2009

ANNUAL REPORT

Anglo-Eastern Plantations Plc

Contents

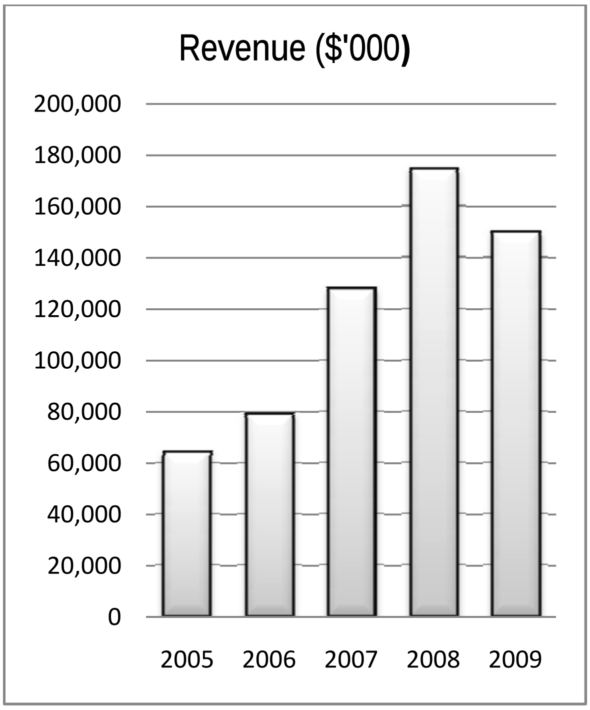
Anglo-Eastern Plantations Plc, quoted on the London Stock Exchange, owns, operates and develops plantations in Indonesia and Malaysia, amounting to some 123,000 hectares producing mainly palm oil and some rubber.

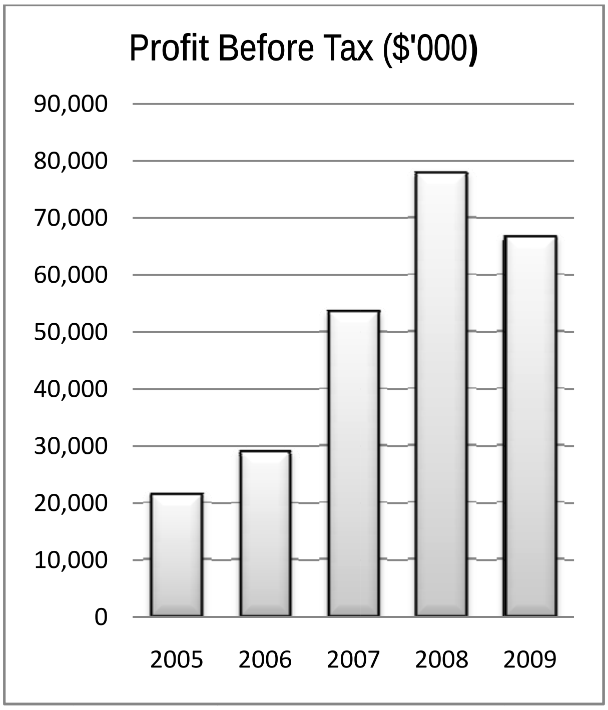
Financial Highlights

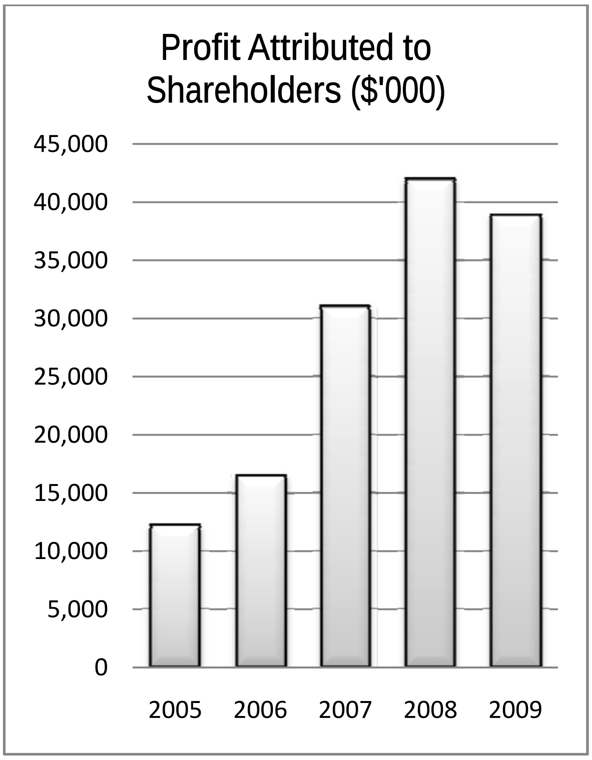
	2009	2008
	$ m	$ m
Revenue	150.1	174.7
Profit before tax		
- before biological asset (BA) adjustment	61.2	76.5
- after BA adjustment	62.1	77.9
EPS before BA adjustment	94.11cts	103.0cts
EPS after BA adjustment	94.99cts	105.1cts
Dividend (cents)	5.0cts	5.0cts
Dividend (pence)	*3.3p	3.0p

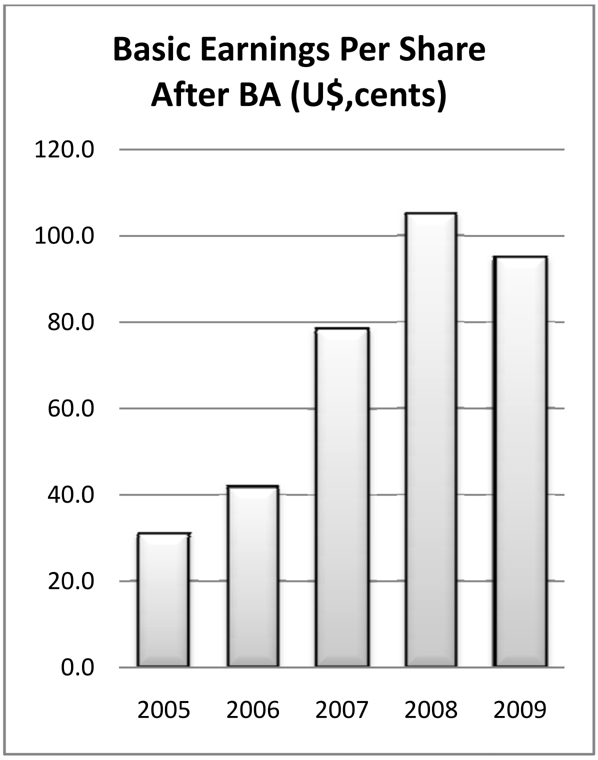
Note: * Based on exchange rate at 15 March 2010 of $1.5052/£

Financial Highlights









Denominated in US Dollar

Chairman's Statement

On behalf of the Board of Directors of Anglo-Eastern Plantations Plc, I am pleased to present to you the 2009 Annual Report and Audited Financial Statements detailing the performance and operations of the Group and the Company for the year ended 31 December 2009.

Performance

For the year ended 31 December 2009, revenue was $150.1 million compared to $174.7 million in 2008. This generated a group operating profit for 2009, before biological asset (BA) adjustment of $59.0 million, 20% less than in 2008. Estates fresh fruit bunch (FFB) output for 2009 was 9% above the previous year.

Profit before tax and after BA adjustment was $62.1 million, compared to $77.9 million in 2008. The BA adjustment was a credit of $0.9 million, compared to a credit of $1.3 million in 2008, reflecting our estate valuations.

Earnings per share before BA adjustment decreased by 8.6% to 94.11 cts, compared to 103.0 cts in 2008.

The group's balance sheet remains strong. The group continued to experience strong cash flow generation for 2009, enabling it to have strong cash reserves and reduce its borrowings. As at 31 December 2009, the group had a cash position of $63.8 million and lower borrowings of $27.0 million, giving it a net cash position of $36.8 million, compared to $33.8 million in 2008.

During the year, we have repaid $8.6 million out of our existing borrowings of $35.6 million.

Corporate Development

In 2009, we succeeded in getting the crucial land conversion permit from the Indonesian Forestry Department in Central Kalimantan project.

We hope to plant up to 5,000 hectares in Central Kalimantan 2010. We have set a target to plant up to 10,900 hectares for the group in 2010 and 10,000 hectares per year for the next five years. This means we shall be able to more than double the current area of 45,000 hectares to 100,000 hectares by 2014. In 2010, we acquired PT Kahayan with the initial "Izin Lokasi" area of 17,500 hectares.

The new Sumindo mill (45 MT/hour) is expected to be commissioned in the second quarter of 2010. In 2010, Blankahan oil mill's milling capacity shall be increased from the current 25 MT/hour to 40 MT/hour.

Directors

I am pleased to welcome the appointment of Drs. Kanaka Puradiredja as Independent Non-Executive Director, with effect from 1 August 2009. Brief profiles of the directors are set out in page 16 of this Annual Report. He will be submitting himself for re-appointment at the forthcoming annual general meeting.

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

I will be submitting myself for re-appointment at the same annual general meeting.

Chairman's Statement

Corporate Social Responsibility

Corporate social responsibility (CSR) is an integral part of corporate self-regulation incorporated into our business model. Our group embraces responsibility for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. In engaging the social dimension of CSR, the Group's business has taken cognizance of the contribution and further enrichment of its employees while continuing to make contributions to improve the well being of the surrounding community.

We are in the preliminary stage of moving towards the RSPO (Roundtable on Sustainable Palm Oil) standards.This multinational multi-stakeholder organisation, founded by the World Wildlife Fund for Nature ("WWF"), is focused upon delivering certified sustainable palm oil to the world market through one of the world's most comprehensive certification program for agricultural products. This initiative is focused on protecting and enhancing the principles of people, planet and profit for the benefit of all. RSPO principles are clearly stated under the Statement on Corporate Governance

Care For The Environment

As a group, we equally highlight the importance of creating awareness and implementation of good environmental management practices throughout the organisation. The Group has been consistently practising good agricultural practices such as zero burning, integrated pest management, land terracing and recycling of biomass and reducing fossil fuel consumption.

