30 April 2015

Anglo-Eastern Plantations Plc

("AEP", "Group" or "Company")

Preliminary announcement of results for year ended 31 December 2014

Anglo-Eastern Plantations Plc, and its subsidiaries are a major producer of palm oil and rubber with plantations across Indonesia and Malaysia amounting to some 127,800 hectares, has today released its results for the year ended 31 December 2014.

Financial Highlights

	2014	2013
	$m	$m
Revenue	251.3	201.9
Profit before tax		
- before biological asset ("BA") adjustment	85.0	59.7
- after biological asset adjustment	51.2	153.4
EPS before BA adjustment	132.26cts	90.70cts
EPS after BA adjustment	77.61cts	235.95cts
Dividend (pence)	3.0p	3.0p
Dividend (cents)	4.5*cts	5.0cts

Note: * Based on exchange rate at 24 April 2015 of $1.5165/£

Enquiries:

Anglo-Eastern Plantations Plc

Dato' John Lim Ewe Chuan 020 7216 4621

Charles Stanley Securities

Russell Cook / Karri Vuori 020 7149 6000

Chairman's Statement

The Group is pleased to report an improved performance in 2014 on the back of higher production of Fresh Fruit Bunch ("FFB"), increased purchase of external crops by the mills and better operating margins. The performance was exceptional considering the Indonesian Rupiah depreciated by 2% against the US Dollar during the year, on top of 26% depreciation in 2013.

Despite the encouraging performance, challenging times are ahead for the Group and the palm oil industry. While India's imports of edible oil rose for the third year in a row, the import of palm oil fell for the first time in four years as Indian refiners bought more soy and sunflowers oil. Increased planting acreage complemented by good weather led to a bumper harvest of soybean and record supply of cooking oil globally. Even with weaker currencies, exports of Crude Palm Oil ("CPO") from Indonesia and Malaysia to India and China, the two largest consumers, were lower as the CPO discount to soya oil narrowed to around $100/mt compared to a 10-year average discount of $160/mt. Consumers tend to switch their imports to soya and other soft oils when the CPO discount to soya oil is lower. China also cut back on shipment of CPO amidst a slower economy and tightening of lending for commodity financing.

In 2014 CPO price declined to a 5-year low, the lowest since 2009.The price weakened as experts downgraded the probability of El Nino weather phenomenon which would have reduced the FFB production and palm oil inventories. The recent sharp decline in crude oil prices is also expected to reduce the CPO's competitiveness as a source of energy.

The Group's revenue was $251.3 million, compared to $201.9 million achieved in 2013, an increase of 24% which was due largely to the increase in FFB production and purchase of third party crops for the mills. The average CPO price in 2014 was $815/mt, 5% lower than the figure of $857/mt in 2013, but ended the year even lower at $700/mt.

FFB production for 2014 was 857,400mt, 9% higher than the previous year (2013: 787,500mt) in line with 11% increase in matured trees. Yields remained below expectation due primarily to the lagged effect from dry weather in first three months of the year, followed by wide spread flooding in North Sumatera towards the end of the year and higher proportion of young palms. FFB bought-in from surrounding smallholders in 2014 was 626,200mt (2013: 496,600mt), 26% higher, as the Group offered competitive prices for the external crops. The Group's mills processed 12% more FFB, and increased CPO production to 294,200mt (2013: 262,600mt). The oil extraction rate reduced slightly due to the slightly inferior external crop.

The Group operating profit for 2014, before the biological asset ("BA") adjustment was $78.8 million, 32% higher on $59.6 million achieved in 2013. Earnings per share, before BA adjustment increased to 132.26cts, compared to 90.70cts in 2013. The Group operating profit for 2014 after a downward BA adjustment of $33.7 million was $45.1 million as compared to 2013 of $153.3 million after an upward BA adjustment of $93.7 million. The post BA adjusted earnings per share were 77.61cts compared to 235.95cts for the previous year. The lower biological value was due to the weakening of Rupiah against US Dollar and also was due to a higher discount rate applied in the determination of biological assets from 15.8% to 16.4%.

As at 31 December 2014, the Group had cash and cash equivalents of $125.9 million and borrowings of $34.9 million, resulting in a net cash position of $91.0 million, compared to $63.7 million at 31 December 2013.

In spite of the challenging market conditions the Board has continued to invest in the development of new assets. The Group planted 3,403ha of oil palms in 2014 of which 1,019ha comprised of replanting. This was less than planned, due primarily to delays in finalising agreement with villagers for land compensation payments in Bengkulu, Bangka and Kalimantan.

The mill construction in Central Kalimantan is progressing well. The mill, ancillary buildings, roads and locally fabricated mechanical works are about 80% completed while the imported processing equipment for the mill is being delivered in stages for installation in first quarter of 2015. This mill, with an initial capacity of 45mt/hr, is expected to be operational in second quarter of 2015. As previously reported the construction of another mill in North Sumatera is deferred while the Board considers further the relative cost advantages of two selected possible sites.

AEP embraces the Group's responsibility for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of wider society. In meeting the Group's Corporate Social Responsibility ("CSR") obligations it is cognisant of the contribution and welfare of its employees while continuing to contribute to improve the well-being of the community.

The construction of the $5 million biogas and biomass plant for one of the mills in North Sumatera has been completed and is in operation. The plant besides producing dried long fibres from empty fruit bunches for export, is also producing biogas which reduces the mill dependence on electricity produced from fossil fuels. There is a significant reduction in the emission of greenhouse gas which was discharged from effluent treatment in the anaerobic lagoons. We anticipate that the biogas plant with a one megawatt generator will generate excess electricity power of about 3.6 million kw per annum of which the plant plans to sell to the Indonesian National Electricity Company. The successful implementation and running of this project will pave the way for further similar undertaking in the Group's other

palm oil mills. Although the biogas and biomass project is not a requirement of Indonesian Sustainable Palm Oil ("ISPO"), it is nevertheless environmentally friendly and is expected to provide a return on investment of about 6 years.

The Group has registered all its Indonesian operating subsidiaries for the ISPO certification. In January 2014, three subsidiaries were ISPO certified while another is awaiting certification approval after completion of all requirement. Seven subsidiaries are at various stages of certification audit. It was reported in October 2014 that of the 880 companies applying for ISPO certification, only 63 companies have so far been certified due mainly to a shortage of certification auditors. The Chairman of ISPO announced in December 2014 that the deadline for registration of all palm oil companies for ISPO certification has been extended by another 18 months. The ISPO certification of the Group estates and mills will continue in 2015.

The majority of our employees working at the Group's plantations and mills, together with their families and dependents, are housed in self-contained communities constructed by the Group. Employees and their dependents are provided with free housing, clean water and electricity. Within these communities we also build and maintain places of worship, schools and sports facilities. In 2014, the Group spent $234,475 to build additional facilities and maintain these amenities and will continue to incur community development expenditure in 2015.

The Group also recognises its obligations to the wider farming communities in which it operates. The Indonesian authorities have established that not less than 20% of the new planted areas acquired from 2007 onwards are to be reserved for the benefit of smallholder cooperatives, known as Plasma scheme, and the Group is integrating such smallholder developments alongside its estates. The Group has to-date planted 734ha for Plasma and this number is expected to increase in the coming years. This will help maintain and improve the Group's relationship with the local communities. In order to aid the development of Plasma scheme, a subsidiary provided a corporate guarantee to a local bank in excess of $18 million to cover loans raised by the cooperative.

The Board supported Kebun Kas Desa (village's scheme) development programme to supplement the livelihood of the villages. The Group provides technical and management expertise to villagers and has to-date financed, developed and managed 22 smallholder village schemes across four companies.

The Board is mindful that given the anticipated further capital commitments the level of dividend needs to be balanced against the planned expenditure. The Board is also mindful of shareholders' sentiment and therefore declared a final dividend of 3.0p per share in respect of the year to 31 December 2014 (2013: 3.0p). Subject to approval by shareholders at the Annual General Meeting, the final dividend will be paid on 10 July 2015 to those shareholders on the register on 12 June 2015.

The Board views the prospects for 2015 with cautious optimism. It was reported that the import for oils and fats has been growing at an average of 2.2 million mt per annum over the last 3 years. The continuing rise in income levels and population growth in China, India and Indonesia would be expected to drive the consumption of CPO and likely lead to a gradual recovery in CPO prices. The possibility of price recovery over the next few months is limited due to an ample supply of vegetable oils coming onto the market. Weaker currencies in Malaysia and Indonesia which makes CPO cheaper may perhaps stimulate the purchase by foreign refiners.

The Group expects to face tougher challenges with steeper rise in operating costs in 2015 due to rising fertiliser prices, higher wage inflation and removal of government fuel subsidies in Indonesia.

I wish to highlight the introduction of the new law on Plantation by the Indonesian Government in October 2014 as detailed under Principal risks and uncertainties - Country of the Strategic Report. The new law inter alia mandated the Government to prioritize domestic investments in the plantation business development and restricts foreign investments in the same sector based on types of plantation crops, business scale and conditions of a particular region; and possibly in the future, may set a cap on foreign investments.

On behalf of the Board of Directors, I would like to convey our sincere thanks to our management and all employees of the Group for their dedication, loyalty, resourcefulness, commitment and contribution to the success of the Group.

