



# Anglo-Eastern Plantations Plc

Company Number: 1884630

**INTERIM REPORT  
30 JUNE 2023**

## Company addresses

### London Office

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### Secretary and registered office

Anglo-Eastern Plantations Plc  
(Number 1884630)  
(Registered in England and Wales)  
CETC (Nominees) Limited  
Quadrant House, 6<sup>th</sup> Floor  
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Company website

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## Company advisers

### Auditors

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### Principal Bankers

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### Registrars

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### Solicitors

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### Broker

Panmure Gordon (UK) Limited  
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## Chairman's Interim Statement

The interim results for the Group for the six months to 30 June 2023 are as follows:

Revenue from continuing operations for the six months to 30 June 2023 was \$173.4 million, 30% lower than \$249.2 million reported for the same period of 2022. The Group's gross profit from continuing operations was \$33.2 million compared to \$90.3 million for the first six months of 2022. Overall profit before tax, after biological assets ("BA") movement, from continuing operations for the first half of 2023 was 64% lower at \$32.5 million against \$89.5 million for the corresponding period in 2022. There was no reversal of impairment losses for the first half of 2023 compared to a net reversal of impairment losses of \$0.2 million for the first half of 2022. The BA movement adjustment from continuing operations for the first half of 2023 was a credit of \$0.3 million as compared to a debit of \$5.3 million for the same period last year. The lower profit was mainly attributed to lower Crude Palm Oil ("CPO") prices, as well as lower crop productions in Bengkulu and North Sumatra and lower third party crops.

Fresh Fruit Bunches ("FFB") production from continuing operations for the first half of 2023 was 5% lower at 522,700mt compared to 550,800mt for the same period in the previous year due to lower production in Bengkulu and North Sumatra regions. The harvest in Bengkulu was lower by 16% due primarily to the reduction of almost 1,300ha of matured area of which 985ha was replanted in 2022 while another 682ha was cleared for replanting in the first half of 2023. Production in Kalimantan continued to recover by registering a 10% increase in harvest with 500ha coming to maturity in the first half of 2023. Bought-in crops for the first half of 2023 decreased by 10% to 501,400mt from 557,600mt for the same period last year. The 20% increase in third party crops in Kalimantan could not off-set a 14% decrease in bought in crops in Bengkulu and North Sumatra. Lower crop trend faced by our estates in North Sumatra and Bengkulu was also experienced by local smallholders and farmers.

### Operational and financial performance

For the six months ended 30 June 2023, gross profit margin from continuing operations decreased to 19.2% from 36.2% as the Group experienced lower CPO and palm kernel prices.

CPO price ex-Rotterdam averaged \$991/mt for the first six months to 30 June 2023, 40% lower than \$1,640/mt over the same period in 2022. The rally in the first three months of 2022 was built upon; speculation of unfavourable weather conditions in prime soybean-producing countries which have adversely affected the supply of soybean oil (of which CPO is the closest substitute), the gradual re-opening of the world economy after the ravage of Covid-19 and the disruption to supplies because of the Russia-Ukraine conflict. As a result, the Group's average ex-mill price was lower by 27% at \$751/mt for the same period (H2 2022: \$1,035/mt). The ex-mill prices are normally at a discount to ex-Rotterdam prices as buyers factor in logistic charges and Indonesian CPO tax and levy, which they have to bear. Palm kernel prices were also lower by 55% at the average price of \$361/mt against \$808/mt in the same period last year.

Profit after tax from continuing operations for the six months ended 30 June 2023 was 65% lower at \$24.1 million, compared to a profit after tax from continuing operations of \$68.8 million for the first six months of 2022.

The resulting basic earnings per share from continuing operations for the period was 50.73cts (H1 2022: 144.73cts).

## Chairman's Interim Statement (continued)

The Group's balance sheet remains strong with no outstanding bank loans. Net assets as at 30 June 2023 were \$605.5 million compared to \$585.3 million as at 30 June 2022 and \$573.0 million as at 31 December 2022. The increase in net assets from the last interim report was attributed to profit during the period. The Indonesian Rupiah has appreciated by 4% against the US dollar in the first half of 2023.

As at 30 June 2023, the Group had cash and cash equivalents including short-term investments known as fixed deposits with banks of \$261.3 million (H1 2022: \$246.8 million, 31 December 2022: \$277.0 million). The Group remitted in advance about \$10 million to the Company's Registrar for payment of a dividend resulting in lower cash position at 30 June 2023 compared to 31 December 2022.

### Operating costs

Operating costs for the Indonesian operations were lower in the first half of 2023 compared to the same period in 2022 mainly due to lower volume and prices paid for third party crops. This helped to offset higher maintenance costs in plantations and mills and also higher harvesting costs arising from the increase in newly matured area. Fertiliser costs rose sharply by 7.5% in the first half of 2023 to \$17.0 million from \$15.8 million for the corresponding period in 2022. We have recently concluded a tender to purchase fertilisers for the second half of 2023 and we are pleased to report that prices of fertiliser have corrected sharply by as much as 40% since peaking in the first half of 2023. Transport costs have also increased significantly by 54% to \$4.3 million from \$2.8 million for the corresponding period in 2022 due to increases in diesel prices.

### Production and Sales

	<b>2023</b>	2022	2022
	<b>6 months</b>	6 months	Year
	<b>to 30 June</b>	to 30 June	to 31 December
	<b>mt</b>	mt	mt
<b>Oil palm production</b>			
FFB			
- all estates from continuing operations	<b>522,700</b>	550,800	1,124,400
- estates from discontinued operations	<b>15,700</b>	21,500	46,300
- bought-in from third parties	<b>501,400</b>	557,600	1,080,300
Saleable CPO	<b>210,900</b>	227,800	455,600
Saleable palm kernels	<b>48,600</b>	54,400	106,200
<b>Oil palm sales</b>			
CPO	<b>201,800</b>	200,000	449,800
Palm kernels	<b>47,400</b>	48,900	105,700
FFB sold outside	<b>24,200</b>	17,800	42,800
<b>Rubber production</b>	<b>250</b>	168	440

## Chairman's Interim Statement (continued)

The Group's six mills processed a total of 1,015,600mt in FFB for the first half of 2023, a 9% decrease compared to 1,112,100mt for the same period last year.