Invest In People

Our employees are our major asset and here at Anglo-Eastern Plantations Plc, we value their trust and support. We make it our responsibility to improve their quality of life as we always believe the right employee training, development and education, at the right time, provides returns for the employer in increased productivity, knowledge, loyalty, and contribution to the group

Outlook

Fresh Fruit Bunch (FFB) production as of February 2010 was lower by 8% against the same period in 2009. The abnormal low cropping trend appears to be nationwide and mainly caused by adverse weather conditions compared to the same period in 2009. It is too early to forecast whether the performance will be better for the rest of the year.

The CIF (Cost, Insurance, Freight) Rotterdam CPO (Crude Palm Oil) price opened the year 2009 at $495/mt and ended the year at $780/mt, averaging $679/mt for the year. Low interest rates, non-traditional monetary easing, extremely accommodative fiscal policy coupled with a weak US dollar have generated considerable liquidity into the global economy and this together with the increased demand from China and India have helped underpin the commodity prices.

Oil World has revised its 2010 CPO production forecasts upward for Indonesia to 22.4m tonnes and exports at 17m tonnes, while for Malaysia CPO production forecasts were revised downward to 18m tonnes, while exports were revised down to 16m tonnes. With the latest revisions, Oil World expects 2010 global CPO production growth of 5.6% (from 4.4% growth in 2009) and demand growth of 5.8% (from 5.1% demand growth for 2009), which results in a lower global stock/usage ratio for CPO of 12% (from 15.2% in 2009 and 15.9% from 2008). This is positive for the CPO price.

The US dollar depreciated by approximately 15% against the Indonesian Rupiah during 2009. Indonesian Rupiah has not experienced adverse fluctuations against the US dollar during early 2010. We expect a stable exchange level to be attainable for the rest of the year. To mitigate the exposure to currency exchange volatility, the group is managing its cash in dollar and local currencies prudently, taking into consideration its dollar-denominated borrowings and operational cost currency requirements.

Chairman's Statement

Outlook - continued

Prospects for 2010 should be cautiously optimistic in view of the higher CPO price during 1Q2010 due to a global economic recovery. Indonesia's economy has been resilient through the downturn while current political developments now pave the way for economic policies to underpin long term sustainable growth, with strong support from the government in palm oil industries. The group is confident that CPO demand will be sustainable in view of a global economy recovery and we can expect a satisfactory profit level and cash flow for 2010.

Dividends

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 5.0cts in respect of 2009 (5.0cts in 2008). Shareholders choosing to receive their dividend in Sterling will do so at the rate ruling on 30 April 2010, when the register closes. Based on the exchange rate at 15 March 2010 of $1.5052/£, the proposed dividend would be equivalent to 3.3p, compared to 3.0p declared in respect of 2008.

Acknowledgment

On behalf of the Board of Directors, I would like to convey our sincerest thanks to our Directors, Management and all employees of the Group for their strong dedication, loyalty, resourcefulness, commitment and contribution to the success of the Group. The year ahead will continue to be challenging given the turbulence of the global market. With similar commitment, perseverance and effort as exhibited in the past, I am certain we can deliver a good level of performance to all our shareholders.

I would also like to take this opportunity to thank the shareholders, business associates, government authorities and all other stakeholders for their continued confidence, understanding and support for the Group.

CHAN TEIK HUAT
Chairman

8 April 2010

Financial Record

Income statement	2009 IFRS $000	2008 IFRS $000	2007 IFRS $000	2006 IFRS $000	2005 IFRS $000
Revenue	150,080	174,684	127,898	79,094	64,321
Trading profit	58,955	74,064	52,521	26,270	22,201
Biological asset (BA) movement	888	1,347	1,001	2,312	(35)
Exchange profits/(losses)	1,259	1,503	215	368	(550)
Net finance – (costs)/income	983	959	(145)	90	(196)
Profit before tax	62,085	77,873	53,592	29,040	21,420
Tax	(16,934)	(25,891)	(15,628)	(9,289)	(7,097)
Minority interests	(7,657)	(9,981)	(6,964)	(3,277)	(2,140)
Profit attributable to shareholders	37,494	42,001	31,000	16,474	12,183
Dividend proposed for year	(1,973)	(1,973)	(5,524)	(4,266)	(3,514)

Balance Sheet	$000	$000	$000	$000	$000
Fixed assets	248,022	198,855	187,023	160,823	129,518
Cash net of short term borrowings	54,337	60,803	59,065	15,079	9,091
Long term loans	(17,589)	(27,025)	(35,719)	(5,454)	(3,940)
Other working capital	1,962	(11,894)	(8,979)	(1,919)	255
Deferred tax	(28,772)	(28,450)	(23,052)	(21,152)	(16,941)
	257,960	192,289	178,338	147,377	117,983
Minority interests	(46,989)	(31,558)	(32,367)	(25,421)	(20,519)
Net worth	210,971	160,731	145,971	121,956	97,464
Share capital	15,504	15,504	15,504	15,495	15,481
Treasury shares	(1,744)	(1,785)	(1,785)	(1,387)	(1,387)
Share premium and capital redemption account	25,022	25,022	25,022	24,991	24,955
Revaluation and exchange reserve	(7,405)	(22,083)	46	2,407	(9,121)
Profit and loss account	179,594	144,073	107,184	80,450	67,536
Equity attributable to shareholders' funds	210,971	160,731	145,971	121,956	97,464

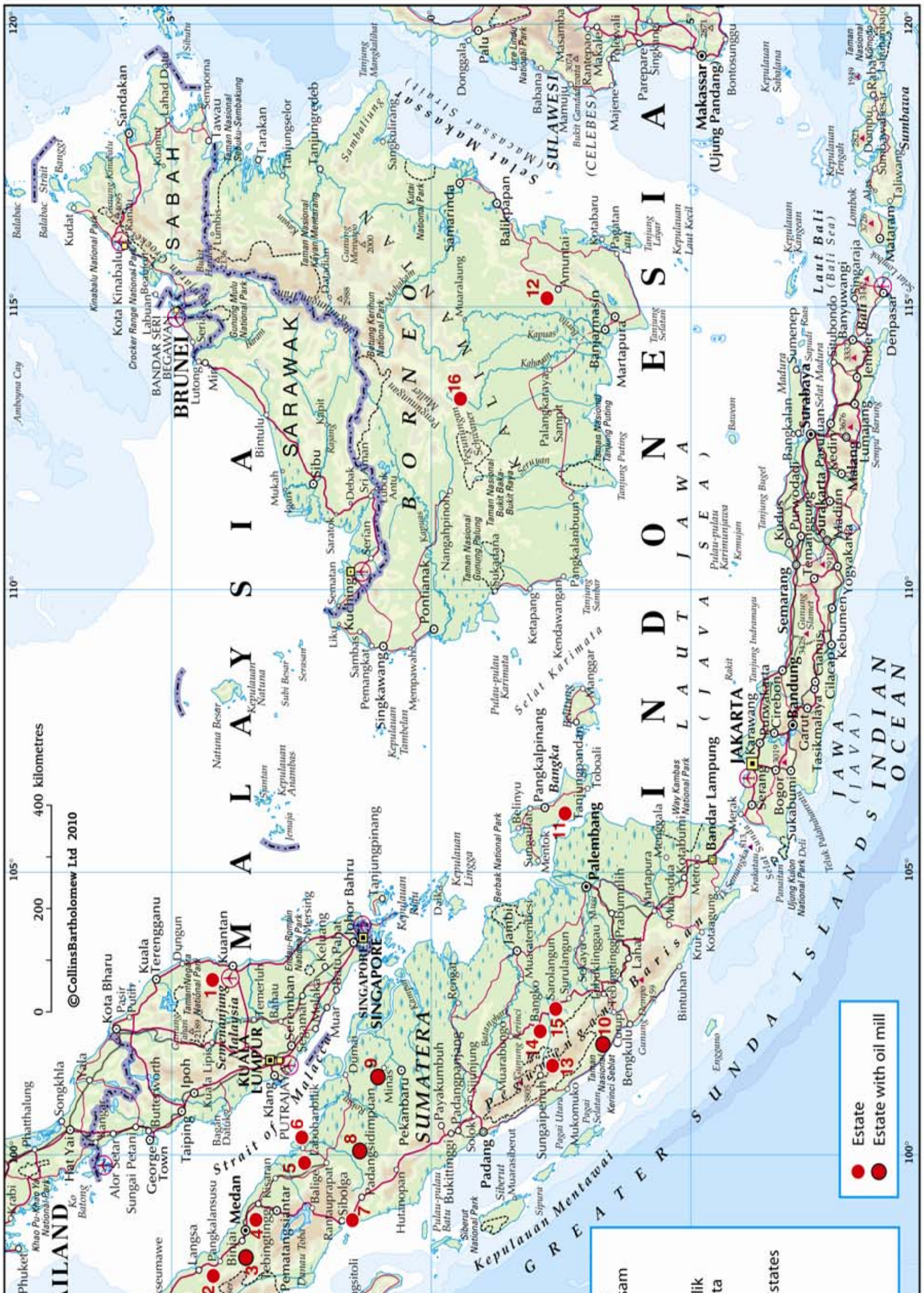
Ordinary shares in issue ('000s)	39,976	39,976	39,976	39,958	39,928
Earnings per share before BA adj. (US cents)	94.11cts	103.0cts	77.2cts	38.3cts	31.0cts
Earnings per share after BA adj. (US cents)	94.99cts	105.1cts	78.5cts	41.7cts	30.9cts
Dividend per share for year (US cents)	5.0cts	5.0cts	14.0cts	10.8cts	8.8cts
Asset value per share (US cents)	535cts	402cts	370cts	309cts	244cts
Earnings per share before BA adj (pence equivalent)	59.94p	55.9p	38.4p	20.6p	17.1p
Dividend per share for year (pence)	3.3p	3.0p	7.0p	5.5p	5.0p
Asset value per share (pence equivalent)	332p	285p	186p	158p	142p
Exchange rates – year end					
Rp : $	9,400	10,950	9,419	9,020	9,830
$: £	1.61	1.41	1.99	1.96	1.72
RM: $	3.42	3.48	3.31	3.53	3.78
Exchange rates – average					
Rp : $	10,158	9,735	9,170	9,141	9,751
$: £	1.57	1.84	2.01	1.86	1.81
RM: $	3.52	3.34	3.43	3.66	3.79