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

Madam Lim Siew Kim

Chairman

29 April 2015

Business Model

The Group will continue to focus on its strength and expertise which are planting more oil palms which includes replanting old palms with low yield, replace old rubber trees with palm trees and building more mills to process the FFB. The Group has over the years created value to shareholders through expansion in a responsible way. We have in the last few years bought and invested in new tracts of land and portions remain to be planted. Good land at reasonable price has become more scarce. The Indonesian government has in 2014 moved to introduce a law to cap the size of new plantations owned by foreign companies. The Group remains committed to use its available resources to develop the land bank in Indonesia as regulatory constraints permit.

The Group's objectives are to provide appropriate returns to investors in the long term from operation as well as expansion of the Group's business, to foster economic progress in the localities of the Group's activities and to develop the Group's operations in accordance with the best corporate social responsibility and sustainability standards.

We believe that sustainable success for the Group is best achieved by acting in the long-term interests of our shareholders, our partners and society.

Our Strategy

The Group's objectives are to provide an appropriate level of returns to the investors and to enhance shareholders' value. Profitability however is very much dependent on the CPO price which is volatile and determined by supply and demand. In the short term, CPO price remains under pressure due to the abundance of vegetable oil and the falling crude oil prices which undermine the potential of CPO as a source for biodiesel. However the Group believes in the long-term viability of palm oil which remains a cheap and the most productive source of vegetable oil in a growing population.

The Group's strategies therefore focus on maximising yield per hectare above 22mt/ha, mill production efficiency of 110%, minimising production costs below $300/mt and streamlining estate management. For the year under review, the Group achieved a yield of 19.1mt/ha, 115% mill efficiency and production cost of $247/mt. This compared to 2013 yield of 19.5mt/ha, 102% mill efficiency and production cost of $276/mt. Despite stiff competition for external crops from surrounding millers, the Group is committed to purchase more external crops from third parties at competitive, yet fair prices, to maximise the efficiency of the mills. With higher throughput, the mills achieved economy of scales in production. A mill achieves 100% mill efficiency when it operates 16 hours a day for 300 days per annum.

In line with the commitment to reduce its carbon foot prints, the Group plans to construct in stages biogas plants at all its mills to tap the methane gas to generate electrical power and at the same time reduces the consumption of fossil fuel. It plans to reduce greenhouse gas emissions per metric ton of CPO produced in the next two to three years.

The Group will continue to follow-up and offer competitive and fair compensation to villagers so that land can be cleared and planted.

Financial Review

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 European Union ("EU") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

For the year ended 31 December 2014, revenue for the Group was $251.3 million, 24% higher than $201.9 million reported in 2013 due primarily to the increase in FFB production and higher purchase of third party crops for the mills.

Group operating profit for 2014 before biological asset adjustment was $78.8 million, 32% more than $59.6 million in 2013.

FFB production for 2014 was 857,400mt, 9% higher than the 787,500mt produced in 2013. The yield remains below expectation due primarily to the lagged effect from dry weather in first three months of the year in North Sumatera and parts of Peninsular Malaysia, followed by wide spread flooding in North Sumatera at the end of the year and a higher proportion of young palms. FFB bought-in from local smallholders for 2014 was 626,200mt (2013: 496,600mt), 26% higher compared to 2013. The supply of third party crops was visibly lower in the third quarter of 2014 due to a low crop cycle and impact of dry weather. The drought induced tree stress resulted in late ripening of the fruits. During the year, FFB processed by the Group's mills was 1.38 million mt, 12% higher than last year of 1.23 million mt and CPO production was 12% higher at 294,200mt, compared to 262,600mt in 2013.

Profit before tax and after BA adjustment for the Group was $51.2 million, 67% lower compared to $153.4 million in 2013. The BA adjustment was a debit of $33.7 million, compared to a credit of $93.7 million in 2013. The CPO price for 2014 was very volatile. It ended the year at $700/mt lower than the 10-year average CPO price at $750/mt for the first time. As a result the directors have benchmarked the 10-year average CPO price assumptions against market expectations and have adopted the CPO price of $700/mt used in last year's computation of biological assets to represent a more sustainable CPO price over the long term and have maintained the price for the current year. This is supported by the World Bank Commodities Price Forecast for palm oil for 2015 at $700/mt. The lower biological value was due to the weakening of Rupiah against US Dollar and also was due to a higher discount rate applied in the determination of biological assets from 15.8% to 16.4%. The higher discount rate is a reflection of the increased sovereign risks in Indonesia.

The average CPO price for 2014 was $815/mt, 5% lower than 2013 of $857/mt.

Earnings per share before BA adjustment increased by 46% to 132.26cts compared to 90.70cts in 2013. Earnings per share after BA adjustment fell from 235.95cts to 77.61cts.

The Group's balance sheet remains strong notwithstanding an unrealised exchange loss on translation of foreign subsidiaries of $12.0 million compensated by a land revaluation gain of $0.3 million net of deferred tax. As at 31 December 2014, the Group had cash and cash equivalents of $125.9 million and borrowings of $34.9 million, giving it a net cash position of $91.0 million, compared to $63.7 million in 2013. Net Group's borrowings in the year reduced to $34.9 million (2013: $35.0 million). For these reasons, the Group adopts a going concern basis of accounting and believe the Group will continue operation and meet its liabilities for the foreseeable future.

Business Review

Indonesia

FFB production in North Sumatera, which aggregates the estates of Tasik, Anak Tasik, Labuhan Bilik, Blankahan, Rambung, Sg Musam and Cahaya Pelita ("CPA"), produced 342,900mt in 2014 (2013: 339,100mt), 1% higher than 2013. In November and December 2014, CPA experienced heavy rainfall that inundated over 2,000ha of the plantation. About 1,400mm of rain fell over 22 days resulting in a flash flood that reached up to 1.5 metre high. The evacuation of FFB was not possible until the flood receded. A larger budget will be allocated to build canals and water gates as part of its flood mitigation program at CPA.

Ganoderma fungus which attacks the root system of palm oil was discovered in 8.7% of Anak Tasik plantation covering 766ha. Since it was first detected in 2007, it has caused the removal of 7,500 palms. Good sanitation and high standards of agronomic practices remain the main priority to avoid spreading of the infection. We are currently conducting trials using probiotic microorganism to improve the soil condition. Insect damage by Oryctes beetle andtermites resulting in significant loss of newly planted palm continued to affect trees in Labuhan Bilik and to a smaller extent in Blankahan. A combination of treatment with pheromone-trap and insecticide were used to control the insect population. 270ha of rubber trees in Rambung were also infected by White root disease which were treated with Anvil fungicide and the situation has since improved. A replanting programme covering over 1,019ha in Tasik was completed in November 2014. Replanting was necessary due to declining yield as workers find it difficult to harvest the palm trees which were about 30 years old as they have reached an average height of 16 to 18 metres tall.

FFB production in Bengkulu and South Sumatera, which aggregates the estates of Puding Mas, Alno, KKST, ELAP and RAA produced 304,200mt (2013: 277,800mt), 9% higher than 2013. With fair weather in Bengkulu, about 40km of roads were resurfaced with tar while another 680km of roads were graded and compacted with either gravel or laterite soil to improve transport of FFB. As most of the estates are situated close to forest reserves, wild boars and herds of elephants continued to damage palm trees. Deep trenches and fencing provide temporary relief. The protracted negotiation with the villagers over land compensation will have an effect on the future planting in Bengkulu and South Sumatera.

FFB production in the Riau region, comprising Bina Pitri estates, produced 116,700mt in 2014 (2013: 116,200mt), marginally higher than 2013. On the other hand, CPO production improved by 13% due to the higher purchase of FFB from smallholders despite the competitiveness for external crops from millers. Our mill offered higher prices for external crops raising the mill utilization rate at the expense of a lower operating margin.

FFB production in Kalimantan which comprises of the Sawit Graha Manunggal estates produced 65,700mt in 2014 (2013: 25,400mt) mainly from newly matured oil palm area of 4,651ha. FFB yield has surpassed expectation despite the sandy soil condition. FFB yield from trees planted in 2010 averaged 8 to 11mt/ha. The low rainfall over a four month period in the third and beginning of fourth quarter of 2014 is likely to affect the FFB production in 2015.

Overall bought-in crops for Indonesian operations were 26% higher at 626,200mt for the year 2014 (2013: 496,600mt). The average oil extraction rate from our mills was 21.3% in 2014 (2013: 21.4%). The extraction rate was lower due to the lower quality of external crops.

Malaysia

FFB production in 2014 was 3% lower at 28,000mt, compared to 29,000mt in 2013. The Malaysian operations faced difficulty in recruiting foreign workers hampering harvesting and estate work. In December 2014, the harvest was interrupted for two weeks as the estates were inaccessible due to flooding and landslide brought about by the incessant year end monsoon rain and seasonal high tide. The Malaysian plantations had $0.9 million pre-tax loss in 2014 while it broke even in 2013.

Commodity Prices

The CPO CIF Rotterdam price started the year at $890/mt (2013: $835/mt) and reached a peak of $993/mt in March 2014 before retreating to lower levels for the rest of the year. It ended the year at $700/mt (2013: $905/mt), averaging $815/mt for the year (2013: $857/mt).

The soft demand for palm oil due to the abundance of soya and sunflower oil is likely to curb a quick recovery of the CPO price. The sudden drop in crude oil prices in the last quarter of 2014 did not help to boost the competitiveness of CPO as a source of biodiesel. Perhaps the continuing rise in income levels and population growth in China, India and Indonesia may drive the consumption of CPO and would likely lead to a gradual recovery in CPO prices. The price differential between CPO and soya oil which has narrowed would remain a concern as a smaller spread could prompt CPO buyers to switch to rival soya oil. The successful efforts of Indonesia and Malaysia to introduce mandatory blending of biodiesel for industrial and commercial purposes likewise could provide some price support.

