averaging $945/mt for the year. Pricing in CPO is the result of a complex relationship between competing oils and meals, oil seed production in both hemispheres, and as can be seen correlates to a certain extent with crude oil due to its biodiesel potential.

In the early half of 2008, the Indonesian government, in order to curb commodity-driven inflation, reformulated the export taxes on CPO to a scale tax rate ranging from 5% to 25% for Rotterdam CIF prices commencing from $650/mt. However, in response to the sharp drop in CPO price, of which Rotterdam CIF price dropped to its lowest of $455/mt in October 2008, the Indonesian government annulled the export tax on CPO to zero with effect from 1 November 2008. While we do not export CPO, this tax saving is passed back to producers and reduces the domestic ex-factory prices directly. The resulting tax saving cushioned the impact of the CPO price decline, and this calming effect can be seen by the CPO price trading between $460/mt and $520/mt since.

Rubber prices averaged $2,500/mt for 2008 (2007-$2,100/mt). Our small area of 409 ha of mature rubber contributed a pre-tax profit of $2.1 million in 2008. The newly planted 270 ha of rubber is expected to start production in 2011.

Valuation
In 2007 the main valuation assumptions were changed to reflect the improving outlook for palm oil and for Indonesia, and also to reflect increasing operating costs. In 2008, we have maintained the CPO price assumption at $500/mt and the discount rate is unchanged at 12%.

Indonesia
FFB production in North Sumatra, which aggregates the estates of Tasik, Anak Tasik, Labuhan Bilik, Blankahan, Rambung, Sungai Musam and CPA, produced 261,000mt in 2008, 1% higher than 2007. The small increase is encouraging, considering the mature age of the trees in Tasik, which ordinarily would become less yielding as the trees grow older. To counter this, the group has begun a small amount of planting young plants. Tasik contributed 60% of the total production in North Sumatra estates. Bought-in crop at 206,000mt was 29% more than 2007. The oil extraction rates at Tasik and Blankahan mills were 21.14% (2007: 20.7%) and 21.67% (2007: 21.9%) in 2008.

FFB production in Bengkulu (South Sumatra), which aggregates the estates of Puding Mas and Alno as well as three newly acquired land of KKST, ELAP and RAA, produced 186,000mt, 9% higher than the previous year. The absence of a more pronounced drought effect compared to last year, coupled with the improved road infrastructure, contributed to this improved performance. Bought-in crop increased to 128,000mt from 117,000mt, but extraction rates for Bengkulu mill fell back to 20.5% in 2008 from 20.9% in 2007. The second 40/60mt/hr oil mill costing $10 million, located at Sumindo estate, one of the outlying estates, is currently under construction and once completed it is expected to result in saving in transport costs as well as procuring more bought-in crop from smallholders.

FFB production in the Riau region, comprising Bina Pitri estates, produced 79,000mt in 2008, 31% higher than 2007. The improved performance resulted from productivity arising from a fertilisation and rehabilitation programme started in 2005/6, immediately after Bina Pitri was acquired. Bought-in crop reached 109,000mt, almost double the 55,000mt bought-in in the previous year, as a result of the new mill operating at higher capacity. The extraction rates for Bina Pitri mill decreased slightly to 21.0% in 2008 from 21.2% in 2007, mainly due to a higher proportion of bought-in crops.

Business Review

Malaysia
FFB production in 2008, at 40,185mt, was 2% above 2007. This is encouraging after a disappointing 11% drop experienced in 2007. The favourable CPO prices in the first half of 2008, enabled the Malaysian estates to contribute pre-tax profit of $1.8 million, 22% lower than 2007. By the end of 2008, the Malaysian subsidiary had cash of $5.5 million with no external debt.

Existing development
As announced earlier in our interim statements in 2008, two new mills were planned to be built, one at CPA in North Sumatra and the other at Sumindo estate in Bengkulu. Construction of the mill for the Sumindo estate is progressing well. The construction of a new mill at CPA has been deferred to enable the group to re-prioritise its resources and until investment return visibility becomes clearer.

In North Sumatra, an additional 2,000 ha have been planted in Labuhan Bilik and CPA. In Bengkulu, the 2,000 ha that were earmarked to be planted in 2008, have been deferred to 2009 by the slow progress caused by protracted compensation negotiations with neighbouring villages. It is important these are handled carefully and fairly. It is expected the land clearing and planting for Bengkulu will be completed by December 2009.

Land compensation and clearing, which usually takes 1 to 2 years, is progressing smoothly and steadily in new areas in Kalimantan.

Acquisitions
As explained in the interim statements in 2008, the group made two further land acquisitions in Indonesia.

1. *Bengkulu*
   In January 2008, the group acquired for, a cash consideration of $3.7 million, a 95% interest in PT Riau Agrindo Agung (RAA), an Indonesian company owning the rights to 15,000 ha of vacant land in Bengkulu. The balance 5% interest in RAA is held by the vendor, who is also the minority shareholder of PT Sawit Graha Manunggal (SGM), one of the group's Indonesian subsidiaries. The location is about 120 kilometres south of the group's existing properties in Bengkulu ("old" Bengkulu) and 60 kilometres north of the provincial capital, Bengkulu town. It will therefore make a natural addition to the group's existing 15,000 planted hectares and, in its early years, will have the support of existing nurseries and access to the group's existing mills.

   Terrain on this property is hilly, but better than that of the "old" Bengkulu properties. Soils are good and rainfall is suitable for oil palm. Vegetation is scrub and light secondary forest, the original forest having been removed some years ago. As for the other properties, the area is zoned for development but contains villages whose own development needs must be met. Limited planting began in 2008, with significant planting commencing in 2009. This is due for completion by 2013, with production commencing immediately in the same year.

2. *South Sumatra*
   In June 2008 the group acquired a 95% interest in PT Empat Lawang Agro Perkasa (ELAP) and PT Karya Kencana Sentosa Tiga (KKST); two Indonesian companies which hold the rights to 14,100 ha and 16,000 ha respectively in South Sumatra. Consideration was $7.7 million in cash. The balance 5% interest in both ELAP and KKST is held by the vendor, an Indonesian national. The area is only 125 km from Bengkulu town and near enough to our other Bengkulu estates for FFB to be transported there prior to building a mill.

   Terrain on this property is quite similar to RAA and better than that of the "old" Bengkulu properties. Soils are good and rainfall is suitable for oil palm. Vegetation is scrub and secondary forest. The area is zoned for agricultural development but contains small villages to which some land will be allocated for community development. The group is currently undertaking assessment of the planting programme.

Conversion of the land rights in Bengkulu and South Sumatra to full HGU titles is likely to take two to three years.

Directors' Report

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 2008.

Principal activity
The company is incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is on the inside back cover.

The company acts as a holding company and co-ordinates the businesses of its subsidiaries. At 31 December 2008 these comprised principally the cultivation of oil palm and rubber in Indonesia and Malaysia. The subsidiary undertakings which principally affected the profits or net assets of the group in the year are listed in note 28 to the consolidated financial statements.

Results and dividends
The audited financial statements for the year ended 31 December 2008 are set out on pages 21 to 49. The group profit for the year on ordinary activities before taxation was $77,873,000 (2007 - $53,592,000) and the profit attributable to ordinary shareholders was $42,001,000 (2007 - $31,000,000). No interim dividend was paid. The directors recommend a final dividend of 5.0cts (2007 – 14.0cts) to be paid to shareholders on the register on 26 June 2009. Shareholders may elect to receive their dividend in sterling as described on page 12.

Business Review
The review of the group's business is set out in pages 8 to 9. In addition, the principal risks and uncertainties of the group's business are:

- Unexpected variations in crop, principally caused by unusual weather
- Variations in commodity prices
- Variations in the rates of exchange of the Indonesian rupiah and the Malaysian ringgit against the US dollar, which affect directly the local selling prices of the group's products and the cost of imported inputs, as well as the value of financial assets and liabilities as set out in note 25 of the consolidated financial statements
- Input cost inflation
- Changes in the policy of the Indonesian or Malaysian governments towards the plantation industry and towards foreign investment and
- Protectionist tariffs or controls against CPO for either economic or environmental reasons by importing countries.

The group's key performance indicators, being revenue, profit after tax, profit before tax production volume, commodity prices, extraction rates and yield are set out in "Financial record" on page 5 and in the business review on page 8 to 9.

Environmental and corporate responsibility
The group's management and directors take a serious view of their environmental and social responsibilities and are fully committed to the principles developed by "Round Table for Sustainable Palm Oil" (RSPO), which was founded by a group of growers, processors, retailers and wildlife and conservation groups to codify and promote best practices in the industry. The key RSPO principles are set out on page 17 in "Statement on Corporate Governance".

Financial risk
Information on financial instruments and other risks is set out in note 25 to the consolidated financial statements.

Biological assets, property, plant and equipment
Information relating to changes in these fixed assets is given in note 11 to the consolidated financial statements.

Directors
A full list of directors appears on page 15. Mr. Barnes served during the year until his retirement on 30 April 2008, whilst both Mr. O'Connor and Mr. Ho served during the year until their retirement after the twenty third annual general meeting on 31 July 2008. Datuk Chin will retire at the forthcoming annual general meeting. Mr. Smith and Dato' John Lim, both were appointed as directors on 26 April 2008, whilst Mr. Donald Low was appointed as director on 26 August 2008. All other directors served throughout the year. Madam Lim will be submitting herself for re-election while Mr. Donald Low and Mr. Nik Din, will be submitting themselves for the first time for re-appointment by shareholders. Mr. Chan will also be submitting himself for re-appointment. Mr. Smith resigned as director on 4 March 2009.

Directors' Report

Directors' interests
The 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

	2008 Ordinary shares	2007 Ordinary shares
Chan Teik Huat	–	–
Donald H Low (appointed on 26 August 2008)	–	–
David W Smith (appointed on 26 April 2008 and resigned on 4 March 2009)	–	–
Lim Siew Kim	20,521,314	20,521,314
Dato' John Lim Ewe Chuan (appointed on 26 April 2008)	–	–
Datuk H Chin Poy-Wu (will retire at the forthcoming annual general meeting)	–	–
Nik Din Bin Nik Sulaiman (appointed on 1April 2009)	–	–

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

There have been no changes in the interests of the directors in the securities of the company between 31 December 2008 and the date of this report. Other than Madam Lim, none of the directors, had any interest in the securities of the company between the date of their appointments and the date of this report.

Other than as set out in note 21 to the consolidated 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 7 April 2009, the following interests had been notified to the company, being interests in excess of 3% of the issued ordinary share capital of the company:

Name of holder	Number	Percentage of voting rights held
Genton International Limited	20,521,314	51.33%
Alcatel Bell Pension Fund	7,556,900	18.90%
S N Roditi	1,966,900	4.92%

Share capital, restrictions on transfer of shares, arrangements affected by change of control and other additional information
The company has one class of share capital, ordinary shares. All the shares rank pari passu. The articles of association of the company contain provisions governing the transfer of shares, voting rights, the appointment and replacement of directors and amendments to the articles of association. These accord with usual English company law provisions. There are no special control rights in relation to the company's shares. There are no significant agreements to which the company is a party which take effect, alter or terminate in the event of a change of control of the company. There are no agreements providing for compensation for directors or employees on change of control.

Auditors
All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of the information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP has expressed their willingness to continue in office and a resolution to re-appoint them will be proposed as Resolution 8 at the forthcoming annual general meeting.

Directors' Report

Authority to allot shares

At the annual general meeting held on 31 July 2008 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 9 at the forthcoming annual general meeting. Such authority will be limited to shares up to a maximum nominal amount of £3,331,356 which represents 33.3% of the company's current issued share capital. The authority will last for up to five years from the date of the resolution. The directors do not have any present intention of issuing any shares under this authority.

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 fractional entitlements and overseas shareholders. In addition, the authority will give the board power to make issues of shares for cash to persons other than existing shareholders up to a maximum aggregate nominal amount of £499,703 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 10 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 2008 final dividend.

Acquisition of the company's own shares and authority to purchase own shares

At 15 April 2009, the directors had remaining authority under the shareholders' resolution of 31 July 2008, to make purchases of 3,997,627 of the company's ordinary shares. This authority expires on 31 October 2009.

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. Companies can hold their own shares which have been purchased in this way in treasury rather than having to cancel them. The directors would, therefore, consider holding the company's own shares which have been purchased by the company as treasury shares as this would give the company the flexibility of being able to sell such shares quickly and effectively where it considers it in the interests of shareholders to do so. Whilst any such shares are held in treasury, no dividends will be payable on them and they will not carry any voting rights.