Overall CPO produced for the first half of 2023 was 7% lower at 210,900mt from 227,800mt for the corresponding period in 2022. The oil extraction rate for the first half of 2023 was 20.8%, slight improvement compared to 20.5% for the same period last year.

### Commodity prices

The CPO price ex-Rotterdam for the first half of 2023 averaged \$991/mt, 40% lower than last year (H1 2022: \$1,640/mt). CPO price started the year at \$1,060/mt and generally traded within a 12% range peaking at \$1,100/mt in early January and March 2023 before dropping to a low of \$860/mt in late May 2023. CPO price recovered slightly to close at \$955/mt at 30 June 2023. The trend of CPO price in the first half of 2023 reflected the increase in inventory of soft oils amidst reports of a slowdown in global demand.

Rubber price averaged \$1,307/mt, 22% lower than H1 2022 at \$1,670/mt.

### Development

The Group's planted areas at 30 June 2023 comprised:

	<b>Total</b>	<b>Mature</b>	<b>Immature</b>
	<b>Ha</b>	<b>ha</b>	<b>Ha</b>
<b>Continuing operations</b>			
North Sumatera	19,093	18,699	394
Bengkulu	16,742	13,568	3,174
Riau	4,816	4,816	-
Kalimantan	18,068	15,389	2,679
Bangka	2,647	1,716	931
Plasma	3,761	2,629	1,132
Indonesia	65,127	56,817	8,310
Malaysia	3,453	3,453	-
	68,580	60,270	8,310
<b>Discontinued operations</b>			
South Sumatera	6,681	6,288	393
Plasma	1,068	1,043	25
	7,749	7,331	418
<b>Total: 30 June 2023</b>	<b>76,329</b>	<b>67,601</b>	<b>8,728</b>
Total: 31 December 2022	76,095	66,694	9,401
Total: 30 June 2022	75,239	67,358	7,881

## Chairman's Interim Statement (continued)

The Group's new planting and replanting for the first six months of 2023 totalled 987ha compared to 439ha for the same period last year. In addition, Plasma planting for the period was 89ha (H1 2022: 152ha).

The Group remains optimistic that it will meet substantially its planting target of 2,500ha (including replanting) in 2023. The Group's total landholding from its continuing operations comprises some 90,670ha, of which the planted area stands at around 68,580ha (H1 2022: 67,512ha) with a balance of estimated plantable land at 9,500ha (H1 2022: 10,850ha).

The seventh mill in North Sumatera which was earmarked for completion in the first half of 2023 has been delayed because of the tragic explosion, as previously announced on 9 May 2023, resulting in a loss of lives of 4 employees of the contractor whilst conducting final trials and tests before handing over. The police recently completed their investigation and the contractor is now allowed access to the area to assess the damages and to determine the extent of repairs required. We do not expect the mill be in commercial operation until early next year.

The environment impact assessment study ("EIA") for the eighth mill in Kalimantan has been completed. The earthworks however cannot commence until the relevant government ministry has approved the EIA report. The backlog of companies seeking approval of their EIA reports is expected to set back the commencement of earthworks by a few months.

### Dividend

The final dividend of 25.0 cents per share in respect of the year ended 31 December 2022 was paid on 7 July 2023.

As you are aware AEP has not been paying Interim dividend for a number years, however, the Board is pleased to declare an interim dividend of 15.0 cents per share in respect of the year ending 31 December 2023. The interim dividend will be paid on 6 October 2023 to those shareholders on the register on 8 September 2023.

### Outlook

Despite a traditionally more robust FFB production in the second half of the year, which would increase supply, CPO price is expected to perform better due to a projected drop in soybean production in the United States as farmers planted more corns at the expense of soybeans. The Indonesian government strong commitment for the B35 biodiesel mandate is expected to strengthen local demand and should augur well for the CPO price. Russia's recent pull out from the Black Sea Grain deal which allowed for the secure passage of agricultural products from Ukraine's ports in the Black Sea would also have some impact on sunflower oil and CPO prices. We do not expect the drought induced by El Nino weather phenomenon to have a significant effect on yield for the second half of 2023. The effect, if any would be more prominent in 2024.

## Chairman's Interim Statement (continued)

### Principal risks and uncertainties

The principal risks and uncertainties, including the risks due to the Covid-19 and other contagious diseases, have broadly remained the same since the publication of the annual report for the year ended 31 December 2022.

A more detailed explanation of the risks relevant to the Group is on pages 31 to 36 and from pages 139 to 144 of the 2022 annual report which is available at <https://www.angloeastern.co.uk/>.

### Subsequent events

The disposal of the three non-performing plantations in South Sumatera, namely PT Riau Agrindo Agung, PT Karya Kencana Sentosa Tiga and PT Empat Lawang Agro Perkasa, to Mrs Lina (also known as Liena Efendy) and Miss Lenny Nurimba on 5 July 2023 for a total cash consideration of \$8.5 million had been completed. Since the Group is no longer in control of the subsidiaries, all the assets and liabilities of the subsidiaries will be derecognised from July 2023 onwards.

In July 2023, the Group also completed the acquisition of 25% of the issued share capital of PT United Kingdom Indonesia Plantations and the 10% of the issued share capital of PT Mitra Puding Mas, from PT. Canadianty Corporindo, the minority shareholder in Indonesia, for a total cash consideration of \$25.2million, increasing the Group ownership interest to 100%.

Mr Jonathan Law Ngee Song  
Chairman

24 August 2023

## Responsibility Statements

We confirm that to the best of our knowledge:

- a) The unaudited interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34: Interim Financial Reporting as adopted by the European Union;
- b) The Chairman's interim statement includes a fair review of the information required by Disclosure and Transparency Rule (“DTR”) 4.2.7R (an indication of important events during the first six months and a description of the principal risks and uncertainties for the remaining six months of the year); and
- c) The interim financial statements include a fair review of the information required by DTR 4.2.8R (material related party transactions in the six months ended 30 June 2023 and any material changes in the related party transactions described in the last Annual Report) of the DTR of the United Kingdom Financial Conduct Authority.