Rubber prices averaged $1,605/mt for 2014 (2013: $2,361/mt). Our small area of 668ha of mature rubber contributed a revenue of $1.8 million in 2014 (2013: $2.5 million).

Corporate Development

In 2014, the Group opened up new land and planted 2,384ha of oil palm mainly in Kalimantan, boosting planted area including Plasma by 4% to 63,500ha (2013: 61,100ha). In the same period, 13ha of matured planting was cleared to make way for effluent treatment plant and nurseries. This excludes the replanting of 1,019ha of oil palm in North Sumatera. New plantings remain behind schedule due to delays in finalising settlement of land compensation with villagers in Bengkulu, Bangka and Kalimantan. The villagers seek compensation beyond what the Group considered fair and reasonable resulting in protracted negotiations.

The mill construction in Central Kalimantan is progressing on schedule. This mill with an initial capacity of 45mt/hr is expected to be operational in the second quarter of 2015.

The biogas and biomass plant completed at a cost of $5 million is in operation. The power produced from the biogas plant is utilized in the biomass plant to produce dried long fibres for export. There are plans to sell the surplus power amounting to 3.6 million kw per year to the Indonesian National Electricity Company.

The successful implementation and running of this project will pave the way for further similar undertakings for the rest of the Group's mills.

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.

The majority of employees and their dependents in the plantations and mills are housed in self-contained communities built by the Group. The employees and theirdependents are provided with free housing, clean water and electricity. The Group also builds, provides and repairs places of worship for workers of different religious faiths as well as schools and sports facilities in these communities.In 2014, the Group spent $234,475 to build additional facilities and to maintain these amenities. This includes construction of a new school and kindergarten, renovation of 13 existing schools and procurement of four new school buses. It will continue to incur community development expenditure in 2015.

Staff and selected employees are given the opportunity to be trained and to attend seminars to enhance their workingskills and capacity. The Group provides free education for allemployees' childrenin the local plantations and communities where they work. In 2014, scholarships amounting to $27,316 were provided to children in surrounding villages and selected employees' children to further their tertiary education in collabration with a university in Bengkulu. In addition the Group provides funding to construct educational facilities such as laboratories, libraries, and computers. The salaries of teachers in the estates and the cost ofschool buses to transport employees' children to theschools are provided by the Group. Over the years atotal of 33 schools have been built with 116 teachers currentlyemployed within our Group estates. In 2014, the Groupspentsome $778,053 on running the schools.

The Group continues to provide free comprehensive health care for all its workers as we believe that every employee and their dependents should have easy access to health services. We have established 21clinicsoperated by qualified doctors, nurses and hospital assistants in the estates.Related healthcare expenses for 2014 were $694,771.

A strong commitment to CSR has a positive impact on employees' attitudes and boosts employee recruitment. The Group realizes that employees are valuable assets in order to run an efficient, effective, profitable and sustainable business and operations.

The Group also recognises its obligations to the wider farming communities in which it operates. The Indonesian authorities have established that not less than 20% of the new planted areas acquired from 2007 onwards are to be reserved for the benefit of smallholder scheme cooperatives, known as Plasma scheme, and the Group is integrating such smallholder developments alongside its estates. In order to aid the development of Plasma scheme, a subsidiary provided a corporate guarantee to a local bank in excess of $18 million to cover loans raised by the cooperatives.

The Board supported Kas Desa smallholder village development programme to supplement the livelihood of the villages. The Group has to-date financed, developed and managed 22 smallholder village schemes across four companies.

In addition to education and healthcare which includes the construction of schools, provision of scholarships, books, the Group also develops infrastructure such as construction and repair of 18 bridges and 170km of roads. The Group also provides aid to villagers such as fruit seedlings, fish fries, cattle and ducks to start community sustaining programs.

Indonesian Sustainable Palm Oil

The ISPO certification is legally mandatory for all plantations in Indonesia. In March 2012, ISPO, which is fundamentally aligned to RSPO (Roundtable on Sustainable Palm Oil) principles, has become the mandatory standard for Indonesian planters.

A Steering Committee was established to work out a roadmap to support the ISPO implementation at mills and estates. Workshops and training sessions on occupational safety and healthcare were carried out to inculcate a safety culture in workplaces at the estates and mills in North Sumatera, Riau and Bengkulu. During the year the Group continued toupgrade its agricultural chemical stores and diesel fuel storage tanks in various plantations and mills to meet safety and environmental standards. Standard operating procedures were refined and documented based on sustainable oil palm best practices. The Group also conducts internal audits using an audit checklist adopted from the above practices to determine the level of compliance. The Group worked closely with appointed certification consultants in the implementation of ISPO standard. In January 2014, three subsidiaries were ISPO certified while another is awaiting certification approval after completion of all requirement. Another seven subsidiaries are at various stages of certification audit.

Care For The Environment and Sustainable Practices

As a Group, we 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. Where the land is undulating, we build terraces for planting which helps to prevent landslides and provide better accessibility for employees.

Effluent discharged from some mills is initially treated in lagoons before being applied to trenches located between rows of palm trees. Once the effluent dries up, it becomes organic fertilizer for the oil palm and reduces the application and buying of inorganic fertilizers. In some estates, empty bunches are applied to land where it biodegrades to fertilizers.

The Group's first biogas and biomass project in North Sumatera which was completed in the year will enhance the waste management treatment in the mill and at the same time mitigate greenhouse biogas emissions. Under this project, the methane gas will be trapped and will be used to generate and supply power to its biomass plant without dependency on fossil fuel. Further similar undertakings for the Group's mills are planned and shall be implemented in stages.

The Group is committed to implementing good agricultural practices as spelled out in its standard operating procedures for the planting of oil palm. Integrated Pest Management has been adopted to control pests and to improve biological balance.

Barn Owls were introduced to control rats. Beneficial plants of Turnera sp, Cassia cobannesisand Antigonon leptosuswere planted to attract predator insects of caterpillar pests. Weeds are controlled selectively by using more environmental friendly herbicide such as Glyphosate.

The usage of Paraquat herbicide and chemicals has been reduced and minimized to control weeds and vermins.The sprayers are also trained insafety and spraying techniques. The chemicals are kept in designated storage and examined at regular intervals. Employees who handled the use of chemicals undergo medical examination. Naturalvegetation on uncultivable land such as deep peat, very steep areas and riparian zones along watercourses aremaintained to preserve biodiversity and wildlife corridors.

Two mills in the Bengkulu region have beeninstalled with Extended Aeration to enhance treatment of the mill effleunts by mechanical aeration at a cost of about $500,000.

All our mills utilize the waste mesocarp fibre from the oil palm fruits as fuel to generate steam from boilers to eventually produce power from steam turbines. The power generated drives all of the processing equipment in mills and estate housing. This helps to reduce reliance on fossil fuel such as diesel in our milling operations.

The Group continues to comply and preserve the High Conservative Value ("HCV") areas recognised by the Department of Forestry.

Principal risks and uncertainties

The Group's business involves risks and uncertainties of which the Directors currently consider the following to be material. There are or may be other risks and uncertainties faced by the Group that the Directors currently deem immaterial, or of which they are unaware, that may have a material adverse impact on the Group. The Board carries out a robust assessment of the principal risks facing the Group on an annual basis.

Country

The Group's operations are located substantially in Indonesia and therefore significantly rely on economic and political stability in Indonesia. The country has recently benefited from a period of relative political stability, steady economic growth and stable financial system. The election of the new President in July 2014 was relatively peaceful despite attempts by the opposition to challenge the results. The new

government has introduced highly unpopular measures to rein in the country fiscal deficits. The Board is not aware of any attempt by the new government to impose exchange controls that would restrict the transfer of profits from Indonesia to the UK. The Board perceives that the Group will be able to continue to extract profits from its subsidiaries in Indonesia for the foreseeable future.

The Group acquires the land exploitation rights ("HGU") after paying land acquisition and HGU processing costs. These costs are capitalized as land asset costs since the asset characteristics fulfill the recognition criteria. The Group holds its land under 25 or 35 year renewable leases which the Directors believe will be renewed when due by complying with existing law and regulations. Any changes in law and regulations relating to land tenure could have negative impact on the Group's activities.

The Indonesian Government passed a Law No. 39 on Plantation, in October 2014 which specifies that plantation business development shall be prioritized to domestic investments and the amount of foreign direct investments shall be limited with regard to national interest and it also provides that restrictions on foreign investment shall be based on types of plantation crops, business scale and conditions of a particular region and these shall be regulated by Government regulations. Since the introduction of the new law, there is no indication so far by the Indonesian Government as to how the new law maybe applied to oil palm plantations and the criteria for which the factors stated above will be applied in regard to any restriction of foreign investment. Until the said Government regulations are introduced, the impact of this new law cannot be assessed fully at this juncture.

Exchange Rates

CPO is a US Dollar denominated commodity and a significant proportion of revenue costs in Indonesia (such as fertiliser and fuel) and development costs (such as heavy machinery and mills equipment) are imported and are US Dollar related. Adverse movements of Rupiah against US Dollar can have a negative effect on the operating costs. The Rupiah has depreciated by 2% against US Dollar in 2014, on top of 26% depreciation in 2013. The Board has taken the view that these risks are inherent in the business and feels that adopting hedging mechanisms to counter the negative effects of foreign exchange volatility are both difficult to achieve and would not be cost effective.

