



2010

# ANNUAL REPORT

Anglo-Eastern Plantations Plc

# Contents

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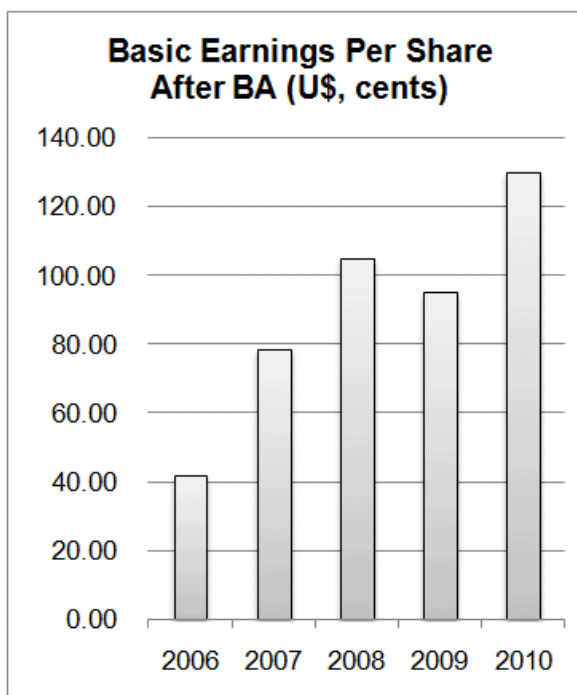
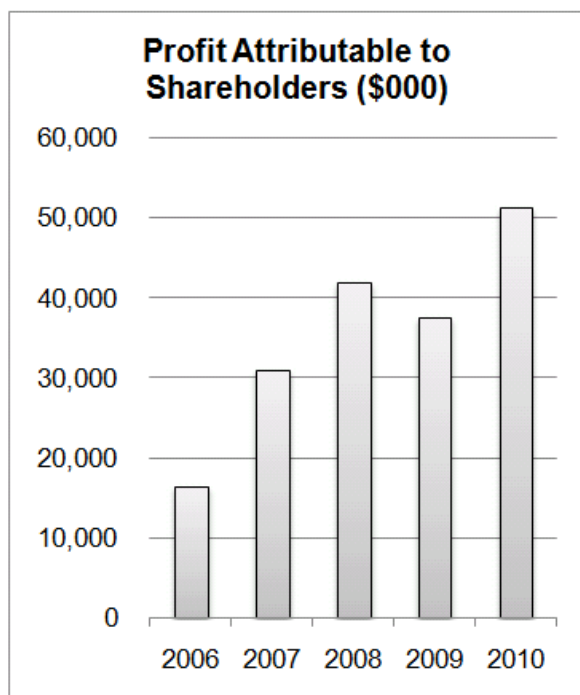
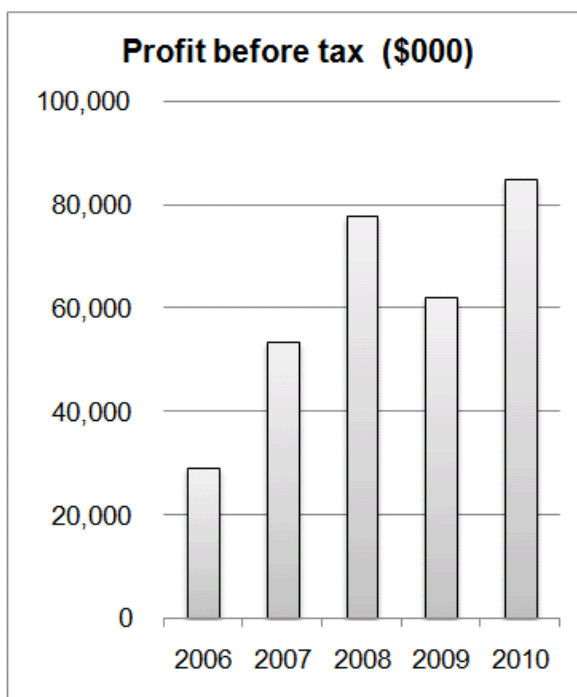
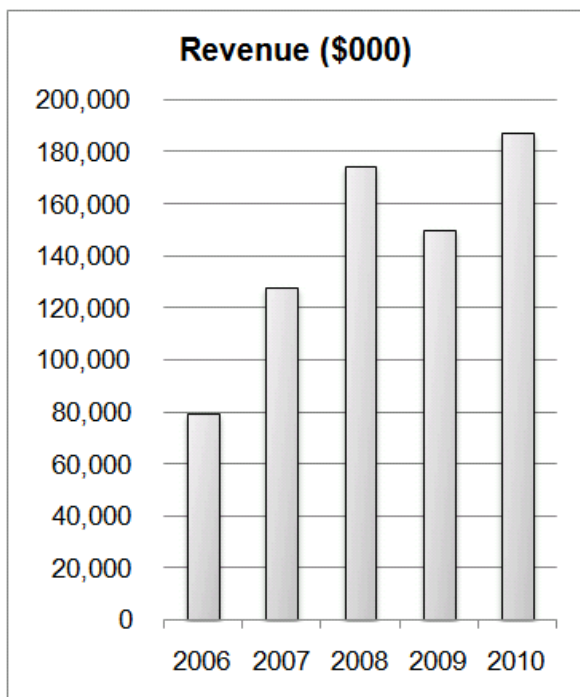
Anglo-Eastern Plantations Plc, quoted on the London Stock Exchange, owns, operates and develops plantations in Indonesia and Malaysia, amounting to some 133,000 hectares producing mainly palm oil and some rubber.

## Financial Highlights

	2010	2009
	\$ m	\$ m
Revenue	<b>187.2</b>	150.1
Profit before tax		
- before biological asset ("BA") adjustment	<b>66.6</b>	61.2
- after BA adjustment	<b>85.0</b>	62.1
EPS before BA adjustment	<b>99.59cts</b>	94.11cts
EPS after BA adjustment	<b>129.82cts</b>	94.99cts
Dividend (cents)	<b>5.0cts</b>	5.0cts
Dividend (pence)	<b>*3.1p</b>	3.3p

Note: \* Based on exchange rate at 15 March 2011 of \$1.6064/£

# Financial Highlights



Denominated in US Dollar

# Chairman's Statement

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On behalf of the Board of Directors of Anglo-Eastern Plantations Plc, I am pleased to present to you the 2010 Annual Report and Audited Financial Statements on the performance and operations of the Group and the Company for the year ended 31 December 2010.

## Financial Performance

For the year ended 31 December 2010, revenue was \$187.2 million, 25% higher than \$150.1 million in 2009. This is due primarily to higher CPO price. The Group operating profit for 2010, before biological asset ("BA") adjustment was \$64.9 million, 10% more than in 2009. Estates fresh fruit bunch ("FFB") output for 2010 was 3% lower than previous year. FFB bought in from surrounding smallholders for 2010 was 432,800mt (2009: 435,500mt), 1% lower compared to 2009. FFB production was affected by higher rainfall particularly in Bengkulu which interrupted the evacuation of FFB. With lower FFB processed, Crude Palm Oil ("CPO") production in 2010 was 204,600mt, 4% lower compared to 213,200mt in 2009.

Profit before tax and after BA adjustment was \$85.0 million, compared to \$62.1 million in 2009. The BA adjustment was a credit of \$18.4 million, compared to a credit of \$0.9 million in 2009, reflecting higher estate valuations. Overall, the higher profit was attributed to a higher CPO price. The average CPO price for 2010 was \$892/mt, 31% higher than 2009 of \$679/mt.

Earnings per share before BA adjustment increased by 6% to 99.59cts, compared to 94.11cts in 2009.

The Group's balance sheet remains strong. The Group continued to experience positive cash flow generation for 2010, enabling it to build up cash reserves and reduce its borrowings. As at 31 December 2010, the Group had a cash position of \$70.9 million and lower borrowings of \$22.1 million, giving it a net cash position of \$48.8 million, compared to \$36.8 million in 2009.

During the year, we repaid \$4.9 million (2009: \$8.6 million) out of our existing borrowings of \$27.0 million (2009: \$35.6 million).

## Corporate Development

In 2010, we planted 7,580 hectares of oil palm mainly in Kalimantan, boosting our planted area by 16% to 52,000 hectares (2009: 44,700 hectares). The Group plans to plant an additional 10,000 hectares per year for the next four years.

The Sumindo mill (45 MT/hour) was commissioned in May 2010. Construction work to increase Blankahan mill processing capacity from 25 MT/hour to 40 MT/hour was started in December 2010 and is scheduled for completion by September 2011 at an estimated cost of \$1.6 million.

With over 5,500 hectares already planted in Kalimantan, with the first harvest expected in 1Q2012, an oil mill with an initial capacity of 60 MT/hour is also planned for PT Sawit Graha Manunggal ("SGM") for 2Q2011.

Another mill is planned for North Sumatra for 3Q2011.

# Chairman's Statement

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## Directors

Mr. Donald Han Low relinquished his position as Acting Chief Executive on 25 May 2010.

The Board is pleased to announce the appointment of Dato' John Lim Ewe Chuan as Executive Director, Corporate Finance and Corporate Affairs, with effect from 1 September 2010. Prior to taking up this position, Dato' John Lim was the Senior Independent Non-Executive Director of the Company. He will be submitting himself for re-appointment at the forthcoming annual general meeting.

Mr. Chan Teik Huat has retired as Non-Executive Chairman as well as a Director of the Company with effect from 31 January 2011.

I have been appointed as Non-Executive Chairman of the Company with effect from 31 January 2011. I will be submitting myself for re-election at the same annual general meeting. Brief profiles of all Directors are set out on page 15 of this Annual Report.

## 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 programs 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.

The RSPO steering committee was established in December 2010 to work out a roadmap to support RSPO implementation at mills and estates. The steering committee is exploring green projects like generating electricity from empty fruit bunch and compost plants that meet RSPO principles and criteria for implementation.

We also noted that Indonesian Sustainable Palm Oil ("ISPO") is legally mandatory for all plantations in Indonesia. By March 2012, ISPO will become the minimum standard for Indonesia planters.

## 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.

## Outlook

FFB production for two months to February 2011 was 20% higher against the same period in 2010. Although we have been spared extreme weather patterns so far this year, it is too early to forecast whether the production will be better for the rest of the year.