Resolution 11 to be proposed at the forthcoming annual general meeting seeks renewed authority to purchase up to a maximum of 3,997,627 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 five business days before the purchase is made.

The maximum number of shares and the price range are stated for the purpose of compliance with statutory requirements in seeking this authority and should not be taken as an indication of the level of purchases, or the prices thereof, that the company would intend to make.

Payment of dividends

The group reporting currency is US dollars. However, 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 closure of the register.

Supplier payment policy

It is the company's policy to pay suppliers promptly in accordance with agreed terms of payment. The company had no trade creditors at 31 December 2008 (2007 – nil).

Directors' Report

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

By order of the board
Donald H Low
Director

15 April 2009

Directors' Responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group, for safeguarding the assets of the company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report and directors' remuneration report which comply with the requirements of the Companies Act 1985.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors are also required to prepare financial statements for the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation. The directors have chosen to prepare financial statements for the company in accordance with UK Generally Accepted Accounting Practice (GAAP).

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.

Group financial statements
International Accounting Standard 1 requires that financial statements present fairly for each financial year the group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Parent company financial statements
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 the group and of the profit or loss of the company and the group for that period. In preparing these financial statements, the directors are required to:

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

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors

Chan Teik Huat (Executive Chairman, aged 69) – appointed 29 November 1993
Bachelor of Commerce (Melbourne); Fellow of Institute of Chartered Accountants and Certified Public Accountants (Malaysia); former managing director of Metroplex Berhad until January 2006; founder and managing partner of a leading accounting firm, Kassim Chan, Malaysia for some 17 years. The firm has been renamed Deloitte Kassim Chan and, subsequently, Deloitte.

Donald Han Low (Acting Chief Executive Officer, aged 44) – appointed 26 August 2008
Chairman of Atech Holdings Limited, listed on the Australian Stock Exchange, and director of Oriented Media Group Berhad, listed on Bursa Malaysia.

Madam Lim Siew Kim (Non-executive director, aged 60) – appointed 29 November 1993
Executive chairman of Metroplex Berhad.

Dato' John Lim Ewe Chuan (Senior Independent non-executive director, chairman of audit committee and nomination & corporate governance committee, and member of remuneration committee, aged 59) – appointed 26 April 2008
Chartered Certified Accountant; partner with UHY Hacker Young LLP, London, since 1998; previously he had a professional accounting career in Singapore and the UK.

Datuk H Chin Poy-Wu (Independent non-executive director, chairman of remuneration committee, and member of audit committee and nomination & corporate governance committee, aged 71) – appointed 1 May 1998 and will retire at the forthcoming annual general meeting
Deputy chairman of Hap Seng Consolidated Berhad, director of Glenealy Plantations Berhad, both listed on the Bursa Malaysia. Board member of University Malaysia, Sabah. Commissioner of Police - Kuala Lumpur, retired 1993.

Nik Din Bin Nik Sulaiman (Independent non-executive director and member of audit committee and nomination & corporate governance committee, aged 61) – appointed 1 April 2009
Non-executive director of MTD Capital Berhad and MTD ACPI Engineering Berhad, both listed on Bursa Malaysia.

Statement on Corporate Governance

During 2008 the company has complied with the majority of the requirements of the Combined Code of Corporate Governance. Where provisions of the Combined Code were not met during 2008, particular comment is made in the statements below and in the Directors' remuneration report on pages 18 to 19.

The board

The board comprises two executive and four non-executive directors, three of whom are independent. Excluding Madam Lim, the remaining three non-executive directors are considered by the board to be independent. Datuk Chin, one of the three independent non-executive directors has served for over nine years, the time limit set by the Combined Code to indicate prima facie independence. Datuk Chin will retire at the forthcoming annual general meeting. All three independent non-executive directors have a wide range of business interests beyond their position with the company and the rest of the board agree unanimously that they have shown themselves to be fully independent. Mr. Chan, who has been both chairman and chief executive since 1998, retired as chief executive on 26 August 2008, and remains as executive chairman. Madam Lim, who is a non-executive director, is the controlling shareholder of the company. The other members of the board are satisfied that through the specific powers reserved for the board, and given the presence of the independent non-executives, there is a reasonable balance of influence. A schedule of duties and decisions reserved for the board and management respectively has been adopted. The audit, remuneration and nomination & corporate governance committees have written terms of reference.

Unless warranted by unusual matters, the board normally meets three times each year. Otherwise all other matters are dealt with by written resolution. During 2008 there were five full meetings, attended by all the directors.

All the independent non-executive directors met on their own during 2008 and early 2009. The Chairman met all the non-executive directors, in the absence of the other executive directors, twice in 2008.

Dato' John Lim is the senior independent non-executive director, a position he assumed in June 2008.

Non-executives are appointed for two to three year terms. There have been changes in non-executive directors at intervals in 2008 for a variety of reasons. To maintain the vitality of the board, the directors specify fixed terms of office for non-executives. However, the board will review the position of each director for the normal three yearly re-election under the Articles.

New directors do not receive formal training on the occasion of their appointment to the board as all have previous experience of public listed company directorship and/or some of them have worked in financial or accounting service industries.

In April 2009 the board conducted a review of its performance by discussion. No major issues arose from this review.

The nomination and corporate governance committee currently comprises Dato' John Lim (Chairman), Mr. Nik Din Nik Sulaiman and Datuk Chin. During 2008, Mr. O'Connor (chairman until retirement on 31 July 2008), Mr. Ho (until retirement on 31 July 2008) and Mr. Smith (from 26 August 2008 until 3 March 2009) were also members of the nomination and corporate governance committee. The committee had three meeting during 2008, attended by all members, and has met once in 2009 to discuss succession and the appointment of non-executive director. The acting Chief Executive Officer has, in the interim, assumed the role and responsibility of the Finance Director since the re-designation of Mr. Smith to non-executive director on 26 August 2008.

Relations with shareholders

Company executives and the senior independent non-executive director attempt to contact principal shareholders twice a year and at all times are pleased to speak to and meet any shareholder. Given the dispersion of directors and shareholders it is not possible for every non-executive director to meet shareholders in the presence of management.

A member of the audit and remuneration committees will be available at the 2009 annual general meeting.

Statement on Corporate Governance

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 Dato' John Lim (chairman), Mr. Nik Din Nik Sulaiman and Datuk Chin. Dato' John Lim has current financial experience from his present principal occupations in the accounting services profession. During 2008, Mr. Ho (chairman until retirement on 31 July 2008), Mr. O'Connor (until retirement on 31 July 2008) and Mr. Smith (from 26 August 2008 until resignation on 3 March 2009) were also members of the audit committee. The committee met prior to the completion of the 2008 accounts and three times during 2008. These meetings were attended by all members.

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 and for reviewing its effectiveness; 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 but cannot eliminate the risk of loss. In 2008 and early 2009, for example, the audit committee reviewed, among other things, in relation to risk – insurance arrangements, labour law provisions, exchange exposure; and, in relation to financial control – bought-in crop pricing, squatter land compensation and capital expenditure approval.

The board receives monthly reports from executive management in Indonesia and Malaysia and focuses at each meeting on the principal continuing risks to which the group is exposed including, but not limited to, commodity price movements, exchange rate movements, political and social change and government legislation.

The group has an internal audit department which visits each operating site in Indonesia and Malaysia twice a year and provides a wide ranging report and the work and conclusions of the internal audit department are reviewed independently by the audit committee.

Environmental and corporate responsibility
In 2004 a group of growers, processors, retailers and wildlife and conservation groups founded the "Round Table for Sustainable Palm Oil", known as RSPO, to codify and promote best practices in the industry. The group's management and directors take a serious view of their environmental and social responsibilities and are fully committed to the principles being developed by RSPO. These principles cover eight headings as follows:

- Transparency
- Compliance with local laws and regulations
- Commitment to long term economic and financial viability
- Use of appropriate best practices by growers and millers
- Environmental responsibility and conservation of natural resources and biodiversity
- Responsible consideration of individuals and communities affected by growers and mills
- Responsible development of new plantings
- Commitment to continuous improvement in key areas of activity.

Within these headings are 40 detailed principles. Among the most important are:

- Not to remove primary forest
- Not to use fire for clearing areas designated for new or replantings
- To follow accepted soil and water conservation practices
- To use agrochemicals in ways that do not endanger health or the environment and to promote non-chemical methods of pest management
- To leave wild areas for wildlife corridors, water catchment and riparian protection
- Provide full treatment of mill effluent water
- Ensure the wishes of local communities and individuals are taken account of, and
- To pay to individuals with residual rights over land only freely agreed compensation, in addition to following government land regulations.

Directors' Remuneration Report

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 Datuk Chin (chairman) and Dato' John Lim. Mr. Ho (until retirement on 31 July 2008) and Mr. O'Connor (until retirement on 31 July 2008) were also members of the remuneration committee. The committee met twice in 2008, attended by all members.

Policy
The remuneration committee makes recommendations on senior management pay and conditions, after consultation with the executive chairman, 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.

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 fee.

Bonus
The group operates a bonus scheme for senior executives and managers of operating units, which is generally determined by operating performance criteria. Annual bonuses for executive chairman and/or executive directors ranging from 0% to 66% of base salary, are determined at the discretion of the board.

Share options
The UK and overseas executive share option schemes of the company are administered and supervised by a committee consisting, in the majority, of non-executive directors. These schemes are limited over their 10 year life to issuing no more than 10% of the issued ordinary share capital of the company from time to time. They provide for options to be granted over treasury shares as well as over new shares. To avoid dilution, the board intends generally to follow the treasury share route.

Individual grants are phased over three years. The total grant to each holder is determined by seniority and total market value at date of grant is normally limited to two times base salary. Exercise of options is only permitted three years after grant, provided that they remain employees of the group throughout the period. There are no other performance criteria for exercise of options granted so far.

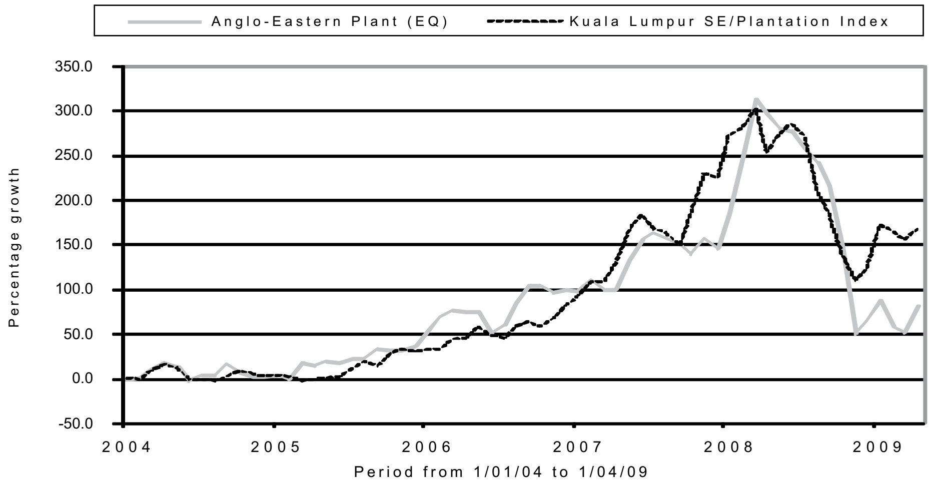
Pensions
There is no company-sponsored pension scheme for executive directors or senior executives and management. However, contributions are made to employees personal pension schemes. Senior executives in Indonesia who leave after more than five years' service are entitled to a gratuity of one month's base salary for each year of service.

Service contracts
All directors, executive and non-executive, have formal appointment letters. Those of the non-executives are all for two to three year terms with notice periods of one month. Mr. Chan has a contract dated 26 August 2008 with a notice period of six months. Mr. Donald Low's contract is for one year from 26 August 2008. Notice periods for all other senior management are generally between three and six months.

Performance graph
The following graph shows the company's performance, measured by capital return, compared to the Bursa Malaysia (KLSE) Plantation Index for the period 2 January 2004 to 1 April 2009. This is the only relevant index available in terms of sector but, any comparison should be qualified; 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' Remuneration Report



Audited information

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 and outstanding at 31 December 2008 were:

Name of Director	Date of Grant	Exercise price	Period of option	No of ordinary shares under option 1 Jan 08	(Exercised)	31 Dec 08
T H Chan	30.04.02	44.7p	30.04.05-29.04.12	30,600	–	30,600
David W Smith	03.06.08	608p	03.06.11-02.06.18	20,000	–	*20,000

*Note: * Share option will lapse 6 months after resignation, i.e. on 4 September 2009*

The market price of the shares at 31 December 2008 was 272.50p and the range during 2008 was 237.00p to 715.00p.