Weather and natural disasters

Oil palms rely on regular sunshine and rainfall but these weather patterns can vary and extremes such as unusual dry periods or, conversely, heavy rainfall leading to flooding in some locations do occur. Dry periods, in particular, will affect yields in the short and medium terms but any deficits caused tend to be made up at a later date. North Sumatera experience low rainfall for the first three months of 2014 while Central Kalimantan had 4 months of low rainfall in the third and fourth quarter of 2014 which will have impact on the FFB production in 2015. High levels of rainfall can disrupt estate operations and result in harvesting delays with loss of oil palm fruits or deterioration in fruit quality. Any delay in collection of harvested FFB during the rainy season could also raise the level of free fatty acid ("FFA") in the CPO. CPO with higher level of FFA is normally sold at a discount to market prices. The high rainfall of 1,400mm over 22 days experienced by the plantations in CPA in November and further floods in December 2014 damaged the roads resulting in difficulty in transportation of FFB to the mills. Where appropriate, bunding is built around flood prone areas and canals/drainage constructed and adapted either to evacuate surplus water or to maintain water levels in areas quick to dry out. Where practical, natural disasters are covered by insurance policy. Low level of sunshine could result in delay in formation of FFB resulting in potential loss of revenue. The geographical spread of the plantations should nevertheless mitigate the risks of weather related events.

Cultivation risks

As in any plantations business, there are risks that crops from the Group's estate operations may be affected by pests and diseases like ganoderma fungus and white rot. Crop damages by oryctes beetles, nettie caterpillar, termites, vermins, elephants and wild boars are common. Agricultural best practice and husbandry can to some extent mitigate these risks but they cannot be entirely eliminated.

Other operational factors

The Group's plantation productivity is dependent upon necessary inputs, including, in particular fertiliser, spare-parts, chemicals and fuel. Whilst the Directors have no reason to anticipate shortages of such inputs, Group's operations could be materially disrupted should such shortages occur over an extended period. Increase in prices would significantly increase production costs. With the removal of fuel subsidy by the new Indonesian government in January 2015, diesel will be priced in accordance to global oil prices. When global oil prices rise, it will put pressure on production inputs which includes the transportation of FFB.

The Group has bulk storage facilities located within its mills which are adequate to meet the Group's requirements for CPO storage. Nevertheless, delays in collection of CPO sold could result in CPO production exceeding the available CPO storage capacity. This would likely force a temporary halt in FFB processing resulting in loss of crop.

The Group maintains insurance to cover those risks against which the Directors consider it economical to insure. Certain risks (including the risk of crop loss through fire, earthquake, flood and other perils potentially affecting the planted areas on the Group's estates) if materializes could dent the potential revenues, for which insurance cover is either not available or would in the opinion of the Directors be disproportionately expensive, are not insured. These risks are mitigated by the geographical spread of the plantations and to the extent feasible by management practices but an occurrence of an adverse uninsured event could result in the Group sustaining material losses.

There have been substantial increases in governmental directed minimum wage levels in Indonesia. The Group pays not less than the minimum wage and the increase will result in a significant rise in Group's employment costs. The regional hikes in minimum wages for 2015 ranges from 8.9% in South Sumatera to 27.4% in Bangka. Higher wages will erode the profitability as it forms a substantial part of the production costs.

Produce prices

The profitability and cash flow of the plantation operations depend upon world prices of CPO and upon the Group's ability to sell CPO at price levels comparable with world prices.

CPO is a primary commodity and is affected by the world economy, levels of inflation, availability of alternative soft oils such as soya and sunflower oils. CPO price also moves in tandem with crude oil prices which determines the competitiveness of CPO as a source of biodiesel. This may lead to significant price swings although, the Directors believe that such swings should be moderated by continuous demand in economies like China, India and Indonesia.

Indonesia followed Malaysia to slash the CPO export tax to 0% from October 2014 and will result in cheaper CPO to foreign refiners. Larger export would lead to lower inventory of CPO which augurs well for produce price.

Expansion

The Group is planning to plant more oil palm. In areas where the Group holds the land rights (or Izin lokasi), the settlers and land owners are compensated before land is cleared for planting. The Group compensates the settlers and land owners in a transparent and fair way. The negotiation for compensation can, however, involve a considerable number of local individuals with similar ownership claims and this can cause difficulties in reaching agreement with all affected parties. Such difficulties have in the past caused delays to the planting programmes. It is rather difficult to foresee with reliable accuracy what area will be available for planting out of the total area covered by land rights. Much depends upon the success of negotiations with settlers and land owners and satisfactory resolution of land title issue. The Group has to-date mixed success in managing such periodic delays and disruptions especially in South Sumatera, Bengkulu, Bangka and Kalimantan.

The Directors believe that when the land becomes available for planting, the development programmes can be funded from available Group cash resources and future operational cash flows, supplemented with external debt funding. Should, however, land or cash availability fall short of expectations and the Group is unable to secure alternative land or funding, the Group's continued growth may be delayed or curtailed.

Environmental and governance practices

The Group's management and Directors take seriously their environmental and social responsibilities. The ISPO which fundamentally aligns with RSPO principles became the mandatory standard for all Indonesian planters in March 2012.

The estates in North Sumatera are long established. Management follows industry best-practice guidelines and abides by Indonesian law with regard to such matters as application of fertilisers, health and safety. The Group uses empty fruit bunches for mulching in the estates which is a form of fertiliser and reduces the consumption of inorganic fertilisers. The liquid effluent from the mills after treatment is applied to trenches in the estates as a form of fertiliser. The biogas and biomass plant in North Sumatera will enhance the waste management treatment of that mill and at the same time mitigate emissions of biogas. The mill is also expected to generate economic returns by the sale of dried long fibres which is processed from empty fruits bunches. It also plans to sell excess electricity to the government's state electricity grid. The successful implementation and running of this project will pave the way for further similar undertakings for the rest of the Group's mills.

The Group has had an environmental impact assessment undertaken by an independent consultant for its new project in Kalimantan.

The Group recognises that its plantations hire large numbers of people and have significant economic importance for local communities in the areas of the Group's operations. Any major disputes with employees could disrupt operations. This imposes social and governance obligations which bring with them risks that any failure by the Group to meet the standards expected of it may result in reputational and financial damage. The Group seeks to mitigate such risks by establishing standard procedures which is fair to ensure that it meets its obligations, monitoring performance against those standards and investigating thoroughly and taking action to prevent recurrence in respect of any failures identified. The Group undertakes periodic reviews of its management performance in relation to various matters and this review pays particular attention to the manner in which the Group has discharged its corporate social responsibilities including setting up of Plasma schemes for its new plantations.

Social, community and human rights issues

Any material breakdown in relations between the Group and the host population in the vicinity of the operations could disrupt the Group's operations. The Group therefore endeavours to mitigate this risk by liaising regularly with representatives of surrounding villages and by seeking to improve local living standards through mutually beneficial economic and social interaction with the local villages. In particular, the Group, when possible, gives priority to applications for employment from members of the local population and supports specific initiatives to encourage local farmers and tradesmen to act as suppliers to the Group, its employees and their dependents. The Group spends considerable sums of money constructing new roads and bridges and maintaining existing roads used by villagers and the Group for the transportation of FFB. The Group also provides technical and management expertise to villagers to develop oil palm plots or Kebun Kas Desa (village's scheme) surrounding the operating estates. The returns from these plots are used to improve villages' community welfare. The Group also provides corporate guarantee to cooperatives who borrow from local bank to finance the development of the Plasma scheme mandated by the government. The loan is primarily secured by a charge over the Plasma land owned by the cooperatives.

Gender diversity

The AEP Plc Board is composed of three men and one woman with extensive knowledge in their respective fields of experience. The Board has taken note of the recent legislative initiatives with regard to the representation of women on the boards of Directors of listed companies and will make every effort to conform to its composition based on legislative requirement.

	2014 average employed during the year		
Group Headcount	Women	Men	Total
Board	2	11	13
Senior Management (GM and Above)	-	11	11
Managers & Executives	23	363	386
Full Time	168	4,944	5,112
Part-time Field Workers	3,005	6,682	9,687
Total	3,198	12,011	15,209
%	21%	79%	100%

	2013 average employed during the year		
Group Headcount	Women	Men	Total
Board	2	9	11
Senior Management (GM and Above)	1	13	14
Managers & Executives	32	360	392
Full Time	152	4,878	5,030
Part-time Field Workers	2,968	7,854	10,822
Total	3,155	13,114	16,269
%	19%	81%	100%

Although the Group provides equal opportunities for female workers in the plantations, the male workers make up a majority of the field workers due to the nature of work and the remote location of plantations from the towns and cities. Nevertheless the percentage of women workforce within the Group increased from 19% in 2013 to 21% in 2014.

Employees

In 2014, the number of full time workforce averaged 5,522 (2013: 5,447) while the part-time labour averaged 9,687 (2013: 10,822).

The Group has formal processes for recruitment particularly key managerial positions, where psychometric testing is conducted to support the selection and hiring decisions. Exit interviews are also conducted with departing employees to ensure that management can address any significant issues.

The Group a has a programme for recruiting graduates from Indonesian universities to join existing employees selected on regular basis to training programmes organised by the Group's training centre that provides grounding and refresher courses in technical aspects of oil palm estate and mill management. The training centre also conducts regular programmes for all levels of employees to raise the competency and quality of employees in general. These programmes are often supplemented by external management development courses including attending industry conferences for technical updates. A wide variety of topics is covered including work ethics, motivation, self-improvement, company values, health and safety.