By order of the Board  
Dato’ John Lim Ewe Chuan  
Executive Director

24 August 2023



## Condensed Consolidated Income Statement

	Notes	2023 6 months to 30 June (unaudited)			2022 6 months to 30 June (unaudited)			2022 Year to 31 December (audited)		
		Result before BA movement* \$000	BA movement \$000	Total \$000	Result before BA movement* \$000	BA movement \$000	Total \$000	Result before BA movement* \$000	BA movement \$000	Total \$000
<b>Continuing operations</b>										
Revenue	3	173,449	-	173,449	249,229	-	249,229	447,619	-	447,619
Cost of sales		(140,496)	291	(140,205)	(153,633)	(5,314)	(158,947)	(304,424)	(5,792)	(310,216)
<b>Gross profit</b>		<b>32,953</b>	<b>291</b>	<b>33,244</b>	95,596	(5,314)	90,282	143,195	(5,792)	137,403
Administration expenses		(4,224)	-	(4,224)	(3,021)	-	(3,021)	(9,683)	-	(9,683)
Reversal of impairment		-	-	-	622	-	622	-	-	-
Impairment losses		-	-	-	(366)	-	(366)	(617)	-	(617)
<b>Operating profit</b>		<b>28,729</b>	<b>291</b>	<b>29,020</b>	92,831	(5,314)	87,517	132,895	(5,792)	127,103
Exchange (losses) / gains		(493)	-	(493)	311	-	311	991	-	991
Finance income	4	3,990	-	3,990	1,714	-	1,714	4,859	-	4,859
Finance expense	4	(15)	-	(15)	(8)	-	(8)	(12)	-	(12)
<b>Profit before tax</b>	5	<b>32,211</b>	<b>291</b>	<b>32,502</b>	94,848	(5,314)	89,534	138,733	(5,792)	132,941
Tax expense	6	(8,349)	(65)	(8,414)	(21,865)	1,169	(20,696)	(32,737)	1,276	(31,461)
<b>Profit for the period from continuing operations</b>		<b>23,862</b>	<b>226</b>	<b>24,088</b>	72,983	(4,145)	68,838	105,996	(4,516)	101,480
(Loss) / Gain on discontinued operations, net of tax		(2,542)	67	(2,475)	(297)	(75)	(372)	(5,684)	(139)	(5,823)
		<b>21,320</b>	<b>293</b>	<b>21,613</b>	72,686	(4,220)	68,466	100,312	(4,655)	95,657

## Condensed Consolidated Income Statement (continued)

	Notes	2023 6 months to 30 June (unaudited)			2022 6 months to 30 June (unaudited)			2022 Year to 31 December (audited)		
		Result before BA movement* \$000	BA movement \$000	Total \$000	Result before BA movement* \$000	BA movement \$000	Total \$000	Result before BA movement* \$000	BA movement \$000	Total \$000
Profit for the period attributable to:										
- Owners of the parent		17,795	248	18,043	60,582	(3,551)	57,031	83,548	(3,904)	79,644
- Non-controlling interests		3,525	45	3,570	12,104	(669)	11,435	16,764	(751)	16,013
		<b>21,320</b>	<b>293</b>	<b>21,613</b>	<b>72,686</b>	<b>(4,220)</b>	<b>68,466</b>	<b>100,312</b>	<b>(4,655)</b>	<b>95,657</b>
Profit for the period from continuing operations attributable to:										
- Owners of the parent		19,924	184	20,108	60,845	(3,480)	57,365	87,937	(3,772)	84,165
- Non-controlling interests		3,938	42	3,980	12,138	(665)	11,473	18,059	(744)	17,315
		<b>23,862</b>	<b>226</b>	<b>24,088</b>	<b>72,983</b>	<b>(4,145)</b>	<b>68,838</b>	<b>105,996</b>	<b>(4,516)</b>	<b>101,480</b>
<b>Earnings per share attributable to the owners of the parent during the period</b>										
Profit										
- basic and diluted	8			<b>45.52cts</b>			143.89cts			200.94cts
Profit from continuing operations										
- basic and diluted	8			<b>50.73cts</b>			144.73cts			212.34cts

\* The total column represents the IFRS figures and the result before BA movement is an Alternative Performance Measure ("APM") which reflects the Group's results before the movement in fair value of biological assets has been applied. We have opted to additionally disclose this APM as the management do not use the fair value of BA movement in assessing business performance.

## Condensed Consolidated Statement of Comprehensive Income

	2023 6 months to 30 June (unaudited) \$000	2022 6 months to 30 June (unaudited) \$000	2022 Year to 31 December (audited) \$000
<b>Profit for the period</b>	<b>21,613</b>	68,466	95,657
<b>Other comprehensive income / (expenses):</b>			
<i>Items may be reclassified to profit or loss:</i>			
Profit / (Loss) on exchange translation of foreign operations	25,971	(22,933)	(54,975)
<b>Net other comprehensive income / (expenses) may be reclassified to profit or loss</b>	<b>25,971</b>	(22,933)	(54,975)
<i>Items not to be reclassified to profit or loss:</i>			
Remeasurement of retirement benefits plan, net of tax	-	-	177
<b>Net other comprehensive income not being reclassified to profit or loss</b>	<b>-</b>	-	177
<b>Total other comprehensive income / (expenses) for the period, net of tax</b>	<b>25,971</b>	(22,933)	(54,798)
<b>Total comprehensive income for the period</b>	<b>47,584</b>	45,533	40,859
Attributable to:			
- Owners of the parent	39,100	38,570	34,343
- Non-controlling interests	8,484	6,963	6,516
	<b>47,584</b>	45,533	40,859