Directors' remuneration

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

Name of director	Fees $000	Executive salary $000	Bonus (re 2007) $000	Benefits in kind $000	**Total 2008 $000**	Total 2007 $000	Pension contribution **2008 $000**	2007 $000
Executive:								
Chan Teik Huat (1)	–	102	63	56	**221**	198	**–**	**–**
Donald H Low (2)	–	45	–	–	**45**	–	**–**	**–**
David W Smith (3)	1	127	–	–	**128**	–	**15**	**–**
R O B Barnes (4)	–	89	–	28	**117**	352	**7**	**39**
Kee Lian Yong (5)	–	–	–	–	–	86	–	–
Non-executive:							**–**	**–**
Lim Siew Kim	24	–	–	–	**24**	26	**–**	**–**
Dato' John Lim Ewe Chuan (6)	31	–	–	–	**31**	–	**–**	**–**
Datuk H Chin Poy-Wu (7)	32	–	–	–	**32**	35	**–**	**–**
Ho Soo Ching (8)	23	–	–	–	**23**	40	**–**	**–**
Peter E O'Connor (8)	20	–	–	–	**20**	35	**–**	**–**
2008	131	363	63	84	641		22	
2007	136	390	157	89		772		39

Notes:

(1) redesignated from executive chairman/chief executive officer to executive chairman on 26 August 2008
(2) appointed on 26 August 2008
(3) appointed on 26 April 2008/ redesignated as non-executive director on 26 August 2008/ resigned on 4 March 2009
(4) retired on 30 April 2008
(5) resigned on 30 September 2007
(6) appointed on 26 April 2008
(7) will retire at forthcoming annual general meeting
(8) retired on 31 July 2008

On behalf of the board
Datuk H Chin Poy-Wu
Chairman, remuneration committee

15 April 2009

Auditors' Report

Independent auditors' report to the shareholders of Anglo-Eastern Plantations Plc
We have audited the group and parent company financial statements (the ''financial statements'') of Anglo Eastern Plantations Plc for the year ended 31 December 2008 which comprise the consolidated income statement, the consolidated and parent company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised income and expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 and the group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and for preparing the parent company financial statements and the directors' remuneration report in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements and the part of the directors' remuneration report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether in addition, the group financial statements have been properly prepared in accordance with Article 4 of the IAS Regulation. We also report to you if, in our opinion, the information in the directors' report is consistent with the financial statements. In addition, we report to you if, in our opinion, the company has not kept proper accounting records, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the corporate governance statement reflects the company's compliance with the nine provisions of the 2006 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover 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. The other information comprises only the financial summary, the chairman's statement, financial record, the estate areas and location of estates, the business review, the directors' report, statement on corporate governance and the unaudited parts of the directors' remuneration report. 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 and the part of the directors' remuneration report to be audited.

Opinion
In our opinion:
- the group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the group's affairs as at 31 December 2008 and of its profit for the year then ended;
- the group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 December 2008; and
- the parent company financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985.
- the information given in the directors' report is consistent with the financial statements.

BDO STOY HAYWARD LLP 15 April 2009
Chartered Accountants and Registered Auditors
55 Baker Street
London W1U 7EU

Consolidated Income Statement

for the year ended 31 December 2008

Continuing operations	Notes	2008 Result before BA adjustment $000	2008 BA adjustment $000	2008 Total $000	2007 Result before BA adjustment $000	2007 BA adjustment $000	2007 Total $000
Revenue	2	**174,684**	**–**	**174,684**	127,898	–	127,898
Cost of sales		**(96,812)**	**–**	**(96,812)**	(72,297)	–	(72,297)
Gross profit		**77,872**	**–**	**77,872**	55,601	–	55,601
Biological asset revaluation movement (BA adjustment)		**–**	**1,347**	**1,347**	–	1,001	1,001
Other income	3	**–**	**–**	**–**	566	–	566
Administration expenses		**(3,808)**	**–**	**(3,808)**	(3,646)	–	(3,646)
Operating profit		**74,064**	**1,347**	**75,411**	52,521	1,001	53,522
Exchange profits		**1,503**	**–**	**1,503**	215	–	215
Finance income	4	**3,645**	**–**	**3,645**	1,800	–	1,800
Finance costs	4	**(2,686)**	**–**	**(2,686)**	(1,945)	–	(1,945)
Profit before tax	5	**76,526**	**1,347**	**77,873**	52,591	1,001	53,592
Tax	8	**(25,487)**	**(404)**	**(25,891)**	(15,328)	(300)	(15,628)
Profit for the year		**51,039**	**943**	**51,982**	37,263	701	37,964
Attributable to:							
- Equity holders of the parent		**41,182**	**819**	**42,001**	30,485	515	31,000
- Minority interests		**9,857**	**124**	**9,981**	6,778	186	6,964
		51,039	**943**	**51,982**	37,263	701	37,964
Earnings per share							
- basic	9			**105.1 cts**			78.5 cts
- diluted	9			**104.8 cts**			78.4 cts

Earnings before BA adjustment are shown in note 9.

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

Consolidated Statement of Recognised Income and Expense

for the year ended 31 December 2008

	Notes	**2008 $000**	2007 $000
Unrealised surplus on revaluation of the estates	22	**5,302**	4,823
Loss on exchange translation	22	**(29,944)**	(5,932)
Deferred tax on revaluation	22	**(1,128)**	(1,186)
Total recognised income and expense for the year		**(25,770)**	(2,295)
Profit for the year	22	**51,982**	37,964
Total recognised income and expense for the year		**26,212**	35,669
Attributable to:			
- Equity holders of the parent	22	**19,872**	28,639
- Minority interest	22	**6,340**	7,030
		26,212	35,669

The accompanying notes are an integral part of this consolidated statement of recognised income and expenses.

Consolidated Balance Sheet

as at 31 December 2008

	Notes	**2008 $000**	2007 $000
Non-current assets			
Biological assets	11	**38,843**	38,580
Property, plant and equipment	11	**160,012**	148,443
Receivables	12	**1,677**	1,677
		200,532	188,700
Current assets			
Inventories	13	**4,196**	4,910
Tax receivables		**761**	1,875
Trade and other receivables	14	**4,143**	1,462
Cash and cash equivalents		**69,442**	66,358
		78,542	74,605
Current liabilities			
Bank loans and other financial liabilities	15	**(8,639)**	(7,293)
Trade and other payables	16	**(10,749)**	(9,311)
Tax liabilities		**(10,428)**	(8,085)
		(29,816)	(24,689)
Net current assets		**48,726**	49,916
Non- current liabilities			
Bank loans and other financial liabilities	15	**(27,025)**	(35,719)
Deferred tax liabilities	17	**(28,450)**	(23,025)
Retirement benefits - net liabilities	18	**(1,494)**	(1,534)
Net assets		**192,289**	178,338
Equity			
Share capital	19	**15,504**	15,504
Treasury shares	19	**(1,785)**	(1,785)
Share premium reserve	22	**23,935**	23,935
Share capital redemption reserve	22	**1,087**	1,087
Revaluation and exchange reserves	22	**(22,083)**	46
Retained earnings	22	**144,073**	107,184
Equity attributable to equity holders of the parent		**160,731**	145,971
Minority interests	22	**31,558**	32,367
Total equity		**192,289**	178,338

The financial statements were approved by the board of directors and authorised for issue on 15 April 2009 and were signed on its behalf by
Donald Han Low
The accompanying notes are an integral part of this consolidated balance sheet.

Consolidated Cash Flow Statement

for the year ended 31 December 2008

	2008 $000	2007 $000
Cash flows from operating activities		
Profit before tax	**77,873**	53,592
Adjustments for:		
BA adjustment	**(1,347)**	(1,001)
Net profit on disposal of current and fixed asset investments	**–**	(518)
Profit on disposal of tangible fixed assets	**(53)**	–
Depreciation	**4,902**	4,264
Share based remuneration expense	**–**	87
Retirement benefit provisions	**40**	700
Net finance (income)/expense	**(959)**	145
Operating cash flow before changes in working capital	**80,456**	57,269
Decrease/(increase) in inventories	**712**	(3,125)
(Increase)/decrease in trade and other receivables	**(2,730)**	142
(Decrease)/increase in trade and other payables	**(3,935)**	3,600
Cash inflow from operations	**74,503**	57,886
Interest paid	**(2,728)**	(2,051)
Overseas tax paid	**(17,898)**	(9,196)
Net cash flow from operations	**53,877**	46,639
Investing activities		
Acquisition of subsidiaries	**(11,363)**	(14,480)
Property, plant and equipment		
- purchase	**(19,738)**	(12,244)
- sale	**489**	94
Interest received	**3,645**	1,800
Net cash used in investing activities	**(26,967)**	(24,830)

Consolidated Cash Flow Statement

for the year ended 31 December 2008

	2008 $000	2007 $000
Financing activities		
Dividends paid by parent company	**(5,112)**	(4,266)
Share options exercised	**–**	40
Purchase of own shares for treasury	**–**	(398)
Repayment of existing long term loans	**(4,237)**	(1,694)
Drawdown of new long term loan	**–**	34,500
Finance lease (repayment)/drawdown	**(110)**	7
Dividends paid to minority shareholders	**(2,378)**	(735)
Loan to minority shareholder	**–**	(578)
Repayment of loan by minority shareholder	**48**	286
Purchase of portfolio investment	**–**	(1,668)
Receipt from sale of portfolio investment	**–**	2,234
Net cash (used in)/from financing activities	**(11,789)**	27,728
Increase in cash and cash equivalents	**15,121**	49,537
Cash and cash equivalents less overdrafts		
At beginning of period	**63,357**	16,823
Foreign exchange	**(9,036)**	(3,003)
At end of period	**69,442**	63,357
Comprising,		
Cash at end of year	**69,443**	66,358
Overdraft at end of year	**(1)**	(3,001)
Net cash at end of year	**69,442**	63,357

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

Notes to the Consolidated Financial Statements

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IRFIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted by the EU and with those parts of the Companies Act 1985 applicable to companies preparing their accounts under IFRS. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Changes in accounting policies

(a) New standards effective in 2008 and adopted by the group

No new standards were adopted during the year.

(b) Standards effective in 2008 but not relevant to the group

IFRIC 7, Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies (effective for accounting periods beginning on or after 1 March 2006).

IFRIC 11, IFRS 1 – Group and Treasury Share Transactions (effective for accounting periods beginning on or after 1 March 2007), which requires share-based payment transactions in which an entity receives services as consideration for its own equity instruments to be accounted for as equity settled. In terms of transactions to date there would be no impact on the accounts.

IFRIC 12, Service Concession Arrangements (effective for accounting periods after 1 January 2009).

IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2008).

(c) Standards, not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group's accounting periods beginning on or after 1 January 2009 or later periods and which the group has decided not to adopt early. These are:

IFRS 8, Operating Segments (effective for accounting periods beginning on or after 1 January 2009). As this is a disclosure standard it will not have any impact on the results or net assets of the group.

IAS 23, Borrowing Costs (revised) (effective for accounting periods beginning on or after 1 January 2009). This is relevant to the group but it is expected there will be no impact on the financial statements.

* IFRIC 13, Customer Loyalty Programmes (effective for accounting periods after 1 July 2008), which is not relevant to the group.

Revised IFRS 3, Business Combinations and complementary Amendments to IAS 27, 'Consolidated and Separate Financial Statements' (both effective for accounting periods beginning on or after 1 July 2009). This revised standard and amendments to it is still to be endorsed by the EU. Management is currently assessing the impact of revised IFRS 3 and amendments to IAS 27 on the accounts.

Amendment to IFRS 2, Share-based payments; vesting conditions and cancellations (effective for accounting periods beginning on or after 1 January 2009). Management is currently assessing the impact of the amendment on the accounts.

* Amendment to IAS 32, Financial Instruments; Presentation and IAS 1, Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2009). This amendment is still to be endorsed by the EU but is not relevant to the group.

* Amendments to IAS 1, Presentation of Financial Statements: A Revised Presentation (effective for accounting periods beginning on or after 1 January 2009).

* Amendments to IAS 39 and IFRS 7: Reclassification of Financial Instruments (effective for accounting periods after 1 July 2008).

* Amendments to IFRS 1 and IAS 27 Cost of an Investment in a subsidiary, jointly-controlled entity or associate1 (effective for accounting periods beginning on or after 1 January 2009). This amendment is still to be endorsed by the EU but is not relevant to the group.

* Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (effective for accounting periods after 1 July 2009). This amendment is still to be endorsed by the EU but is not relevant to the group.