A large workforce and their families are housed in the Group's housing across the Group's plantations. The Group further provides at its own cost water and electricity and a host of other amenities including places of worship, schools and clinics. On top of competitive salaries and bonuses, extensive benefits and privileges help the Group to retain and motivate its employees.

The Group promotes a policy for creation of equal and ethnically diverse employment opportunities including with respect to gender.

The Group has in place key performance linked indicators to determine increment and bonus entitlements for its employees.

The Group promotes and encourages employee involvement in every aspect wherever practical as it recognises employees as a valuable asset and is one of the key contributions to the Group's success. The employees contribute their ideas, feedback and voice out their concerns through formal and informal meetings, discussions and annual performance appraisal. In addition, various work related and personal training programmes are carried out annually for employees to promote employee engagement and interaction.

Although the Group does not have a specific policy on employment of disabled persons, it however employs disabled persons as part of its workforce. The Group welcomes disabled persons joining the Group based on their suitability.

Outlook

FFB production for three months to March 2015 was 5% lower against the same period in 2014. Although the weather has been relatively wet so far this year, it is too early to forecast whether the production will be better for the rest of the year.

The CIF (Cost, Insurance, Freight) Rotterdam CPO price opened the year 2015 at $703/mt and prices are expected to be in the range of $600/mt to $800/mt for the first half of 2015.

It was reported that the US Dollar appreciated by approximately 2% (2013: +26%) against the Indonesian Rupiah in 2014 as foreign funds pulled out from Indonesia's equity and bonds markets and fund managers repositioned their riskier asset classes in emerging economies. Rupiah weakened further about 5% against US Dollar in early 2015. The Rupiah may be subjected to some degree of volatility until reforms undertaken by new government raise potential growth in Indonesia. Some fund managers see a depreciating Rupiah not an indication of crisis but should be seen as a welcome development for improving export competitiveness. A weaker Rupiah makes palm oil cheaper and may stimulate purchases by foreign refiners.

The continuing rise in income levels and population growth in China, India and Indonesia would be expected to drive the consumption of CPO and likely lead to a gradual recovery in CPO prices. The price differential between CPO and soya oil which has narrowed from a 10-year discount average of $160/mt to around $100/mt would remain a concern as a smaller spread could prompt CPO buyers to switch to rival soya oil. However the Indonesian and Malaysian government efforts to rein in fiscal deficits by successfully introducing mandatory blending of biodiesel up to 10% effective for industrial and commercial purposes could provide some price support.

The rising material costs and wages in Indonesia are expected to increase the overall production cost in 2015. Indonesia's minimum wage has increased at an average rate of between 8% and 15% per annum over the last few years. The Indonesian government recently announced regional hikes in 2015 minimum wage ranging from 8.9% in South Sumatera to 27.4% in Bangka. These wage hikes will raise overall estate costs and erode profit margins. A depreciating Rupiah would also mean that imports of fertilisers and equipment for the mills and estates will be more costly.

Nevertheless barring any unforeseen circumstances, the Group is confident that CPO demand will be sustainable in the long term on the backdrop of global economic recovery and we can expect a satisfactory profit level and cash flow for 2015.

On behalf of the Board

Dato' John Lim Ewe Chuan

Executive Director, Corporate Finance and Corporate Affairs

29 April 2015

Consolidated Income Statement

For the year ended 31 December 2014

		2014			2013		
Continuing operations	Note	Result before BA adjustment	BA adjustment	Total	Result before BA adjustment	BA adjustment	Total
		$000	$000	$000	$000	$000	$000
Revenue	2	251,258	-	251,258	201,917	-	201,917
Cost of sales		(164,666)	-	(164,666)	(133,400)	-	(133,400)
Gross profit		86,592	-	86,592	68,517	-	68,517

Biological asset revaluation movement		-	(33,718)	(33,718)	-	93,661	93,661
Administration expenses		(7,747)	-	(7,747)	(8,898)	-	(8,898)
Operating profit		78,845	(33,718)	45,127	59,619	93,661	153,280
Exchange gains / (losses)		852	-	852	(2,781)	-	(2,781)
Finance income	3	7,276	-	7,276	4,676	-	4,676
Finance expense	3	(2,019)	-	(2,019)	(1,774)	-	(1,774)
Profit before tax	4	84,954	(33,718)	51,236	59,740	93,661	153,401
Tax expense		(20,967)	8,429	(12,538)	(16,178)	(23,415)	(39,593)
Profit for the year		63,987	(25,289)	38,698	43,562	70,246	113,808
Attributable to:							
- Owners of the parent		52,422	(21,660)	30,762	35,950	57,571	93,521
- Non-controlling interests		11,565	(3,629)	7,936	7,612	12,675	20,287
		63,987	(25,289)	38,698	43,562	70,246	113,808
Earnings per share for profit attributable to the owners of the parent during the year							
- basic	7			77.61cts			235.95cts
- diluted	7			77.53cts			235.67cts

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	2014	2013
	$000	$000
Profit for the year	38,698	113,808
Other comprehensive income:		
Items may be reclassified to profit or loss:		
Loss on exchange translation of foreign operations	(12,019)	(112,824)
Net other comprehensive expense may be reclassified to profit or loss	(12,019)	(112,824)

Items not to be reclassified to profit or loss:		
Unrealised gain on revaluation of the estates	386	31,807
Deferred tax on revaluation of assets	(96)	(7,951)
Remeasurement of retirement benefits plan	(680)	278
Deferred tax on retirement benefits	170	(71)
Net other comprehensive (expense) / income not being reclassified to profit or loss	(220)	24,063
Total other comprehensive expenses for the year, net of tax	(12,239)	(88,761)
Total comprehensive income for the year	26,459	25,047
Attributable to:		
- Owners of the parent	21,188	21,508
- Non-controlling interests	5,271	3,539
	26,459	25,047

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	2014 $000	2013 $000
Non-current assets			
Biological assets	9	251,374	265,835
Property, plant and equipment	9	227,380	213,342
Receivables		3,007	5,649
		481,761	484,826
Current assets			
Inventories		7,846	8,448

Tax receivables	9,231	8,464
Trade and other receivables	8,807	7,271
Cash and cash equivalents	125,937	98,738
	151,821	122,921
Current liabilities		
Loans and borrowings	(313)	(84)
Trade and other payables	(21,010)	(15,331)
Tax liabilities	(10,752)	(4,988)
Dividend payables	(20)	-
	(32,095)	(20,403)
Net current assets	119,726	102,518
Non- current liabilities		
Loans and borrowings	(34,625)	(34,937)
Deferred tax liabilities	(44,368)	(55,298)
Retirement benefits - net liabilities	(4,445)	(3,099)
	(83,438)	(93,334)
Net assets	518,049	494,010
Issued capital and reserves attributable to owners of the parent		
Share capital	15,504	15,504
Treasury shares	(1,171)	(1,171)
Share premium	23,935	23,935
Capital redemption reserve	1,087	1,087
Revaluation reserves	57,029	56,767
Exchange reserves	(190,503)	(181,107)
Retained earnings	521,355	493,031
	427,236	408,046
Non-controlling interests	90,813	85,964
Total equity	518,049	494,010

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Share capital	Treasury shares	Share premium	Capital redemption	Revaluation reserve	Foreign exchange	Retained earnings	Total	Non-controlling	Total equity

	capital	shares	premium	reserve	reserve	reserve	earnings		interests	equity
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 31 December 2012 after restatement	15,504	(1,171)	23,935	1,087	36,799	(88,838)	401,006	388,322	83,043	471,365
Items of other comprehensive income										
-Unrealised gain on revaluation of estates, net of tax	-	-	-	-	20,062	-	-	20,062	3,794	23,856
-Disposal of land	-	-	-	-	(94)	-	94	-	-	-
-Remeasurement of retirement benefit plan, net of tax	-	-	-	-	-	-	194	194	13	207
-Loss on exchange translation of foreign operations	-	-	-	-	-	(92,269)	-	(92,269)	(20,555)	(112,824)
Total other comprehensive income / (expenses)	-	-	-	-	19,968	(92,269)	288	(72,013)	(16,748)	(88,761)
Profit for the year	-	-	-	-	-	-	93,521	93,521	20,287	113,808
Total comprehensive income and expenses for the year	-	-	-	-	19,968	(92,269)	93,809	21,508	3,539	25,047
Dividends paid	-	-	-	-	-	-	(1,784)	(1,784)	(618)	(2,402)
Balance at 31 December 2013	15,504	(1,171)	23,935	1,087	56,767	(181,107)	493,031	408,046	85,964	494,010
Items of other comprehensive income										
-Unrealised gain on revaluation of estates, net of tax	-	-	-	-	262	-	-	262	28	290
-Remeasurement of retirement benefit plan, net of tax	-	-	-	-	-	-	(440)	(440)	(70)	(510)
-Loss on exchange translation of foreign operations	-	-	-	-	-	(9,396)	-	(9,396)	(2,623)	(12,019)
Total other comprehensive income / (expenses)	-	-	-	-	262	(9,396)	(440)	(9,574)	(2,665)	(12,239)
Profit for the year	-	-	-	-	-	-	30,762	30,762	7,936	38,698
Total comprehensive income and expenses for the year	-	-	-	-	262	(9,396)	30,322	21,188	5,271	26,459
Dividends paid	-	-	-	-	-	-	(1,998)	(1,998)	(422)	(2,420)
Balance at 31 December 2014	15,504	(1,171)	23,935	1,087	57,029	(190,503)	521,355	427,236	90,813	518,049