# Chairman's Statement

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## Outlook-continued

The CIF (Cost, Insurance, Freight) Rotterdam CPO price opened the year 2011 at \$1,195/mt and prices are expected to be in the range of \$1,000/mt to \$1,300/mt for 1H 2011. The fundamentals for palm oil price remain bright due to expectations of tighter supplies in 2011 and the growing dependence on palm oil to raise edible oil supplies. Various variances like weather, crude oil price, government policies and global liquidity influence CPO price movement. While it is difficult to forecast the CPO price in 2011, it should remain satisfactory.

In Malaysia and Indonesia, it is generally expected that yields and productivity will pick up reasonably in 2011 due to increased maturing areas in Indonesia and a recovery from biological tree stress. Oil World forecasts global CPO production to rise 5.5% year on year in 2011, slightly higher than consumption growth of 5.3%. Demand for CPO is expected to be firm due to increased share of the vegetable oil market and making up for the shortfall production of other vegetable oil.

The US dollar depreciated by approximately 4% (2009: 15%) against the Indonesian Rupiah during 2010. Indonesian Rupiah has not experienced adverse fluctuations against the US dollar in early 2011. We expect a stable currency 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.

Prospects for 2011 should be cautiously optimistic in view of higher CPO price during 1Q2011 on the back of robust growth of emerging markets. The Chinese government efforts to curb rising food prices and inflation may potentially affect future demand and CPO price. Indonesia's domestic market continued to be resilient and remain unscathed from global uncertainties during 2010. The continued strength in domestic demand should be sustainable in 2011. The Company is aware of rising fertiliser costs and wages in Indonesia which is expected to increase the overall production cost in 2011. Recent increase in export tax on CPO in Indonesia to 25% is also expected to affect profit margin. Barring any unforeseen circumstances, the Group is confident that CPO demand will be sustainable in view of global economic recovery and we can expect a satisfactory profit level and cash flow for 2011.

## 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 2010 (2009: 5.0cts). The final dividend will be paid on 28 June 2011 to those shareholders on the register on 27 May 2011. Shareholders choosing to receive their dividend in Sterling will do so at the rate ruling on 27 May 2011, when the register closes. Based on the exchange rate at 15 March 2011 of \$1.6064/£, the proposed dividend would be equivalent to 3.1p, compared to 3.3p declared in respect of 2009.

## Acknowledgment

On behalf of the Board of Directors, I would like to convey our sincere thanks to our Directors, management and all employees of the Group for their 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 confident 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.

Madam Lim Siew Kim  
Chairman

26 April 2011

# Financial Record

	2010	2009	2008	2007	2006
Income statement	IFRS	IFRS	IFRS	IFRS	IFRS
	\$000	\$000	\$000	\$000	\$000
Revenue	187,233	150,080	174,684	127,898	79,094
<b>Trading profit</b>	<b>64,937</b>	58,955	74,064	52,521	26,270
Biological asset (BA) movement	18,429	888	1,347	1,001	2,312
Exchange profits	657	1,259	1,503	215	368
Net finance –income / (costs)	1,015	983	959	(145)	90
<b>Profit before tax</b>	<b>85,038</b>	62,085	77,873	53,592	29,040
Tax	(22,573)	(16,934)	(25,891)	(15,628)	(9,289)
Non-controlling interest	(11,136)	(7,657)	(9,981)	(6,964)	(3,277)
<b>Profit attributable to shareholders</b>	<b>51,329</b>	37,494	42,001	31,000	16,474
Dividend proposed for year	(1,977)	(1,973)	(1,973)	(5,524)	(4,266)
<b>Financial position</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Non-current assets & long term receivables	446,260	249,699	200,532	188,700	162,160
Cash net of short term borrowings	55,221	54,337	60,803	59,065	15,079
Long term loans	(6,438)	(17,589)	(27,025)	(35,719)	(5,454)
Other working capital	(5,087)	285	(13,571)	(10,683)	(3,256)
Deferred tax	(61,293)	(28,772)	(28,450)	(23,025)	(21,152)
	<b>428,663</b>	257,960	192,289	178,338	147,377
Non-controlling interest	(74,495)	(46,989)	(31,558)	(32,367)	(25,421)
<b>Net worth</b>	<b>354,168</b>	210,971	160,731	145,971	121,956
Share capital	15,504	15,504	15,504	15,504	15,495
Treasury shares	(1,507)	(1,744)	(1,785)	(1,785)	(1,387)
Share premium and capital redemption account	25,022	25,022	25,022	25,022	24,991
Revaluation and exchange reserve	86,089	(7,405)	(22,083)	46	2,407
Profit and loss account	229,060	179,594	144,073	107,184	80,450
<b>Equity attributable to shareholders' funds</b>	<b>354,168</b>	210,971	160,731	145,971	121,956
Ordinary shares in issue ('000s)	39,976	39,976	39,976	39,976	39,958
Earnings per share before BA adj. (US cents)	99.59cts	94.11cts	103.0cts	77.2cts	38.3cts
Earnings per share after BA adj. (US cents)	129.82cts	94.99cts	105.1cts	78.5cts	41.7cts
Dividend per share for year (US cents)	5.0cts	5.0cts	5.0cts	14.0cts	10.8cts
Asset value per share (US cents)	896cts	535cts	407cts	370cts	309cts
Earnings per share before BA adj (pence equivalent)	64.4p	59.9p	56.0p	38.4p	20.6p
Dividend per share for year (pence)	3.1p	3.3p	3.0p	7.0p	5.5p
Asset value per share (pence equivalent)	572p	332p	289p	186p	158p
Exchange rates – year end					
Rp : \$	9,010	9,400	10,950	9,419	9,020
\$ : £	1.57	1.61	1.41	1.99	1.96
RM: \$	3.08	3.42	3.48	3.31	3.53
Exchange rates – average					
Rp : \$	9,080	10,158	9,735	9,170	9,141
\$ : £	1.55	1.57	1.84	2.01	1.86
RM: \$	3.22	3.52	3.34	3.43	3.66

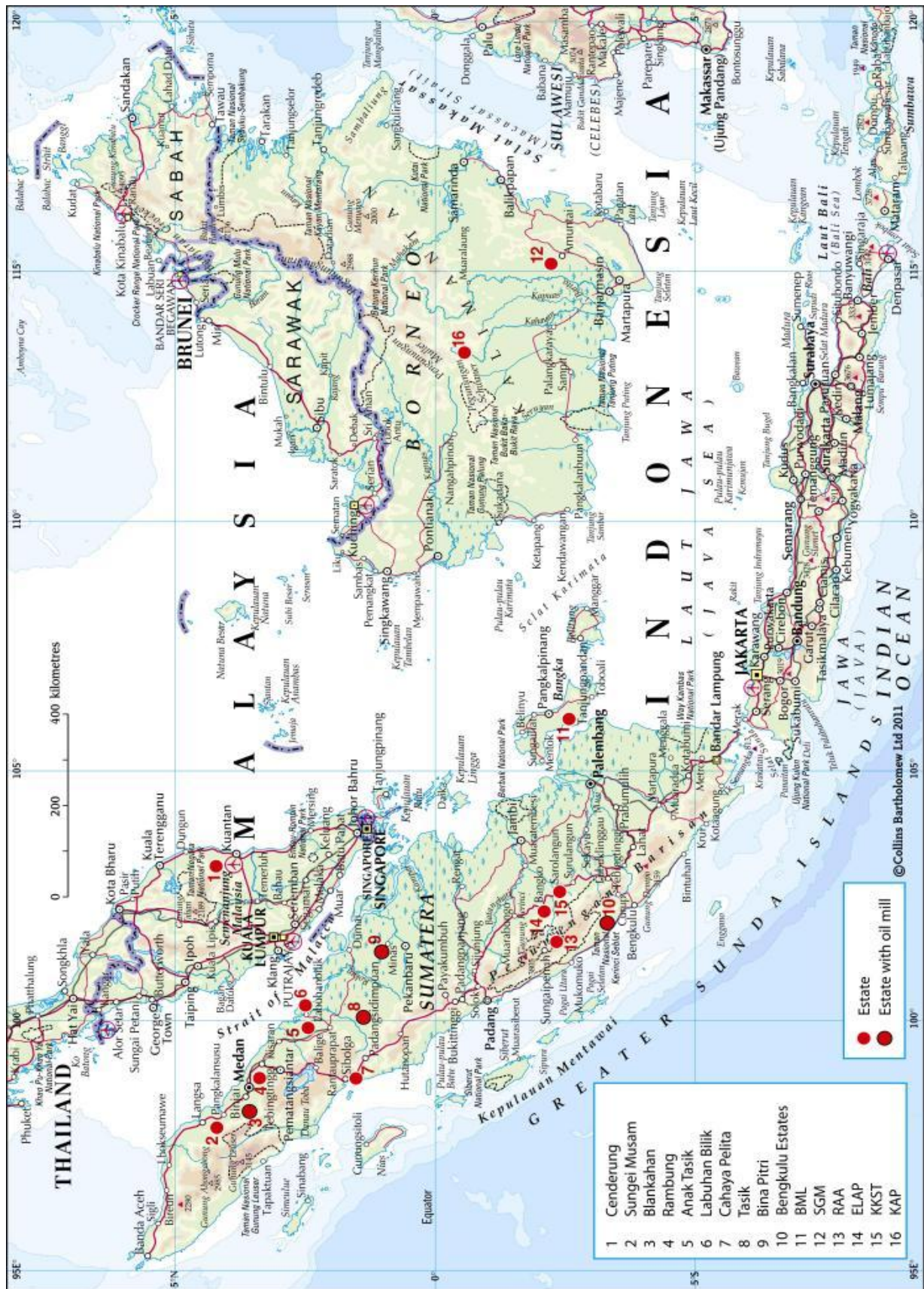


# Estate Areas

	GROUP TOTAL		INDONESIA		MALAYSIA		TOTAL		NORTH SUMATRA						Bengkulu		Riau	Bangka	Kalimantan
Group interest in total areas below																			
Planted at 31 December 2010																			
Oil Palm																			
Mature	36,833	3,510	33,323																
Immature due to mature end 2011	186	186	0																
Other	14,628	0	14,628																
Total	51,647	3,696	47,951																
Rubber																			
Mature	426	0	426																
Immature	249	0	249																
Total	675	0	675																
Total planted area	52,322	3,696	48,626																
Reserves																			
Plantable	74,633	2,061	72,572																
Unplantable	2,334	526	1,808																
Other	3,793	85	3,708																
Total	80,760	2,672	78,088																
Total area at 31 December 2010	133,082	6,368	126,714																
of which																			
Land titles	48,029	6,368	41,661																
Land rights	85,053	0	85,053																

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

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## Commodity Prices

2010 has been a good year for vegetable oil prices, including CPO. The CIF Rotterdam CPO price opened the year 2010 at \$780/mt (2009: \$495/mt) and ended the year at \$1,195/mt (2009: \$780/mt), averaging \$892/mt for the year (2009: \$679/mt). Palm oil prices made a significant recovery during the year after hitting a low in 2H2008. The increasing world population leading to higher demand and consumption, lack of agricultural land due to competition among other grains, increasing renewable biofuel demand from Europe and USA due to higher crude oil price, shortfall in soybean production together with the increased demand from China and India helped support the commodity prices.