* IFRIC 15 Agreements for the Construction of Real Estate (effective for accounting periods beginning on or after 1 January 2009). This amendment is still to be endorsed by the EU but is not relevant to the group.

* IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective for accounting periods after 1 October 2008). This amendment is still to be endorsed by the EU but is not relevant to the group.

Notes to the Consolidated Financial Statements

1 Accounting policies - continued

* IFRIC 17 Distributions of Non-cash Assets to Owners (effective for accounting periods after 1 July 2009). This amendment is still to be endorsed by the EU but is not relevant to the group.

Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2009). This amendment is still to be endorsed by the EU.

* Revised IFRS 1 First-time Adoption of international Financial Reporting Standards (effective for accounting periods beginning on or after 1 January 2009). This amendment is still to be endorsed by the EU but is not relevant to the group.

(*) Not yet EU endorsed.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Business combinations
The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. Acquisitions of entities that comprise principally land with no active plantation business does not represent business combination, in such case, the amount paid for each acquisition is allocated between the identifiable assets/liabilities at the acquisition date.

The results of acquired operations are included in the consolidated income statement from the date on which control is obtained.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intergroup transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency
The individual financial statements of each subsidiary are presented in the currency of the country in which it operates (its functional currency) with the exception of the company and its UK subsidiaries which are presented in US dollars. The presentation currency for the consolidated financial statements is also US dollars, chosen because the price of the bulk of the group's products are ultimately denominated in dollars.

On consolidation, the results of overseas operations are translated into US dollars at average exchange rates for the year unless exchange rates fluctuate significantly in which case the actual rate is used. All assets and liabilities of overseas operations are translated at the rate ruling at the balance sheet date. Exchange differences arising on re-translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "foreign exchange reserve"). Exchange differences recognised in the income statement of group entities' separate financial statements on the translation of long-term monetary items forming part of the group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve if the item is denominated in the presentational currency of the group or of the overseas operation concerned.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to date of disposal are transferred to the income statement as part of the profit or loss on disposal.

All other exchange profits or losses are credited or charged to the income statement.

Revenue recognition
Revenue includes
- amounts receivable for produce provided in the normal course of business, net of sales related taxes and levies, including export taxes;
- amounts received for sales of palm kernel shell, rubber wood and other income of an operating nature.

Sales of CPO and palm kernel are recognised when goods are delivered or allocated to a purchaser. Delivery or allocation does not take place until contracts are paid for. Sales of rubber are recognised on signing of sales contract.

Share based payments
Outstanding share options are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. This fair value is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of a binominal model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Provided that all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

Notes to the Consolidated Financial Statements

1 Accounting policies -continued

Interest capitalisation
Interest on third party 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. These interest rates are booked at the rate prevailing at the time.

Tax
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 substantively enacted by the balance sheet date.

Dividends
Equity dividends are recognised when they become legally payable. The company pays only one dividend each year as a final dividend which becomes legally payable when approved by the shareholders at the next following annual general meeting.

Segment reporting
Save for a small amount of rubber, all the group's operations are devoted to oil palm. Therefore the group's principal segment report is by geographical area, as the estates in each specific area tend to be at the same stage of development and each area tends to have different agricultural conditions.

Biological assets, property, plant and equipment
Estates, which comprise biological assets, and property plant and equipment, are shown at fair values in use, which are calculated internally every year and reviewed by an external valuer every five years. 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 of property, plant and equipment 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 income statement. On the disposal or recognition of a provision for impairment of a revalued estate, any related balance remaining in the revaluation and exchange reserve is transferred to retained earnings as a movement on reserves.

Oil mills, which are part of property, plant and equipment, are shown 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. Oil mills are depreciated at 5% per annum. The Malaysian leasehold land is depreciated over the remaining term of the lease. Mature plantations in Malaysia are depreciated at 5% per annum.

Within the estate valuations described above the value of biological assets is estimated separately as a proportion of total estate value and, as required by IAS41, the movement in valuation surplus of biological assets is charged or credited to the income statement for the relevant period (BA adjustment).

Leased assets
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 income statement to produce a constant rate of charge on the balance of capital repayments outstanding. There are no operating leases.

Impairment
Impairment tests on tangible assets are undertaken annually on 31 December. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use or fair value, less costs to sell), the asset is written down accordingly. Impairment charges are included in the administrative expenses line item in the income statement, except to the extent they reverse gains previously recognised in the statement of recognised income and expense.

Inventories
Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

All produce inventories are already in processed form as oil or kernel and therefore the requirement under IAS41 to value agricultural produce at market value, does not apply.

Financial assets
All the group's receivables and loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised at fair value at inception and subsequently at amortised cost. No impairment provisions have been considered necessary.

Cash and cash equivalents consist of cash in hand and short term deposits at banks. Bank overdrafts are shown within loans and borrowings under current liabilities on the balance sheet.

There are no assets in hedging relationships and no financial assets or liabilities available for sale.

Notes to the Consolidated Financial Statements

1 Accounting policies -continued

Financial liabilities
All the group's financial liabilities are non-derivative financial liabilities.

Bank borrowings and long term development loans are initially recognised at fair value and subsequently at amortised cost, which is the total of proceeds received net of issue costs. Finance charges are accounted for on an accruals basis and charged in the income statement, unless capitalised according to the policy as set out under Interest capitalisation above.

Trade and other payables are shown at fair value at recognition.

Deferred tax
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base except for differences in the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit.

Recognition of deferred tax assets is restricted to those instances where it is possible that taxable profit will be available against which the difference can be utilised. Deferred tax is recognised on temporary differences arising on property revaluation surpluses.

Deferred tax is determined using the tax rates that are in force at the balance sheet date and are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, such as revaluations, in which case the deferred tax is also dealt with in equity; in this case assets and liabilities are offset.

Retirement benefits
Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

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

Treasury shares
Consideration paid or received for the purchase or sale of the company's own shares for holding in treasury is recognised directly in equity, where the cost is presented as the treasury share reserve. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of shares sold, is taken to the share premium account.

Any shares held in treasury are treated as cancelled for the purpose of calculating earnings per share.

Critical accounting estimates and judgements
The preparation of the group financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported assets and liabilities and reported revenue and expenses. Actual results could differ from those estimates and accordingly they are reviewed on an on-going basis. The main areas in which estimates are used are: fair value of biological assets, property, plant and equipment, deferred tax and retirement benefits.

Revisions to accounting estimates are recognised in the period in which the estimate is revised or the revision affects only that period, or in the period of revision and future periods if the revision affects both and current and future periods.

Assumptions regarding the valuation of biological assets, property, plant and equipment are set out in note 11. The group's policy with regard to impairment of such assets is set out above.

Details on deferred tax are given in note 17 and retirement benefits in note 18.

Notes to the Consolidated Financial Statements

2 Revenue

	2008	2007
	$000	$000
Sales of produce	**174,175**	127,619
Other income	**509**	279
	174,684	127,898

3 Other income

	2008	2007
	$000	$000
Gains from current asset investments	**–**	**566**

4 Finance income and expense

		2008	2007
		$000	$000
Finance income		**3,645**	1,800
Finance expense			
Interest payable on:			
Development loans	- (note 15)	**2,717**	1,873
Overdraft	- (note 15)	**8**	72
Finance leases		**3**	9
Other		**–**	97
Interest capitalised on loans related to field development and construction in progress		**(42)**	(106)
		2,686	1,945
Net finance income/(expense) recognised in income statement		**959**	(145)

5 Profit before tax

		2008	2007
		$000	$000
Profit before tax is stated after charging			
Depreciation (including $61,400 (2007 – $56,000) in respect of leased assets)		**4,902**	4,264
Staff costs (note 7)		**14,601**	11,726
Auditors' remuneration	- group audit (company $25,000 (2007 $25,000)	**77**	96
	- audit of subsidiaries	**62**	62
	- other services	**–**	–
	- Total	**139**	158

Notes to the Consolidated Financial Statements

6 Segment information

Primary reporting by region	North Sumatra $000	Bengkulu $000	South Sumatra $000	Riau $000	Bangka $000	Kalimantan $000	Total Indonesia $000	Malaysia $000	UK $000	Total $000
2008										
Total sales revenue (all external)	**82,686**	**53,336**	**–**	**31,280**	**–**	**–**	**167,302**	**6,873**	**–**	**174,175**
Other income	**336**	**42**	**–**	**–**	**–**	**–**	**378**	**131**	**–**	**509**
Total revenue	**83,022**	**53,378**	**–**	**31,280**	**–**	**–**	**167,680**	**7,004**	**–**	**174,684**
Profit/(loss) before tax and BA movement	**46,925**	**15,129**	**–**	**13,053**	**–**	**–**	**75,107**	**2,508**	**(1,089)**	**76,526**
BA movement	**(137)**	**1,226**	**–**	**213**	**–**	**–**	**1,302**	**45**	**–**	**1,347**
Profit/(loss) before tax	**46,788**	**16,355**	**–**	**13,266**	**–**	**–**	**76,409**	**2,553**	**(1,089)**	**77,873**
Tax	**(13,408)**	**(4,757)**	**–**	**(3,115)**	**–**	**–**	**(21,280)**	**(61)**	**(4,550)**	**(25,891)**
Profit for the year	**33,380**	**11,598**	**–**	**10,151**	**–**	**–**	**55,129**	**2,492**	**(5,639)**	**51,982**
Assets	**122,114**	**76,953**	**13,437**	**29,491**	**1,350**	**7,278**	**250,623**	**26,886**	**2,364**	**279,873**
Liabilities	**(8,782)**	**(33,574)**	**(45)**	**(4,946)**	**(8)**	**(76)**	**(47,431)**	**(452)**	**(823)**	**(48,706)**
Segment assets	**113,332**	**43,379**	**13,392**	**24,545**	**1,342**	**7,202**	**203,192**	**26,434**	**1,541**	**231,167**
Tax	**(21,852)**	**(7,450)**	**(2,630)**	**(5,926)**	**(462)**	**(7)**	**(38,327)**	**(551)**	**–**	**(38,878)**
Net assets	**91,480**	**35,929**	**10,762**	**18,619**	**880**	**7,195**	**164,865**	**25,883**	**1,541**	**192,289**
Capital expenditure	**9,481**	**3,168**	**12,655**	**1,829**	**100**	**3,599**	**30,832**	**269**	**–**	**31,101**
Depreciation	**(2,017)**	**(1,175)**	**(20)**	**(787)**	**(9)**	**–**	**(4,008)**	**(894)**	**–**	**(4,902)**
	$000	$000		$000	$000	$000	$000	$000	$000	$000
2007										
Total sales revenue (all external)	61,008	42,237	–	18,502	–	–	121,747	5,872	–	127,619
Other income	246	9	–	–	–	–	255	24	–	279
Total revenue	61,254	42,246	–	18,502	–	–	122,002	5,896	–	127,898
Profit/(loss) before tax and BA movement	29,886	13,983	–	6,877	–	–	50,746	2,790	(945)	52,591
BA movement	1,360	(690)	–	320	–	–	990	11	–	1,001
Profit/(loss) before tax	31,246	13,293	–	7,197	–	–	51,736	2,801	(945)	53,592
Tax	(9,891)	(3,644)	–	(2,089)	–	–	(15,624)	(4)	–	(15,628)
Profit for the year	21,355	9,649	–	5,108	–	–	36,112	2,797	(945)	37,964
Assets	127,908	71,763	–	27,924	1,546	7,049	236,190	24,830	3,470	264,490
Liabilities	(8,734)	(37,183)	–	(6,395)	(1)	–	(52,313)	(1,645)	(1,084)	(55,042)
Segment assets	119,174	34,580	–	21,529	1,545	7,049	183,877	23,185	2,386	209,448
Tax	(18,011)	(7,437)	–	(5,648)	–	–	(31,096)	–	(14)	(31,110)
Net assets	101,163	27,143	–	15,881	1,545	7,049	152,781	23,185	2,372	178,338
Capital expenditure	10,443	4,323	–	3,709	1,545	7,049	27,069	772	–	27,841
Depreciation	(1,587)	(1,172)	–	(619)	–	–	(3,378)	(886)	–	(4,264)

Notes to the Consolidated Financial Statements

6 Segment information - continued

Secondary reporting format by crop:

	Carrying amount of segment assets		External income		Profit/(loss) before tax	
	2008	2007	**2008**	2007	**2008**	2007
	$000	$000	**$000**	$000	**$000**	$000
By activity:						
Oil palm	**153,313**	146,584	**172,367**	125,663	**75,980**	53,791
Rubber	**2,963**	2,065	**2,317**	2,235	**1,892**	1,810
Gross profit					**77,872**	55,601
BA movement	**–**	–	**–**	–	**1,347**	1,001
Administration expenses	**–**	–	**–**	–	**(3,808)**	(3,646)
Unallocated assets/income/(expenses)	**36,013**	29,689	**–**	–	**1,503**	781
Interest	**–**	–	**–**	–	**959**	(145)
	192,289	178,338	**174,684**	127,898	**77,873**	53,592

7 Employees' and directors' remuneration

		2008	2007
		number	number
Average numbers employed (primarily overseas) during the year	- full time	**3,582**	3,467
	- casual	**5,007**	4,830

	2008	**2007**
Staff costs (including directors) comprise:	**$000**	$000
Wages and salaries	**13,873**	10,300
Social security costs	**195**	227
Retirement benefit costs (note 18)	**533**	1,112
Share based remuneration expense (equity settled)	**–**	87
	14,601	11,726

The information required by the Companies Act and the listing rules of the Financial Services Authority is contained in the directors' report on remuneration on pages18 and 19 of which the information on page 19 has been audited.