Estates 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 2009	**Hectares (Ha)**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**	**Ha**
Oil Palm																		
Mature	**34,187**	**3,425**	**30,762**	5,888	766	349	917	149	1,808	1,166	3,660	11,099	0	0	0	4,960	0	0
Immature due to mature end 2010	**736**	**271**	**465**	0	0	0	0	0	0	0	0	465	0	0	0	0	0	0
other	**9,144**	**0**	**9,144**	118	0	4,324	0	0	0	1,880	0	1,054	38	336	638	0	0	756
Total	**44,067**	**3,696**	**40,371**	6,006	766	4,673	917	149	1,808	3,046	3,660	12,618	38	336	638	4,960	0	756
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	**44,743**	**3,696**	**41,047**	6,006	766	4,673	917	825	1,808	3,046	3,660	12,618	38	336	638	4,960	0	756
Reserves																		
Plantable	**73,813**	**2,061**	**71,752**	0	0	161	0	0	0	2,218	0	494	15,937	13,739	14,362	0	8,739	16,102
Unplantable	**2,043**	**526**	**1,517**	18	0	123	3	27	0	86	209	615	0	0	0	76	0	360
Other	**2,784**	**85**	**2,699**	72	31	381	37	24	116	316	455	568	25	25	0	67	0	582
	78,640	**2,672**	**75,968**	90	31	665	40	51	116	2,620	664	1,677	15,962	13,764	14,362	143	8,739	17,044
Total area at 31 December 2009	**123,383**	**6,368**	**117,015**	6,096	797	5,338	957	876	1,924	5,666	4,324	14,295	16,000	14,100	15,000	5,103	8,739	17,800
of which																		
Land titles	**48,030**	**6,368**	**41,662**	5,946	791	3,557	957	876	1,924	5,666	4,324	13,292	0	0	0	4,329	0	0
Land rghts	**75,353**	**0**	**75,353**	150	6	1,781	0	0	0	0	0	1,003	16,000	14,100	15,000	774	8,739	17,800

Note: For accounting purposes, areas will only be considered mature 4 years after planting as the yield become more significant. However, in practice, palms normally start yielding 3 years after planting

Location of Estates



Business Review

Commodity Prices

2009 had been a volatile year for vegetable oil prices, including CPO. The global economic crisis resulted in weak business sentiment across the globe with credit markets seizing up and unprecedented amounts of liquidity having to be injected into the global financial system to recapitalise major financial institutions and prevent systemic defaults. This has led to a sharp deterioration in economic growth with the turmoil in financial markets impacting on business and consumer confidence in both developed and developing markets. Given these adverse developments, world output has shown a decline in 2009 with a gradual recovery not expected until 2010.

The CPO price opened 2009 at $495/mt and ended the year at $780/mt, averaging $679/mt for the year (down 28% from the 2008 average price of $945/mt). Low interest rates, non-traditional monetary easing, extremely accommodative fiscal policy coupled with a weak USD have generated considerable liquidity into the global economy. This, together with the increased demand from China and India has helped underpin the commodity prices. 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.

Rubber prices averaged $1,800/mt for 2009 (2008-$2,500/mt). Our small area of 406 ha of mature rubber contributed a pre-tax profit of $1.8 million in 2009. The newly planted 270 ha of rubber is expected to start production in 2011.

Valuation

Since 2007 the main valuation assumptions have been changed to reflect the improving outlook for palm oil and also Indonesia to reflect increasing operating costs. In 2009, we have maintained the principal assumptions at 2008 levels, with CPO price assumption at $550/mt and the discount rate at 16.25%.

Indonesia

FFB production in North Sumatra, which aggregates the estates of Tasik, Anak Tasik, Labuhan Bilik, Blankahan, Rambung, Sungai Musam and CPA, produced 266,000mt in 2009 (2008-261,000mt), 2% higher than 2008. The small increase is encouraging, considering the mature age of the trees in Tasik, which ordinarily would become less yielding as the trees mature. As a counter measure to maintain core critical mass, the group has begun a replanting program. Tasik contributed 60% of the total production in the North Sumatra estates.

FFB production in Bengkulu (South Sumatra), which aggregates the estates of Puding Mas and Alno as well as three newly acquired land areas of KKST, ELAP and RAA, produced 233,000mt (2008-186,000mt), 25% higher than 2008. The absence of a more pronounced drought effect compared to last year, coupled with the improved road infrastructure, contributed to this improved performance. The new Sumindo mill (45 MT/hour) is expected to be commissioned in the second quarter of 2010. It is expected to result in saving in transport costs as well as procuring more bought-in crop from smallholders once it is fully commissioned.

FFB production in the Riau region, comprising Bina Pitri estates, produced 87,000mt in 2009 (2008-79,000mt), 10% higher than 2008. The improved performance was a result of higher productivity arising from a fertilisation and rehabilitation programme started in 2005/6, immediately after Bina Pitri was acquired.

Overall bought-in crops for Indonesia operations were at 435,000mt for the year 2009 (2008-443,000mt). The average oil extraction rate from our mills was 20.9% in 2009 (2008-21%).

Business Review

Malaysia

FFB production in 2009, at 32,000mt, was 20% below 2008 due to shortage of labour available for harvesting and disruption in harvesting due to adverse weather conditions towards the end of the year. Malaysian estates contributed pre-tax profit of $0.7 million, 61% lower than 2008.

Development

The Group's total area planted on recently acquired land is on schedule, with 4,479 ha already planted in 2009 compared to 2,242 ha in 2008. This significant increase shows that we are giving more attention to the replanting and planting of our newly acquired land. Field planting had commenced in PT ELAP in South Sumatra region, with PT SGM in Central Kalimantan starting in November 2009.

In 2009, we have succeeded in obtaining the crucial land conversion permit from the Indonesian Forestry Department in respect of Central Kalimantan project. As mentioned in the Chairman’s Statement, we hope to plant up to 5,000 hectares in Central Kalimantan in 2010. We have set a target to plant up to 10,000 hectares per year for the next five years. This means we shall be able to more than double the current area of 45,000 hectares to 100,000 hectares by 2014.

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 2009.

Principal activity

The company is incorporated in the United Kingdom under the Companies Act 2006. 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 2009, the core activities of the group are 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 26 to the consolidated financial statements.

Results and dividends

The audited financial statements for the year ended 31 December 2009 are set out on pages 23 to 50. The group profit for the year on ordinary activities before taxation was $62,085,000 (2008 - $77,873,000) and the profit attributable to ordinary shareholders was $37,494,000 (2008 - $42,001,000). No interim dividend was paid. The directors recommend a final dividend of 5.0cts (2008 – 5.0cts) to be paid to shareholders on the register on 30 April 2010. Shareholders may elect to receive their dividend in sterling as described on page 14.

Business Review

The review of the group's business is set out in pages 9 to 10. In addition, the prevailing risks and uncertainties of the group's business are:

- Unexpected variations in crop, principally caused by unusual weather patterns.
- 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 23 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 e.g. export taxes.
- Protectionist tariffs or controls against CPO for either economic or environmental reasons by importing countries.
- Negative media publicity of the RSPO and the sustainability of palm oil as a vegetable oil.

The group's key performance indicators, being revenue, profit after tax, profit before tax production volume, extraction rates and yield are set out in "Financial record" on page 6 and in the business review on pages 9 to 10.

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 the "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 18 in the "Statement on Corporate Governance".

Financial risk

Information on financial instruments and other risks is set out in note 23 to the consolidated financial statements.

Directors' Report

Biological assets, property, plant and equipment

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

Directors

A full list of directors appears on page 16. Drs. Kanaka Puradiredja was appointed as Independent Non-Executive Director on 1 August 2009 and Nik Din Bin Nik Sulaiman was appointed on 1 April 2009. Madam Lim will be submitting herself for re-election while Mr.Chan and Drs.Kanaka Puradiredja will be submitting themselves for re-appointment by shareholders.

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

	2009 Ordinary shares	2008 Ordinary shares
Chan Teik Huat	-	-
Donald H Low	-	-
Lim Siew Kim	20,521,314	20,521,314
Dato' John Lim Ewe Chuan	-	-
Nik Din Bin Nik Sulaiman (appointed on 1 April 2009)	-	-
Drs. Kanaka Puradiredja (appointed on 1 August 2009)	-	-
David W. Smith (resigned on 4 March 2009)	-	-
Datuk Henry Chin (retired on 19 June 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 2009 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 20 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 15 March 2010, 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	20,247,814	51.30%
Alcatel Bell Pension Fund	7,209,571	18.26%
Liberty Square Asset Management	1,689,039	4.28%
S N Roditi	1,216,900	3.08%

Directors' Report

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 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 LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed as Resolution 7 at the forthcoming annual general meeting.

Authority to allot shares

At the annual general meeting held on 19 June 2009, 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 8 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 570 and 573 of the Companies Act 2006 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 9 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 2009 final dividend.

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

At 8 April 2010, the directors had remaining authority under the shareholders' resolution of 19 June 2009, to make purchases of 3,997,627 of the company's ordinary shares. This authority expires on 18 September 2010. 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.

Directors' Report

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

Resolution 10 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 2009 (2008 – nil).

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 8 April 2010

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 2006.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006. 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 (Non-executive Chairman, aged 70) – appointed 10 February 2010 as Non-executive Chairman
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 former 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 (Executive Director/Acting Chief Executive Officer, aged 45) – 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 61) – appointed 29 November 1993
Executive chairman of Metroplex Berhad.

Dato' John Lim Ewe Chuan (Senior Independent non-executive director, chairman of audit committee, nomination, corporate governance committee and remuneration committee, aged 60) – 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.