## Condensed Consolidated Statement of Financial Position

	2023 as at 30 June (unaudited) \$000	2022 as at 30 June (unaudited) \$000	2022 as at 31 December (audited) \$000
<b>Non-current assets</b>			
Property, plant and equipment	273,024	259,545	252,414
Investment	27	49	42
Receivables	20,142	22,591	18,963
Deferred tax assets	2,310	1,674	1,832
	<b>295,503</b>	<b>283,859</b>	<b>273,251</b>
<b>Current assets</b>			
Inventories	23,468	41,012	19,590
Income tax receivables	8,198	4,766	4,122
Other tax receivables	40,327	52,054	37,576
Biological assets	6,735	7,133	6,161
Trade and other receivables	17,591	4,457	3,468
Short-term investments	39,040	59,495	55,566
Cash and cash equivalents	222,286	187,339	221,476
	<b>357,645</b>	<b>356,256</b>	<b>347,959</b>
Assets in disposal groups classified as held for sale	8,500	13,000	9,000
	<b>366,145</b>	<b>369,256</b>	<b>356,959</b>
<b>Current liabilities</b>			
Trade and other payables	(29,909)	(40,175)	(33,966)
Income tax liabilities	(1,501)	(11,474)	(10,230)
Other tax liabilities	(1,976)	(566)	(1,221)
Dividend payables	(9,941)	(2,007)	(32)
Lease liabilities	(124)	(152)	(73)
	<b>(43,451)</b>	<b>(54,374)</b>	<b>(45,522)</b>
Net current assets	<b>322,694</b>	<b>314,882</b>	<b>311,437</b>

## Condensed Consolidated Statement of Financial Position (continued)

	2023 as at 30 June (unaudited) \$000	2022 as at 30 June (unaudited) \$000	2022 as at 31 December (audited) \$000
<b>Non-current liabilities</b>			
Deferred tax liabilities	(783)	(1,259)	(805)
Retirement benefits - net liabilities	(11,563)	(12,089)	(10,874)
Lease liabilities	(311)	(68)	(31)
	<b>(12,657)</b>	<b>(13,416)</b>	<b>(11,710)</b>
<b>Net assets</b>	<b>605,540</b>	<b>585,325</b>	<b>572,978</b>
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	15,504	15,504	15,504
Treasury shares	(1,171)	(1,171)	(1,171)
Share premium	23,935	23,935	23,935
Capital redemption reserve	1,087	1,087	1,087
Exchange reserves	(267,990)	(260,368)	(288,891)
Retained earnings	718,721	697,631	712,919
	<b>490,086</b>	<b>476,618</b>	<b>463,383</b>
Non-controlling interests	115,454	108,707	109,595
<b>Total equity</b>	<b>605,540</b>	<b>585,325</b>	<b>572,978</b>

## Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the parent									
	Note	Share capital \$000	Treasury shares \$000	Share premium \$000	Capital redemption reserve \$000	Exchange Reserves \$000	Retained earnings \$000	Total \$000	Non- controlling interests \$000	Total equity \$000
Balance at 31 December 2021		15,504	(1,171)	23,935	1,087	(241,907)	642,582	440,030	102,078	542,108
Items of other comprehensive income:										
-Remeasurement of retirement benefits plan, net of tax		-	-	-	-	-	144	144	33	177
-Loss on exchange translation of foreign operations		-	-	-	-	(45,445)	-	(45,445)	(9,530)	(54,975)
Total other comprehensive (expenses) / income		-	-	-	-	(45,445)	144	(45,301)	(9,497)	(54,798)
Profit for the year		-	-	-	-	-	79,644	79,644	16,013	95,657
Total comprehensive (expenses) / income for the year		-	-	-	-	(45,445)	79,788	34,343	6,516	40,859
Acquisition of non-controlling interests		-	-	-	-	(1,539)	(7,469)	(9,008)	3,175	(5,833)
Dividends paid		-	-	-	-	-	(1,982)	(1,982)	(2,174)	(4,156)
<b>Balance at 31 December 2022</b>		<b>15,504</b>	<b>(1,171)</b>	<b>23,935</b>	<b>1,087</b>	<b>(288,891)</b>	<b>712,919</b>	<b>463,383</b>	<b>109,595</b>	<b>572,978</b>
Items of other comprehensive income:										
-Remeasurement of retirement benefits plan, net of tax		-	-	-	-	-	-	-	-	-
-Profit on exchange translation of foreign operations		-	-	-	-	21,057	-	21,057	4,914	25,971
Total other comprehensive income		-	-	-	-	21,057	-	21,057	4,914	25,971
Profit for the period		-	-	-	-	-	18,043	18,043	3,570	21,613
Total comprehensive income for the period		-	-	-	-	21,057	18,043	39,100	8,484	47,584
Acquisition of non-controlling interests	10	-	-	-	-	(156)	(2,332)	(2,488)	(120)	(2,608)
Dividends payable		-	-	-	-	-	(9,909)	(9,909)	(2,505)	(12,414)
<b>Balance at 30 June 2023</b>		<b>15,504</b>	<b>(1,171)</b>	<b>23,935</b>	<b>1,087</b>	<b>(267,990)</b>	<b>718,721</b>	<b>490,086</b>	<b>115,454</b>	<b>605,540</b>

## Condensed Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the parent						Total \$000	Non- controlling interests \$000	Total Equity \$000
	Share capital \$000	Treasury shares \$000	Share premium \$000	Capital redemption reserve \$000	Exchange reserves \$000	Retained earnings \$000			
Balance at 31 December 2021	15,504	(1,171)	23,935	1,087	(241,907)	642,582	440,030	102,078	542,108
Items of other comprehensive income:									
-Loss on exchange translation of foreign operations	-	-	-	-	(18,461)	-	(18,461)	(4,472)	(22,933)
Total other comprehensive expenses	-	-	-	-	(18,461)	-	(18,461)	(4,472)	(22,933)
Profit for the period	-	-	-	-	-	57,031	57,031	11,435	68,466
Total comprehensive (expenses) / income for the period	-	-	-	-	(18,461)	57,031	38,570	6,963	45,533
Dividends payable	-	-	-	-	-	(1,982)	(1,982)	(334)	(2,316)
Balance at 30 June 2022	15,504	(1,171)	23,935	1,087	(260,368)	697,631	476,618	108,707	585,325