Rubber prices averaged \$3,300/mt for 2010 (2009: \$1,800/mt). Our small area of 426 ha of mature rubber contributed a pre-tax profit of \$3.1 million in 2010 (2009: \$1.8 million).

## Valuation

In 2010, the Group's estates were valued by qualified valuers during the year except for PT Tasik Raja and PT Alno Agro Utama which were valued in January 2011. Valuation was based on market value.

## Indonesia

FFB production in North Sumatra, which aggregates the estates of Tasik, Anak Tasik, Labuhan Bilik, Blankahan, Rambung, Sungai Musam and CPA, produced 258,000mt in 2010 (2009: 266,000mt), 3% lower than 2009. The decrease in production was mainly due to lower yield from 18% of the crops above 20 years of age. The lower yielding areas will be replanted in the coming years.

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 211,200mt (2009: 233,000mt), 10% lower than 2009. This was mainly attributable to the extremely high rainfall experienced in Bengkulu region which impeded the harvesting operation and evacuation of FFB crop to oil mills. Concerted efforts are being made to upgrade road condition and bridges in 2011 to improve accessibility during the rainy season.

FFB production in the Riau region, comprising Bina Pitri estates, produced 96,000mt in 2010 (2009: 87,000mt), 10% higher than 2009. 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. Also about 80% of the planted areas have reached prime maturity.

Overall bought-in crops for Indonesian operations were at 432,800mt for the year 2010 (2009: 435,500mt). The average oil extraction rate from our mills was 20.5% in 2010 (2009: 20.9%). The extraction rate was diluted as many young oil palm trees reached maturity in 2010.

## Malaysia

FFB production in 2010, at 34,000mt, was 6% above 32,000mt in 2009. The improved performance was due to the effect of fertilisation programme and also the increase in matured areas. Malaysian estates contributed pre-tax profit of \$1.9 million, 171% higher than 2009.

## Development

In 2010, the Group planted another 7,580 hectares mainly in Kalimantan compared to 4,479 hectares in 2009.

In 2010, we acquired PT Kahayan with an initial "Izin Lokasi" area of 17,500 hectares. The conversion permit is pending with the Indonesian Forestry Department.

We have set a target to plant up to 10,000 hectares of oil palm per year for the next four years. This means we should be able to increase the planted area of 52,000 hectares to 92,000 hectares by 2014.



# Directors' Report

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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 2010.

## 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 2010, 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 25 to the consolidated financial statements.

## Results and dividends

The audited financial statements for the year ended 31 December 2010 are set out on pages 23 to 50. The Group profit for the year on ordinary activities before taxation was \$85,038,000 (2009: \$62,085,000) and the profit attributable to ordinary shareholders was \$51,329,000 (2009: \$37,494,000). No interim dividend was paid. The Directors recommend a final dividend of 5.0cts (2009: 5.0cts) to be paid to shareholders on the register on 27 May 2011. Shareholders may elect to receive their dividend in sterling as described on page 13.

## Business Review

The review of the Group's business is set out on page 9. 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 before tax, profit after tax, production volume, extraction rates and yield are set out in "Financial record" on page 6 and in the business review on page 9.

## Environmental and corporate responsibility

The Group's management and Directors take a serious view of their environmental and social responsibilities and are fully committed to the principles developed by the RSPO, which was founded by a Group of growers, processors, retailers and wildlife and conservation Groups to codify and promote best practices in the industry. The key RSPO principles are set out on page 17 in "Statement on Corporate Governance".

## Financial risk

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

# Directors' Report

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## 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 15. Mr. Donald H Low relinquished his position as Acting Chief Executive on 25 May 2010. On 1 September 2010, Dato' John Lim Ewe Chuan was appointed as Executive Director, Corporate Finance and Corporate Affairs. Prior to 1 September 2010, Dato' John Lim was the Senior Independent Non-Executive Director of the Company. All other Directors served throughout 2010. On 31 January 2011, Mr. Chan Teik Huat retired as Non-Executive Chairman and Director of the Company. Madam Lim Siew Kim was appointed as Non-Executive Chairman upon retirement of Mr. Chan. Madam Lim and Dato' John Lim 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

	2010	2009
	Ordinary shares	Ordinary shares
Madam Lim Siew Kim	20,521,314	20,521,314
Dato' John Lim Ewe Chuan	-	-
Nik Din Bin Nik Sulaiman	-	-
Drs. Kanaka Puradiredja	-	-
Chan Teik Huat (retired on 31 January 2011)	-	-
Donald H Low (resigned on 25 May 2010)	-	-

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 2010 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 6 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 28 February 2011, 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	51.21%
Alcatel Bell Pension Fund	7,199,516	18.21%
KBC Securities NV	1,599,594	4.05%
S N Roditi	1,216,900	3.08%

# Directors' Report

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## **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 accords 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 6 at the forthcoming annual general meeting.

## **Authority to allot shares**

At the annual general meeting held on 24 May 2010 shareholders authorised the Board under the provisions of section 551 of the Companies Act 2006 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 7 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 sections 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 empower the Board 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 authority will be expiring at the forthcoming annual general meeting or on 30 June 2011, whichever is earlier. Renewal of this authority on similar terms is being sought under Resolution 7 at the forthcoming annual general meeting.

## **Scrip dividends**

Resolution 8 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 2010 final dividend.

## **Acquisition of the Company's own shares and authority to purchase own shares**

At 26 April 2011, the Directors had remaining authority under the shareholders' resolution of 24 May 2010, to make purchases of 3,997,627 of the Company's ordinary shares. This authority expires on 30 June 2011. 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

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## **Acquisition of the Company's own shares and authority to purchase own shares - continued**

Resolution 9 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 Group's policy to pay suppliers promptly in accordance with agreed terms of payment. The Company had no trade creditors at 31 December 2010 (2009: 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  
Dato' John Lim Ewe Chuan  
Executive Director, Corporate Finance and Corporate Affairs

26 April 2011

# Directors' Responsibilities

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and have elected to prepare the company financial statements in accordance with UK Generally Accepted Accounting Practice (UK GAAP). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss for the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare a director's report and director's remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

## Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company'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 company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Directors' responsibilities pursuant to DTR4

The directors confirm to the best of their knowledge:

- The group financial statements have been prepared in accordance with IFRSs as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that they face.



## Directors

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**Madam Lim Siew Kim** (Non-Executive Chairman, aged 62) – Non-Executive Director since 29 November 1993 and appointed as Non-Executive Chairman on 31 January 2011.

**Dato' John Lim Ewe Chuan** (Executive Director, Corporate Finance and Corporate Affairs, Chairman of nomination and corporate governance committee, member of audit and remuneration committee, aged 61) – Appointed 28 April 2008. On 1 September 2010 appointed as Executive Director. Prior to 1 September 2010, Dato' John Lim was the Senior Independent Non-Executive Director.

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** (Senior Independent Non-Executive Director, Chairman of audit committee, member of nomination & corporate governance committee and member of remuneration committee, aged 63) – 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, Chairman of remuneration committee, member of audit committee and member of nomination & corporate governance committee, age 67) – appointed 1 August 2009.

Former Managing Partner and Chairman of KPMG Indonesia. Founded Kanaka Puradiredja Suhartono, an Indonesian based accounting firm in 2000 and was a Senior Partner until October 2007. He was the former chairman of the Institute of Audit Committee. Currently, he holds the positions of Chairman of the 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

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During 2010 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 2010, particular comment is made in the statements below and in the Directors' remuneration report on pages 18 to 20.

## The Board

As at 26 April 2011, the Board comprises one Executive and three Non-Executive Directors, two of whom are Independent. Excluding Madam Lim and Dato' John Lim, the remaining two Non-Executive Directors are considered by the Board to be Independent. Both 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. Dato' John Lim was appointed as Executive Director, Corporate Finance and Corporate Affairs on 1 September 2010. Prior to 1 September 2010, Dato' John Lim was the Senior Independent Non-Executive Director. Madam Lim Siew Kim was appointed as Non-Executive Chairman upon retirement of Mr. Chan Teik Huat. Neither external search consultancy nor open advertising was used for such appointment. The Nomination and Corporate Governance Committee is of the view that Madam Lim, who owns 52% of the Company's shares and was the Chairman of the Company from 1993 to 1998 is an appropriate candidate for the position. 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-Executive Directors, 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 which are available for inspection upon request.

Unless warranted by unusual matters, the Board normally meets three times each year. Otherwise all other matters are dealt with by written resolution and telephone conference. During 2010, there were three meetings, attended by all the Directors.

All the Independent Non-Executive Directors met on their own during 2010. The Chairman met all the Non-Executive Directors, in the absence of the other Executive Directors, thrice in 2010.

Non-Executive Directors 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 2011 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 and Drs. Kanaka Puradiredja. The committee had four meetings during 2010, attended by all members. Dato' John Lim resigned as Chairman of nomination and corporate governance committee on 31 August 2010 and was re-appointed on 8 April 2011. Mr. Chan Teik Huat was appointed as Chairman on 1 September 2010 and retired on 31 January 2011. There were three audit committee meetings and three remuneration committees meeting in 2010.

## 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, nomination and remuneration committees will be available at the 2011 annual general meeting.