Nik Din Bin Nik Sulaiman (Independent non-executive director, member of audit committee, nomination & corporate governance committee, aged 62) – appointed 1 April 2009
Non-executive director of MTD Capital Berhad and MTD ACPI Engineering Berhad, both listed on Bursa Malaysia.

Drs. Kanaka Puradiredja (Independent non-executive director, member of audit committee and remuneration committee, age 66) – appointed 1 August 2009
Founded Kanaka Puradiredja Suhartono, an Indonesian based accounting firm, in 2000 and was a Senior Partner until October 2007. He currently holds the positions of Chairman of both the Institute of Audit Committee and Honorary Board of Indonesian Institute of Accountants and is an Independent Commissioner of PT Bakrieland Development Tbk and PT Dharma Henwa Tbk, listed in Indonesia.

Statement on Corporate Governance

During 2009 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 2009, particular comment is made in the statements below and in the Directors' remuneration report on pages 19 to 21.

The board

As at 8 April 2010, the board comprises one executive and five non-executive directors, three of whom are independent. Excluding Madam Lim and Mr. Chan, the remaining three non-executive directors are considered by the board to be independent. 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 retired as Executive Chairman on 10 February 2010 is now the Non-executive Chairman. 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 2009, there were two meetings, attended by all the directors.

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

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. 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 2010 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 Bin Nik Sulaiman. The committee had three meetings during 2009, attended by all members. There were four audit committee meetings and one remuneration committee meeting in 2009.

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 2010 annual general meeting.

The Board have decided that in order to save costs the Annual Report 2009 will be printed in Malaysia, as a result the notice of the Annual General Meeting will be given before the Report is fully printed but the company will remain in full compliance with the Companies Act 2006. However, the company will be in technical breach of paragraph D.2.4. of the Combined Code of Corporate Governance (which states that the Notice of AGM and related papers should be sent to shareholders at least 20 working days before the meeting) by five days.

Statement on Corporate Governance

Accountability and audit
The responsibilities of the directors as regards the financial statements are set out on page 15. A statement of going concern is also on page 15.

The audit committee comprises Dato' John Lim (chairman), Mr. Nik Din Bin Nik Sulaiman and Drs.Kanaka Puradiredja. Dato' John Lim has current financial experience from his present principal occupations in the accounting services profession. The committee met prior to the completion of the 2009 accounts and four times during 2009.

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 2009 and early 2010, for example, the audit committee reviewed, among other things, in relation to risk – internal audit and succession planning.

The board receives 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 internal auditors who visit operating sites in Indonesia and Malaysia regularly and provide wide ranging report.

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 replanting
- 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 during the year Dato' John Lim (chairman), Datuk Henry Chin (former chairman until retirement on 19 June 2009) and Drs.Kanaka Puradiredja (appointed 1 August 2009). The committee met once in 2009 and again in 2010, attended by both members.

Policy

The remuneration committee makes recommendations on senior management pay and conditions, after consultation with the 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 determined by weighted performance criteria. Annual bonuses for the Chairman and executive directors 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 the holder remains an employee 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.

Service contracts

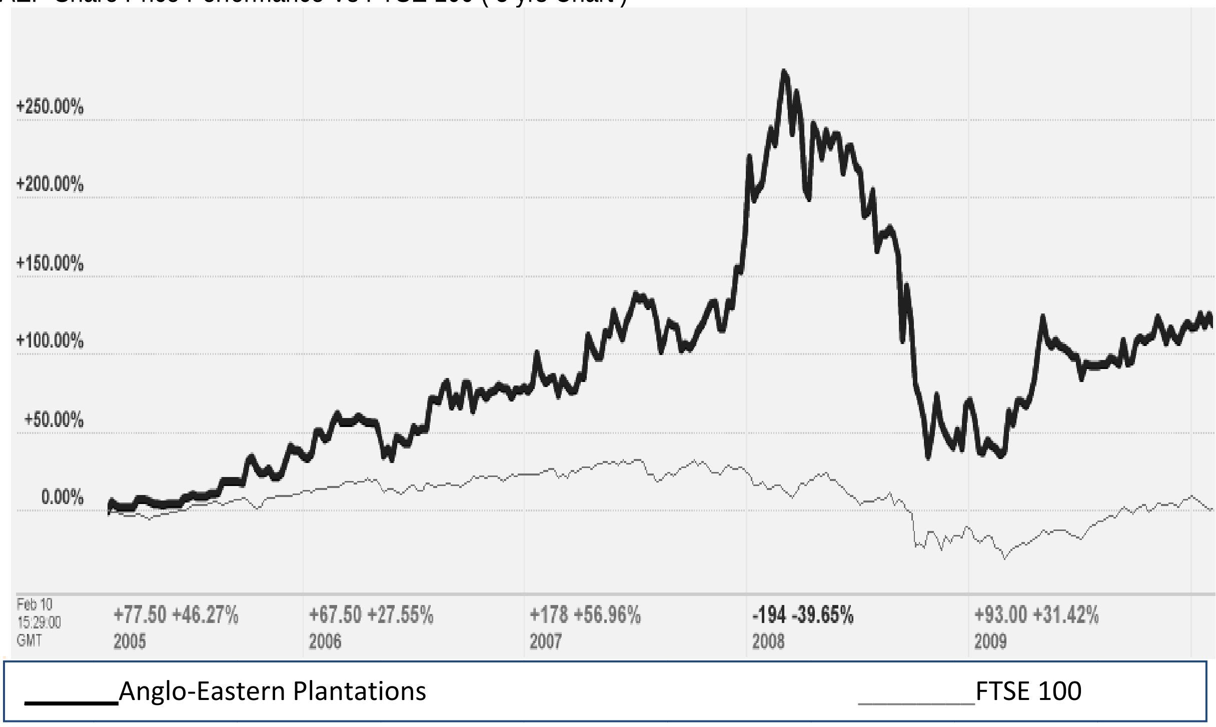
All directors, executive and non-executive, have formal appointment letters. Those of the non-executives are all for two to three year terms with notice periods of one month. Mr. Donald Low's contract had been extended to 25 November 2009 with a further extension until 25 May 2010. Notice periods for all other senior management are generally between three and six months.

Directors' Remuneration Report

Performance graph

The following graph shows the company's share price performance compared to FTSE 100 index for the period of 2005 to 2009 (last 5 years) to indicate the volatility and trend of the market generally. Our share price performance consistently outperformed the FTSE 100 index throughout these periods. In determining senior management compensation, the remuneration committee is influenced by the operating performance of the company and not directly by the share price.

AEP Share Price Performance Vs FTSE 100 (5 yrs Chart)



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 2009 were:

Name of Director	Date of Grant	Exercise price	Period of option	No. of ordinary shares under option		
				1/1/2009	(Exercised)	31/12/2009
Chan Teik Huat	30/4/2002	44.7p	30/4/2005-29/4/2012	30,600	-	30,600

The market price of the shares at 31 December 2009 was 385.0p and the range during 2009 was 223.00p to 400.00p.

Directors' Remuneration Report

Directors' remuneration

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

	Fees	Executive Salary	Bonus	Benefits in kind	Total 2009	Total 2008
	$000	$000	$000	$000	$000	$000
Name of Director						
Executive:						
Chan Teik Huat [(1)]	-	146	64	25	235	221
Donald H Low [(2)]	-	137	-	-	137	45
R O B Barnes [(3)]	-	-	-	-	-	124
Non-executive						
Lim Siew Kim [(4)]	21	-	-	-	21	24
Dato'John Lim Ewe Chuan [(5)]	42	-	-	-	42	31
Nik Din Bin Nik Sulaiman [(6)]	13	-	-	-	13	-
Drs. Kanaka Puradiredja [(7)]	7	-	-	-	7	-
Datuk Henry Chin [(8)]	14	-	-	-	14	32
David W Smith [(9)]	-	-	-	-	-	143
Ho Soo Ching [(10)]	-	-	-	-	-	23
Peter E O' Connor [(10)]	-	-	-	-	-	20
Total	97	283	64	25	469	663

Notes:

(1) Retired as Executive Chairman and appointed to Non-executive Chairman on 10 February 2010

(2) Appointed on 26 August 2008

(3) Retired on 30 April 2008

(4) Appointed on 29 November 1993

(5) Appointed on 26 April 2008

(6) Appointed on 1 April 2009

(7) Appointed on 1 August 2009

(8) Retired on 19 June 2009

(9) Resigned on 4 March 2009

(10) Retired on 31 July 2008

On behalf of the board
Dato' John Lim Ewe Chuan
Chairman, Remuneration Committee

8 April 2010

Auditors' Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC

We have audited the financial statements of Anglo Eastern Plantations Plc for the year ended 31 December 2009 which comprise the group statement of financial position and parent company balance sheet, the group statement of comprehensive income, the group statement of cash flow, the group statement of changes in equity, the parent company reconciliation of movements in shareholders' funds and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 15, in relation to going concern; and
- the part of the corporate governance statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Nicholas Taylor (senior statutory auditor) 8 April 2010
For and on behalf of BDO LLP, statutory auditor
55 Baker Street, London
United Kingdom

Consolidated Income Statement

For the year ended 31 December 2009

Continuing operations	Notes	2009 Result before BA adjustment $000	2009 BA adjustment $000	2009 Total $000	2008 Result before BA adjustment $000	2008 BA adjustment $000	2008 Total $000
Revenue	2	**150,080**	**-**	**150,080**	174,684	-	174,684
Cost of sales		**(88,202)**	**-**	**(88,202)**	(96,812)	-	(96,812)
Gross profit		**61,878**	**-**	**61,878**	77,872	-	77,872
Biological asset revaluation							
movement (BA adjustment)		-	**888**	**888**	-	1,347	1,347
Administration expenses		**(2,923)**	**-**	**(2,923)**	(3,808)	-	(3,808)
Operating profit		**58,955**	**888**	**59,843**	74,064	1,347	75,411
Exchange profits		**1,259**	**-**	**1,259**	1,503	-	1,503
Finance income	3	**3,202**	**-**	**3,202**	3,645	-	3,645
Finance costs	3	**(2,219)**	**-**	**(2,219)**	(2,686)	-	(2,686)
Profit before tax	4	**61,197**	**888**	**62,085**	76,526	1,347	77,873
Tax	7	**(16,667)**	**(267)**	**(16,934)**	(25,487)	(404)	(25,891)
Profit for the year		**44,530**	**621**	**45,151**	51,039	943	51,982
Attributable to:							
- Equity holders of the parent		**37,146**	**348**	**37,494**	41,182	819	42,001
- Non-controlling interest		**7,384**	**273**	**7,657**	9,857	124	9,981
		44,530	**621**	**45,151**	51,039	943	51,982
Earnings per share							
- basic	8			**94.99cts**			105.1 cts
- diluted	8			**94.99cts**			104.8cts

Earnings per share before BA adjustment are shown in note 8.