## Condensed Consolidated Statement of Cash Flows

	2023 6 months to 30 June (unaudited) \$000	2022 6 months to 30 June (unaudited) \$000	2022 Year to 31 December (audited) \$000
<b>Cash flows from operating activities</b>			
Profit before tax from continuing operations	32,502	89,534	132,941
Adjustments for:			
Biological assets movement	(291)	5,314	5,792
Gain on disposal of property, plant and equipment	(26)	(49)	(91)
Depreciation	8,116	8,370	16,724
Retirement benefit provisions	386	1,100	1,157
Net finance income	(3,975)	(1,706)	(4,847)
Unrealised loss / (gain) in foreign exchange	493	(311)	(991)
Property, plant and equipment written off	28	80	134
(Reversal of impairment) / impairment of losses	-	(256)	617
Provision for expected credit loss	20	6	1,665
Operating cash flows before changes in working capital	37,253	102,082	153,101
Increase in inventories	(2,871)	(27,157)	(6,291)
(Increase) / Decrease in non-current, trade and other receivables	(15,582)	584	(896)
(Decrease) / Increase in trade and other payables	(5,804)	8,849	4,035
Cash inflows from operations	12,996	84,358	149,949
Retirement benefits paid	(301)	(137)	(612)
Overseas tax paid	(22,172)	(28,935)	(27,495)
Operating cash flows (used in) / from continuing operations	(9,477)	55,286	121,842
Operating cash flows used in discontinued operations	(850)	(850)	(1,331)
Net cash flows (used in) / from operating activities	(10,327)	54,436	120,511



## Condensed Consolidated Statement of Cash Flows (continued)

	2023 6 months to 30 June (unaudited) \$000	2022 6 months to 30 June (unaudited) \$000	2022 Year to 31 December (audited) \$000
<b>Investing activities</b>			
Property, plant and equipment			
- purchases	(17,110)	(17,763)	(34,026)
- sales	155	51	111
Interest received	3,990	1,714	4,859
Increase in receivables from cooperatives under plasma scheme	(1,473)	(1,395)	(2,570)
Placement of fixed deposits with original maturity of more than three months	(39,040)	(59,495)	(55,566)
Withdrawal of fixed deposits with original maturity of more than three months	55,566	1,439	1,439
Cash from / (used in) investing activities from continuing operations	2,088	(75,449)	(85,753)
Cash used in investing activities from discontinued operations	(935)	(887)	(1,865)
Net cash from / (used in) investing activities	1,153	(76,336)	(87,618)
<b>Financing activities</b>			
Dividends paid to the holders of the parent	-	-	(1,975)
Dividends paid to non-controlling interests	(2,505)	(334)	(2,174)
Repayment of lease liabilities - principal	(102)	(112)	(220)
Repayment of lease liabilities - interest	(15)	(8)	(12)
Acquisition of non-controlling interests	-	-	(5,142)
Cash used in financing activities from continuing operations	(2,622)	(454)	(9,523)
Cash used in financing activities from discontinued operations	-	-	-
Net cash used in financing activities	(2,622)	(454)	(9,523)
Net (decrease) / increase in cash and cash equivalents	(11,796)	(22,354)	23,370
<b>Cash and cash equivalents</b>			
At beginning of period	221,476	218,249	218,249
Exchange gain / (loss)	12,606	(8,556)	(20,143)
At end of period	222,286	187,339	221,476
Comprising:			
Cash at end of period	222,286	187,339	221,476

# Notes to the interim statements

## 1. Basis of preparation of interim financial statements

These interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2022 Annual Report. The financial information for the half years ended 30 June 2023 and 30 June 2022 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and has been neither audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

### *Basis of preparation*

The annual financial statements of Anglo-Eastern Plantations Plc are prepared in accordance with UK adopted International Accounting Standards. The comparative financial information for the year ended 31 December 2022 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2022 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2022 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under Sections 498(2) or 498(3) of the Companies Act 2006.

The Directors have a reasonable expectation, having made the appropriate enquiries, that the Group has control of the monthly cashflows and that the Group has sufficient cash resources to cover the fixed cashflows for a period of at least 12 months from the date of approval of this interim report. For these reasons, the Directors adopted a going concern basis in the preparation of the interim report. The Directors have made this assessment after consideration of the Group's budgeted cash flows and related assumptions including appropriate stress testing of identified uncertainties, specifically on the potential shut down of the entire operations if all the plantations are infected with Coronavirus as well as the impact on the demand for palm oil due to the Coronavirus pandemic. Stress testing of other identified uncertainties was undertaken on primarily commodity prices and currency exchange rates.

### *Changes in accounting standards*

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the Group's latest annual audited financial statements.

## 2. Foreign exchange

	<b>2023</b>	2022	2022
	<b>6 months</b>	6 months	Year
	<b>to 30 June</b>	to 30 June	to 31 December
	<b>(unaudited)</b>	(unaudited)	(audited)
Closing exchange rates			
Rp : \$	<b>15,026</b>	14,848	15,731
\$ : £	<b>1.27</b>	1.21	1.20
RM : \$	<b>4.67</b>	4.41	4.41
Average exchange rates			
Rp : \$	<b>15,071</b>	14,445	14,810
\$ : £	<b>1.23</b>	1.30	1.24
RM : \$	<b>4.46</b>	4.27	4.40

## Notes to the interim statements (continued)

### 3. Revenue

#### *Disaggregation of Revenue*

The Group has disaggregated revenue into various categories in the following table which is intended to:

- Depict how the nature, amount and uncertainty of revenue and cash flows are affected by timing of revenue recognition; and
- Enable users to understand the relationship with revenue segment information provided in note 5.

There is no right of return and warranty provided to the customers on the sale of products and services rendered.