	2008	2007
	$000	$000
Directors emoluments	**641**	772
Pension contributions	**22**	39
	663	811
Remuneration expense for key management personnel	**533**	675

Executive directors are considered to be the only key management personnel: their remuneration is shown on page 19.

8 Tax

	2008	2007
	$000	$000
Foreign corporation tax - current year	**20,552**	14,356
Foreign withholding tax on remittances	**4,550**	499
Deferred tax adjustment - current year	**789**	773
Total tax charge for year	**25,891**	15,628

The corporation tax rates in Indonesia and Malaysia, the group's countries of operation, are close to the 28% 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.

Notes to the Consolidated Financial Statements

8 Tax - continued

	2008 $000	2007 $000
Profit before tax	**77,873**	53,592
Profit before tax multiplied by standard rate of UK corporation tax of 28% (2007 – 30%)	**21,804**	16,077
Effects of:		
Rate adjustment relating to overseas profits	**1,129**	(15)
Group accounting adjustments not subject to tax	**(1,080)**	(575)
Expenses not allowable for tax	**244**	147
Temporary differences	**(904)**	(265)
Losses not offsetable against fellow subsidiary profits	**55**	97
Utilisation of tax losses brought forward	**(696)**	(1,110)
Foreign corporation tax charge for year	**20,552**	14,356
Foreign withholding tax	**4,550**	499
Deferred tax adjustments (note 17)	**789**	773
Total tax charge for year	**25,891**	15,628

9 Earnings per ordinary share (EPS)

	2008 $000	2007 $000
Profit for the year attributable to equity holders of the parent company before BA adjustment	**41,182**	30,485
Net BA adjustment	**819**	515
Earnings used in basic and diluted EPS	**42,001**	31,000
	Number ‘000	Number ‘000
Weighted average number of shares in issue in year		
- used in basic EPS	**39,976**	39,480
- dilutive effect of outstanding share options	**101**	65
- used in diluted EPS	**40,077**	39,545
Basic EPS before BA adjustment	**103.0**	77.2 cts
Basic EPS after BA adjustment	**105.1**	78.5 cts

There is no significant difference between basic and diluted EPS.

10 Dividends

	2008 $000	2007 $000
Paid during the year		
Final dividend of 14 cts per ordinary share for the year ended 31 December 2007 (2006 – 10.8 cts)	**5,112**	4,266
Proposed final dividend of 5.0 cts per ordinary share for the year ended 31 December 2008 (2007 – 14 cts)	**1,973**	5,524

The proposed dividend for 2008 is subject to shareholder approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

Notes to the Consolidated Financial Statements

11 Biological assets, property, plant and equipment

	Non-biological plantation assets $000	Mills $'000	Total property plant and equipment $000	Biological assets $'000	Total $'000
Cost or valuation					
At 1 January 2007	111,006	20,187	131,193	33,255	164,448
Exchange translations	(3,054)	(840)	(3,894)	(670)	(4,564)
Revaluations	2,945	–	2,945	1,006	3,951
Additions	6,524	2,458	8,982	3,368	12,350
Estates acquired at valuation on acquisition of a subsidiary	13,870	–	13,870	1,621	15,491
Disposals	(83)	(98)	(181)	–	(181)
At 31 December 2007	131,208	21,707	152,915	38,580	191,495
Exchange translations	**(16,743)**	**(2,356)**	**(19,099)**	**(5,706)**	**(24,805)**
Revaluations	**–**	**–**	**–**	**5,969**	**5,969**
Additions	**17,854**	**1,884**	**19,738**	**–**	**19,738**
Estates acquired at valuation on acquisition of a subsidiary	**11,363**	**–**	**11,363**	**–**	**11,363**
Disposals	**(333)**	**(75)**	**(408)**	**–**	**(408)**
At 31 December 2008	**143,349**	**21,160**	**164,509**	**38,843**	**203,352**
Accumulated depreciation and impairment					
At 1 January 2007	–	(3,625)	(3,625)	–	(3,625)
Exchange translations	–	175	175	–	175
Revaluations	2,505	–	2,505	665	3,170
Charge for the year	(2,505)	(1,094)	(3,599)	(665)	(4,264)
Disposals	–	72	72	–	72
At 31 December 2007	–	(4,472)	(4,472)	–	(4,472)
Exchange translations	**–**	**177**	**177**	**–**	**177**
Revaluations	**3,083**	**818**	**3,901**	**772**	**4,673**
Charge for the year	**(3,083)**	**(1,047)**	**(4,130)**	**(772)**	**(4,902)**
Disposals	**–**	**27**	**27**	**–**	**27**
At 31 December 2008	**–**	**(4,497)**	**(4,497)**	**–**	**(4,497)**
Carrying amount					
At 31 December 2007	131,208	17,235	148,443	38,580	187,023
At 31 December 2008	**143,349**	**16,663**	**160,012**	**38,843**	**198,855**

The directors valued the estates (comprising biological assets, non-biological plantation assets, plantation infrastructure and oil mills) at 31 December 2008 and 2007 at value in use derived from discounted estimated future cash flows of each estate. Among the principal assumptions underlying the calculations were an assumed CPO selling price CIF Rotterdam of $500/mt (2007 - $500/mt) and a discount rate of 12% (2007 – 12%). These values were reviewed at December 2006 by P.T. Nagadi Ekasakti, Jakarta based consultants, who are familiar with the properties and the necessary assumptions underlying the calculations. Biological assets are estimated as a proportion of these calculations. The Indonesian estates have been included at values in use.

The assumption of $500/mt price represents the directors' current estimate of the long term average CPO price based on current market expectations. Pricing CPO is the result of a complex relationship between competing oils and mills, oil seed production in both hemispheres and, to a certain extent, a correlation with crude oil. Actual experience may therefore differ from these estimates and assumptions. A $10 change in the CPO price, at the year-end exchange rate, results in an increase or decrease in valuation of $7.3m, but no significant impact on the income statement.

The Malaysian estates were professionally valued by PPC International, Kuala Lumpur based valuers, in December 2006 on an open market existing use basis and are included at this valuation less potential sale costs, plus additions during 2007.

The estates include $42,000 (2007: $106,000) of interest and $3,303,000 (2007: $2,144,000) of overheads capitalised during the year in respect of expenditure on estates under development.

Original cost and depreciation at historical rates of exchange of the estates at 31 December 2008:

	Estates $000	Mills $000	Total $000
Original cost	195,173	31,218	226,391
Cumulative depreciation based on original cost	(37,523)	(10,901)	(48,424)
	157,650	20,317	177,967

The Indonesian authorities have granted certain land exploitation rights and operating permits for the estates. In the case of established estates in North Sumatra these rights and permits expire between 2023 and 2026 with rights of renewal thereafter for periods from 35 to 60 years. In the case of estates in Bengkulu land titles were issued between 1993 and 2002 and the titles expire between 2028 and 2032 with rights of renewal thereafter for two consecutive periods of 25 and 35 years respectively. In the case of estates in Riau, land titles were issued in 2003 and expire in 2033; in the case of CPA's estate acquired in 2007 (as set out in note 26) land titles were issued in 1996 to expire in 2029.

11 Biological assets, property, plant and equipment - continued

In both cases there are subsequent rights of renewal similar to those in Bengkulu. 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. Land acquired during 2007 and 2008 as set out in note 26 is held under temporary "rights to occupy", pending issue of formal land exploitation rights.

The land title of the estate in Malaysia is a long lease expiring in 2084.

12 Receivables: non-current

	2008	2007
	$000	$000
Due from minority shareholders	**1,363**	1,363
Due from village smallholder schemes	**314**	314
	1,677	1,677

The minority shareholders in PT Alno Agro Utama and PT Cahaya Pelita Andhika have acquired their interests on deferred terms (see note 25, Credit risk). The minority shareholder in PT Mitra Puding Mas repaid his debt of $286,000 during 2007.

Amounts due from village smallholder schemes represents expenditure on planting and maintaining to maturity oil palms on communal land owned by 21 separate villages neighbouring the group's estates.

The book values of the amounts due from minority shareholders and village smallholder schemes approximates their fair values.

13 Inventories

	2008	2007
	$000	$000
Estate and mill consumables	**3,510**	3,505
Processed produce for sale	**686**	1,405
	4,196	4,910

14 Trade and other receivables

	2008	2007
	$000	$000
Trade receivables	**390**	343
Other receivables	**3,402**	723
Accrued interest receivable	**156**	156
Prepayments	**195**	240
	4,143	1,462

15 Bank loans and other financial liabilities

	2008		2007	
	under one year	**more than one year**	under one year	more than one year
	$000	**$000**	$000	$000
Bank overdraft (a)	**1**	**–**	1	–
Bank overdraft (b)	**–**	**–**	3,000	–
Long term development loan (c)	**938**	**–**	1,250	938
Long term development loan (d)	**800**	**2,000**	400	2,800
Long term development loan (e)	**6,900**	**25,013**	2,588	31,912
Total bank loans	**8,639**	**27,013**	7,239	35,650
Finance lease obligations (f)	**–**	**12**	54	69
Total bank loans and lease obligations	**8,639**	**27,025**	7,293	35,719
Amounts repayable after more than one year, as follows:				
in more than one year but not more than two years		**9,437**		8,689
in more than two years but not more than five years		**11,150**		9,442
in more than five years but not more than six years		**6,438**		11,150
in more than six years but not more than seven years		**–**		6,438
		27,025		35,719

The carrying amount of trade and other receivables approximates to their fair value.

(a) The bank overdraft is secured by a fixed and floating charge over the land titles and assets of the parent company's Malaysian operating subsidiary, Anglo-Eastern Plantations (M) Sdn Bhd ("AEP Malaysia") as well as over the parent company's shareholding in AEP Malaysia. The parent company has guaranteed the overdraft. Interest is at 2% above Malaysian Bank Lending Rate or about 8.75% (2006: 8.75%).

(b) The bank overdraft was made available in June 2007 and is secured by a fixed charge on the land titles of PT Musam Utjing. The parent company has guaranteed the overdraft which was fully repaid in January 2008. Interest is at 2.67% over the Singapore Interbank Lending Rate (SIBOR) or about 7.7%.

15 Bank loans and other financial liabilities - continued

(c) The long term development loan, which is part of an original facility of $5,000,000, was made in July 2004 to, and secured by a fixed and floating charge on the land titles and other assets of, PT Bina Pitri Jaya. The parent company has guaranteed the loan. Interest was at 4% under the US dollar Indonesian prime rate or about 5.6% (2007: 7.9%). The loan is repayable in sixteen quarterly instalments of $312,500 from October 2005 to July 2009.

(d) The long term development loan of $2,800,000 (2007: $3,200,000), to part finance construction of a mill, was made in September 2006 to, and secured by a fixed and floating charge on the land titles and other assets of, PT Bina Pitri Jaya. This loan bears interest rate at 5.5% below the Bank's prime lending rate per annum. The loan is repayable in sixteen quarterly instalments of $200,000 from July 2008 to April 2012.

(e) The long term development loan of $31,913,000 (2007: $34,500,000) to finance the purchase and development of new land or developed estates, was made in June and July 2007. It is secured by a fixed and floating charge on the land titles and other assets of PT Alno Agro Utama and of PT Tasik Raja (Tasik) and is guaranteed by Tasik and by the parent company. Interest is at 3% over SIBOR up to the month of September 2008. However, interest was revised based on DBS's cost of funds from October 2008 onwards. Interest for 2008 was about 6.2% (2007: 8.3%). The loan is repayable from August 2008 over four years in quarterly instalments amounting for each 12 months to 15%; 25%; 25% and 35% of the loan.