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	2014	2013

	$000	$000
Cash flows from operating activities		
Profit before tax	51,236	153,401
Adjustments for:		
BA adjustment	33,718	(93,661)
Loss / (Profit) on disposal of tangible fixed assets	36	(319)
Depreciation	6,833	6,406
Retirement benefit provisions	951	1,325
Net finance income	(5,257)	(2,902)
Unrealised (gain) / loss in foreign exchange	(852)	2,781
Property, plant and equipment written off	135	97
Operating cash flow before changes in working capital	86,800	67,128
Decrease / (Increase) in inventories	451	(3,591)
Decrease in non-current, trade and other receivables	664	2,456
Increase in trade and other payables	5,929	2,400
Cash inflow from operations	93,844	68,393
Interest paid	(2,019)	(1,774)
Retirement benefit paid	(61)	(244)
Overseas tax paid	(17,756)	(23,981)
Net cash flow from operations	74,008	42,394
Investing activities		
Property, plant and equipment		
- purchase	(49,754)	(49,938)
- sale	156	641
Interest received	7,276	4,676
Net cash used in investing activities	(42,322)	(44,621)
Financing activities		
Dividends paid by Company	(1,998)	(1,784)
Drawdown of long term loans	-	10,000
Finance lease repayment	(20)	(30)
Dividends paid to minority shareholders	(402)	(618)
Repayment of existing long term loans	(63)	-
Net cash (used in) / from financing activities	(2,483)	7,568
Increase in cash and cash equivalents	29,203	5,341

Cash and cash equivalents		
At beginning of year	98,738	116,250
Foreign exchange	(2,004)	(22,853)
At end of year	125,93798,738	
Comprising:		
Cash at end of year	125,93798,738	

Notes

1 Accounting policies

Anglo-Eastern Plantations Plc ("AEP") is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The registered office of AEP is located at Quadrant House, 6th Floor, 4 Thomas More Square, London E1W 1YW, United Kingdom. The principal activity of the Group is plantation agriculture.

The financial information set out below does not constitute the company's statutory accounts for 2014 or 2013. Statutory accounts for the years ended 31 December 2014 and 31 December 2013 have been reported on by the Independent Auditors. The Independent Auditors' Reports on the Annual Report and Financial Statements for the years ended 31 December 2014 and 31 December 2013 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2013 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 December 2014 will be delivered to the Registrar in due course.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, except as detailed in the following paragraph.

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 European Union ("EU") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS as adopted by the EU.

Changes in accounting standards

a) The following new standards, interpretations and amendments are effective for the first time in these financial statements but does not have a material effect on the Group's financial statements:

- IFRS 10 Consolidated Financial Statements (effective for accounting periods beginning on or after 1 January 2014)
- IFRS 11 Joint Arrangements (effective for accounting periods beginning on or after 1 January 2014)
- IFRS 12 Disclosures of Interest in Other Entities (effective for accounting periods beginning on or after 1 January 2014)
- IAS 27 Separate Financial Statements (effective for accounting periods beginning on or after 1 January 2014)
- IAS 28 Investments in Associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2014)
- IAS 32 Amendments - Offsetting Financial Assets and Financial Liabilities (effective for accounting periods beginning on or after 1 January 2014)
- IAS 36 Amendments - Recoverable Amounts Disclosures for Non-financial Assets (effective for accounting periods beginning on or after 1 January 2014)
- IFRIC 21 Levies (effective for accounting periods beginning on or after 1 January 2014)

b) New standards, interpretations and amendments not yet effective.

The following new standards, interpretations and amendments are effective for periods beginning after 1 January 2015 and have not been applied in these financial statements:

- IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018)*
- IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2017)*
- IAS 16 Amendments - Property, Plant and Equipment (effective for accounting periods beginning on or after 1 January 2016)*
- IAS 19 Amendments - Defined Benefit Plans: Employee Contributions (effective for accounting periods beginning on or after 1 July 2014)
- IAS 41 Amendments - Agriculture (effective for accounting periods beginning on or after 1 January 2016)*

*These standards and interpretations are not endorsed by the EU at present.

None of the above new standards, interpretations and amendments are expected to have a material effect on the Group's future financial statements except for IAS 16 and IAS 41. The amendments to IAS 16 and IAS 41 change the accounting requirements for biological assets that meet the definition of bearer plants. Biological assets that meet the definition of bearer plants are required to account for as bearer plants in accordance with IAS 16 using either cost model or revaluation model. The produce growing on bearer plants will remain within the scope of IAS 41 measured at fair value less costs to sell.

The biological assets of the Group fall within the definition of bearer plants. The directors are in the process of quantifying the impact that would have on the Group net assets with the adoption of the amended IAS 16 and IAS 41.

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 Dollar. The presentation currency for the consolidated financial statements is also US Dollar, chosen because, as internationally traded commodities, the price of the bulk of the Group's products are ultimately link to the US Dollar.

On consolidation, the results of overseas operations are translated into US Dollar 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, palm kernel and rubber slab 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 latex are recognised on signing of sales contract, this being the point at which the significant risks and rewards of ownership are passed over to the buyer. Other income mainly consists of amounts received from sales of

nut shell, which is recognised when the goods are delivered.

Share based payments

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

Fair value is measured by use of a 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.

The directors consider that the carrying amount of tax receivables approximates its fair value.

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.

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - unobservable inputs for the asset or liability.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the following assets at fair value:

- Biological assets (note 9)
- Revalued land - Property, plant and equipment (note 9)

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the

acquisition of the items. After initial recognition, all items of property, plant and equipment except land and construction in progress, are stated at cost less accumulated depreciation and any accumulated impairment losses.

The Indonesian authorities have granted certain land exploitation rights and operating permits for the estates. The land rights are usually renewed without significant cost subject to compliance with the laws and regulations of Indonesia. Therefore, the Group has classified the land rights as leasehold land and accounted for as an indefinite finance lease. Estate land is subsequently carried at fair value, based on periodic valuations on an open market basis by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in income statement. On the disposal of a revalued estate, any related balance remaining in the revaluation reserve is transferred to retained earnings as a movement in reserves.

Construction in progress is stated at cost. The accumulated costs will be reclassified to the appropriate class of assets when construction is completed and the asset is ready for its intended use. Construction in progress is also not depreciated until such time when the asset is available for use.

Buildings and oil mills are depreciated using the straight-line method. All other property, plant and equipment items are depreciated using the double-declining-balance method. The yearly rates of depreciation are as follows:

Buildings - 5% to 10% per annum

Oil Mill - 5% per annum

Estate plant, equipment & vehicle - 12.5% to 50% per annum

Office plant, equipment & vehicle - 25% to 50% per annum

Biological assets

Biological assets comprise oil palm trees and nurseries. The biological process commences with the initial preparation of land and planting of seedlings and ceases with the delivery of crop in the form of fresh fruit bunches ("FFB") to the manufacturing process in which crude palm oil and palm kernel are extracted from the FFB.

Biological assets are carried at fair value less costs to sell determined on the basis of the net present value of cash flows arising in producing FFB. No account is taken in the valuation of future replanting. Biological assets are valued at each accounting date based upon a valuation of the planted areas using a discounted cash flow method by reference to the FFB expected to be harvested over the full remaining productive life of the trees up to 20 years. Areas are included in the valuation once they are planted. However oil palm which are not yet mature at the accounting date, and hence are not producing FFB, are valued on a similar basis but with the discounted value of the estimated cost to complete planting and to maintain the assets to maturity being deducted from the discounted FFB value. 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 for those held at cost. Land rights are held at fair value and revalued at the balance sheet date. 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.

Inventories

FFB harvested from the biological assets are stated at fair value less costs to sell at the point of harvest. The fair value gain arising on the initial recognition of harvested produce is the result of the FFB weight produced multiplied by the FFB price adjusted for transportation costs to sell. There is an active market for FFB and the price is based on statistics provided by the government for each region.

The gain/(loss) arising on the initial recognition at the point of harvest is recognised in the income statement within the biological asset revaluation. The FFB is transferred to the mill, processed in to CPO and sold within 24 hours so the write off of the FFB is netted off against the initial recognition within the biological asset revaluation.

All other inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. In the case of processed produce for sale which comprises palm oil and kernel, cost represents the monthly weighted-average cost of production, and

appropriate production overheads. Estate and mill consumables are valued on a weighted average cost basis.

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 not exceeding 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.

The Group recognises deferred tax liabilities arising from taxable temporary differences on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Defined contribution schemes

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

Defined benefit schemes

The Group operates a number of defined benefit schemes in respect of its Indonesian operations. These schemes' surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- Unrecognised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- Actuarial gains and losses;
- Return on plan assets (interest exclusive);
- Any asset ceiling effects (interest inclusive).

Service costs are recognised in comprehensive income, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense / (income) is recognised in comprehensive income, and is calculated by applying the discount rate used to measure the defined benefit obligation / (asset) at the beginning of the annual period to the balance of the net defined benefit obligation / (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in comprehensive income.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

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.

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 current and future periods.

Assumptions regarding the valuation of biological assets, property, plant and equipment are set out in note 9. Assumptions regarding the valuation of agricultural produce at the point of harvest less costs to sell are set out in the inventories accounting policy. The Group's policy with regard to impairment of such assets is set out above.