6 months to 30 June 2023	CPO, palm kernel and FFB \$000	Rubber \$000	Shell nut \$000	Biomass products \$000	Biogas products \$000	Others \$000	Total \$000
<b>Contract counterparties</b>							
Government	-	-	-	-	550	-	550
Non-government							
- Wholesalers	169,920	327	2,337	-	-	315	172,899
	<u>169,920</u>	<u>327</u>	<u>2,337</u>	<u>-</u>	<u>550</u>	<u>315</u>	<u>173,449</u>
<b>Timing of transfer of goods</b>							
Delivery to customer premises	3,339	327	-	-	-	-	3,666
Delivery to port of departure	-	-	-	-	-	-	-
Customer collect from our mills / estates	166,581	-	2,337	-	-	-	168,918
Upon generation / others	-	-	-	-	550	315	865
	<u>169,920</u>	<u>327</u>	<u>2,337</u>	<u>-</u>	<u>550</u>	<u>315</u>	<u>173,449</u>
<b>6 months to 30 June 2022</b>							
	CPO, palm kernel and FFB \$000	Rubber \$000	Shell nut \$000	Biomass products \$000	Biogas products \$000	Others \$000	Total \$000
<b>Contract counterparties</b>							
Government	-	-	-	-	540	-	540
Non-government							
- Wholesalers	245,456	280	2,605	24	-	324	248,689
	<u>245,456</u>	<u>280</u>	<u>2,605</u>	<u>24</u>	<u>540</u>	<u>324</u>	<u>249,229</u>
<b>Timing of transfer of goods</b>							
Delivery to customer premises	3,569	280	-	-	-	-	3,849
Delivery to port of departure	-	-	-	24	-	-	24
Customer collect from our mills / estates	241,887	-	2,605	-	-	-	244,492
Upon generation / others	-	-	-	-	540	324	864
	<u>245,456</u>	<u>280</u>	<u>2,605</u>	<u>24</u>	<u>540</u>	<u>324</u>	<u>249,229</u>

## Notes to the interim statements (continued)

### 3. Revenue (continued)

Year to 31 December 2022	CPO, palm kernel and FFB \$000	Rubber \$000	Shell nut \$000	Biomass products \$000	Biogas products \$000	Others \$000	Total \$000
<i>Contract counterparties</i>							
Government	-	-	-	-	1,160	-	1,160
Non-government							
- Wholesalers	437,247	630	5,438	24	-	3,120	446,459
	<u>437,247</u>	<u>630</u>	<u>5,438</u>	<u>24</u>	<u>1,160</u>	<u>3,120</u>	<u>447,619</u>
<i>Timing of transfer of goods</i>							
Delivery to customer premises	5,359	630	-	-	-	-	5,989
Delivery to port of departure	-	-	-	24	-	-	24
Customer collect from our mills / estates	431,888	-	5,438	-	-	-	437,326
Upon generation / others	-	-	-	-	1,160	3,120	4,280
	<u>437,247</u>	<u>630</u>	<u>5,438</u>	<u>24</u>	<u>1,160</u>	<u>3,120</u>	<u>447,619</u>

### 4. Finance income and expense

	<b>2023 6 months to 30 June (unaudited) \$000</b>	2022 6 months to 30 June (unaudited) \$000	2022 Year to 31 December (audited) \$000
<u>Finance income</u>			
Interest receivable on:			
Credit bank balances and time deposits	<b>3,990</b>	1,714	4,859
<u>Finance expense</u>			
Interest payable on:			
Interest expense on lease liabilities	<b>(15)</b>	(8)	(12)
	<u>(15)</u>	<u>(8)</u>	<u>(12)</u>
Net finance income recognised in income statement	<b>3,975</b>	1,706	4,847

## Notes to the interim statements (continued)

### 5. Segment information

	North Sumatera \$000	Bengkulu \$000	Riau \$000	Bangka \$000	Kalimantan \$000	Total Indonesia \$000	Malaysia \$000	UK \$000	Total \$000	South* Sumatera \$000
<b>6 months to 30 June 2023 (unaudited)</b>										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	57,802	46,763	22,485	1,679	40,169	168,898	1,022	-	169,920	2,789
- Rubber	327	-	-	-	-	327	-	-	327	-
- Shell nut	1,171	337	785	-	44	2,337	-	-	2,337	-
- Biomass products	-	-	-	-	-	-	-	-	-	-
- Biogas products	168	187	-	-	195	550	-	-	550	-
- Others	213	58	-	20	14	305	8	2	315	69
Total revenue	59,681	47,345	23,270	1,699	40,422	172,417	1,030	2	173,449	2,858
Profit / (loss) before tax	11,795	6,734	5,747	(67)	8,973	33,182	(513)	(458)	32,211	(696)
BA movement	366	(1)	(77)	30	(76)	242	49	-	291	86
Profit / (loss) for the period before tax per consolidated income statement	12,161	6,733	5,670	(37)	8,897	33,424	(464)	(458)	32,502	(610)
Interest income	2,164	1,267	501	-	21	3,953	36	1	3,990	2
Interest expense	(13)	-	-	-	-	(13)	(2)	-	(15)	-
Depreciation	(2,571)	(1,749)	(419)	(239)	(3,054)	(8,032)	(84)	-	(8,116)	-
Provision of expected credit loss	(4)	(8)	-	-	(7)	(19)	-	(1)	(20)	(9)
Inter-segment transactions	2,046	(945)	(270)	(146)	(996)	(311)	301	10	-	-
Inter-segmental revenue	16,269	3,540	-	-	5,230	25,039	-	-	25,039	2,023
Tax expense	(3,093)	(1,299)	(1,200)	44	(1,554)	(7,102)	(96)	(1,216)	(8,414)	471
Total assets	261,948	141,814	51,847	19,054	155,488	630,151	10,342	11,677	652,170	9,478
Non-current assets	86,369	46,374	8,145	16,399	108,633	265,920	7,104	-	273,024	-
Non-current assets - additions	6,104	5,102	377	1,036	5,162	17,781	12	-	17,793	137

\* South Sumatera represents the operations which have been discontinued and have therefore been separated from the continuing operations.