(f) Finance lease obligations relate to vehicles and machinery, on which the obligations are secured, in the Malaysian subsidiaries. Interest is effectively fixed at 3.0%.

16 Trade and other payables

	2008	2007
	$000	$000
Trade creditors	**1,041**	3,405
Other creditors	**7,004**	3,951
Accruals	**2,704**	1,955
	10,749	9,311

17 Deferred tax liabilities

Year end (liability) relates to	**2008**	2007
	$000	$000
Revaluation surplus	**(27,800)**	(22,652)
Unutilised tax losses	**130**	95
Other temporary differences	**(780)**	(468)
	(28,450)	(23,025)
Movement:		
At beginning of year (liability)	**(23,025)**	(21,152)
(Charge) to		
- income statement	**(789)**	(773)
- equity: revaluation and exchange reserve	**(1,128)**	(1,186)
Exchange adjustment	**(3,508)**	86
At end of year (liability)	**(28,450)**	(23,025)

	(Liability) 2008	**(Charged)/ credited to income 2008**	**(Charged)/ credited to reserves 2008**
Details of movement in 2008	**$000**	**$000**	**$000**
Revaluation surplus	**(27,800)**	**(420)**	**(1,128)**
Accelerated capital allowances	**(67)**	**(25)**	**–**
Employee pension liabilities	**363**	**74**	**–**
Other temporary and deductible differences	**(1,076)**	**(473)**	**–**
Available losses	**130**	**55**	**–**
	(28,450)	**(789)**	**(1,128)**

	Liability 2007	(Charged)/ credited to income 2007	(Charged)/ credited) to reserves 2007
Details of movements in 2007	$000	$000	$000
Revaluation surplus	(22,652)	(300)	(1,186)
Accelerated capital allowances	(52)	(15)	–
Employee pension liabilities	346	200	–
Other temporary and deductible differences	(762)	(431)	–
Available losses	95	(227)	–
	(23,025)	(773)	(1,186)

Notes to the Consolidated Financial Statements

17 Deferred tax liabilities - continued

	2008 $000	2007 $000
A deferred tax asset has not been recognised for the following items:		
Unutilised tax losses	**9,309**	13,181

18 Retirement benefits

The group maintains a defined benefit funded pension scheme for some employees in Indonesia. The scheme is valued by an actuary at the end of each financial year. Any excess of the actuarial liability over the fund assets is provided and charged to the income statement. The major assumptions used by the actuary were:

	2008	2007	2006	2005	2004
Inflation	**10%**	10%	10%	10%	10%
Rate of increase in wages	**8%**	10%	10%	10%	10%
Discount rate	**12%**	12%	12%	12%	12%

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 and charged in the income statement based on individual employees' service up to the end of the financial year.

	Defined benefit - funded schemes 2008 $000	**Defined benefit – unfunded schemes 2008 $000**	**Total 2008 $000**	Defined benefit - funded schemes 2007 $000	Defined benefit – unfunded schemes 2007 $000	Total 2007 $000
Reconciliation to balance sheet						
Scheme assets (all cash)	**1,241**	**–**	**1,241**	1,195	–	1,195
Scheme (liabilities)	**(1,408)**	**(1,327)**	**(2,735)**	(1,408)	(1,321)	(2,729)
Net assets/(liabilities)	**(167)**	**(1,327)**	**(1,494)**	(213)	(1,321)	(1,534)
Reconciliation of scheme assets						
At beginning of year	**1,195**	**–**	**1,195**	1,032	–	1,032
Exchange gain/(loss)	**(195)**	**–**	**(195)**	(49)	–	(49)
Contributions by group	**187**	**–**	**187**	192	–	192
Income	**112**	**–**	**112**	92	–	92
Benefits paid	**(53)**	**–**	**(53)**	(66)	–	(66)
Expenses	**(5)**	**–**	**(5)**	(6)	–	(6)
At end of year	**1,241**	**–**	**1,241**	1,195	–	1,195
Reconciliation of scheme (liabilities)						
At beginning of year	**(1,408)**	**(1,321)**	**(2,729)**	(906)	(960)	(1,866)
Exchange (loss)/gain	**222**	**255**	**477**	53	31	84
Current service (cost)/write back	**(275)**	**(308)**	**(583)**	(621)	(535)	(1,156)
Benefits paid	**53**	**47**	**100**	66	143	209
At end of year	**(1,408)**	**(1,327)**	**(2,735)**	(1,408)	(1,321)	(2,729)

The charge/(credit) for the year for retirement benefit comprises:

	2008 $000	2007 $000	2006 $000
Defined benefit funded scheme			
Current service cost	**275**	621	134
Expenses	**5**	6	4
Income	**(112)**	(107)	(66)
	168	520	72
Defined benefit unfunded scheme			
Current service cost	**308**	535	475
Defined contribution schemes			
Contributions	**57**	57	48
	533	1,112	595

The best estimate of expected contribution in 2009 is $500,000.

19 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 and end of year	**60,000,000**	**39,976,272**	**15,000**	**9,994**	**23,865**	**15,504**

Notes to the Consolidated Financial Statements

19 Share capital - continued

	2008 Number	2007 Number	2008 $'000	2007 $'000
Treasury shares				
Beginning of year	518,000	468,000	(1,785)	(1,387)
Purchased in year	–	50,000	–	(398)
End of year	**518,000**	**518,000**	**(1,785)**	**(1,785)**
Market value of treasury shares:				
Beginning of year (447.5p/share)				4,659
End of year (272.5p/share)				**1,990**

No treasury shares were purchased in 2008 (2007: 50,000 purchased at 386p/share).

20 Share based payment

Options have been granted under the company's 1994 Executive Share Option Scheme and Overseas Share Option Scheme and the 2005 Unapproved Executive Share Option Scheme to subscribe for ordinary shares of 25p each of the company as follows:

Date of grant	Price per share	Period of option	1 Jan 07	Granted	Exercised	31 Dec 07	Granted	Exercised	31 Dec 08
16.04.02	44.7p	30.04.05 – 29.04.12	30,600	–	–	30,600	–	–	30,600
21.05.03	108.5p	21.05.06 – 20.05.13	20,400	–	(18,000)	2,400	–	–	2,400
13.05.04	181.2p	13.05.07 – 12.05.14	30,000	–	–	30,000	–	–	30,000
19.05.06	234.0p	19.05.09 – 18.05.16	51,200	–	–	51,200	–	–	51,200
09.10.06	323.25p	09.10.09 – 08.10.16	15,500	–	–	15,500	–	–	15,500
21.05.07	360.3p	21.05.10 – 20.05.17	–	78,300	–	78,300	–	–	78,300
03.06.08	598.0p	03.06.11 – 02.06.18	–	–	–	–	97,700	–	97,700
			147,700	78,300	(18,000)	208,000	97,700	–	305,700
		Exercisable	51,000			63,000			63,000

Options granted to directors, included above, are shown on page 19.

The weighted average contracted life of options outstanding at the end of the year was 7.7 years (2007 – 8 years) and the weighted average exercise price was 362p (2007 – 251p). The weighted average exercise price of options exercisable at the end of the year was 112p (2007 – 112p).

The weighted average share price at date of exercise of options exercised in prior year was 360p. No options were exercised for the year. 97,700 share options were granted in 2008 (2007 - 78,300).

The aggregate of the estimated fair value of options granted in 2008 was $216,000 (2007: $171,000). The assumptions applied in the binomial model used to calculate this fair value were:

	2008	2007
Weighted average share price at grant date	**608p**	385p
Weighted average exercise price	**N/A**	360p
Weighted average contracted life	**10 years**	10 years
Weighted average expected period to exercise	**3.5years**	3.5 years
Expected volatility	**25%**	25%
Risk Free rate	**5%**	5%
Expected dividend yield	**2%**	2%

There are no vesting conditions other than that option holders may exercise their options at any time within three and ten years after grant, provided they remain employees of the group for a period of three years from date of grant.

21 Ultimate controlling shareholder and related party transactions

At 31 December 2008 Genton International Limited, a company registered in Hong Kong, held 20,247,814 (2007 – 20,247,814) shares of the company representing 50.6% (2007 – 50.6%) of the issued share capital of the company. Together with other deemed interested parties, the company 's shareholding totals 20,521,314 or 51.3%. Madam Lim, a director of the company, has advised the company that she is the controlling shareholder of Genton International Limited.

During the year a subsidiary of the company managed, for a fee of $21,000 (2007 - $17,000), small plantations owned by companies controlled by Madam Lim. This contract is on an arm's length basis. At 31 December 2008 the amount due under this contract was $1,500 (2007 - $4,000).

During the year the Company engaged UHY Hacker Young, an accounting firm of which Dato' John Lim Ewe Chuan is a partner, to provide company secretarial and taxation services for a fee of $49,502 (2007 - Nil). This contract is on an arm's length basis.

22 Reserves and minority interests

	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	Minority interests $'000	Total equity $'000
Balance at 1 January 2007	**15,495**	**(1,387)**	**23,904**	**1,087**	**73,648**	**(71,241)**	**80,450**	**121,956**	**25,421**	**147,377**
Direct changes in equity for 2007										
Unrealised surplus on revaluation of estates	–	–	–	–	3,371	–	–	3,371	1,452	4,823
Deferred tax on revaluation	–	–	–	–	(574)	(160)	–	(734)	(452)	(1,186)
(Loss) on exchange translation	–	–	–	–	–	(4,998)	–	(4,998)	(934)	(5,932)
Net income recognised directly in equity	–	–	–	–	2,797	(5,158)	–	(2,361)	66	(2,295)
Profit for period	–	–	–	–	–	–	31,000	31,000	6,964	37,964
Total recognised income and expense for the year	–	–	–	–	2,797	(5,158)	31,000	28,639	7,030	35,669
Dividends paid	–	–	–	–	–	–	(4,266)	(4,266)	(1,051)	(5,317)
Shares purchased	–	(398)	–	–	–	–	–	(398)	–	(398)
Share capital subscription	9	–	31	–	–	–	–	40	–	40
Interest in subsidiaries acquired	–	–	–	–	–	–	–	–	967	967
Balance at 31 December 2007	**15,504**	**(1,785)**	**23,935**	**1,087**	**76,445**	**(76,399)**	**107,184**	**145,971**	**32,367**	**178,338**
Direct changes in equity for 2008										
Unrealised surplus on revaluation of estates	**–**	**–**	**–**	**–**	**3,670**	**–**	**–**	**3,670**	**1,632**	**5,302**
Deferred tax on revaluation	**–**	**–**	**–**	**–**	**(533)**	**(375)**	**–**	**(908)**	**(220)**	**(1,128)**
(Loss) on exchange translation	**–**	**–**	**–**	**–**	**–**	**(24,891)**	**–**	**(24,891)**	**(5,053)**	**(29,944)**
Net income recognised directly in equity	**–**	**–**	**–**	**–**	**3,137**	**(25,266)**	**–**	**(22,129)**	**(3,641)**	**(25,770)**
Profit for period	**–**	**–**	**–**	**–**	**–**	**–**	**42,001**	**42,001**	**9,981**	**51,982**
Total recognised income and expense for the period	**–**	**–**	**–**	**–**	**3,137**	**(25,266)**	**42,001**	**19,872**	**6,340**	**26,212**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(5,112)**	**(5,112)**	**(7,747)**	**(12,859)**
Interest in subsidiaries acquired	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**598**	**598**
Balance at 31 December 2008	**15,504**	**(1,785)**	**23,935**	**1,087**	**79,582**	**(101,665)**	**144,073**	**160,731**	**31,558**	**192,289**

Notes to the Consolidated Financial Statements

22 Reserves and minority interests - continued

Nature and purpose of each reserve:

Share Capital	Amount of shares subscribed at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital redemption	Amounts transferred from share capital on redemption of issued shares.
Treasury shares	Cost of own shares held in treasury.
Revaluation	Gains/loses arising on the revaluation of the group's property.
Foreign exchange	Gains/losses arising on translating the net assets of overseas operations into dollars.
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.

23 Guarantees and other financial commitments

		2008	2007
		$000	$000
Capital commitments at 31 December			
Contracted but not provided	- normal estate operations	**6,748**	70
Authorised but not contracted	- normal estate operations	**23,554**	16,377
	- land acquisition	**–**	6,400

24 Finance leases

The group leases a few tractors and cars, included under non-biological plantation assets at a net carrying value $Nil (2007 - $163,000). Such assets are classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and the group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Future lease payments are due as follows:

2008
Nil

	Minimum lease payments 2007	Interest 2007	Present value 2007
2007	$'000	$'000	$'000
Not later than one year	**54**	**6**	**48**
Later than one year and not later than five years	**69**	**8**	**61**
	123	**14**	**109**

25 Disclosure of financial instruments and other risks

The group's principal financial instruments comprise cash, short and long term bank loans, trade receivables and payables and receivables from local partners in respect of their investments.