# Statement on Corporate Governance

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## Accountability and audit

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

The audit committee comprises Mr. Nik Din Bin Nik Sulaiman (Chairman), Dato' John Lim and Drs. Kanaka Puradiredja. Mr. Nik Din Bin Nik Sulaiman is a Fellow member of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants (MIA), CA(M). He has extensive experience in accounting, auditing and finance. The committee met prior to the completion of the 2010 accounts and three times during 2010. Dato' John Lim stepped down as Chairman of Audit Committee on 31 August 2010.

## 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 2010 and early 2011, 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 reports.

## Environmental and corporate responsibility

In 2004 a group of growers, processors, retailers and wildlife and conservation groups founded the "Roundtable 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

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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 Drs. Kanaka Puradiredja (Chairman), Mr. Chan Teik Huat (appointed on 1 September 2010 and retired on 31 January 2011), and Mr. Nik Din Nik Sulaiman (appointed on 1 September 2010). The committee met three times in 2010, attended by all members, Dato John Lim resigned as Chairman of remuneration committee on 31 August 2010 and was re-appointed as a member on 8 April 2011.

## 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.

When determining executive director's remuneration, the committee reviews the pay policy and levels for executives below the board, as well as pay and conditions of employees throughout the Group. Other factors considered are 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 benefit 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 bonus for Executive Director is 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 vest 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

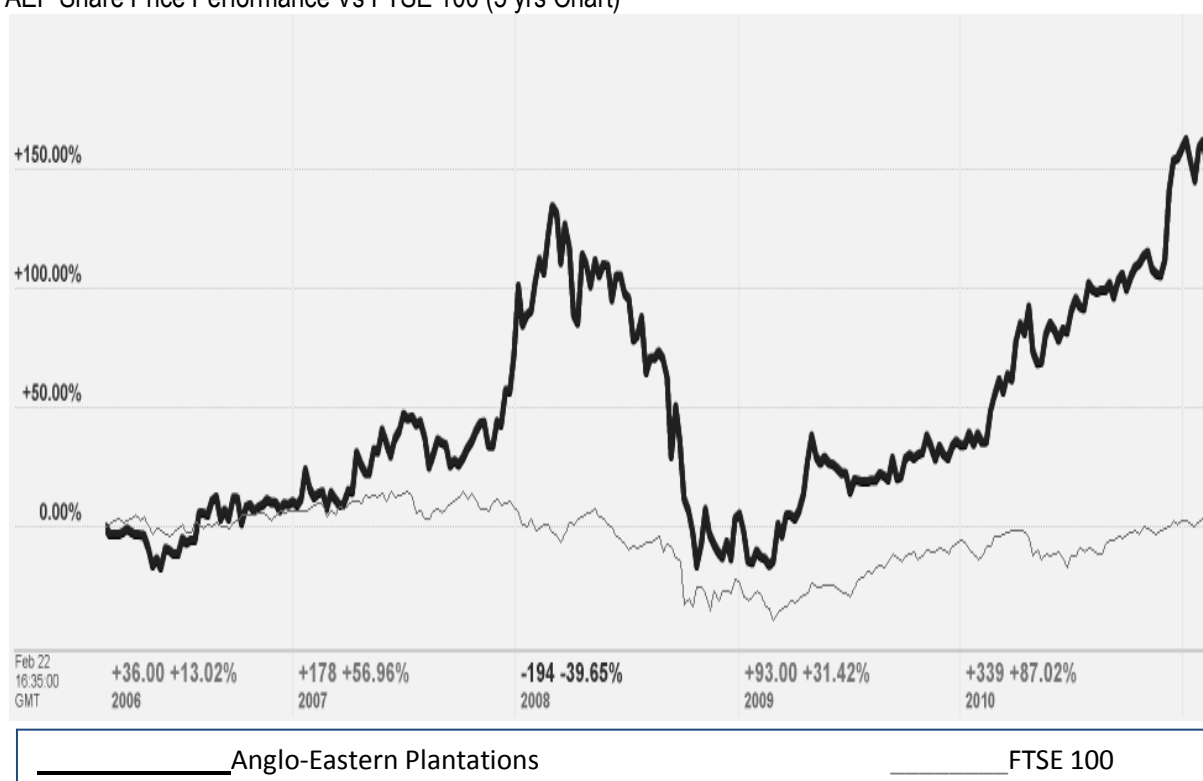
All Directors, Executive and Non-Executive, have formal appointment letters. Those of the Non-Executives are all for two year terms with notice periods of one month. Mr. Donald Low resigned from the Board and relinquished the role of Acting Chief Executive upon the expiry of his contract on 25 May 2010. Notice periods for all other senior management are generally two 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 2006 to 2010 (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 2010 were:

Name of Director	Date of Grant	Exercise price	Period of option	No. of ordinary shares under option	
				1/1/2010 (Exercised)	31/12/2010
Chan Teik Huat*	30/4/2002	44.7p	30/4/2005-29/4/2012	30,600	-

The market price of the shares at 31 December 2010 was 730.00p and the range during 2010 was 380.00p to 740.00p.

\* retired on 31 January 2011

# Directors' Remuneration Report

## Directors' remuneration

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

	Fees \$000	Executive Salary \$000	Bonus and allowance \$000	Benefits in kind \$000	<b>Total 2010 \$000</b>	Total 2009 \$000
<b>Name of Director</b>						
<b>Executive:</b>						
Dato'John Lim Ewe Chuan <sup>(1)</sup>	27	25	-	-	<b>52</b>	42
Donald H Low <sup>(2)</sup>	-	59	-	3	<b>62</b>	137
<b>Non-Executive</b>						
Lim Siew Kim <sup>(3)</sup>	16	-	-	-	<b>16</b>	21
Nik Din Bin Nik Sulaiman <sup>(4)</sup>	19	-	-	-	<b>19</b>	13
Drs. Kanaka Puradiredja <sup>(5)</sup>	19	-	-	-	<b>19</b>	7
Chan Teik Huat <sup>(6)</sup>	51	17	83	26	<b>177</b>	235
Datuk Henry Chin <sup>(7)</sup>	-	-	-	-	<b>-</b>	14
<b>Total</b>	<b>132</b>	<b>101</b>	<b>83</b>	<b>29</b>	<b>345</b>	<b>469</b>

### Notes:

<sup>(1)</sup> Appointed as Executive Director on 1 September 2010. Previously was the Senior Independent Non-Executive Director.

<sup>(2)</sup> Appointed on 26 August 2008, resigned on 25 May 2010

<sup>(3)</sup> Appointed on 29 November 1993 and appointed as Non-Executive Chairman on 31 January 2011

<sup>(4)</sup> Appointed on 1 April 2009

<sup>(5)</sup> Appointed on 1 August 2009

<sup>(6)</sup> Appointed to Non-Executive Chairman on 10 February 2010 and retired on 31 January 2011

<sup>(7)</sup> Retired on 19 June 2009

On behalf of the Board  
Drs. Kanaka Puradiredja  
Chairman, Remuneration Committee

26 April 2011

# Auditors' Report

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## 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 2010 which comprise the consolidated statement of financial position and Company balance sheet, the consolidated statement of comprehensive income, the consolidated statement of cash flow, the consolidated statement of changes in equity 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 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 and express an opinion on 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*

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### *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 2010 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.

## Auditors' Report (Continued)

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC (continued)

*Matters on which we are required to report by exception*

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required 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 14, in relation to going concern;
- 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; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

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

26 April 2011



# Consolidated Income Statement

For the year ended 31 December 2010

Continuing operations	Notes	2010			2009		
		Result before BA adjustment \$000	BA adjustment \$000	Total \$000	Result before BA adjustment \$000	BA adjustment \$000	Total \$000
Revenue	2	187,233	-	187,233	150,080	-	150,080
Cost of sales		(118,641)	-	(118,641)	(88,202)	-	(88,202)
Gross profit		68,592	-	68,592	61,878	-	61,878
Biological asset revaluation movement (BA adjustment)		-	18,429	18,429	-	888	888
Administration expenses		(3,655)	-	(3,655)	(2,923)	-	(2,923)
Operating profit		64,937	18,429	83,366	58,955	888	59,843
Exchange profits		657	-	657	1,259	-	1,259
Finance income	3	2,220	-	2,220	3,202	-	3,202
Finance expense	3	(1,205)	-	(1,205)	(2,219)	-	(2,219)
<b>Profit before tax</b>	4	66,609	18,429	85,038	61,197	888	62,085
Tax expense	7	(17,984)	(4,589)	(22,573)	(16,667)	(267)	(16,934)
<b>Profit for the year</b>		48,625	13,840	62,465	44,530	621	45,151
Attributable to:							
- Owners of the parent		39,375	11,954	51,329	37,146	348	37,494
- Non-controlling interests		9,250	1,886	11,136	7,384	273	7,657
		48,625	13,840	62,465	44,530	621	45,151
<b>Earnings per share for profit attributable to the owners of the parent during the year</b>							
- basic	8			129.82cts			94.99cts
- diluted	8			129.27cts			94.99cts

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 2010

	2010 \$000	2009 \$000
Profit for the year	62,465	45,151
Other comprehensive income:		
Unrealised surplus/(loss) on revaluation of the estates	121,908	(12,320)
Profit on exchange translation of foreign operations	14,193	41,058
Deferred tax on revaluation	(26,482)	(6,286)
Other comprehensive income for the year	109,619	22,452
Total comprehensive income for the year	172,084	67,603
Attributable to:		
- Owners of the parent	144,823	52,172
- Non-controlling interests	27,261	15,431
	172,084	67,603

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

# Consolidated Statement of Financial Position

As at 31 December 2010

	Note	2010 \$000	2009 \$000
<b>Non-current assets</b>			
Biological assets	10	68,593	47,608
Property, plant and equipment	10	376,173	200,414
Receivables	11	1,494	1,677
		<b>446,260</b>	<b>249,699</b>
<b>Current assets</b>			
Inventories	12	6,820	3,720
Tax receivables		7,342	5,181
Trade and other receivables	13	3,356	2,582
Cash and cash equivalents		70,871	63,761
		<b>88,389</b>	<b>75,244</b>
<b>Current liabilities</b>			
Loans and borrowings	14	(15,650)	(9,424)
Trade and other payables	15	(15,170)	(5,077)
Tax liabilities		(5,130)	(4,291)
		<b>(35,950)</b>	<b>(18,792)</b>
Net current assets		<b>52,439</b>	<b>56,452</b>
<b>Non-current liabilities</b>			
Loans and borrowings	14	(6,438)	(17,589)
Deferred tax liabilities	16	(61,293)	(28,772)
Retirement benefits - net liabilities	17	(2,305)	(1,830)
		<b>428,663</b>	<b>257,960</b>
<b>Net assets</b>			
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	18	15,504	15,504
Treasury shares	18	(1,507)	(1,744)
Share premium reserve		23,935	23,935
Share capital redemption reserve		1,087	1,087
Revaluation and exchange reserves		86,089	(7,405)
Retained earnings		229,060	179,594
		<b>354,168</b>	<b>210,971</b>
Non-controlling interests		74,495	46,989
<b>Total equity</b>		<b>428,663</b>	<b>257,960</b>