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

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	2009 $000	2008 $000
Profit for the year	**45,151**	51,982
Other comprehensive income:		
Unrealised (loss)/ surplus on revaluation of the estates	**(12,320)**	5,302
Profit/(loss) on exchange translation of foreign operations	**41,058**	(29,944)
Deferred tax on revaluation	**(6,286)**	(1,128)
Other comprehensive income/(expense) for the year	**22,452**	(25,770)
Total comprehensive income for the year	**67,603**	26,212
Attributable to:		
- Equity holders of the parent	**52,172**	19,872
- Minority interest	**15,431**	6,340
	67,603	26,212

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

Consolidated Balance Sheet

As at 31 December 2009

	Note	2009 $000	2008 $000
Non-current assets			
Biological assets	10	**47,608**	38,843
Property, plant and equipment	10	**200,414**	160,012
Receivables	11	**1,677**	1,677
		249,699	200,532
Current assets			
Inventories	12	**3,720**	4,196
Tax receivables		**5,181**	761
Trade and other receivables	13	**2,582**	4,143
Cash and cash equivalents		**63,761**	69,442
		75,244	78,542
Current liabilities			
Bank loans and other financial liabilities	14	**(9,424)**	(8,639)
Trade and other payables	15	**(5,077)**	(10,749)
Tax liabilities		**(4,291)**	(10,428)
		(18,792)	(29,816)
Net current assets		**56,452**	48,726
Non- current liabilities			
Bank loans and other financial liabilities	14	**(17,589)**	(27,025)
Deferred tax liabilities	16	**(28,772)**	(28,450)
Retirement benefits - net liabilities	17	**(1,830)**	(1,494)
Net assets		**257,960**	192,289
Equity			
Share capital	18	**15,504**	15,504
Treasury shares	18	**(1,744)**	(1,785)
Share premium reserve		**23,935**	23,935
Share capital redemption reserve		**1,087**	1,087
Revaluation and exchange reserves		**(7,405)**	(22,083)
Retained earnings		**179,594**	144,073
Equity attributable to equity holders of the parent		**210,971**	160,731
Minority interests		**46,989**	31,558
Total equity		**257,960**	192,289

The financial statements were approved by the board of directors and authorised for issue on 8 April 2010 and were signed on its behalf by

Donald Han Low

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2009

	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 2008	**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 year	-	-	-	-	-	-	42,001	42,001	9,981	51,982
Total comprehensive income and expense for the year	-	-	-	-	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**
Direct changes in equity for 2009										
Unrealised loss on revaluation of estates	-	-	-	-	**(10,867)**	-	-	**(10,867)**	**(1,453)**	**(12,320)**
Deferred tax on revaluation	-	-	-	-	**(1,536)**	**(3,618)**	-	**(5,154)**	**(1,132)**	**(6,286)**
Gain on exchange translation	-	-	-	-	-	**30,699**	-	**30,699**	**10,359**	**41,058**
Net income recognised directly in equity	-	-	-	-	**(12,403)**	**27,081**	-	**14,678**	**7,774**	**22,452**
Profit for year	-	-	-	-	-	-	**37,494**	**37,494**	**7,657**	**45,151**
Total comprehensive income and expense for the year	-	-	-	-	**(12,403)**	**27,081**	**37,494**	**52,172**	**15,431**	**67,603**
Share option exercised	-	41	-	-	-	-	-	**41**	-	**41**
Dividends paid	-	-	-	-	-	-	**(1,973)**	**(1,973)**	-	**(1,973)**
Balance at 31 December 2009	**15,504**	**(1,744)**	**23,935**	**1,087**	**67,179**	**(74,584)**	**179,594**	**210,971**	**46,989**	**257,960**

Consolidated Cash Flow Statement

For the year ended 31 December 2009

	2009 $000	2008 $000
Cash flows from operating activities		
Profit before tax	**62,085**	77,873
Adjustments for:		
BA adjustment	**(888)**	(1,347)
Profit on disposal of tangible fixed assets	**21**	(53)
Depreciation	**5,070**	4,902
Share based remuneration expense	**11**	-
Retirement benefit provisions	**336**	40
Net finance (income)/expense	**(983)**	(959)
Operating cash flow before changes in working capital	**65,652**	80,456
Decrease/(increase) in inventories	**476**	712
(Increase)/decrease in trade and other receivables	**1,561**	(2,730)
(Decrease)/increase in trade and other payables	**(5,672)**	(3,935)
Cash inflow from operations	**62,017**	74,503
Interest paid	**(2,219)**	(2,728)
Overseas tax paid	**(27,169)**	(17,898)
Net cash flow from operations	**32,629**	53,877
Investing activities		
Acquisition of subsidiaries	**-**	(11,363)
Property, plant and equipment		
- purchase	**(39,925)**	(19,738)
- sale	**108**	489
Interest received	**3,202**	3,645
Net cash used in investing activities	**(36,615)**	(26,967)

Consolidated Cash Flow Statement

For the year ended 31 December 2009

	2009 **$000**	2008 $000
Financing activities		
Dividends paid by parent company	**(1,973)**	(5,112)
Share options exercised	**30**	-
Repayment of existing long term loans	**(8,638)**	(4,237)
Finance lease (repayment)/drawdown	**(13)**	(110)
Dividends paid to minority shareholders	**-**	(2,378)
Repayment of loan by minority shareholder	**-**	48
Net cash (used in)/from financing activities	**(10,594)**	(11,789)
(Decrease)/Increase in cash and cash equivalents	**(14,580)**	15,121
Cash and cash equivalents less overdrafts		
At beginning of period	**69,442**	63,357
Foreign exchange	**8,899**	(9,036)
At end of period	**63,761**	69,442
Comprising:		
Cash at end of year	**63,761**	69,443
Overdraft at end of year	**-**	(1)
Net cash at end of year	**63,761**	69,442

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 IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted by the EU and with those parts of the Companies Act 2006 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) The group adopted IAS1 Presentation of Financial Statements: A Revised Presentation and IFRS8 during the year.

(b) Standards effective in 2009 but not relevant to the group, or relevant but have no impact on the financial statements

IAS 23, Borrowing Costs (revised) (effective for accounting periods beginning on or after 1 January 2009).

Improving disclosures about Financial Instruments (Amendments to IFRS 7). Effective for accounting periods beginning on or after 1 January 2009.

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

Amendment to IFRS 2, Share-based payments; vesting conditions and cancellations (effective for accounting periods beginning on or after 1 January 2009).

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).

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).

IFRIC 15 Agreements for the Construction of Real Estate (effective for accounting periods beginning on or after 1 January 2009).

Revised IFRS 1 First-time Adoption of international Financial Reporting Standards (effective for accounting periods after 1 July 2009).

(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 2010 or later periods and which the group has decided not to adopt early. These are:

Improvements to IFRSs 2009 (effective for accounting periods beginning on or after 1 January 2010).

Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions (effective for accounting periods beginning on or after 1 January 2010).

*Amendments to IFRS 1 Additional Exemptions for First-time Adopters (effective for accounting periods beginning on or after 1 January 2010).

Amendment to IAS 32 Classification of Rights Issues (effective for accounting periods after 1 February 2010).

* IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for accounting periods after 1 April 2010).

* Revised IAS 24 Related Party Disclosures (effective for accounting periods beginning on or after 1 January 2011).

* Amendments to IFRIC 14 IAS 19 Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2011).

* IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2013).

Notes to the Consolidated Financial Statements

1 Accounting policies - continued

* 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).

* Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (effective for accounting periods after 1 July 2009).

* IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective for accounting periods after 1 October 2008).

* IFRIC 17 Distributions of Non-cash Assets to Owners (effective for accounting periods after 1 July 2009).

* IFRIC 18 Transfer of Assets from Customers (effective for transfers of assets from customers received on or after 1 July 2009).

(*) 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 do not represent business combination, in such case, the amount paid for each acquisition is allocated between the identifiable assets/liabilities at the acquisition date.

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 a 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.

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.

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 for the Indonesian estates, including replanting where required. The cash flows for the Malaysian estates are over a period of thirty years.

1 Accounting policies - continued

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.

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 and subsequently at amortised cost.

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.

Notes to the Consolidated Financial Statements

1 Accounting policies - continued

Deferred tax is determined using the tax rates that are enacted or substantively enacted at the balance sheet date. 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 10. The group's policy with regard to impairment of such assets is set out above.

Details on deferred tax are given in note 16 and retirement benefits in note 17.