25 Disclosure of financial instruments and other risks - continued

The group's accounting classification of each class of financial asset and liability at 31 December 2008 and 2007 were:

2008	**Loans and receivables $000**	**Amortised cost $000**	**Total carrying value and fair value $000**
Non-current receivables	**1,363**	**–**	**1,363**
Trade and other receivables	**4,143**	**–**	**4,143**
Cash and cash equivalent	**69,442**	**–**	**69,442**
Borrowings due within one year	**–**	**(8,639)**	**(8,639)**
Trade and other payables	**–**	**(10,749)**	**(10,749)**
Borrowings due after one year	**–**	**(27,025)**	**(27,025)**
	74,948	**(46,413)**	**28,535**

2007	Loans and receivables $000	Amortised cost $000	Total carrying value and fair value $000
Non-current receivables	1,363	–	1,363
Trade and other receivables	1,462	–	1,462
Cash and cash equivalent	66,358	–	66,358
Borrowings due within one year	–	(7,293)	(7,293)
Trade and other payables	–	(9,311)	(9,311)
Borrowings due after one year	–	(35,719)	(35,719)
	69,183	(52,323)	16,860

The principal financial risks to which the group is exposed are:
- commodity selling price changes;
- exchange movements; and

which, in turn, can affect financial instruments and/or operating performance.

With the exception described below, the company does not hedge any of its risks. Its trade credit risks are low. There are no financial assets or liabilities that are held at fair value through the profit and loss.

The board is directly responsible for setting policies in relation to financial risk management and monitors the levels of the main risks through review of regular operational reports.

Commodity selling prices
The group does not normally contract to sell produce more than one month ahead. An exception was made in March 2007 when, believing the CPO price was already very favourable, and to secure the group's cash flow for an impending acquisition, 33% of annual CPO production in Indonesia was sold forward through to December 2007.

A 1% change in the CPO and kernel selling price produces a 1% change in sales revenue less the level of export tax ruling at the time. Profit is affected by an equal absolute amount.

Currency risk
Most of the group's operations are in Indonesia. The parent company and group accounts are prepared in US dollars which is not the functional currency of the operating subsidiaries. The group does not hedge its net investment in its overseas subsidiaries and is therefore exposed to a currency risk on that investment. The historic cost of investment (including intercompany loans) by the parent in its subsidiaries amounted to $79,783,000 (2007: $50,276,000), while the fair value of the group's share of underlying assets at 31 December 2008 amounted to $160,731,000 (2007 - $145,971,000).

All the group's sales are made in local currency and any trade receivables are therefore denominated in local currency. No hedging is therefore necessary.

However, selling prices of the group's produce are directly related to the US dollar denominated world prices. Appreciation of local currencies therefore reduces profits and cash flow of the Indonesian and Malaysian subsidiaries in terms of local currency and, to a lesser extent, US dollar consolidated profits – and vice versa. It is not practical to hedge this currency risk.

The group's subsidiaries which are borrowing in US dollars, as set out under Liquidity Risk below could face significant exchange losses in the event of depreciation of their local currency – and vice versa. This risk is mitigated by dollar denominated cash balances in those subsidiaries. While the company was in a position to match dollar cash balances with dollar financial liabilities throughout 2007 and 2008, policy has been for only a partial but increasing match because interest rates on local currency deposits were some 6.22% higher than on dollar deposits and about the same as dollar borrowing costs. The unmatched balance at 31 December 2008 is represented by the $16,034,000 shown in the table below (2007: $24,258,000). If the group's net cash position continues to improve then dollar cash balances will continue to be increased through 2009 – eventually to match dollar liabilities.

25 Disclosure of financial instruments and other risks - continued

Currency risk - continued

A 1% change in the rupiah:dollar exchange rate would have caused a gain or less on exchange of $160,340 at 31 December 2008 (2007: $242,000).

The table below shows the net monetary assets and liabilities of the group at 31 December 2008 and 2007 that were not denominated in the operating or functional currency of the operating unit involved.

	Net foreign currency assets/(liabilities)			
	US dollar	**Ringgit**	**Sterling**	**Total**
Functional currency of group operation	**$000**	**$000**	**$000**	**$000**
2008				
Indonesian rupiah	**(16,034)**	**–**	**–**	**(16,034)**
US dollar	**–**	**(26)**	**(549)**	**(575)**
Total	**(16,034)**	**(26)**	**(549)**	**(16,609)**
2007	$000	$000	$000	$000
Indonesian rupiah	(24,258)	–	–	(24,258)
US dollar	–	(26)	(62)	(88)
Total	(24,258)	(26)	(62)	(24,346)

Liquidity risk

Development to profitability of new sizable plantations requires a period of between six and seven years before cash flow turns positive. Because oil palms do not begin yielding significantly until four years after planting, this period and the cash requirement is little affected by changes in commodity prices.

The group attempts to ensure that it is likely to have either self-generated funds or further loan/equity capital to complete its development plans and to meet loan repayments. Long term forecasts are updated about twice a year for review by the board. In the event that falling commodity prices reduce self-generated funds below expectations and to a level where group resources may be insufficient, further new planting may be restricted. Consideration is given to the funds continued to be required to bring existing immature plantings to maturity.

The group's trade and tax payables are all due for settlement within a year. At 31 December 2008 the group had the following loans and facilities.

		Borrowings	**Facilities**	**Repayable**
		$000	**$000**	
Malaysia:	ringgit denominated			
	- overdraft	1	907	on demand
Indonesia:	US dollar denominated			
	- overdraft	–	3,000	on demand
	- long term loan	35,650	39,888	2008 - 2012 (note 15)

The Indonesian overdraft was repaid in full in January 2008. The facility remained in place and will be reviewed monthly through 2008. The Malaysian overdraft facility is reviewed annually. The total long term loan facilities of $35,651,000 together with interest at current rates is repayable as follows:

	2009	**2010**	**2011**	**2012**
	$000	**$000**	**$000**	**$000**
Principal	8,638	9,424	11,150	6,439
Interest	2,569	1,829	985	264
Total	11,207	11,253	12,135	6,703

In the event of a prolonged adverse movement in the CPO price the group would consider refinancing these borrowings into a longer term loan stock.

Forecasts prepared in December 2008 indicate that the group has sufficient funds to meet its development plans and financial commitments through 2009.

All the long term loans include varying covenants covering minimum net worth and cash balances, dividend and interest cover and debt service ratios.

Interest rate risk

Both the group's surplus cash and its borrowings are subject to variable interest rates. The group had net cash throughout 2008, so the effect of variations in borrowing rates is more than offset. A 1% change in the borrowing or deposit interest rate would not have a significant impact on the groups' reported results. The rates on borrowings are set out in note 15.

25 Disclosure of financial instruments and other risks - continued

Interest rate risk - continued

There is no policy to hedge interest rates, partly because of the net cash position and partly because net interest is a relatively small proportion of group profits.

Interest rate profiles of the group's financial assets (comprising non current receivables, tax receivables, trade and other receivables and cash) at 31 December 2008 were:

	Total	Fixed rate	Variable rate	No interest
2008	**$000**	**$000**	**$000**	**$000**
Sterling	**691**	**–**	**1**	**690**
US dollar	**21,290**	**1,363**	**19,907**	**20**
Rupiah	**47,763**	**–**	**43,745**	**4,018**
Ringgit	**6,279**	**–**	**5,789**	**490**
Total	**76,023**	**1,363**	**69,442**	**5,218**
2007	$000	$000	$000	$000
Sterling	104	–	60	44
US dollar	22,982	1,363	21,598	21
Rupiah	45,392	–	42,220	3,172
Ringgit	2,894	–	2,479	415
Total	71,372	1,363	66,357	3,652

Long term receivables of $1,363,000 (2007 - $1,363,000) comprise dollar denominated amounts due from minority shareholders as described in note 12 on which interest is due at a fixed rate of 6%.

Average US dollar deposit rates in 2008 were 4.23% (2007 – 4.5%) and rupiah deposit rates were 10.45% (2007 – 8.1%).

Interest rate profiles of the group's financial liabilities (comprising bank loans and other financial liabilities, trade and other payables, tax liabilities and retirement benefit liabilities) at 31 December were:

	Total	Fixed rate	Variable rate	No interest
2008	**$000**	**$000**	**$000**	**$000**
Sterling	**(142)**	**–**	**–**	**(142)**
US dollar	**(35,664)**	**–**	**(35,651)**	**(13)**
Rupiah	**(10,992)**	**–**	**–**	**(10,992)**
Ringgit	**(1,097)**	**–**	**(1)**	**(1,096)**
Total	**(47,895)**	**–**	**(35,652)**	**(12,243)**
2007	$000	$000	$000	$000
Sterling	(166)	–	–	(166)
US dollar	(44,010)	–	(42,888)	(1,122)
Rupiah	(8,654)	–	–	(8,654)
Ringgit	(1,028)	(123)	(1)	(904)
Total	(53,858)	(123)	(42,889)	(10,846)

Weighted average interest rate on variable rate borrowings was 6.12% in 2008 (2007: 8.1%).

Credit risk

CPO and kernel amounting to 97% of group revenue are not despatched unless payment has been received in advance. Remaining sales are on credit for about 30 days. No provisions were considered necessary at 31 December 2008 (2007 – nil).

All cash is deposited with licensed banks. The list of the principal banks used by the group is given on the inside of the back cover of this report.

Amounts receivable from local partners, amounting to $1,363,000, in relation to their investments in operating subsidiaries are secured on those investments and are repayable from their share of dividends from those subsidiaries. Amounts due from village smallholder schemes are unsecured and are to be repaid from FFB supplied.

Capital

The group defines its Capital as Share capital and Reserves, shown in the consolidated balance sheet as "Equity attributable to equity holders of the parent" and amounting to $160,731,000 at 31 December 2008. (2007: $145,971,000)

Group policy is presently to attempt to fund development from self-generated funds and loans and not from issue of new share capital. At 31 December 2008 (2007: Nil) the group had no net borrowings but, depending market conditions, the board is prepared for the group to have net borrowings.

Notes to the Consolidated Financial Statements

26 Acquisitions

For each of the acquisitions below, since they were not active plantations, the directors consider that they have obtained control of an entity that is not a business and accordingly have not accounted for these acquisitions as business combinations. Instead, the amount paid for each acquisition has been allocated between individual identifiable assets and liabilities in the entity based on their fair values at the acquisition date.

2008

(1) PT Riau Agrindo Agung

In January 2008, the group acquired a 95% interest in PT Riau Agrindo Agung (RAA) for a cash consideration of $3,676,000. RAA has no assets or liabilities other than the right to a land title over 15,000 ha near the group's existing estates in Bengkulu. Plantable area is approximately 70%. The assets and liabilities and their fair value adjustment were assessed as follows:

	Book value	Revaluation to fair value	Fair value
	$000	$000	$000
Fixed assets only acquired	1,369	2,501	3,870
Group share (95%)			3,676

RAA was inactive throughout 2008 and therefore the group's share of any profit or loss from the date of acquisition to the end of 2008 was nil.

(2) PT Karya Kencana Sentosa Tiga

In June 2008, the group acquired a 95% interest in PT Karya Kencana Sentosa Tiga (KKST) for a cash consideration of $4,086,000. KKST has no assets or liabilities other than the right to a land title over 16,000 ha near the group's existing estates in Bengkulu. Plantable area is approximately 70%. The assets and liabilities and their fair value adjustment were assessed as follows:

	Book value	Revaluation to fair value	Fair value
	$000	$000	$000
Fixed assets only acquired	913	3,388	4,301
Group share (95%)			4,086

KKST was inactive throughout 2008 and therefore the group's share of any profit or loss from the date of acquisition to the end of 2008 was nil.

(3) PT Empat Lawang Agro Perkasa

In July 2008, the group acquired a 95% interest in PT Empat Lawang Agro Perkasa (ELAP) for a cash consideration of $3,601,000. ELAP has no assets or liabilities other than the right to a land title over 14,100 ha near the group's existing estates in Bengkulu. Plantable area is approximately 70%. The assets and liabilities and their fair value adjustment were assessed as follows:

	Book value	Revaluation to fair value	Fair value
	$000	$000	$000
Fixed assets only acquired	913	2,877	3,790
Group share (95%)			3,601

ELAP was inactive throughout 2008 and therefore the group's share of any profit or loss from the date of acquisition to the end of 2008 was nil.