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2011 and were signed on its behalf by Dato' John Lim Ewe Chuan

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

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

	Share capital \$000	Treasury shares \$000	Share premium \$000	Share capital redemption reserve \$000	Revaluation reserve \$000	Foreign exchange reserve \$000	Retained earnings \$000	Total \$000	Non-controlling interests \$000	Total equity \$000
<b>Balance as at 1 January 2009</b>	<b>15,504</b>	<b>(1,785)</b>	<b>23,935</b>	<b>1,087</b>	<b>79,582</b>	<b>(101,665)</b>	<b>144,073</b>	<b>160,731</b>	<b>31,558</b>	<b>192,289</b>
<b>Items of other comprehensive income</b>										
Unrealised loss on revaluation of estates	-	-	-	-	(10,867)	-	-	(10,867)	(1,453)	(12,320)
Deferred tax on revaluation of assets	-	-	-	-	(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 options exercised	-	41	-	-	-	-	-	41	-	41
Dividends paid	-	-	-	-	-	-	(1,973)	(1,973)	-	(1,973)
<b>Balance at 31 December 2009</b>	<b>15,504</b>	<b>(1,744)</b>	<b>23,935</b>	<b>1,087</b>	<b>67,179</b>	<b>(74,584)</b>	<b>179,594</b>	<b>210,971</b>	<b>46,989</b>	<b>257,960</b>
<b>Items of other comprehensive income</b>										
Unrealised gain on revaluation of estates	-	-	-	-	105,296	-	-	105,296	16,612	121,908
Deferred tax on revaluation of assets	-	-	-	-	(23,079)	-	-	(23,079)	(3,403)	(26,482)
Gain on exchange translation	-	-	-	-	-	11,277	-	11,277	2,916	14,193
Net income recognised directly in equity	-	-	-	-	82,217	11,277	-	93,494	16,125	109,619
Profit for year	-	-	-	-	-	-	51,329	51,329	11,136	62,465
Total comprehensive income and expense for the year	-	-	-	-	82,217	11,277	51,329	144,823	27,261	172,084
Acquisition of subsidiary	-	-	-	-	-	-	-	-	245	245
Share options exercised / Share based payment expense	-	237	-	-	-	-	110	347	-	347
Dividends paid	-	-	-	-	-	-	(1,973)	(1,973)	-	(1,973)
<b>Balance at 31 December 2010</b>	<b>15,504</b>	<b>(1,507)</b>	<b>23,935</b>	<b>1,087</b>	<b>149,396</b>	<b>(63,307)</b>	<b>229,060</b>	<b>354,168</b>	<b>74,495</b>	<b>428,663</b>

# Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	2010 \$000	2009 \$000
<b>Cash flows from operating activities</b>		
Profit before tax	85,038	62,085
Adjustments for:		
BA adjustment	(18,429)	(888)
(Profit) / Loss on disposal of tangible fixed assets	(50)	21
Depreciation	8,953	5,070
Retirement benefit provisions	334	336
Net finance income	(1,015)	(983)
Tangible fixed assets written off	12	-
Unrealised gain in foreign exchange	(755)	-
Share based payments expense	112	11
Operating cash flow before changes in working capital	74,200	65,652
(Increase)/decrease in inventories	(2,937)	476
(Increase)/decrease in trade and other receivables	(591)	1,561
Increase/(decrease) in trade and other payables	5,939	(5,672)
Cash inflow from operations	76,611	62,017
Interest paid	(1,254)	(2,219)
Retirement benefit paid	(63)	-
Overseas tax paid	(18,959)	(27,169)
Net cash flow from operations	56,335	32,629
<b>Investing activities</b>		
Acquisition of subsidiary	(4,645)	-
Property, plant and equipment		
- purchase	(43,540)	(39,925)
- sale	222	108
Interest received	2,220	3,202
Net cash used in investing activities	(45,743)	(36,615)

# Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	2010 \$000	2009 \$000
<b>Financing activities</b>		
Dividends paid by Company	(1,973)	(1,973)
Share options exercised	235	30
Repayment of existing long term loans	(4,925)	(8,638)
Finance lease repayment	-	(13)
Net cash used in financing activities	(6,663)	(10,594)
Increase / (Decrease) in cash and cash equivalents	3,929	(14,580)
<b>Cash and cash equivalents</b>		
At beginning of year	63,761	69,442
Foreign exchange	3,181	8,899
At end of year	70,871	63,761
Comprising:		
Cash at end of year	70,871	63,761

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

# 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 and its interpretations (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 standards*

- a) New standards, interpretations and amendments effective from 1 January 2010.

Revised IFRS 3 "Business combinations": Much of the basic approach to business combination accounting required under the previous version of IFRS 3 "Business combinations" has been retained in this revised version of the standard. However, in some respects the revised standard may result in very significant changes to the account treatments previously adopted, including: The requirement to write off all acquisition costs to profit or loss instead of including them in the cost of investment (which will have a consequent effect on the value of goodwill recognised); the requirement to recognise an intangible asset even if it cannot be reliably measured; and, an option to gross up the balance sheet for goodwill attributable to non-controlling interests (known formerly as "minority interests") on a combination-by-combination basis. There are also some significant changes in the disclosure requirements of the revised standard. Contingent consideration in an IFRS 3(R) business combination will also now fall within the scope of IAS 39 and be measured initially and subsequently at fair value with remeasurement differences being recognised in profit or loss. Changes in the value of contingent consideration in a business combination falling within the scope of the old IFRS 3 continue to be treated as adjustments to goodwill.

Amendments to IAS 27 Consolidated and Separate Financial Statements: This Amendment affects in particular the treatment of non-wholly-owned subsidiaries. Transactions which increase or decrease the Group's interest in a subsidiary without altering control will no longer give rise to changes in the carrying value of the subsidiary's assets or liabilities (including its associated goodwill) and will not give rise to a gain or loss. Any difference between the consideration paid or received and the adjustment to the carrying value of the non-controlling interest will be recognised directly in equity. In addition, total comprehensive income must now be attributed to owners of the parent and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance. Previously, unfunded losses in such subsidiaries would be attributed entirely to the Group. The Amendment does not require the restatement of previous transactions and has had no effect on the current financial year.

- b) The following new standards, amendments and interpretations are also effective for the first time in these financial statements but none have had a material effect on the Group.

- Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items
- IFRIC 17 Distributions of Non-cash Assets to Owners
- Revised IFRS 1 First-time Adoption of international Financial Reporting Standards
- IFRIC 18 Transfer of Assets from Customers
- Improvements to IFRSs (2009)
- Group Cash-settled Share-based Payment Transactions (Amendments to IFRS 2)
- Additional Exemptions for First-time Adopters (Amendments to IFRS 1)

None of the other new standards, interpretations and amendments effective for the first time from 1 January 2010, have had a material effect on the financial statements.

- c) New standards, interpretations and amendments not yet effective.

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Group's future financial statements:

- Amendments to IFRS 1 – limited exemption from Comparative IFRS 7 Disclosures for First-time Adopters (effective for accounting periods beginning on or after 1 July 2010).
- Amendments to IFRS 1 – amendments resulting from May 2010 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2011)
- Amendments to IFRS 1 – replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs' and additional exemption for entities ceasing to suffer from severe hyperinflation (effective for accounting periods beginning on or after 1 July 2011)
- Amendments to IFRS 3 – amendments resulting from May 2010 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 July 2010)
- Amendments to IFRS 7 – amendments resulting from May 2010 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2011)

# Notes to the Consolidated Financial Statements

## 1 Accounting policies - continued

- Amendments to IFRS 7 – amendments enhancing disclosures about transfers of financial assets (effective for accounting periods beginning on or after 1 July 2011)
- IFRS 9 Financial instruments – classification and measurement (effective for accounting periods beginning on or after 1 January 2013)
- Amendments to IAS 1 – amendments resulting from May 2010 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2011)
- Amendments to IAS 12 – limited scope amendment (recovery of underlying assets) (effective for accounting periods beginning on or after 1 January 2012)
- Amendments to IAS 24 – revised definition of related parties (effective for accounting periods beginning on or after 1 January 2011)
- Amendments to IAS 27 – amendments resulting from May 2010 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 July 2010)

Other than IFRS7, which will impact the level of disclosure, none of the other new standards, interpretations and amendments, which are effective for periods beginning after 1 January 2011 and which have not been adopted early, are expected to have a material effect on the Group's future financial statements.

### *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 statement of financial position, 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 combinations, in such cases, the amount paid for each acquisition is allocated between the identifiable assets/liabilities at the acquisition date.

### *Foreign currency*

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

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

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

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

### *Revenue recognition*

Revenue includes

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

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

### *Share based payments*

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



# Notes to the Consolidated Financial Statements

## 1 Accounting policies -continued

Fair value is measured by use of a binomial 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.

### *Capitalisation on development activities*

#### *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.

#### *Plantation development*

Plantation development comprises cost of planting and development on oil palm and other plantation crops. Costs of new planting and development of plantation crops are capitalised from the stage of land clearing up to the stage of maturity or subject to certificate of Land Exploitation Rights (HGU) being obtained, whichever is earlier. The costs of immature plantations consist mainly of the accumulated cost of land clearing, planting, fertilising and maintaining the plantation, borrowing costs and other indirect overhead costs up to the time the trees are harvestable and to the extent appropriate.

#### *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 based on the present value of the local currency cash flows of each estate over the next nineteen years for Indonesian estates, including replanting where required. The cash flows for the Malaysian estates are over a period of thirty years.

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 in 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 in accordance with 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 in the income statement, except to the extent they reverse gains previously recognised in the statement of recognised income and expense.

