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Photographs

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Anglo-Eastern Plantations Plc, quoted on the London Stock Exchange, operates and is developing plantations in Malaysia and Indonesia, amounting to some 40,000 hectares producing palm oil, rubber and cocoa.

FINANCIAL SUMMARY

	1999	<i>1998</i>	1999	<i>1998</i>
	US\$000	<i>US\$000</i>	£000	<i>£000</i>
Turnover	19,636	<i>14,944</i>	12,196	<i>8,997</i>
Profit before tax	9,231	<i>9,666</i>	5,734	<i>5,819</i>
Shareholders' funds	74,576	<i>71,020</i>	46,321	<i>42,425</i>
Earnings per share	12.3cts	<i>13.3cts</i>	7.6p	<i>8.0p</i>
Dividends per share	4.00cts	<i>7.00cts</i>	2.56p	<i>4.34p</i>

CHAIRMAN'S STATEMENT

Group profit before tax for 1999 amounted to \$9.2 million which was 5% below the previous year. However, the 1998 profit included \$1.1 million arising from asset sales and foreign exchange gains. Therefore, the operating profit for 1999 of \$9.3 million was 10% higher than the corresponding figures for the previous year.

The improvement in operating profit reflected better oil palm production after the drought affected year of 1998. Although the very high Indonesian export tax was reduced in mid-1999, CPO prices also fell steadily from February 1999, thereby offsetting the benefit. The Indonesian rupiah strengthened after the heavy devaluation in 1998 and this also contributed to the lower overall margin in 1999.

With higher taxation and minority interests, the Group's earnings per share fell about 8% to 12.3 cts.

Commodity Prices

After nearly four years of satisfactory levels, CPO prices fell from over \$600/mt (c.i.f. Rotterdam) at

the beginning of the year to a low of \$280/mt last July, ending the year at \$350/mt. Rubber prices were static for most of the year, strengthening a little towards the end. Cocoa prices weakened by about 40% during 1999.

The tax on CPO exports from Indonesia was reduced from 60% to 40% in February 1999 to 30% in June 1999 and finally to 10% in July 1999. On the formula as applied, the effective tax is now only about 4%. As long as CPO prices remain under \$400/mt, we believe the export tax is unlikely to be raised. Under the agreement between the Indonesian government and the International Monetary Fund, the tax rate is limited to below 10%. The reduction of the export tax on CPO from 60% to 4% should have compensated for the fall in the CPO price from \$600/mt to \$280/mt. However, with the lagging effect of the tax reduction, we did not enjoy the full benefit.

Valuation

As in 1998, we have included our Indonesian

CHAIRMAN'S STATEMENT

estates in the group balance sheet at values based on discounted values of the estimated cash flows. The increase in the total value of \$7.7 million reflects the increased areas planted and the progress to maturity of those properties.

Indonesia

After the residual effect of the severe drought in 1998, crops from Tasik and Anak Tasik estates increased by 7% over the previous year. Increasing competition from nearby mills continues to make it difficult for us to find fruits from outside estates for processing at profitable rates. Consequently, processing at our Tasik mill of FFB from outside producers fell by 14.1% in 1999.

On the North Sumatra estates, FFB production continued to increase dramatically with one estate recording an average yield of 31 mt/ha. The improvement is not expected to be sustainable and production will plateau out. Production from the remaining small area of rubber and cocoa crops was slightly below expectation. Both crops remained profitable in 1999 but were not significant

contributors to the group's profit.

Steady progress continues on our Bengkulu estates. By the end of 1999, 7,700 ha had been planted with another 1,440 ha cleared and in process of being planted. The first plantings in 1997 will provide a small crop of about 7,000 mt of FFB in year 2000 and thereafter production should rise rapidly to some 90,000 mt in 2002. Maintenance of the immature areas represents a considerable capital commitment. With the current low CPO prices, we have adjusted the rate of new development to within our cash generating capability.

In year 2000, we shall be commencing construction of an oil mill in Bengkulu for commissioning in early 2002.

We are very pleased with the enthusiasm and dedication of our Indonesian team and the progress to date in Bengkulu has been most satisfactory in very trying conditions.

Malaysia

Little new development work took place in 1999 at our Malaysian estate. Half of the property planted is

CHAIRMAN'S STATEMENT

still immature and much of the other half newly mature. Production increased to a satisfactory 17,000 mt of FFB in 1999. This was above expectations and reflected sustained management effort in an estate with difficult terrain. The estate has also suffered from occasional shortage of labour, a problem which has largely been overcome. With the low CPO prices, the estate broke even in 1999. As production from maturing areas increases, it should make a reasonable contribution, particularly if CPO prices improve.