## Notes to the interim statements (continued)

### 5. Segment information (continued)

	North Sumatera \$000	Bengkulu \$000	Riau \$000	Bangka \$000	Kalimantan \$000	Total Indonesia \$000	Malaysia \$000	UK \$000	Total \$000	South* Sumatera \$000
6 months to 30 June 2022 (unaudited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	82,911	70,778	42,666	1,662	45,875	243,892	1,564	-	245,456	5,290
- Rubber	280	-	-	-	-	280	-	-	280	-
- Shell nut	1,017	614	909	-	65	2,605	-	-	2,605	-
- Biomass products	24	-	-	-	-	24	-	-	24	-
- Biogas products	149	241	-	-	150	540	-	-	540	-
- Others	110	49	36	20	106	321	3	-	324	63
Total revenue	84,491	71,682	43,611	1,682	46,196	247,662	1,567	-	249,229	5,353
Profit / (loss) before tax	35,009	23,688	14,233	484	22,156	95,570	(87)	(635)	94,848	401
BA movement	(1,523)	(1,176)	(872)	(114)	(1,645)	(5,330)	16	-	(5,314)	(96)
Profit / (loss) for the period before tax per consolidated income statement	33,486	22,512	13,361	370	20,511	90,240	(71)	(635)	89,534	305
Interest income	1,180	429	85	-	17	1,711	3	-	1,714	2
Interest expense	(4)	-	-	-	-	(4)	(4)	-	(8)	-
Depreciation	(2,669)	(1,969)	(411)	(196)	(2,963)	(8,208)	(162)	-	(8,370)	-
Reversal of impairment	-	-	-	-	622	622	-	-	622	-
Impairment losses	-	-	-	-	-	-	(366)	-	(366)	-
(Provision) / Reversal of expected credit loss	(10)	(1)	-	1	2	(8)	-	2	(6)	(9)
Inter-segment transactions	2,503	(988)	(283)	(149)	(1,004)	79	299	10	388	(388)
Inter-segmental revenue	25,434	580	-	-	5,527	31,541	-	-	31,541	4,608
Tax expense	(8,617)	(4,864)	(2,873)	(52)	(3,998)	(20,404)	(119)	(173)	(20,696)	339
Total assets	273,345	135,559	42,725	17,045	151,209	619,883	12,735	6,613	639,231	13,884
Non-current assets	81,387	41,272	8,206	14,938	105,917	251,720	7,825	-	259,545	4,726
Non-current assets - additions	10,146	2,897	201	773	3,707	17,724	39	-	17,763	367

\* South Sumatera represents the operations which have been discontinued and have therefore been separated from the continuing operations.

## Notes to the interim statements (continued)

### 5. Segment information (continued)

	North Sumatera \$000	Bengkulu \$000	Riau \$000	Bangka \$000	Kalimantan \$000	Total Indonesia \$000	Malaysia \$000	UK \$000	Total \$000	South* Sumatera \$000
Year to 31 December 2022 (audited)										
Total sales revenue (all external)										
- CPO, palm kernel and FFB	146,044	124,480	77,688	2,554	84,198	434,964	2,283	-	437,247	9,192
- Rubber	630	-	-	-	-	630	-	-	630	-
- Shell nut	2,056	1,197	2,067	-	118	5,438	-	-	5,438	-
- Biomass products	24	-	-	-	-	24	-	-	24	-
- Biogas products	354	475	-	-	331	1,160	-	-	1,160	-
- Others	141	-	2,662	33	264	3,100	20	-	3,120	114
Total revenue	149,249	126,152	82,417	2,587	84,911	445,316	2,303	-	447,619	9,306
Profit / (loss) before tax	51,210	35,809	26,166	433	29,079	142,697	(721)	(3,243)	138,733	(1,105)
BA movement	(1,845)	(1,571)	(846)	(106)	(1,354)	(5,722)	(70)	-	(5,792)	(178)
Profit / (loss) for the year before tax per consolidated income statement	49,365	34,238	25,320	327	27,725	136,975	(791)	(3,243)	132,941	(1,283)
Interest income	3,149	1,321	320	-	31	4,821	38	-	4,859	4
Interest expense	(5)	-	-	-	-	(5)	(7)	-	(12)	-
Depreciation	(5,295)	(3,942)	(813)	(374)	(5,922)	(16,346)	(378)	-	(16,724)	-
Impairment losses	-	-	-	-	(185)	(185)	(432)	-	(617)	-
(Provision) / Reversal for expected credit loss	(169)	(57)	-	-	12	(214)	-	(1,451)	(1,665)	91
Inter-segment transactions	4,654	(1,927)	(551)	(291)	(1,960)	(75)	589	53	567	(567)
Inter-segmental revenue	44,080	2,711	-	-	9,628	56,419	-	-	56,419	7,305
Tax expense	(12,022)	(7,262)	(5,499)	(26)	(5,414)	(30,223)	(98)	(1,140)	(31,461)	494
Total assets	258,237	138,272	52,321	17,469	139,914	606,213	11,540	2,602	620,355	9,855
Non-current assets	79,119	41,193	7,820	14,901	101,780	244,813	7,601	-	252,414	5,704
Non-current assets - additions	15,007	7,283	709	1,788	9,376	34,163	107	-	34,270	793

\* South Sumatera represents the operations which have been discontinued and have therefore been separated from the continuing operations.

## Notes to the interim statements (continued)

### 5. Segment information (continued)

In the 6 months to 30 June 2023, revenue from 4 customers of the Indonesian segment represent approximately \$85.8m (H1 2022: \$156.8m) of the Group's total revenue. In the year 2022, revenue from 4 customers of the Indonesian segment represent approximately \$263.0m of the Group's total revenue for continuing operations. An analysis of this revenue is provided below. Although Customers 1 to 3 each contribute over 10% of the Group's total revenue, there was no over reliance on these Customers as tenders were performed on a weekly basis. Three of the top four customers were the same as in the year to 31 December 2022.

	<b>2023</b>		2022		2022	
	<b>6 months to 30 June (unaudited)</b>		6 months to 30 June (unaudited)		Year to 31 December (audited)	
	\$m	%	\$m	%	\$m	%
<b>Major Customers</b>						
Customer 1	<b>27.9</b>	<b>16.1</b>	89.7	36.0	146.4	32.6
Customer 2	<b>23.1</b>	<b>13.3</b>	31.0	12.4	55.9	12.5
Customer 3	<b>17.7</b>	<b>10.2</b>	18.5	7.4	33.1	7.4
Customer 4	<b>17.1</b>	<b>9.9</b>	17.6	7.0	27.6	6.2
Total	<b>85.8</b>	<b>49.5</b>	156.8	62.8	263.0	58.7



## Notes to the interim statements (continued)

### 6. Tax expense

	<b>2023</b>	2022	2022
	<b>6 months</b>	6 months	Year
	<b>to 30 June</b>	to 30 June	to 31 December
	<b>(unaudited)</b>	(unaudited)	(audited)
	<b>\$000</b>	\$000	\$000
Foreign corporation tax - current year	<b>8,843</b>	18,224	29,727
Foreign corporation tax - prior year	-	(57)	7
Deferred tax adjustment - origination and reversal of temporary differences	<b>(429)</b>	2,529	832
Deferred tax - prior year	-	-	895
	<b>8,414</b>	20,696	31,461

Corporation tax rate in Indonesia is at 22% (H1 2022: 22%, 2022: 22%) whereas Malaysia is at 24% (H1 2022: 24%, 2022: 24%). The standard rate of corporation tax in the UK for the current year is 19% (H1 2022: 19%, 2022: 19%).