2 Revenue

	2014	2013
	$000	$000
Sales of produce:		
- CPO	247,868	198,803
- Rubber	1,836	2,497
Other income	1,554	617
	251,258	201,917

3 Finance income and expense

	2014	2013
	$000	$000

Finance income		
Interest receivable on:		
Credit bank balances and time deposits	7,276	4,676
Finance expense		
Interest payable on:		
Development loans	(2,019)	(1,774)
Net finance income recognised in income statement	5,257	2,902

4 Profit before tax

	2014	2013
	$000	$000
Profit before tax is stated after charging		
Depreciation (note 9)	6,833	6,406
Exchange (gains) / losses	(852)	2,781
Operating lease expense		
- Property	574	521
Professional fees	441	1,015
Staff costs (note 6)	28,316	28,698
Remuneration received by the group's auditor or associates of the group's auditor:		
Audit of parent company	6	6
Audit of consolidated financial statement	166	155
Total audit services	172	161
Audit of overseas subsidiaries		
- Malaysia	22	23
- Indonesia	75	71
Total audit services	97	94
Fees payable to the group's auditor for other services	-	170
Total auditors' remuneration	269	425

5 Segment information

Measurement of operating segment profit or loss, assets and liabilities

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses, such as share based payments.

Inter-segment transactions are made based on terms mutually agreed by the parties to maximise the utilisation of Group's resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

The Group's assets are allocated to segments based on geographical location.

	North Sumatera	Bengkulu	South Sumatera	Riau	Bangka	Kalimantan	Total Indonesia	Malaysia	UK	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
2014										
Total sales revenue (all external)										
- CPO	95,299	95,886	102	44,912	-	7,416	243,615	4,253	-	247,868
- Rubber	1,836	-	-	-	-	-	1,836	-	-	1,836
Other income	813	697	3	37	-	2	1,552	2	-	1,554
Total revenue	97,948	96,583	105	44,949	-	7,418	247,003	4,255	-	251,258
Profit/(loss) before tax	36,631	30,795	(552)	19,477	(57)	(1,226)	85,068	255	(369)	84,954
BA movement										(33,718)
Profit for the year before tax per consolidated income statement										51,236
Depreciation	(2,385)	(2,228)	(411)	(572)	(33)	(958)	(6,587)	(246)	-	(6,833)
Inter-segment transactions	3,446	(2,331)	(257)	(671)	-	(1,443)	(1,256)	962	294	-
Income tax	(8,731)	(5,775)	1,968	(4,589)	171	4,268	(12,688)	437	(287)	(12,538)
Total Assets	202,284	153,418	58,008	84,263	13,078	92,854	603,905	25,398	4,279	633,582
Non-Current Assets	149,187	121,171	56,539	39,756	12,845	82,236	461,734	18,834	1,193	481,761
Non-Current Assets - Additions	10,214	4,845	5,492	1,224	930	26,932	49,637	117	-	49,754
2013										
Total sales revenue (all external)										
- CPO	90,764	63,019	18	38,166	-	2,516	194,483	4,318	2	198,803
- Rubber	2,497	-	-	-	-	-	2,497	-	-	2,497
Other income	827	112	6	91	-	(419)	617	-	-	617
Total revenue	94,088	63,131	24	38,257	-	2,097	197,597	4,318	2	201,917
Profit/(loss) before tax	33,879	15,700	(443)	19,017	1	(6,633)	61,521	206	(1,987)	59,740

BA movement										93,661
Profit for the year before tax per consolidated income statement										153,401
Depreciation	(2,248)	(2,268)	(475)	(585)	(32)	(540)	(6,148)	(258)	-	(6,406)
Inter-segment transactions	2,821	(2,236)	(242)	(656)	-	(1,512)	(1,825)	845	980	-
Income tax	(24,567)	(8,086)	(554)	(6,542)	79	(288)	(39,958)	585	(220)	(39,593)
Total Assets	195,447	148,268	59,285	67,739	12,744	89,882	573,365	29,720	4,662	607,747
Non-Current Assets	153,524	122,485	57,673	38,726	12,462	76,259	461,129	22,334	1,363	484,826
Non-Current Assets - Additions	13,164	5,952	10,172	1,513	1,069	17,828	49,698	240	-	49,938

In year 2014, revenue from 4 customers of the Indonesian segment represent approximately $152.1m (2013: $110.1m) of the Group's total revenue. An analysis of these revenue is provided as below. Although Customer 1 to 4 are over 10% of the Group total revenue, there is no over reliance on these Customers as tenders are performed on a monthly basis.

	North Sumatera	Bengkulu	South Sumatera	Riau	Bangka	Kalimantan	Total Indonesia	Malaysia	UK	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
2014										
Customer 1	-	47,941	-	-	-	-	47,941	-	-	47,941
Customer 2	32,935	-	-	12,557	-	-	45,492	-	-	45,492
Customer 3	7,137	24,501	-	1,839	-	-	33,477	-	-	33,477
Customer 4	13,447	-	-	11,721	-	-	25,168	-	-	25,168
	53,519	72,442	-	26,117	-	-	152,078	-	-	152,078
2013										
Customer 1	22,958	-	-	8,408	-	-	31,366	-	-	31,366
Customer 2	9,100	16,139	-	5,270	-	-	30,509	-	-	30,509
Customer 3	23,617	1,182	-	813	-	-	25,612	-	-	25,612
Customer 4	11,206	-	-	11,374	-	-	22,580	-	-	22,580
	66,881	17,321	-	25,865	-	-	110,067	-	-	110,067
	%	%	%	%	%	%	%	%	%	%
2014										
Customer 1	-	19.1	-	-	-	-	19.1	-	-	19.1
Customer 2	13.1	-	-	5.0	-	-	18.1	-	-	18.1
Customer 3	2.8	9.8	-	0.7	-	-	13.3	-	-	13.3
Customer 4	5.4	-	-	4.7	-	-	10.1	-	-	10.1

21.3	28.9	-	10.4	-	-	60.6	-	-	60.6
2013									
Customer 1	11.4	-	-	4.2	-	-	15.6	-	-	15.6
Customer 2	4.5	8.0	-	2.6	-	-	15.1	-	-	15.1
Customer 3	11.7	0.6	-	0.4	-	-	12.7	-	-	12.7
Customer 4	5.5	-	-	5.6	-	-	11.1	-	-	11.1
33.1	8.6	-	12.8	-	-	54.5	-	-	54.5

Save for a small amount of rubber, all the Group's operations are devoted to oil palm. The Group's report is by geographical area, as each area tends to have different agricultural conditions.

6 Employees' and Directors' remuneration

	2014	2013
	Number	number
Average numbers employed (primarily overseas) during the year		
- full time	5,522	5,447
- part-time field workers	9,687	10,822
	15,209	16,269

	2014	2013
	$000	$000
Staff costs (including Directors) comprise:		
Wages and salaries	26,725	27,422
Social security costs	939	976
Retirement benefit costs	652	300
	28,316	28,698

	2014	2013
	$000	$000
Directors emoluments	248	236
Remuneration expense for key management personnel	248	236

The Executive Director and Non-Executive Director are considered to be the key management personnel.

7 Earnings per ordinary share (EPS)

	2014	2013
	$000	$000
Profit for the year attributable to owners of the Company before BA adjustment	52,422	35,950
Net BA adjustment	(21,660)	57,571
Earnings used in basic and diluted EPS	30,762	93,521
	Number	Number
	'000	'000
Weighted average number of shares in issue in year		
- used in basic EPS	39,636	39,636
- dilutive effect of outstanding share options	43	48
- used in diluted EPS	39,679	39,684
Basic EPS before BA adjustment	132.26cts	90.70cts
Basic EPS after BA adjustment	77.61cts	235.95cts
Dilutive EPS before BA adjustment	132.12cts	90.59cts
Dilutive EPS after BA adjustment	77.53cts	235.67cts

8 Dividends

	2014	2013
	$000	$000
Paid during the year		
Final dividend of 3.0p per ordinary share for the year ended 31 December 2013 (2012: 4.5cts)	1,998	1,784
Proposed final dividend of 3.0p per ordinary share for the year ended 31 December 2014 (2013: 3.0p)	1,854	1,969

The proposed dividend for 2014 is subject to shareholders' approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

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9 Biological assets, property, plant and equipment