Share Capital

During 1999, the company purchased a further 0.8 million of its shares for cancellation bringing the total number of shares re-purchased over three years to 2.9 million at an average price of 49p per share.

Finance

Given the large development programmes in Bengkulu and in Malaysia, we have planned for further funding for some time. The high CPO prices in recent years helped defer this requirement. With the fall in CPO prices, we began to explore again a listing of the company's shares in the Far East. We have carried out much of the basic work but have decided to postpone an issue at this stage because it looks difficult to achieve an issue price which fairly reflects the underlying value of the company. As a result, we pursued the possibility of medium term debt financing. At the date of this report, two offers have been made by banks – one of \$10 million to fund the construction of an oil mill in Bengkulu and to continue field development there and another of \$2.1 million to fund the residual field development on the Malaysian estate. Documentation on the latter loan has been agreed and for the former loan is in progress.

Dividend

In past years, the board has tried to maintain a policy of steady or improving dividends. In the light of the low CPO prices and the cash

CHAIRMAN'S STATEMENT

requirement for the large development work in hand, the board has decided to reduce the dividend for 1999 to 4.00cts (2.56p) per share. With any significant improvement in CPO prices and higher output, the board intends to reinstate the rate of dividend payout in the future.

Outlook

The economy of East Asia has started to recover after the problems in 1997/1998. However, the socio-political situation in Indonesia must be given time to stabilise. Supported by the initiative and fortitude of our local staff, the group has weathered the volatility of the past year well. I am confident they can be relied upon in the future. In the absence of any deterioration in the situation in Indonesia and if the CPO prices continue to hold steady at recent levels of \$375/mt, the board is optimistic of satisfactory results in year 2000. Half the group's planted area is immature representing a sound base for strong profit growth over the next five years. Production from the Bengkulu estates will begin to make an impact in 2001 and when the proposed oil mill is completed in early 2002, I expect that the profit contribution from these properties will be significant.

3 May 2000

CHANTEIK HUAT
Chairman

ANGLO - EASTERN PLANTATIONS PLC

LOCATIONS OF ESTATES

ESTATE AREAS

GROUP	MALAYSIA			INDONESIA				NORTH SUMATRA				BENGKULU			
	TOTAL hectares	CENDERUNG hectares	ANAK TASIK hectares	TASIK hectares	ANAK TASIK hectares	BIANKALIAN hectares	RAMBUNG hectares	SUNGLI MUSAM hectares	AJNO hectares	MUSTIKA RAMIA hectares	PUPING RIAS hectares	SUMINDO hectares	TOTAL hectares	due to mature 2000 other under preparation	
Oil Palm															
Mature	10,833	2,077	764	6,021	764	926	27	853	-	-	165	-			
Immature	2,208	42	-	-	-	-	3	6	1,290	-	867	-			
due to mature 2000	7,216	1,397	-	-	-	-	-	278	2,769	5	2,597	170			
other	1,443	-	-	-	-	-	-	-	455	532	126	330			
under preparation	21,700	3,516	764	6,021	764	926	30	1,137	4,514	537	3,755	500			
Total															
Rubber															
Mature	1,112	-	-	-	-	-	439	673	-	-	-	-			
Immature	129	-	-	-	-	-	129	-	-	-	-	-			
Total	1,241	-	-	-	-	-	568	673	-	-	-	-			
Cocoa															
Mature	172	-	-	-	-	-	172	-	-	-	-	-			
Immature	58	-	-	-	-	-	58	-	-	-	-	-			
Total	230	-	-	-	-	-	230	-	-	-	-	-			
Timber															
Mature	114	114	-	-	-	-	-	-	-	-	-	-			
Immature	23,285	3,630	764	6,021	764	926	828	1,810	4,514	537	3,755	500			
Total planted area															
Reserves															
Plantable	18,300	2,219	-	-	-	-	-	-	2,962	2,913	236	9,970			
Unplantable	1,117	546	-	-	-	1	-	-	336	-	235	-			
Other - housing, roads, etc	730	23	34	98	34	29	49	115	188	50	114	30			
Total	43,432	6,418	798	6,119	798	956	877	1,924	8,000	3,500	4,340	10,500			

Note: No land title has yet been issued in respect of Ajno but the main procedures involved in the application have been completed and at 31 December 1999 substantial work had taken place on the site.
Similarly no land titles have yet been issued in respect of Mustika Rama and Sumindo. The application procedures have commenced but will take some time. Meanwhile some clearing work has started.