# Notes to the Consolidated Financial Statements

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## 1 Accounting policies - continued

### *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 with an original maturity of less than three months. 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.

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.

# Notes to the Consolidated Financial Statements

## 1 Accounting policies - continued

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.

## 2 Revenue

	2010 \$000	2009 \$000
Sales of produce	186,082	148,976
Other income	1,151	1,104
	<u>187,233</u>	<u>150,080</u>

## 3 Finance income and expense

	2010 \$000	2009 \$000
Finance income	<u>2,220</u>	<u>3,202</u>
Finance expense		
Interest payable on:		
Development loans - (note 14)	1,205	2,260
Interest capitalised on loans related to field development and construction in progress	-	(41)
	<u>1,205</u>	<u>2,219</u>
Net finance income recognised in income statement	<u>1,015</u>	<u>983</u>

## 4 Profit before tax

	2010 \$000	2009 \$000
Profit before tax is stated after charging		
Depreciation (note 10)	8,953	5,070
Staff costs (note 6)	17,803	14,415
Auditors' remuneration		
- Group audit (Company \$9,300 (2009: \$8,800))	82	82
- audit of subsidiaries	52	50
- Total	<u>134</u>	<u>132</u>

## Notes to the Consolidated Financial Statements

### 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
2010										
Total sales revenue (all external)	80,401	57,998	-	41,352	-	-	179,751	6,331	-	186,082
Other income	660	123	-	350	-	-	1,133	8	10	1,151
Total revenue	81,061	58,121	-	41,702	-	-	180,884	6,339	10	187,233
Profit/(loss) before tax	35,003	17,401	-	13,879	-	-	66,283	1,616	(1,290)	66,609
BA Movement										18,429
Profit for the year before tax per consolidated income statement										85,038
Total Assets	186,131	174,024	32,275	57,032	6,618	38,045	494,125	36,835	3,689	534,649
Non-Current Assets	155,813	137,070	30,857	50,045	6,537	36,367	416,689	28,208	1,363	446,260
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$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

# Notes to the Consolidated Financial Statements

## 5 Segment information - continued

In year 2010, revenues from 4 customers of the Indonesian segment represent approximately \$118.1m (2009: \$118.2m) of the Group's total revenue. An analysis of these revenues is provided below:

Major customers	2010		2009	
	\$m	%	\$m	%
Customer 1	40.7	21.7	41.4	27.6
Customer 2	26.9	14.4	36.2	24.1
Customer 3	26.3	14.0	24.3	16.2
Customer 4	24.2	12.9	16.3	10.9
Total	<u>118.1</u>	<u>63.0</u>	<u>118.2</u>	<u>78.8</u>

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

	2010	2009
	number	number
Average numbers employed (primarily overseas) during the year		
- full time	3,802	3,640
- casual	8,512	6,934
	2010	2009
	\$000	\$000
Staff costs (including Directors) comprise:		
Wages and salaries	17,128	13,758
Social security costs	229	224
Retirement benefit costs (note 17)	334	422
Share based payments expenses	112	11
	<u>17,803</u>	<u>14,415</u>

The information required by the Companies Act and the listing rules of the Financial Services Authority is contained in the Directors' report on remuneration on pages 18 - 20 of which the information on pages 19 and 20 has been audited.

	2010	2009
	\$000	\$000
Directors emoluments	341	469
Pension contributions	4	-
	<u>345</u>	<u>469</u>
Remuneration expense for key management personnel	<u>114</u>	<u>372</u>

Executive Directors are considered to be the only key management personnel: their remuneration is shown on page 20.

# Notes to the Consolidated Financial Statements

## 7 Tax

	2010 \$000	2009 \$000
Foreign corporation tax - current year	18,017	16,034
Deferred tax adjustment - current year	4,556	900
Total tax charge for year	<u>22,573</u>	<u>16,934</u>

Both corporation tax rates in Indonesia and Malaysia are at 25%. 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.

	2010 \$000	2009 \$000
Profit before tax	<u>85,038</u>	<u>62,085</u>
Profit before tax multiplied by standard rate of UK corporation tax of 28% (2009: 28%)	23,811	17,384
Effects of:		
Rate adjustment relating to overseas profits	(2,719)	(285)
Group accounting adjustments not subject to tax	1,522	(583)
Expenses not allowable for tax	176	178
Temporary differences	85	(724)
Utilisation of tax losses brought forward	(65)	(130)
Income not subject to tax	(237)	-
Losses not offset against fellow subsidiary profits	-	194
Foreign corporation tax charge for year	<u>22,573</u>	<u>16,034</u>
Deferred tax adjustments (note 16)	-	900
Total tax charge for year	<u>22,573</u>	<u>16,934</u>

## 8 Earnings per ordinary share (EPS)

	2010 \$000	2009 \$000
Profit for the year attributable to owners of the Company before BA adjustment	39,375	37,146
Net BA adjustment	11,954	348
Earnings used in basic and diluted EPS	<u>51,329</u>	<u>37,494</u>

	Number '000	Number '000
Weighted average number of shares in issue in year		
- used in basic EPS	39,539	39,470
- dilutive effect of outstanding share options	166	-
- used in diluted EPS	<u>39,705</u>	<u>39,470</u>

Basic EPS before BA adjustment	99.59cts	94.11cts
Basic EPS after BA adjustment	129.82cts	94.99cts

Dilutive EPS before BA adjustment	99.17cts	94.11cts
Dilutive EPS after BA adjustment	129.27cts	94.99cts

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

## 9 Dividends

	2010 \$000	2009 \$000
Paid during the year		
Final dividend of 5.0 cts per ordinary share for the year ended 31 December 2009 (2008: 5.0 cts)	<u>1,973</u>	<u>1,973</u>
Proposed final dividend of 5.0 cts per ordinary share for the year ended 31 December 2010 (2009: 5.0 cts)	<u>1,977</u>	<u>1,973</u>

The proposed dividend for 2010 is subject to shareholders' approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

# Notes to the Consolidated Financial Statements

## 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
<b>Cost or valuation</b>					
At 1 January 2009	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 capitalised	26,039	-	26,039	-	26,039
Disposals	(183)	-	(183)	-	(183)
At 31 December 2009	181,783	23,098	204,881	47,608	252,489
Exchange translations	10,955	2,825	13,780	2,556	16,336
Reclassification	(8,301)	8,301	-	-	-
Revaluations	118,089	-	118,089	18,429	136,518
Additions	14,358	4,895	19,253	-	19,253
Development costs capitalised	24,427	-	24,427	-	24,427
Acquisition of a subsidiary	4,890	-	4,890	-	4,890
Written off	(12)	-	(12)	-	(12)
Disposals	(145)	(39)	(184)	-	(184)
At 31 December 2010	346,044	39,080	385,124	68,593	453,717
<b>Accumulated depreciation and impairment</b>					
At 1 January 2009	-	(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)
Exchange translations	(54)	(2,503)	(2,557)	-	(2,557)
Revaluations	5,637	-	5,637	1,377	7,014
Charge for the year	(5,637)	(1,939)	(7,576)	(1,377)	(8,953)
Disposals	-	12	12	-	12
At 31 December 2010	-	(8,951)	(8,951)	-	(8,951)
<b>Carrying amount</b>					
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
At 31 December 2010	346,044	30,129	376,173	68,593	444,766

The Group's estates (comprising biological assets, non-biological plantation assets, plantation infrastructure and oil mills) were valued by qualified valuers during the year except for estates in PT Tasik Raja and PT Alno Agro Utama, which were valued in January 2011. Indonesian estates were valued on a market value basis by qualified valuer, Doli Siregar & Rakan, an independent firm of property consultants. The assumptions applied in the valuation were, inter alia, an assumed CPO selling price of \$550/mt and discount rates of 17% for planted estates and 18% for developing estates taking into consideration the age of plants ranging from 8 years to 27 years. Malaysia's estates were valued by PPC International Sdn Bhd, an independent firm of chartered surveyors in December 2010 on a market value basis. The Directors are of the opinion that market value for these estates have not changed significantly from the date of valuation obtained to 31 December 2010. In 2009, the Directors valued the estates 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 and a discount rate of 16.25%. Biological assets are estimated as a proportion of these valuations.

The estates include \$72 (2009: \$40,745) of interest and \$4,621,000 (2009: \$3,882,000) 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 2010:

	2010 Estates \$'000	2010 Mills \$'000	2010 Total \$'000	2009 Total \$'000
Original cost	273,709	37,520	311,229	266,133
Cumulative depreciation based on original cost	(47,755)	(13,915)	(61,670)	(52,717)
	225,954	23,605	249,559	213,416

# Notes to the Consolidated Financial Statements

## 10 Biological assets, property, plant and equipment - continued

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 2038 with rights of renewal thereafter. In the case of estates in Bengkulu land titles were issued between 1994 and 2008 and the titles expire between 2028 and 2034 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 2004 and expire in 2033. In the case of PT Cahaya Pelita Andhika's estate acquired in 2007 land titles were issued in 1996 to expire in 2029.

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

	2010	2009
	\$000	\$000
Due from non-controlling interests	1,363	1,363
Due from village smallholder schemes	131	314
	<u>1,494</u>	<u>1,677</u>

The non-controlling interests 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 approximate their fair values.

## 12 Inventories

	2010	2009
	\$000	\$000
Estate and mill consumables	4,856	2,530
Processed produce for sale	1,964	1,190
	<u>6,820</u>	<u>3,720</u>

## 13 Trade and other receivables

	2010	2009
	\$000	\$000
Trade receivables	617	362
Other receivables	2,359	1,978
Prepayments and accrued income	380	242
	<u>3,356</u>	<u>2,582</u>

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

## 14 Loans and borrowings

	2010		2009	
	under one year \$000	more than one year \$000	under one year \$000	more than one year \$000
Long term development loan (a)	800	400	800	1,200
Long term development loan (b)	10,350	6,038	8,624	16,389
Revolving credit (c)	4,500	-	-	-
Total bank loans	<u>15,650</u>	<u>6,438</u>	<u>9,424</u>	<u>17,589</u>

Amounts repayable after more than one year, as follows:

in more than one year but not more than two years	6,438	11,150
in more than two years but not more than five years	-	6,439
	<u>6,438</u>	<u>17,589</u>



# Notes to the Consolidated Financial Statements

## 14 Loans and borrowings – continued

- (a) The long term development loan of \$1,200,000 (2009: \$2,000,000), 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% above 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.
- (b) The long term development loan of \$16,388,000 (2009: \$25,013,000) 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 Company. Interest is at 3% over SIBOR and premium charges with percentage depend on bank liquidity. Average interest in 2010 was about 4.8% (2009: 6.3%). The loan is repayable from September 2008 to June 2012.
- (c) The revolving credit facility ("RCF") is the extension of development loan as disclosed in Note 14(b) above and is available up to a maximum amount of RP120 billion, with the maximum drawdown period of 3 months and the limit of the RCF can be utilised for the banking sub-facility in the form of uncommitted revolving credit facility (available for drawdown in USD currency) available up to maximum sub-limit amount of RP108 billion with the maximum drawdown period of 3 months. The security for this facility is the same as the development loan disclosed in the Note 14(b) above.