	Biological assets	Mill	Leasehold Land	Buildings	Estate plant, equipment & vehicle	Office plant, equipment & vehicle	Construction in progress	PPE Total	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Cost or valuation									
At 1 January 2013 (restated)	207,679	41,753	148,081	32,929	15,591	1,400	2,099	241,853	449,532
Exchange translations	(58,857)	(9,762)	(33,978)	(8,011)	(3,354)	(228)	(505)	(55,838)	(114,695)
Reclassification	(1,194)	106	(2)	9,991	-	-	(10,095)	-	(1,194)
Decrease due to harvest	(14,092)	-	-	-	-	-	-	-	(14,092)
Revaluations	107,753	-	31,807	-	-	-	-	31,807	139,560
Additions	105	6,546	2,712	53	2,383	125	7,157	18,976	19,081
Development costs capitalised	24,770	1,206	1,460	-	-	-	3,421	6,087	30,857
Disposal / Written off	(329)	(286)	(209)	(226)	23	(1)	-	(699)	(1,028)
At 31 December 2013	265,835	39,563	149,871	34,736	14,643	1,296	2,077	242,186	508,021
Exchange translations	(4,420)	(1,252)	(3,494)	(894)	(378)	(45)	(79)	(6,142)	(10,562)
Reclassification	-	-	-	5,356	1	-	(5,357)	-	-
Decrease due to harvest	(26,021)	-	-	-	-	-	-	-	(26,021)
Revaluations	(7,697)	-	386	-	-	-	-	386	(7,311)
Additions	85	13,305	4,219	64	1,840	158	6,057	25,643	25,728
Development costs capitalised	23,592	112	-	-	-	-	322	434	24,026
Disposals / Written off	-	(72)	-	(219)	(591)	(207)	-	(1,089)	(1,089)
At 31 December 2014	251,374	51,656	150,982	39,043	15,515	1,202	3,020	261,418	512,792
Accumulated depreciation and impairment									
At 1 January 2013	-	12,375	-	6,832	9,561	908	-	29,676	29,676
Exchange translations	-	(2,864)	-	(1,573)	(2,031)	(161)	-	(6,629)	(6,629)
Charge for the year	-	2,305	-	2,044	1,867	190	-	6,406	6,406
Disposal / Written off	-	(264)	-	(118)	(226)	(1)	-	(609)	(609)
At 31 December 2013	-	11,552	-	7,185	9,171	936	-	28,844	28,844
Exchange translations	-	(312)	-	(255)	(275)	(35)	-	(877)	(877)
Charge for the year	-	2,697	-	2,244	1,723	169	-	6,833	6,833
Disposal / Written off	-	(53)	-	(99)	(438)	(172)	-	(762)	(762)
At 31 December 2014	-	13,884	-	9,075	10,181	898	-	34,038	34,038
Carrying amount									
At 31 December 2012 (restated)	207,679	29,378	148,081	26,097	6,030	492	2,099	212,177	419,856
At 31 December 2013	265,835	28,011	149,871	27,551	5,472	360	2,077	213,342	479,177

At 31 December 2014	251,374	37,772	150,982	29,968	5,334	304	3,020	227,380	478,754
Net (loss) / gain arising from changes in fair value of biological assets									
At 31 December 2013	93,661	-	-	-	-	-	-	-	93,661
At 31 December 2014	(33,718)	-	-	-	-	-	-	-	(33,718)

The fair value less costs to sell of FFB harvested during the period, determined at the point of harvest is exhibited below:

	2014	2013
Fair value of FFB		
Crop production and yield - FFB (mt)	857,000	787,000
Fair value of FFB ($000)	132,342	116,578
Fair value of FFB less costs to sell ($000)	121,850	106,889

The gain arising on the fair value of FFB at the point of harvest is recognised in the income statement within the biological asset revaluation. A reconciliation of the amount included within the income statement and the biological asset has been included below:

	2014	2013
	$000	$000
Harvest included in the biological asset valuation from estimated production and pricing assumptions less costs to sell in the prior year	26,021	14,092
Gain from actual production and pricing	95,829	92,797
Fair value of FFB harvested from own production	121,850	106,889

The decrease of $26,021,000 (2013: $14,092,000) from harvest was included in the prior year valuation for the current year and is therefore deducted from biological asset valuation in the current year as the FFB is harvested. The actual fair value of harvested FFB varies to forecast due to the changes in actual production, actual FFB price and actual costs incurred. The gain on fair value of the harvested FFB is written off as the FFB is processed in to CPO.

The biological asset revaluation movement included within the income statement is calculated as follows:

	2014	2013
	$000	$000
Decrease due to harvest	(26,021)	(14,092)
Revaluations	(7,697)	107,753
Net (loss) / gain arising in the income statement from changes in fair value of biological assets	(33,718)	93,661

The Group engaged Muttaqin Bambang Purwanto Rozak Uswatun & Rekan (MBPRU) with its head office located in Jakarta, Indonesia to undertake the valuation of biological assets for both financial years ended 31 December 2013 and 2014. Except for an adjustment on discount rate, CPO price and the measurement of the notional rent which are determined by the Directors, the valuation was carried out independently by MBPRU who has the appropriate professional qualifications and recent experience in the location and category of the properties being valued. Further information of MBPRU can be obtained from 'www.kjpp-mbpru.com'.

MBPRU was also being engaged to undertake the land valuation for the Group. For the year ended 31 December 2014, valuation was done

on all lands except for those lands that have been valued in year 2013. The growth rates per hectare obtained by comparing the current valuation against the year 2013's carrying amount were then applied to the 2013 land value of the remaining companies in the same geographical location to derive year 2014 fair value of land. In the year 2013, independent land valuation was undertaken for five major companies in Indonesia and a Malaysia company. The growth rates per hectare obtained by comparing the year 2013 valuation against the valuation undertaken in year 2011 were then applied to the 2011 land value of the remaining companies in the same geographical location to derive year 2013 fair value of land. Unplantable land was excluded in this exercise since it has zero value. Land is valued on a rotational basis and all land is valued by qualified valuers every two years. Had the revalued land been measured on a historical cost basis, their net book value would have been US$47,317,000 (2013: US$44,848,000).

The methodology of the biological asset valuations was using discounted cash flow ("DCF") over the expected 20-year economic life of the asset. The assumption applied in the valuation were, inter alia, an assumed CPO selling price of $700/mt (2013: $700/mt), discount rate of 16.4% (2013: 15.8%) and notional rent equivalent to 9% (2013: 9%) of the value of planted land. The discount rates were determined by the Directors based on their assessment of various risks including financial, business and country risk of where the plantations are located as well as taking into account the Company's weighted average cost of capital. The CPO price is taken to be the 10-year average (2013: 10-year average) rounded to the nearest $25 based on historical widely-quoted commodity price for CPO and represents the Directors' best estimate of the price sustainable over the longer term. The CPO price for 2014 was very volatile. It ended the year at $700/mt lower than the 10-year average CPO price at $750/mt for the first time. As a result the directors have benchmarked the 10-year average CPO price assumptions against market expectations and have adopted the CPO price of $700/mt used in last year's computation of biological assets to represent a more sustainable CPO price over the long term and have maintained the price for the current year. This is supported by the World Bank Commodities Price Forecast for palm oil for 2015 at $700/mt. An inflation rate of 4% (2013: 5%) was applied to the second to sixth years of the DCF. The notional rent charge is based on key capital market and property indicators in the countries and regions of operations.

Details of the information about the fair value hierarchy in relation to biological assets and land at 31 December are as follows:

	Level 1	Level 2	Level 3	Fair value
	$000	$000	$000	$000
At 31 December 2014				
Biological assets	-	-	251,374	251,374
Land	-	-	150,982	150,982
At 31 December 2013				
Biological assets	-	-	265,835	265,835
Land	-	-	149,871	149,871

There were no items classified under Level 1 and Level 2 and thus there were no transfers between Level 1 and Level 2 during the year.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of biological assets and land, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below:

Item	Valuation approach	Inputs used	Inter-relationship between key unobservable inputs and fair value
Land	Selling prices of comparable land in similar location adjusted for differences in key attributes. The valuation model is based on price per hectare.	Selling prices of comparable land	The higher the selling price, the higher the fair value
		Location, legal title, land area, land type and topography	These are qualitative inputs which require significant judgement by professional valuer, MBPRU
		CPO selling price	The higher the CPO selling price, the higher the fair value
			The higher the discount rate, the lower

		Discount rate	The higher the discount rate, the lower the fair value
Biological assets	Discounted cash flow over the expected 20-year economic life of the asset	Notional rent	The higher the notional rent, the lower the fair value
		Yield	The higher the yield, the higher the fair value
		Overhead cost	The higher the overhead cost, the lower the fair value

There were no changes to the valuation techniques during the period.

The fair value measurement is based on the above items' highest and best use, which does not differ from their actual use.

The following table exhibits the sensitivity of the Group's biological assets to the fluctuation in CPO price, discount rate, notional rent, CPO yield and overhead cost:

	2014	2013
	$000	$000
A change of $50 in the price assumption for CPO		
-$50 in the price assumption	(54,021)	(53,411)
+$50 in the price assumption	53,993	53,381
A change of 1% in the discount rate		
-1% in the discount rate	14,182	15,687
+1% in the discount rate	(13,043)	(14,363)
A change of notional rent equivalent to 1% of the value of planted land		
-1% in the value of planted land	5,191	5,192
+1% in the value of planted land	(5,190)	(5,192)
A change of 1% in the CPO yield		
-1% in the CPO yield	(28,863)	(28,611)
+1% in the CPO yield	28,835	28,581
A change of 1% in the overhead cost		
-1% in the overhead cost	7,468	7,390
+1% in the overhead cost	(7,496)	(7,389)

The Indonesian authorities have granted certain land exploitation rights and operating permits for the estates. In the case of established estates in North Sumatera these rights and permits expire between 2023 and 2038 with rights of renewal thereafter. As 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 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.

Subject to compliance with the laws and regulations of Indonesia, land rights are usually renewed. The cost of renewing the land rights is not significant.

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

10 Posting of Annual Financial Report

The Annual Financial Report will be posted to shareholders on or before 3 June 2015. Copies of the Annual Financial Report will then be available from the offices of the Company Secretary, CETC (Nominees) Limited, Quadrant House, 6th Floor, 4 Thomas More Square, London E1W 1YW and on the Company's website at www.angloeastern.co.uk.

Copies of this announcement are available from the offices of the Company Secretary, CETC (Nominees) Limited, Quadrant House, 6th Floor, 4 Thomas More Square, London E1W 1YW and on the Company's website.

END

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Your Name

Email Address

James Sharp & Co
The Exchange
5 Bank Street
Bury, Lancashire
BL9 0DN

Tel 0161 764 4043
Fax 0161 764 1628 mail@jamessharp.co.uk