Notes to the Consolidated Financial Statements

2 Revenue

	2009	2008
	$000	$000
Sales of produce	**148,976**	174,175
Other income	**1,104**	509
	150,080	174,684

3 Finance income and expense

		2009	2008
		$000	$000
Finance income		**3,202**	3,645
Finance expense			
Interest payable on:			
Development loans	- (note 14)	**2,260**	2,717
Overdraft	- (note 14)	**-**	8
Finance leases		**-**	3
Interest capitalised on loans related to field development and construction in progress		**(41)**	(42)
		2,219	2,686
Net finance income/(expense) recognised in income statement		**983**	959

4 Profit before tax

		2009	2008
		$000	$000
Profit before tax is stated after charging			
Depreciation (including $Nil(2008: $61,400) in respect of leased assets)		**5,070**	4,902
Staff costs (note 6)		**14,415**	14,601
Auditors' remuneration	- group audit (company $8,800 (2008: $25,000)	**82**	77
	- audit of subsidiaries	**50**	62
	- Total	**132**	139

5 Segment information

	North Sumatra $000	Bengkulu $000	South Sumatra $000	Riau $000	Bangka $000	Kalimantan $000	Total Indonesia $000	Malaysia $000	UK $000	Total $000
2009										
Total sales revenue (all external)	**70,154**	**44,547**	**-**	**30,191**	**-**	**-**	**144,892**	**4,084**	**-**	**148,976**
Other income	**584**	**-**	**-**	**358**	**-**	**-**	**942**	**162**	**-**	**1,104**
Total revenue	**70,738**	**44,547**	**-**	**30,549**	**-**	**-**	**145,834**	**4,246**	**-**	**150,080**
Profit/(loss) before tax	**30,094**	**20,443**	**-**	**10,897**	**-**	**-**	**61,434**	**426**	**(663)**	**61,197**
BA Movement										**888**
Profit for the year before tax per consolidated income statement										**62,085**
Total Assets	**137,127**	**84,455**	**15,695**	**41,832**	**1,572**	**13,572**	**294,253**	**27,761**	**2,929**	**324,943**
Non-Current Assets	**101,182**	**66,462**	**15,047**	**30,782**	**1,528**	**13,067**	**228,068**	**19,954**	**1,677**	**249,699**
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$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	46,925	15,129	-	13,053	-	-	75,107	2,508	(1,089)	76,526
BA Movement										1,347
Profit for the year before tax per consolidated income statement										77,873
Total Assets	122,114	76,953	13,437	29,491	1,350	7,278	250,623	26,886	2,364	279,873
Non-Current Assets	76,523	55,728	12,917	25,939	1,311	6,800	179,218	19,637	1,677	200,532

"In year 2009, revenues from 4 customers of the Indonesian segment represent approximately $118.2m of the group's total revenues. An analysis of these revenues is provided below:

Major Customers	$	%
Customer 1	41.4m	27.6
Customer 2	36.2m	24.1
Customer 3	24.3m	16.2
Customer 4	16.3m	10.9
Total	118.2m	78.8

5 Segment information - continued

Save for a small amount of rubber, all the group's operations are devoted to oil palm. Therefore the group's 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.

6 Employees' and directors' remuneration

		2009	2008
		number	number
Average numbers employed (primarily overseas) during the year	- full time	**3,640**	3,582
	- casual	**6,934**	5,007

	2009	2008
Staff costs (including directors) comprise:	**$000**	$000
Wages and salaries	**13,769**	13,873
Social security costs	**224**	195
Retirement benefit costs (note 17)	**422**	533
	14,415	14,601

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 19 -21 of which the information on pages 20 and 21 has been audited.

	2009	2008
	$000	$000
Directors emoluments	**469**	641
Pension contributions	**-**	22
	469	663
Remuneration expense for key management personnel	**372**	533

Executive directors are considered to be the only key management personnel: their remuneration is shown on page 21.

7 Tax

	2009	2008
	$000	$000
Foreign corporation tax - current year	**16,034**	20,552
Foreign withholding tax on remittances	**-**	4,550
Deferred tax adjustment - current year	**900**	789
Total tax charge for year	**16,934**	25,891

The corporation tax rates in Indonesia and Malaysia are 28% and 26% respectively. The standard rate of corporation tax in the UK for the current year is 28%. The group's charge for the year differs from the standard UK rate of corporation tax for the reasons below.

	2009	2008
	$000	$000
Profit before tax	**62,085**	77,873
Profit before tax multiplied by standard rate of UK corporation tax of 28% (2008 – 28%)	**17,384**	21,804
Effects of:		
Rate adjustment relating to overseas profits	**(285)**	1,129
Group accounting adjustments not subject to tax	**(583)**	(1,080)
Expenses not allowable for tax	**178**	244
Temporary differences	**(724)**	(904)
Losses not offsetable against fellow subsidiary profits	**194**	55
Utilisation of tax losses brought forward	**(130)**	(696)
Foreign corporation tax charge for year	**16,034**	20,552
Foreign withholding tax	**-**	4,550
Deferred tax adjustments (note 16)	**900**	789
Total tax charge for year	**16,934**	25,891

Notes to the Consolidated Financial Statements

8 Earnings per ordinary share (EPS)

	2009	2008
	$000	$000
Profit for the year attributable to equity holders of the parent company before BA adjustment	**37,146**	41,182
Net BA adjustment	**348**	819
Earnings used in basic and diluted EPS	**37,494**	42,001
	Number	Number
	'000	'000
Weighted average number of shares in issue in year		
- used in basic EPS	**39,470**	39,976
- dilutive effect of outstanding share options	**-**	101
- used in diluted EPS	**39,470**	40,077
Basic EPS before BA adjustment	**94.11cts**	103.0 cts
Basic EPS after BA adjustment	**94.99cts**	105.1 cts

Options over 243,300 ordinary shares have been excluded from the calculation of diluted earnings per share. They are considered anti-dilutive as the weighted average exercise price was above the market average price in 2009.

9 Dividends

	2009	2008
	$000	$000
Paid during the year		
Final dividend of 5.0 cts per ordinary share for the year ended 31 December 2008 (2007 – 14.0 cts)	**1,973**	5,112
Proposed final dividend of 5.0cts per ordinary share for the year ended 31 December 2009 (2008 – 5.0 cts)	**1,973**	1,973

The proposed dividend for 2009 is subject to shareholder approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

10 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 2008	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
Exchange translations	**16,070**	**3,299**	**19,369**	**7,877**	**27,246**
Revaluations	**(15,935)**	**(2,804)**	**(18,739)**	**888**	**(17,851)**
Additions	**12,443**	**1,443**	**13,886**	**-**	**13,886**
Development costs	**26,039**	**-**	**26,039**	**-**	**26,039**
Disposals	**(183)**	**-**	**(183)**	**-**	**(183)**
At 31 December 2009	**181,783**	**23,098**	**204,881**	**47,608**	**252,489**
Accumulated depreciation and impairment					
At 1 January 2008	-	(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)
Exchange translations	**-**	**1,052**	**1,052**	**-**	**1,052**
Revaluations	**3,218**	**(1)**	**3,217**	**777**	**3,994**
Charge for the year	**(3,218)**	**(1,075)**	**(4,293)**	**(777)**	**(5,070)**
Disposals	**54**	**-**	**54**	**-**	**54**
At 31 December 2009	**54**	**(4,521)**	**(4,467)**	**-**	**(4,467)**
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
At 31 December 2009	**181,837**	**18,577**	**200,414**	**47,608**	**248,022**

The directors valued the estates (comprising biological assets, non-biological plantation assets, plantation infrastructure and oil mills) at 31 December 2009 and 2008 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 $550/mt (2008 - $500/mt) and a discount rate of 16.25% (2008 – 12%). Biological assets are estimated as a proportion of these calculations.

The assumption of $550/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.

The estates include $40,745 (2008: $42,000) of interest and $3,882,000 (2008: $3,303,000) 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 2009:

	Estates $000	Mills $000	Total $000
Original cost	233,469	32,664	266,133
Cumulative depreciation based on original cost	(40,741)	(11,976)	(52,717)
	192,728	20,688	213,416

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 land titles were issued in 1996 to expire in 2029.

Notes to the Consolidated Financial Statements

10 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.

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

11 Receivables: non-current

	2009	2008
	$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 23, Credit risk).

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 to their fair values.

12 Inventories

	2009	2008
	$000	$000
Estate and mill consumables	**2,530**	3,510
Processed produce for sale	**1,190**	686
	3,720	4,196

13 Trade and other receivables

	2009	2008
	$000	$000
Trade receivables	**362**	390
Other receivables	**1,978**	3,402
Prepayments and accrued income	**242**	351
	2,582	4,143

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

14 Bank loans and other financial liabilities

	2009		2008	
	under one year	**more than one year**	under one year	more than one year
	$000	**$000**	$000	$000
Bank Overdraft	**-**	**-**	1	-
Long term development loan (a)	**-**	**-**	938	-
Long term development loan (b)	**800**	**1,200**	800	2,000
Long term development loan (c)	**8,624**	**16,389**	6,900	25,013
Total bank loans	**9,424**	**17,589**	8,639	27,013
Finance lease obligations (d)	**-**	**-**	-	12
Total bank loans and lease obligations	**9,424**	**17,589**	8,639	27,025
Amounts repayable after more than one year, as follows:				
in more than one year but not more than two years		**11,150**		9,437
in more than two years but not more than five years		**6,439**		11,150
in more than five years but not more than six years		**-**		6,438
		17,589		27,025

(a) The long term development loan, which was 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 guaranteed the loan. Interest was at 5.5% below the Bank's prime lending rate. The loan was repayable in sixteen quarterly instalments of $312,500 from October 2005 to July 2009.

(b) The long term development loan of $2,000,000 (2008: $2,800,000), 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.

14 Bank loans and other financial liabilities – continued

(c) The long term development loan of $25,013,000 (2008: $31,913,000) 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 2009 was about 6.3 % (2008: 6.2%). 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.

(d) 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%. This finance lease is fully repaid in 2009.