## 15 Trade and other payables

	2010	2009
	\$000	\$000
Trade creditors	4,766	2,773
Other creditors	6,811	1,092
Accruals	3,593	1,212
	<u>15,170</u>	<u>5,077</u>

## 16 Deferred tax liabilities

	2010	2009
	\$000	\$000
Year end (liability) relates to		
Revaluation surplus	(62,004)	(27,600)
Unutilised tax losses	277	208
Other temporary differences	434	(1,380)
	<u>(61,293)</u>	<u>(28,772)</u>

### Movement:

At beginning of year (liability)	(28,772)	(28,450)
(Charge) to		
- income statement	(4,556)	(900)
- equity: revaluation and exchange reserve	(26,482)	(6,286)
Exchange adjustment	(1,483)	6,864
At end of year (liability)	<u>(61,293)</u>	<u>(28,772)</u>

	(Liability)	(Charged)/ credited to income	(Charged)/ credited to reserves
	2010	2010	2010
Details of movement in 2010	\$000	\$000	\$000
Revaluation surplus	(62,004)	(4,575)	(26,482)
Accelerated capital allowances	(530)	(431)	-
Employee pension liabilities	964	231	-
Available losses	277	219	-
	<u>(61,293)</u>	<u>(4,556)</u>	<u>(26,482)</u>

	Liability	(Charged)/ credited to income	(Charged)/ credited to reserves
	2009	2009	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	-
	<u>(28,772)</u>	<u>(900)</u>	<u>(6,286)</u>

# Notes to the Consolidated Financial Statements

## 16 Deferred tax liabilities (Continued)

	2010 \$000	2009 \$000
A deferred tax asset has not been recognised for the following items:		
Unutilised tax losses	1,799	1,180
Accelerated capital allowances	653	1,187

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:

	2010	2009	2008	2007	2006
Inflation	7%	10%	10%	10%	10%
Rate of increase in wages	8%	8%	8%	10%	10%
Discount rate	8.5%	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 2010 \$000	Defined benefit - unfunded schemes 2010 \$000	Total 2010 \$000	Defined benefit - funded schemes 2009 \$000	Defined benefit - unfunded schemes 2009 \$000	Total 2009 \$000
<i>Reconciliation to consolidated statement of financial position</i>						
Scheme assets (all cash)	2,060	-	2,060	1,675	-	1,675
Scheme (liabilities)	(2,198)	(2,167)	(4,365)	(1,781)	(1,724)	(3,505)
Net liabilities	(138)	(2,167)	(2,305)	(106)	(1,724)	(1,830)
<i>Reconciliation of scheme assets</i>						
At beginning of year	1,675	-	1,675	1,241	-	1,241
Exchange gain	75	-	75	222	-	222
Contributions by Group	243	-	243	162	-	162
Income	128	-	128	138	-	138
Benefits paid	(55)	-	(55)	(84)	-	(84)
Expenses	(6)	-	(6)	(4)	-	(4)
At end of year	2,060	-	2,060	1,675	-	1,675
<i>Reconciliation of scheme (liabilities)</i>						
At beginning of year	(1,781)	(1,724)	(3,505)	(1,408)	(1,327)	(2,735)
Exchange loss	(80)	(59)	(139)	(243)	(160)	(403)
Current service (cost)	(392)	(447)	(839)	(214)	(342)	(556)
Benefits paid	55	63	118	84	105	189
At end of year	(2,198)	(2,167)	(4,365)	(1,781)	(1,724)	(3,505)

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

	2010 \$000	2009 \$000	2008 \$000
Defined benefit funded scheme			
Current service cost	149	214	275
Expenses	6	4	5
Income	(128)	(138)	(112)
	27	80	168
Defined benefit unfunded scheme			
Current service cost	307	342	308
Defined contribution schemes			
Contributions	-	-	57
	334	422	533

# Notes to the Consolidated Financial Statements

## 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	<b>60,000,000</b>	<b>39,976,272</b>	<b>15,000</b>	<b>9,994</b>	<b>23,865</b>	<b>15,504</b>
		<b>2010 Number</b>	<b>2009 Number</b>		<b>Cost 2010 \$'000</b>	<b>Cost 2009 \$'000</b>
Treasury shares						
Beginning of year		<b>506,000</b>	518,000		<b>(1,744)</b>	(1,785)
Share options exercised		<b>(68,800)</b>	(12,000)		<b>237</b>	41
End of year		<b>437,200</b>	506,000		<b>(1,507)</b>	(1,744)
Market value of treasury shares:						
Beginning of year (385.0p /share)						3,136
End of year (730.0p/share)						<b>4,997</b>

No treasury shares were purchased in 2010 (2009: 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 09 Number	Exercised Number	Lapsed Number	31 Dec 09 Number	Exercised Number	Lapsed Number	31 Dec 10 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)	-	-	-	-	-
13.05.04	181.2p	13.05.07 - 12.05.14	30,000	(9,600)	-	20,400	(20,400)	-	-
19.05.06	234.0p	19.05.09 – 18.05.16	51,200	-	(6,400)	44,800	(44,800)	-	-
09.10.06	323.25p	09.10.09 - 08.10.16	15,500	-	(6,800)	8,700	(3,600)	(2,700)	2,400
21.05.07	360.3p	21.05.10 - 20.05.17	78,300	-	(13,200)	65,100	-	(2,700)	62,400
03.06.08	598.0p	03.06.11 – 02.06.18	97,700	-	(24,000)	73,700	-	(2,700)	71,000
			<b>305,700</b>	<b>(12,000)</b>	<b>(50,400)</b>	<b>243,300</b>	<b>(68,800)</b>	<b>(8,100)</b>	<b>166,400</b>
		Exercisable	<b>63,000</b>			<b>104,500</b>			<b>95,400</b>

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

The weighted average contracted life of options outstanding at the end of the year was 5.9 years (2009: 6.6 years) and the weighted average exercise price was 403p (2009: 353p). The weighted average exercise price of options exercisable at the end of the year was 258p (2009: 176p).

The weighted average share price at date of exercise of options exercised in during the year was 595p (2009: 360p). 68,800 options (2009: 12,000) were exercised during the year. No share options were granted in 2010 (2009: Nil).

The weighted average share price of options that lapsed during the year was 427p (2009: 452p)

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 2010, Genton International Limited, a company registered in Hong Kong, held 20,247,814 (2009: 20,247,814) shares of the Company representing 51.2% (2009: 51.3%) of the issued share capital of the Company. Together with other deemed interested parties, the Company's shareholding totals 20,521,314 or 51.9%. Madam Lim, a Director of the Company, has advised the Company that she is the controlling shareholder of Genton International Limited. In 2009, the subsidiary of the Company managed, for a fee of \$12,200, small plantation owned by companies controlled by Madam Lim. The contract was on an arm's length basis. The amount due in 2009 was \$1,400. During the year the Company engaged UHY Hacker Young, an accounting firm of which Dato' John Lim Ewe Chuan is a partner, to provide company secretarial and taxation services for a fee of \$7,303 (2009: \$9,617). This contract is on an arm's length basis.

# Notes to the Consolidated Financial Statements

## 21 Reserves and non-controlling interest

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/losses 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

	2010 \$000	2009 \$000
Capital commitments at 31 December		
Contracted but not provided - normal estate operations	2,006	2,648
Authorised but not contracted - plantation and mill development	60,000	-

## 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 2010 and 2009 were:

	Loans and receivables \$000	Amortised cost \$000	Total carrying value and fair value \$000
<b>2010</b>			
Non-current receivables	1,494	-	1,494
Trade and other receivables	3,356	-	3,356
Cash and cash equivalent	70,871	-	70,871
Borrowings due within one year	-	(15,650)	(15,650)
Trade and other payables	-	(15,170)	(15,170)
Borrowings due after one year	-	(6,438)	(6,438)
	<u>75,721</u>	<u>(37,258)</u>	<u>38,463</u>
	Loans and receivables \$000	Amortised cost \$000	Total carrying value and fair value \$000
<b>2009</b>			
Non-current receivables	1,677	-	1,677
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)
	<u>68,020</u>	<u>(32,090)</u>	<u>35,930</u>

The principal financial risks to which the Group is exposed are:

- commodity selling price changes;
  - exchange movements; and
- which, in turn, can affect financial instruments and/or operating performance.

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

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

# Notes to the Consolidated Financial Statements

## 23 Disclosure of financial instruments and other risks - continued

### 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 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 \$80,142,000 (2009: \$78,624,000), while the fair value of the Group's share of underlying assets at 31 December 2010 amounted to \$359,741,000 (2009: \$213,771,000).

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 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 2009 and 2010, policy has been for only a partial but increasing match because interest rates on local currency deposits were 5.8% higher than on dollar deposits and about the same as dollar borrowing costs. The unmatched balance at 31 December 2010 is represented by the \$16,791,000 shown in the table below (2009: \$16,154,000). If the Group's net cash position continues to improve then dollar cash balances will continue to be increased through 2011.

The table below shows the net monetary assets and liabilities of the Group at 31 December 2010 and 2009 that were not denominated in the operating or functional currency of the operating unit involved.