### 7. Dividend

The final and only dividend in respect of 2022, amounting to 25.0 cents per share, or \$9,909,093 was paid on 7 July 2023 (2021: 5.0 cents per share, or \$1,981,819 paid on 15 July 2022).

The interim dividend of 15.0 cents per share, or \$5,945,456 in respect of the year ending 31 December 2023 will be paid on 6 October 2023 to those shareholders on the register on 8 September 2023.

## Notes to the interim statements (continued)

### 8. Earnings per ordinary share ("EPS")

	<b>2023</b>	2022	2022
	<b>6 months</b>	6 months	Year
	<b>to 30 June</b>	to 30 June	to 31 December
	<b>(unaudited)</b>	(unaudited)	(audited)
	<b>\$000</b>	\$000	\$000
<b>Total operations</b>			
Profit for the period attributable to owners of the Company before BA movement	<b>17,795</b>	60,582	83,548
BA movement	<b>248</b>	(3,551)	(3,904)
Earnings used in basic and diluted EPS	<b>18,043</b>	57,031	79,644
<b>Continuing operations</b>			
Profit for the period attributable to owners of the Company before BA movement	<b>19,924</b>	60,845	87,937
BA movement	<b>184</b>	(3,480)	(3,772)
Earnings used in basic and diluted EPS	<b>20,108</b>	57,365	84,165
<b>Discontinued operations</b>			
Loss for the period attributable to owners of the Company before BA movement	<b>(2,129)</b>	(263)	(4,389)
BA movement	<b>64</b>	(71)	(132)
Earnings used in basic and diluted EPS	<b>(2,065)</b>	(334)	(4,521)
	<b>Number</b>	Number	Number
	<b>'000</b>	'000	'000
Weighted average number of shares in issue in the period			
- used in basic EPS	<b>39,636</b>	39,636	39,636
- dilutive effect of outstanding share options	-	-	-
- used in diluted EPS	<b>39,636</b>	39,636	39,636
<b>Total operations</b>			
- Basic and diluted EPS before BA movement	<b>44.90cts</b>	152.85cts	210.79cts
- Basic and diluted EPS after BA movement	<b>45.52cts</b>	143.89cts	200.94cts
<b>Continuing operations</b>			
- Basic and diluted EPS before BA movement	<b>50.27cts</b>	153.51cts	221.86cts
- Basic and diluted EPS after BA movement	<b>50.73cts</b>	144.73cts	212.34cts
<b>Discontinued operations</b>			
- Basic and diluted EPS before BA movement	<b>(5.37)cts</b>	(0.66)cts	(11.07)cts
- Basic and diluted EPS after BA movement	<b>(5.21)cts</b>	(0.84)cts	(11.41)cts

## Notes to the interim statements (continued)

### 9. Fair value measurement of financial instruments

The carrying amounts and fair values of the financial instruments which are not recognised at fair value in the Statement of Financial Position are exhibited below:

	2023 6 months to 30 June (unaudited)		2022 6 months to 30 June (unaudited)		2022 Year to 31 December (audited)	
	Carrying amount \$000	Fair value \$000	Carrying amount \$000	Fair value \$000	Carrying amount \$000	Fair value \$000
<b>Non-current receivables</b>						
Due from non- controlling interests	434	434	5,345	3,016	1,549	797
Due from cooperatives under Plasma scheme	19,708	13,390	17,246	12,373	17,414	11,729
	<b>20,142</b>	<b>13,824</b>	<b>22,591</b>	<b>15,389</b>	<b>18,963</b>	<b>12,526</b>

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, and borrowings due within one year.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and borrowings due within one year approximates their fair value.

All non-current assets, non-current receivables and long-term loan are classified as Level 3 in the fair value hierarchy.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of non-current receivables and borrowings due after one year, 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
<b>Non-current receivables</b>			
Due from non- controlling interests	Based on cash flows discounted using current lending rate of 6% (H1 2022 and 2022: 6%).	Discount rate	The higher the discount rate, the lower the fair value.
Due from cooperatives under Plasma scheme	Based on cash flows discounted using an estimated current lending rate of 10.25% (H1 2022:	Discount rate	The higher the discount rate, the lower the fair value.

7.00%, 2022: 8.50%).

## Notes to the interim statements (continued)

### 10. Acquisition of non-controlling interests

In June 2023, the Group also acquired some additional 0.4% and 4.5% interest in the voting shares of PT Sawit Graha Manunggal (“SGM”) and PT Kahayan Agro Plantation (“KAP”), respectively, increasing the Group ownership interest to almost 100% with a consideration of \$2.6 million. The following is the schedule of additional interest acquired in SGM and KAP:

	\$000
Consideration paid to non-controlling shareholders	2,608
Carrying value of the additional interest	<u>(120)</u>
Difference recognised in retained earnings	<u>2,488</u>

### 11. Subsequent events

The disposal of the three non-performing plantations in South Sumatera, namely PT Riau Agrindo Agung, PT Karya Kencana Sentosa Tiga and PT Empat Lawang Agro Perkasa, to Mrs Lina (also known as Liena Efendy) and Miss Lenny Nurimba on 5 July 2023 for a total cash consideration of \$8.5 million had been completed. Since the Group is no longer in control of the subsidiaries, all the assets and liabilities of the subsidiaries will be derecognised from July 2023 onwards.

In July 2023, the Group also completed the acquisition of 25% of the issued share capital of PT United Kingdom Indonesia Plantations and the 10% of the issued share capital of PT Mitra Puding Mas, from PT. Canadianty Corporindo, the minority shareholder in Indonesia, for a total cash consideration of \$25.2million, increasing the Group ownership interest to 100%.

### 12. Report and financial information

Copies of the interim report for the Group for the period ended 30 June 2023 are available on the AEP website at <https://www.angloeastern.co.uk/>.