15 Trade and other payables

	2009	2008
	$000	$000
Trade creditors	**2,773**	1,041
Other creditors	**1,092**	7,004
Accruals	**1,212**	2,704
	5,077	10,749

16 Deferred tax liabilities

	2009	2008
Year end (liability) relates to	**$000**	$000
Revaluation surplus	**(27,600)**	(27,800)
Unutilised tax losses	**208**	130
Other temporary differences	**(1,380)**	(780)
	(28,772)	(28,450)

Movement:		
At beginning of year (liability)	**(28,450)**	(23,025)
(Charge) to		
- income statement	**(900)**	(789)
- equity: revaluation and exchange reserve	**(6,286)**	(1,128)
Exchange adjustment	**6,864**	(3,508)
At end of year (liability)	**(28,772)**	(28,450)

	(Liability) 2009	**(Charged)/ credited to income 2009**	**(Charged)/ credited to reserves 2009**
Details of movement in 2009	**$000**	**$000**	**$000**
Revaluation surplus	**(27,600)**	**(517)**	**(6,286)**
Accelerated capital allowances	**(96)**	**(16)**	**-**
Employee pension liabilities	**488**	**60**	**-**
Other temporary and deductible differences	**(1,772)**	**(480)**	**-**
Available losses	**208**	**53**	**-**
	(28,772)	**(900)**	**(6,286)**

	Liability 2008	(Charged)/ credited to income 2008	(Charged)/ credited) to reserves 2008
Details of movements 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)

	2009	2008
	$000	$000
A deferred tax asset has not been recognised for the following items:		
Unutilised tax losses	**11,815**	9,309

The group does not recognise the tax losses of certain companies in the group as tax assets as the future recoverability of the losses cannot be certain.

17 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:

	2009	2008	2007	2006	2005
Inflation	**10%**	10%	10%	10%	10%
Rate of increase in wages	**8%**	8%	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 2009 $000	**Defined benefit – unfunded schemes 2009 $000**	**Total 2009 $000**	Defined benefit - funded schemes 2008 $000	Defined benefit – unfunded schemes 2008 $000	Total 2008 $000
Reconciliation to balance sheet						
Scheme assets (all cash)	**1,675**	**-**	**1,675**	1,241	-	1,241
Scheme liabilities	**(1,781)**	**(1,724)**	**(3,505)**	(1,408)	(1,327)	(2,735)
Net liabilities	**(106)**	**(1,724)**	**(1,830)**	(167)	(1,327)	(1,494)
Reconciliation of scheme assets						
At beginning of year	**1,241**	**-**	**1,241**	1,195	-	1,195
Exchange gain/(loss)	**222**	**-**	**222**	(195)	-	(195)
Contributions by group	**162**	**-**	**162**	187	-	187
Income	**138**	**-**	**138**	112	-	112
Benefits paid	**(84)**	**-**	**(84)**	(53)	-	(53)
Expenses	**(4)**	**-**	**(4)**	(5)	-	(5)
At end of year	**1,675**	**-**	**1,675**	1,241	-	1,241
Reconciliation of scheme (liabilities)						
At beginning of year	**(1,408)**	**(1,327)**	**(2,735)**	(1,408)	(1,321)	(2,729)
Exchange (loss)/gain	**(243)**	**(160)**	**(403)**	222	255	477
Current service (cost)/write back	**(214)**	**(342)**	**(556)**	(275)	(308)	(583)
Benefits paid	**84**	**105**	**189**	53	47	100
At end of year	**(1,781)**	**(1,724)**	**(3,505)**	(1,408)	(1,327)	(2,735)

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

	2009 $000	2008 $000	2007 $000
Defined benefit funded scheme			
Current service cost	**214**	275	621
Expenses	**4**	5	6
Income	**(138)**	(112)	(107)
	80	168	520
Defined benefit unfunded scheme			
Current service cost	**342**	308	535
Defined contribution schemes			
Contributions	**-**	57	57
	422	533	1,112

18 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**

18 Share capital - continued

	2009 Number	2008 Number	2009 $'000	2008 $'000
Treasury shares				
Beginning of year	518,000	518,000	(1,785)	(1,785)
Share options exercised	(12,000)	-	41	-
End of year	**506,000**	518,000	**(1,744)**	(1,785)

Market value of treasury shares:	
Beginning of year (272.5p /share)	1,990
End of year (385.0p/share)	**3,136**

No treasury shares were purchased in 2009 (2008: Nil).

19 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 08 Number	Granted Number	Exercised Number	31 Dec 08 Number	Exercised Number	Lapsed Number	31 Dec 09 Number
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	2,400	-	-	2,400	(2,400)	-	-
13.05.04	181.2p	13.05.07 - 12.05.14	30,000	-	-	30,000	(9,600)	-	20,400
19.05.06	234.0p	19.05.09 – 18.05.16	51,200	-	-	51,200	-	(6,400)	44,800
09.10.06	323.25p	09.10.09 - 08.10.16	15,500	-	-	15,500	-	(6,800)	8,700
21.05.07	360.3p	21.05.10 - 20.05.17	78,300	-	-	78,300	-	(13,200)	65,100
03.06.08	598.0p	03.06.11 – 02.06.18	-	97,700	-	97,700	-	(24,000)	73,700
			208,000	97,700	-	305,700	(12,000)	(50,400)	243,300
		Exercisable	63,000			63,000			104,500

Options granted to directors, included above, are shown on page 20.
The weighted average contracted life of options outstanding at the end of the year was 6.6 years (2008 – 7.7 years) and the weighted average exercise price was 353p (2008 – 362p). The weighted average exercise price of options exercisable at the end of the year was 176p (2008 – 112p).

The weighted average share price at date of exercise of options exercised in prior year was 360p. 12,000 options (2008: Nil) were exercised in the year. No share options were granted in 2009 (2008 - 97,700).

The aggregate of the estimated fair value of options granted in 2009 was $Nil (2008: $216,000). The assumptions applied in the binomial model used to calculate this fair value were:

	2009	2008
Weighted average share price at grant date	**N/A**	608p
Weighted average exercise price	**N/A**	N/A
Weighted average contracted life	**N/A**	10 years
Weighted average expected period to exercise	**N/A**	3.5 years
Expected volatility	**N/A**	25%
Risk Free rate	**N/A**	5%
Expected dividend yield	**N/A**	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.

20 Ultimate controlling shareholder and related party transactions

At 31 December 2009，Genton International Limited, a company registered in Hong Kong, held 20,247,814 (2008 – 20,247,814) shares of the company representing 51.3% (2008 – 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 52%. 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 $12,200 (2008 - $21,000), small plantations owned by companies controlled by Madam Lim. This contract is on an arm's length basis. At 31 December 2009 the amount due under this contract was $1,400 (2008 - $1,500). During the year the Company engaged UHY Hacker Young, an accounting firm of which Dato' Lim Ewe Chuan is a partner, to provide company secretarial and taxation services for a fee of $9,617 (2008 - $49,502). This contract is on an arm's length basis.

21 Reserves and minority interests

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.
Share 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.

22 Guarantees and other financial commitments

		2009 **$000**	2008 $000
Capital commitments at 31 December			
Contracted but not provided	- normal estate operations	**2,648**	6,748
Authorised but not contracted	- normal estate operations	**Nil**	23,554

23 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.

The group's accounting classification of each class of financial asset and liability at 31 December 2009 and 2008 were:

2009	**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	**2,582**	**-**	**2,582**
Cash and cash equivalent	**63,761**	**-**	**63,761**
Borrowings due within one year	**-**	**(9,424)**	**(9,424)**
Trade and other payables	**-**	**(5,077)**	**(5,077)**
Borrowings due after one year	**-**	**(17,589)**	**(17,589)**
	67,706	**(32,090)**	**35,616**

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

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

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

23 Disclosure of financial instruments and other risks - continued

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.

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 $78,624,000 (2008: $77,948,000), while the fair value of the group's share of underlying assets at 31 December 2009 amounted to $213,771,000 (2008 - $160,731,000).

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.

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.

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 to some extent 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 2008 and 2009, policy has been for only a partial but increasing match because interest rates on local currency deposits were 6.22% higher than on dollar deposits and about the same as dollar borrowing costs. The unmatched balance at 31 December 2009 is represented by the $16,154,000 shown in the table below (2008: $16,034,000). If the group's net cash position continues to improve then dollar cash balances will continue to be increased through 2010.

The table below shows the net monetary assets and liabilities of the group at 31 December 2009 and 2008 that were not denominated in the operating or functional currency of the operating unit involved.

	Net foreign currency assets/(liabilities)			
Functional currency of group operation	**US dollar $000**	**Ringgit $000**	**Sterling $000**	**Total $000**
2009				
Indonesian rupiah	**(16,154)**	**-**	**-**	**(16,154)**
US dollar	**-**	**-**	**302**	**302**
Total	**(16,154)**	**-**	**302**	**(15,852)**
2008	$000	$000	$000	$000
Indonesian rupiah	(16,034)	-	-	(16,034)
US dollar	-	(26)	(549)	(575)
Total	(16,034)	(26)	(549)	(16,609)

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 2009 the group had the following loans and facilities.

23 Disclosure of financial instruments and other risks – continued

Liquidity risk- continued

	Borrowings $000	Facilities $000	Repayable
Indonesia: US dollar denominated			
- long term loan	27,013	27,013	2008 - 2012 (note 14)

The Indonesian overdraft was repaid in full in January 2008. The facility remains in place and will be reviewed monthly through 2010. The Malaysian overdraft facility is reviewed annually. The total long term loan facilities of $27,013,000 together with interest at current rates is repayable as follows:

	2010 $000	2011 $000	2012 $000
Principal	9,424	11,150	6,439
Interest	1,829	985	264
Total	11,253	12,135	6,703

Forecasts prepared in December 2009 indicate that the group has sufficient funds to meet its development plans and financial commitments through 2010.

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 2009, 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 14.

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 2009 were:

2009	**Total $000**	**Fixed rate $000**	**Variable rate $000**	**No interest $000**
Sterling	**425**	**-**	**425**	**-**
US dollar	**13,361**	**1,363**	**11,998**	**-**
Rupiah	**51,645**	**-**	**44,054**	**7,591**
Ringgit	**7,770**	**-**	**7,284**	**486**
Total	**73,201**	**1,363**	**63,761**	**8,077**
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

Long term receivables of $1,363,000 (2008-$1,363,000) comprise dollar denominated amounts due from minority shareholders as described in note 11 on which interest is due at a fixed rate of 6%.

Average US dollar deposit rates in 2009 were 3.94% (2008 – 4.23%) and rupiah deposit rates were 10.41% (2008 – 10.45%).