Functional currency of Group operation	Net foreign currency assets/(liabilities)		
	US dollar \$000	Sterling \$000	Total \$000
<b>2010</b>			
Indonesian rupiah	(16,791)	-	(16,791)
US dollar	-	792	792
Total	(16,791)	792	(15,999)
<b>2009</b>	\$000	\$000	\$000
Indonesian rupiah	(16,154)	-	(16,154)
US dollar	-	302	302
Total	(16,154)	302	(15,852)

### 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 2010 the Group had the following loans and facilities.

	Borrowings \$000	Facilities \$000	Repayable
Indonesia:			
US dollar denominated - long term loan	17,588	17,588	2008 - 2012 (note 14)
RP denominated - revolving credit	4,500	13,318	expired on October 2011 (note 14)

# Notes to the Consolidated Financial Statements

## 23 Disclosure of financial instruments and other risks - continued

### Liquidity risk - continued

The total loan facilities of \$22,088,000 together with interest at current rates is repayable as follows:

	2011 \$000	2012 \$000
Principal	15,650	6,438
Interest	572	330
Total	<u>16,222</u>	<u>6,768</u>

Forecasts prepared in December 2010 indicate that the Group has sufficient funds to meet its development plans and financial commitments through 2011.

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 2010, 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 Group's 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 were:

	Total \$000	Fixed rate \$000	Variable rate \$000	No interest \$000
<b>2010</b>				
Sterling	832	-	52	780
US dollar	8,143	1,363	6,190	590
Rupiah	65,584	-	52,622	12,962
Ringgit	8,504	-	7,897	607
Total	<u>83,063</u>	<u>1,363</u>	<u>66,761</u>	<u>14,939</u>
<b>2009</b>				
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	<u>73,201</u>	<u>1,363</u>	<u>63,761</u>	<u>8,077</u>

Long term receivables of \$1,363,000 (2009: \$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 2010 were 2.0% (2009: 3.94%) and rupiah deposit rates were 7.07% (2009: 10.41%).

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:

	Total \$000	Fixed rate \$000	Variable rate \$000	No interest \$000
<b>2010</b>				
Sterling	(75)	-	-	(75)
US dollar	(22,634)	-	(22,088)	(546)
Rupiah	(15,349)	-	-	(15,349)
Ringgit	(1,505)	-	-	(1,505)
Total	<u>(39,563)</u>	<u>-</u>	<u>(22,088)</u>	<u>(17,475)</u>
<b>2009</b>				
Sterling	(123)	-	-	(123)
US dollar	(27,013)	-	(27,013)	-
Rupiah	(5,931)	-	-	(5,931)
Ringgit	(853)	-	-	(853)
Total	<u>(33,920)</u>	<u>-</u>	<u>(27,013)</u>	<u>(6,907)</u>

Weighted average interest rate on variable rate borrowings was 5.36% in 2010 (2009: 6.24%).

# Notes to the Consolidated Financial Statements

## 23 Disclosure of financial instruments and other risks - continued

### *Credit risk*

Sales of CPO and kernel 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 2010 (2009: 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 (2009: \$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 statement of financial position as "Issued capital attributable to owners of the parent" and amounting to \$354,168,000 at 31 December 2010 (2009: \$210,971,000)

Group policy is presently to attempt to fund development from self-generated funds and loans and not from issue of new share capital. At 31 December 2010 (2009: 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 the acquisition below, since it was not an active plantation, the Directors consider that it has obtained control of an entity that is not a business and accordingly have not accounted for this acquisition as a business combination. Instead, the amount paid for the acquisition has been allocated between individual identifiable assets and liabilities in the entity based on their fair values at the acquisition date.

### **2010**

#### PT Kahayan Agro Plantation (KAP)

On 25 February 2010, the Group acquired 95% interest in PT Kahayan Agro Plantation for a cash consideration of \$4,645,000. Kahayan has no assets or liabilities other than the location permit of 17,500 hectares in Gunung Mas District near Palangkaraya, Central Kalimantan. Plantable area is approximately 70%. The assets and liabilities and their fair value adjustment were assessed as follows:

	Book value \$000	Revaluation to fair value \$000	Fair value \$000
Fixed assets only acquired	1,612	3,278	4,890
Group share (95%)			4,645

Kahayan was inactive throughout 2010 and therefore the Group's share of any profit or loss from the date of acquisition to the end of 2010 was nil.

### **2009**

There were no acquisitions in 2009.

# Notes to the Consolidated Financial Statements

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## 25 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
<b>Principal United Kingdom sub-holding company</b>	
Anglo-Indonesian Oil Palms Limited	100
<b>UK management company</b>	
Indopalm Services Limited	100
<b>Malaysian operating companies</b>	
Anglo-Eastern Plantations (M) Sdn Bhd	55
Anglo-Eastern Plantations Management Sdn Bhd	100
<b>Indonesian operating companies</b>	
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 Kahayan Agro Plantation	95
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 2010

	Notes	2010 \$000	2009 \$000
<b>Fixed assets</b>			
Investment in subsidiaries	2	80,142	78,624
		<b>80,142</b>	<b>78,624</b>
<b>Current assets</b>			
Other debtors	3	50	-
Cash and cash equivalents		2,276	1,564
		<b>2,326</b>	<b>1,564</b>
<b>Creditors: amount falling due within one year</b>			
Other creditors	5	(653)	(124)
Net current assets		<b>1,673</b>	<b>1,440</b>
<b>Net assets</b>		<b>81,815</b>	<b>80,064</b>
<b>Capital and reserves</b>			
Share capital	6	15,504	15,504
Treasury shares	6	(1,507)	(1,744)
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	38,924	37,410
<b>Shareholders' funds</b>		<b>81,815</b>	<b>80,064</b>

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2011 and were signed on its behalf by Dato' John Lim Ewe Chuan

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 \$4.1m (2009: \$2.2m) 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	Loans to subsidiary undertakings	Total
	\$000	\$000	\$000
At beginning of year	7,745	70,879	78,624
Movements in year	(725)	2,243	1,518
At end of year	<b>7,020</b>	<b>73,122</b>	<b>80,142</b>

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 full redemption in 2012.

The principal subsidiaries of the Company are listed in note 25 to the consolidated financial statements on page 46.

## 3 Other debtors

	2010	2009
	\$000	\$000
Other receivables	39	-
Prepayments	11	-
	<b>50</b>	-

# Notes to the Company Financial Statements

## 4 Dividends

	2010 \$000	2009 \$000
Paid during the year		
Final dividend of 5.0 cts for the year ended 31 December 2009 (2008: 5.0cts)	1,973	1,973
Proposed final dividend of 5.0 cts for the year ended 31 December 2010 (2009: 5.0cts)	<u>1,977</u>	<u>1,973</u>

The proposed dividend for 2010 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

	2010 \$000	2009 \$000
Other payables	36	-
Accruals	617	124
	<u>653</u>	<u>124</u>

## 6 Share capital

	Issued and fully paid Number	Issued and fully paid £000	Issued and fully paid \$000
Ordinary shares of 25p each			
Beginning and end of year	<u>39,976,272</u>	<u>9,994</u>	<u>15,504</u>
		<b>Cost</b>	<b>Cost</b>
	<b>2010</b>	<b>2010</b>	<b>2009</b>
	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Treasury shares			
Beginning of year	506,000	(1,744)	(1,785)
Share options exercised	(68,800)	237	41
End of year	<u>437,200</u>	<u>(1,507)</u>	<u>(1,744)</u>
Market value of treasury shares:			
Beginning of year (385.0p /share)			3,136
End of year (730.0p/share)			<u>4,997</u>

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

## 7 Reserves

### Company balance sheet

	Share premium account \$000	Treasury shares \$000	Share capital redemption \$000	Exchange reserve \$000	(Distributable) Profit and loss account \$000
Beginning of year	23,935	(1,744)	1,087	3,872	37,410
Share options exercised	-	237	-	-	(2)
Loss for the financial year	-	-	-	-	(1,871)
Reversal of provision for doubtful debts	-	-	-	-	5,360
Dividend paid	-	-	-	-	(1,973)
End of year	<u>23,935</u>	<u>(1,507)</u>	<u>1,087</u>	<u>3,872</u>	<u>38,924</u>

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 loss before tax of the Company for the year was \$1,845,000 (2009 profit before tax: \$4,553,659) and loss for the year was \$1,871,000 (2009 profit for the year: \$3,215,000). The exchange reserve arose on the initial transition from sterling to US dollars as the Company's functional currency.

# Notes to the Company Financial Statements

## 8 Employees' and Directors' remuneration

	2010 number	2009 number
Average numbers employed during the year – Directors	6	6
– staff	2	2
	<b>2010</b> <b>\$000</b>	<b>2009</b> <b>\$000</b>
Staff costs		
Wages and salaries	93	145
Social security costs	6	10
Share based remuneration expense	-	11
	<u>99</u>	<u>166</u>

The information required by the Companies Act and the Listing Rules of the Financial Services Authority is contained in the Directors' report on remuneration on pages 18 to 20 of which the information on page 19 and 20 have been audited.

	2010 \$000	2009 \$000
Directors' emoluments	341	469
Pension contributions	4	-
	<u>345</u>	<u>469</u>

## 9 Guarantees and other financial commitments

The Company has provided guarantees for loans to subsidiaries totalling \$22,088,000 (2009: \$27,013,000) as set out in note 14 of the consolidated financial statements.

# Notice of Annual General Meeting

Notice is hereby given that the twenty-sixth 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 Wednesday 22 June 2011 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 2010
- 2 To declare a dividend
- 3 To approve the Directors' remuneration report for the year ended 31 December 2010
- 4 To re-appoint Dato' John Lim Ewe Chuan, Executive Director
- 5 To re-elect Madam S K Lim, a Non-Executive Director, who has served more than nine years.
- 6 To re-appoint BDO LLP as auditors and to authorise the Directors to fix their remuneration.

## As Special Business

- 7 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 21 June 2016 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 2012 (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.

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

That the Directors be and they are hereby authorised

# Notice of Annual General Meeting

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- (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 21 June 2016; 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 21 June 2016 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 7.

9 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 2012 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.

10 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

13 May 2011

## 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 20 June 2011 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 20 June 2011 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 26 April 2011 (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 437,200 shares held as treasury shares and therefore the total number of voting rights in the Company as at 9.00 am on 26 April 2011 is 39,539,072.
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).

# Notice of Annual General Meeting

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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 20 June 2011. 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](http://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](http://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 26 April 2011, 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](http://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.
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](http://www.angloeastern.co.uk).
15. If you are in any doubt as to any aspect of Resolutions 7 to 9 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  
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50450 Kuala Lumpur  
Malaysia

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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

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## Company advisers

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### Principal Bankers

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### Sponsor/Broker

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