(4) Other Acquisitions – Land Rights

Also in January 2008 the group's subsidiary PT Hijau Pryan Perdana acquired for a consideration of $600,000 the right to a land title over a further 2,379 ha of land contiguous to its existing rights over 3,715 ha.

In March 2008 the group's subsidiary PT Cahaya Pelita Andhika was able to restore, at minimal cost, a previously lapsed right to a land title over a further 1,300 ha of land contiguous to its existing confirmed land title of 4,469 ha.

Notes to the Consolidated Financial Statements

26 Acquisitions - continued

2007

(1) PT Cahaya Pelita Andhika

In June 2007 the group acquired a 90% interest in PT Cahaya Pelita Andhika (CPA) for a cash consideration of $5,198,000 and settled a loan of $1,045,000 due by CPA. CPA owns a partly planted oil palm estate of 4,470 ha in the province of North Sumatra. The assets and liabilities and their fair value adjustment were assessed as follows:

	Book value	Revaluation to fair value	Fair value
	$000	$000	$000
Fixed assets	1,279	5,542	6,821
Current borrowings	(1,045)	–	(1,045)
Other net current (liabilities)	–	–	–
Net assets acquired	234	5,542	5,776
Group share (90%)			5,198

The group's share of the loss of CPA from acquisition to the end of 2007 was $276,000 which included rehabilitation expenditure. Prior to acquisition CPA was not trading.

(2) PT Bangka Malindo Lestari

In December 2007 the group acquired a 95% interest in PT Bangka Malindo Lestari (BML) for a cash consideration of $1,451,000. BML had no assets or liabilities other than the right to acquire a land title over 7,000 ha on the island of Bangka. The assets and their fair value adjustment were assessed as follows:

	Book value	Revaluation to fair value	Fair value
	$000	$000	$000
Fixed assets only acquired	913	614	1,527
Group share (95%)			1,451

BML was inactive throughout 2007 and therefore the group's share of any profit or loss from the date of acquisition to the end of 2007 was nil.

(3) PT Sawit Graha Manunggal

In December 2007 the group acquired a 95% interest in PT Sawit Graha Manunggal (SGM) for a cash consideration of $6,786,000. SGM had no assets or liabilities other than the right to acquire a land title over 26,000 ha in the province of Central Kalimantan on the island of Borneo. The assets and their fair value adjustment were assessed as follows:

	Book value	Revaluation to fair value	Fair value
	$000	$000	$000
Fixed assets only acquired	3,771	3,372	7,143
Group share (95%)			6,786

SGM was inactive throughout 2007 and therefore the group's share of any profit or loss from the date of acquisition to the end of 2007 was nil.

27 Post Balance Sheet Events

No major events or transactions occurred between the balance sheet and the date of this report.

Notes to the Consolidated Financial Statements

28 Subsidiary companies

The principal subsidiaries of the company all of which have been included in these consolidated financial statements are as follows:

	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	90
PT Anak Tasik	100
PT Bangka Malindo Lestari	95
PT Bina Pitra Jaya	80
PT Cahaya Pelita Andhika	90
PT Empat Lawang Agro Perkasa	95
PT Hijau Pryan Perdana	80
PT Karya Kencana Sentosa Tiga	95
PT Mitra Puding Mas	90
PT Musam Utjing	75
PT Riau Agrindo Agung	95
PT Sawit Graha Manunggal	95
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.

Company Balance Sheet (UK GAAP)

as at 31 December 2008

	Notes	2008 $000	2007 $000
Non-current assets			
Investment in subsidiaries	2	**77,948**	50,276
		77,948	50,276
Current assets			
Debtors	3	**690**	43
Cash and cash equivalents		**311**	2,062
		1,001	2,105
Current liabilities			
Other creditors	5	**(168)**	(192)
Net current assets		**833**	1,913
Net assets		**78,781**	52,189
Equity			
Share capital	6	**15,504**	15,504
Treasury shares	6	**(1,785)**	(1,785)
Share premium reserve	7	**23,935**	23,935
Share capital redemption reserve	7	**1,087**	1,087
Exchange reserve	7	**3,872**	3,872
Retained earnings	7	**36,168**	9,576
Shareholders' funds		**78,781**	52,189

The financial statements were approved by the board of directors and authorised for issue on 15 April 2008 and were signed on its behalf by Donald H Low

The accompanying notes are an integral part of this balance sheet.

Notes to the Company Financial Statements

1 Accounting policies

Basis of accounting

The separate financial statements of the company are presented as required by the Companies Act 1985. They have been prepared under the historical costs convention and in accordance with applicable United Kingdom Accounting Standards and law. The principal accounting policies are summarised below.

Foreign currency

The functional currency of the company is US dollars, chosen because the price of the bulk of the group's products are ultimately denominated in dollars. Transactions in sterling are translated to US dollars at the actual exchange rate and exchange losses recognised in profit and loss. Sterling denominated assets and liabilities are converted to US dollars at the rate ruling at the balance sheet date.

Investments

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

Dividends

In accordance with FRS21 equity dividends are recognised when they become legally payable.

Share based payments

As set out under group accounting policies on page 27.

Deferred tax

A deferred tax asset has not been recognised in relation to brought forward tax losses of $1.6m (2007: $1.8m) because it is not certain those losses can be utilised.

Treasury shares

Consideration paid or received for the purchase or sale of the company's own shares for holding in treasury is recognised directly in equity, where the cost is presented as the treasury share reserve. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of shares sold, is taken to the share premium account. Any shares held in treasury are treated as cancelled for the purpose of calculating earnings per share.

Financial guarantee contracts

Where the company enters into financial guarantee contracts and guarantees the indebtedness of other companies within the group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time that it becomes probable that the company will be required to make a payment under the guarantee.

2 Investments in subsidiaries

	Investments in subsidiary undertakings $000	Loans to subsidiary undertakings $000	Total $000
At beginning of year	7,745	42,531	50,276
Movements in year	–	27,672	27,672
At end of year	**7,745**	**70,203**	**77,948**

Loans to and from subsidiary companies do not have fixed repayment terms and are repayable on demand. In practice they are effectively long term in nature and therefore classified with investments in subsidiaries. The investment of preference shares in subsidiaries of $6.146m is due for redemption in 2012.

The principal subsidiaries of the company are listed in note 28 to the consolidated financial statements on page 46.

3 Debtors

	2008 $000	2007 $000
Prepayments and accrued income	**690**	43

4 Dividends

	2008 $000	2007 $000
Paid during the year		
Final dividend of 14.0 cts for the year ended 31 December 2007 (2006 – 10.80cts)	**5,112**	4,266
Proposed final dividend of 5.0 cts for the year ended 31 December 2008 (2007 – 14.0cts)	**1,973**	5,524

The proposed dividend for 2008 is subject to shareholder approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

Notes to the Company Financial Statements

5 Other creditors

	2008 $000	2007 $000
Accruals	**168**	176
Other creditors	**–**	16
	168	192

6 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 and end of year	**60,000,000**	**39,976,272**	**15,000**	**9,994**	**23,865**	**15,504**

	2008 Number	2007 Number	2008 $000	2007 $000
Treasury shares				
Beginning of year	518,000	468,000	(1,785)	(1,387)
Purchased in year	–	50,000		(398)
End of year	**518,000**	**518,000**	**(1,785)**	**(1,785)**

Market value of treasury shares	
Beginning of year (447.5p/share)	4,659
End of year (272.5p/share)	**1,990**

The treasury shares purchased in 2007 were purchased in September at 386p.

Details of share based payments are set out in note 20 to the consolidated financial statements on page 38.

7 Reserves
Company balance sheet

	Share premium account $000	Treasury shares $000	Share capital redemption $000	Exchange reserve $000	Profit and loss account (distributable) $000
Beginning of year	**23,935**	**1,785**	**1,087**	**3,872**	**9,576**
Profit for the financial year	–	–	–	–	31,704
Dividend paid	–	–	–	–	(5,112)
End of year	**23,935**	**1,785**	**1,087**	**3,872**	**36,168**

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 $36,254,000 (2007 - $4,318,000) and profit for the year was $31,704,000 (2007 – $4,285,000).

8 Employees' and directors' remuneration

		2008 number	2007 number
Average numbers employed during the year	- directors	**6**	6
	- staff	**2**	2

	2008 $000	2007 $000
Staff costs		
Wages and salaries	**1,280**	968
Social security costs	**10**	67
Retirement benefit costs	**22**	57
Share based remuneration expense	**–**	87
	1,312	1,179

The information required by the Companies Act and the listing rules of the Financial Services Authority is contained in the directors' report on remuneration on pages 18 to 19 of which the information on page 19 has been audited.

	2008 $000	2007 $000
Directors' emoluments	**641**	772
Pension contributions	**22**	39
	663	811

9 Guarantees and other financial commitments
The company has provided guarantees for loans and overdrafts to subsidiaries totalling $35,650,000 (2007 -$42,889,000) as set out in note 15 of the consolidated financial statements.

Notice of Annual General Meeting

Notice is hereby given that the twenty-fourth Annual General Meeting of Anglo-Eastern Plantations Plc will be held at the offices of Withers LLP, 16 Old Bailey, London EC4M 7EG on 19 June 2009 at 11.00 a.m. for the following purposes:

As Ordinary Business

1 To receive and consider the company's annual report for the year ended 31 December 2008.

2 To declare a dividend.

3 To approve the directors' remuneration report for the year ended 31 December 2008.

4 To re-appoint Mr. Nik Din Nik Sulaiman, independent non-executive director.

5 To re-appoint Mr. Donald H Low, a director.

6 To re-appoint Mr. Chan Teik Huat, a director.

7 To re-elect Madam Lim Siew Kim, a non-executive director, who has served more than nine years.

8 To appoint BDO Stoy Hayward LLP as auditors and to authorise the directors to fix their remuneration.

As Special Business

9 To consider and, if thought fit, to pass the following resolution as 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 18 June 2014 all the powers of the company to allot relevant securities up to an aggregate nominal amount equal to one-third of the issued share capital at the date of this resolution;

(b) during the period expiring on the date of the next Annual General Meeting or on 18 September 2010 (whichever shall be earlier) the directors be empowered to allot equity securities for cash pursuant to the authority conferred under paragraph (a) above or by way of sale of treasury shares (within the meaning of section 162A of the Act):

(i) in connection with a rights issue; and

(ii) up to an aggregate nominal amount of £499,703, 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 periods; 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 (other than the company) 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);

Notice of Annual General Meeting

(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.

10 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 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 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 18 June 2014; 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 18 June 2014 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 9.

11 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 3,997,627 (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 plc for the five business days immediately preceding the date of purchase; and

(d) the authority hereby conferred shall expire on 18 September 2010 or, if earlier, 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
CETC (Nominees) Limited
Company Secretary

30 April 2009

Notes:

1. A member of the company entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote at a meeting. Where more than one proxy is appointed, each proxy must be appointed for different shares. You may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company. 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 (or any adjournment thereof).

2. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders on the register of members of the company at 11.00 a.m. on 17 June 2009 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 11.00 a.m. on 17 June 2009 or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the day which is two days before the day of any adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Notice of Annual General Meeting

3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

4. As at 15 April 2009, the Company's issued share capital comprised 39,976,272 Ordinary Shares of 25p each. Each share carries one vote except 518,000 shares held as treasury shares and therefore the total number of voting rights in the Company as at 9.00 am on 15 April 2009 is 39,458,272.

5. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:

    (i) if a corporate member has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and

    (ii) if more than one corporate representative for the same corporate member attends the meeting but the corporate member has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

6. Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in 5(i) above.

7. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to given instructions to the person holding the shares as to the exercise of voting rights.

8. The register of directors' interests, showing any transactions of directors and of their families in the securities of the company, and the service agreements of directors, will be available for inspection at the registered office during usual business hours and for15 minutes prior to the meeting and at the meeting.

9. Shares held in uncertified form (i.e. CREST) may be voted through the CREST Proxy Voting Service in accordance with procedures set out in the CREST manual.

10. You may submit your proxy electronically using The Share Portal service at www.capitashareportal.com. If not already registered for The Share Portal, you will need your Investor Code which can be found on your share certificate.

11. If you are in any doubt as to any aspect of Resolutions 9 to 11 or as to the action you should take, you should immediately seek your own advice from a stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. The Board believes that these Resolutions are in the best interests of the company and shareholders as a whole.

12. If you have sold or otherwise transferred all your shares in the company, please hand this document and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of existing shares please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

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