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

2009	**Total $000**	**Fixed rate $000**	**Variable rate $000**	**No interest $000**
Sterling	**(123)**	**-**	**-**	**(123)**
US dollar	**(27,013)**	**-**	**(27,013)**	**-**
Rupiah	**(5,931)**			**(5,931)**
Ringgit	**(853)**	**-**	**-**	**(853)**
Total	**33,920**	**-**	**(27,013)**	**6,907**
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)

23 Disclosure of financial instruments and other risks - continued

Interest rate risk- continued

Weighted average interest rate on variable rate borrowings was 6.24% in 2009 (2008: 6.12%).

Credit risk
CPO and kernel amounting to 86% 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 2009 (2008 – 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 (2008 - $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 $210,971,000 at 31 December 2009. (2008: $160,731,000)

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 2009 (2008: Nil) the group had no net borrowings but, depending market conditions, the board is prepared for the group to have net borrowings.

24 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.

2009
Nil

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 (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.

24 Acquisitions - continued

(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.

25 Post Balance Sheet Events

In early 2010, the group acquired PT Kahayan with the initial “Izin Lokasi” area of 17,500 hectares for $2.9m.

26 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
As at 31 December 2009

	Notes	**2009 $000**	2008 $000
Non-current assets			
Investment in subsidiaries	2	**78,624**	77,948
		78,624	77,948
Current assets			
Debtors	3	**-**	690
Cash and cash equivalents		**1,564**	311
		1,564	1,001
Current liabilities			
Other creditors	5	**(124)**	(168)
Net current assets		**1,440**	833
Net assets		**80,064**	78,781
Equity			
Share capital	6	**15,504**	15,504
Treasury shares	6	**(1,744)**	(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	**37,410**	36,168
Shareholders' funds		**80,064**	78,781

The financial statements were approved by the board of directors and authorised for issue on 8 April 2010 and were signed on its behalf by Donald Han 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 2006. 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 prices 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 30.

Deferred tax
A deferred tax asset has not been recognised in relation to brought forward tax losses of $1.8m (2008: $1.6m) 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	70,203	77,948
Movements in year	-	676	676
At end of year	**7,745**	**70,879**	**78,624**

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 26 to the consolidated financial statements on page 46.

Notes to the Company Financial Statements

3 Debtors

	2009	2008
	$000	$000
Prepayments and accrued income	**-**	690

4 Dividends

	2009	2008
	$000	$000
Paid during the year		
Final dividend of 5.0 cts for the year ended 31 December 2008 (2007 – 14.0cts)	**1,973**	5,112
Proposed final dividend of 5.0cts for the year ended 31 December 2009 (2008 – 5.0cts)	**1,973**	1,973

The proposed dividend for 2009 is subject to shareholder approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

5. Other creditors

	2009	2008
	$000	$000
Accruals	**124**	168

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**

	2009 Number	2008 Number	2009 $'000	2008 $'000
Treasury shares				
Beginning of year	518,000	518,000	(1,785)	(1,785)
Share options exercised	(12,000)	-	41	-
End of year	**506,000**	518,000	**1,744**	(1,785)

Market value of treasury shares:	
Beginning of year (272.5p /share)	1,990
End of year (385.0p/share)	**3,136**

Details of share based payments are set out in note 19 to the consolidated financial statements on page 41.

Notes to the Company Financial Statements

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	36,168
Share options exercised		41			-
Profit for the financial year	-	-	-	-	3,215
Dividend paid	-	-	-	-	(1,973)
End of year	**23,935**	**(1,744)**	**1,087**	**3,872**	**37,410**

As permitted by section 408 of the Companies Act 2006, 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 $4,553,659 (2008 - $36,254,000) and profit for the year was $3,215,000(2008 – $31,704,000).

8 Employees' and directors' remuneration

		2009 number	2008 number
Average numbers employed during the year	- directors	**6**	6
	- staff	**2**	2

	2009 $000	2008 $000
Staff costs		
Wages and salaries	**145**	1,280
Social security costs	**10**	10
Retirement benefit costs	**-**	22
Share based remuneration expense	**11**	-
	166	1,312

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 19 to 21 of which the information on pages 20 and 21 have been audited.

	2009 $000	2008 $000
Directors' emoluments	**469**	641
Pension contributions	**-**	22
	469	663

9 Guarantees and other financial commitments

The company has provided guarantees for loans and overdrafts to subsidiaries totalling $17,589,000 (2008 - $27,013,000) as set out in note 14 of the consolidated financial statements.

10 Post Balance Sheet Events

In early 2010, the group acquired PT Kahayan with the initial “Izin Lokasi” area of 17,500 hectares for $2.9m.

Notice of Annual General Meeting

Notice is hereby given that the twenty-fifth Annual General Meeting of Anglo-Eastern Plantations Plc will be held at the offices of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW on Monday 24 May 2010 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 2009

2 To declare a dividend

3 To approve the directors' remuneration report for the year ended 31 December 2009

4 To re-appoint Mr Teik Huat Chan, a non-executive director

5 To re-appoint Drs Kanaka Puradiredja, independent non-executive director

6 To re-elect Madam S K Lim, a non-executive director, who has served more than nine years.

7 To appoint BDO LLP as auditors and to authorise the directors to fix their remuneration.

As Special Business

8 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 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the company to allot shares in the company up to an aggregate nominal amount equal to one third of the issued share capital at the date of this resolution provided that this authority shall expire on 23 May 2015 save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired;

(b) during the period expiring on the date of the next annual general meeting or on 30 June 2011 (whichever shall be earlier) the directors be empowered pursuant to section 570 and 573 of the Companies Act 2006 ("the Act") 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 560 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 561(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);

(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 17 of the Act shall bear the same meanings herein.

9 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 23 May 2015; 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 561 of the Companies Act 2006 ("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 23 May 2015 as if sub-section (1) of section 561 of the Act did not apply thereto and so that this authority shall be without prejudice and additional to the authority conferred by resolution no 8.

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

That the company is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 ("the Act") to make market purchases (as defined in section 693(2) of the Companies Act 2006) 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 30 June 2011 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.

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

That a general meeting of the company other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the board
CETC (Nominees) Limited
Company Secretary 22 April 2010

Notes:

1. 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 22 May 2010 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 am on 22 May 2010 or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the date which is two days before the day of the adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting.

2. As at 8 April 2010 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital comprised 39,976,272 Ordinary Shares of 25p each. Each share carries one vote except 506,000 shares held as treasury shares and therefore the total number of voting rights in the Company as at 9.00 am on 8 April 2010 is 39,470,272.

3. 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.

4. 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).

5. 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).

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the annual general meeting and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by our Registrar [CREST ID: RA10] by 22nd May 2010. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. 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.

8. The statement of the rights of shareholders in relation to the appointment of proxies does not apply to a person who receives this notice of general meeting as a person nominated to enjoy "information rights" under section 146 of the Companies Act 2006. If you have been sent this notice of meeting because you are such a nominated person the following statements apply: (i) you may have a right under an agreement between you and the registered shareholder by whom you were nominated to be appointed (or to have someone else appointed) as a proxy for this general meeting and (ii) if you have no such a right, or do not wish to exercise it, you may have a right under such an agreement to give instructions to that registered shareholder as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

9. 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.

10. 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 9(i) above.

11. Members satisfying the requirements of section 527 of the Companies Act 2006 may require the Company to publish on a website a statement by them (at the Company's cost) relating to the audit of the Company's accounts which are being laid before this meeting (including the auditor's report and the conduct of the audit) or, where applicable, any circumstances connected with an auditor of the Company ceasing to hold office since the previous general meeting at which accounts were laid. As at 8 April 2010, no such statement has been received by the Company. Should such a statement be received, it will be published on the Company's website at www.angloeastern.co.uk. In those circumstances the Company would be under an obligation to forward a copy of the statement to the auditors forthwith and the statement would form part of the business which may be dealt with at this meeting.

12. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Notice of Annual General Meeting

13. The following documents are available for inspection by members at the registered office of the Company during normal business hours (except Bank Holidays) and at the place of the meeting not less than 15 minutes prior to and during the meeting:

    (a) The register of directors' interests, showing any transactions of directors and of their families in the securities of the company;

    (b) Copies of the Director's service agreements and letters of appointment.

14. A copy of this notice and the other information required by section 311A of the Companies Act 2006 can be found at www.angloeastern.co.uk.

15. If you are in any doubt as to any aspect of Resolutions 8 to 10 or as to the action you should take, you should immediately take your own advice from a stockbroker, solicitor, accountant or other independent financial advisor 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.

16. 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.

Company addresses

Malaysian Office

Anglo-Eastern Plantations (M) Sdn Bhd
7th Floor
Wisma Equity
150 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel: 60 (0)3 2162 9808
Fax: 60 (0)3 2164 8922

Indonesian Office

PT United Kingdom Indonesia Plantations
Wisma HSBC
Jalan Diponegoro, Kav 11
Medan 20152
North Sumatra
Indonesia
Tel: 62 (0)61 452 8683
Fax: 60 (0)61 452 0029

Secretary and registered office

Anglo-Eastern Plantations Plc

(Number 1884630)

(Registered in England and Wales)

CETC (Nominees) Limited
Quadrant House
Floor 6
4 Thomas More Square
London E1W 1YW
United Kingdom
Tel: 44 (0)20 7216 4600
Fax: 44 (0)20 7767 2602

Company website

www.angloeastern.co.uk

Company advisers

Auditors

BDO LLP
55 Baker Street
London W1U 7EU
United Kingdom

Principal Bankers

National Westminster Bank Plc
15 Bishopsgate
London EC2P 2AP
United Kingdom

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

PT Bank DBS Indonesia
Uniplaza Building
Jalan Letjen MT Haryono A-1
Medan 20231
North Sumatra
Indonesia

Malayan Banking Bhd
Menara Maybank
100 Jalan Tun Razak
50050 Kuala Lumpur
Malaysia

Registrars

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0LA
United Kingdom

Solicitors

Withers LLP
16 Old Bailey
London EC4M 7EG
United Kingdom

Sponsor/Broker

Charles Stanley Securities
25 Luke Street
London EC2A 4AR
United Kingdom