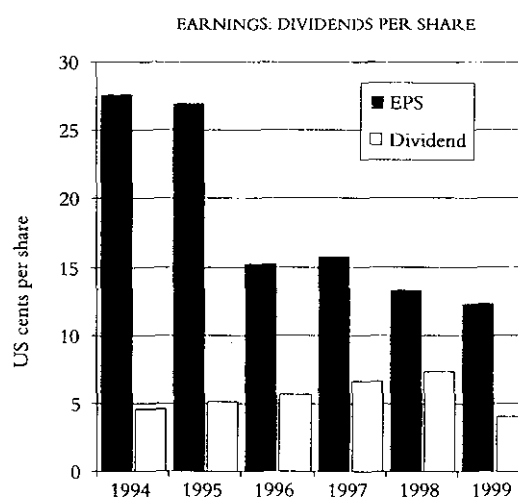
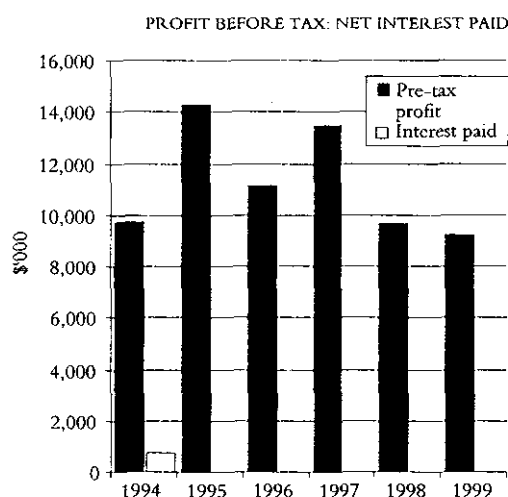
FINANCIAL RECORD

	1999	1998	1997	1996	1995
	\$000	\$000	\$000	\$000	\$000
Profit and Loss Account					
Turnover	19,636	14,944	24,649	19,570	23,057
Operating profit	9,280	8,473	14,510	10,459	14,148
Net interest received	277	245	296	599	46
Exceptional items	(326)	948	(1,333)	111	102
Profit before tax	9,231	9,666	13,473	11,169	14,296
Taxation	(3,399)	(3,170)	(4,611)	(3,293)	(4,119)
Minority interests	(984)	(1,042)	(2,239)	(1,486)	(1,979)
Profit attributable to shareholders	4,848	5,454	6,623	6,390	8,198
Dividends	(1,569)	(2,746)	(2,745)	(2,375)	(2,160)
Retained profit	3,279	2,708	3,878	4,015	6,038
Balance Sheet					
	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed assets	95,284	87,587	94,183	84,711	50,797
Cash net of short term borrowings	2,709	6,943	7,823	12,174	31,993
Long term loans	-	-	(923)	(1,846)	(2,768)
Other working capital and deferred tax	(4,344)	(5,614)	(1,477)	759	(4,126)
	93,649	88,916	99,606	95,798	75,896
Minority interests	(19,073)	(17,896)	(17,309)	(15,947)	(7,996)
Net worth	74,576	71,020	82,297	79,851	67,900
Share capital	15,171	15,480	16,200	16,258	16,258
Share premium and capital redemption account	24,657	24,348	23,628	23,570	23,570
Revaluation and exchange reserve	8,575	6,290	18,227	19,431	11,495
Profit and loss account	26,173	24,902	24,242	20,592	16,577
Shareholders' funds	74,576	71,020	82,297	79,851	67,900
Ordinary shares in issue ('000s)	39,227	40,027	41,888	42,038	42,038
Earnings per share (US cents)	12.3cts	13.3cts	15.8cts	15.2cts	27.0cts
Dividends per share (US cents)	4.00cts	7.00cts	6.60cts	5.65cts	5.14cts
Asset value per share (US cents)	190cts	177cts	197cts	190cts	162cts
Earnings per share (pence equivalent)	7.6p	8.0p	9.6p	9.7p	17.3p
Dividends per share (pence equivalent)	2.56p	4.34p	4.00p	3.49p	3.40p
Asset value per share (pence equivalent)	118p	106p	120p	111p	103p
Net borrowing: shareholders' funds (%)	-	-	-	-	-

Relevant exchange rates shown on page 9.

ADDITIONAL INFORMATION

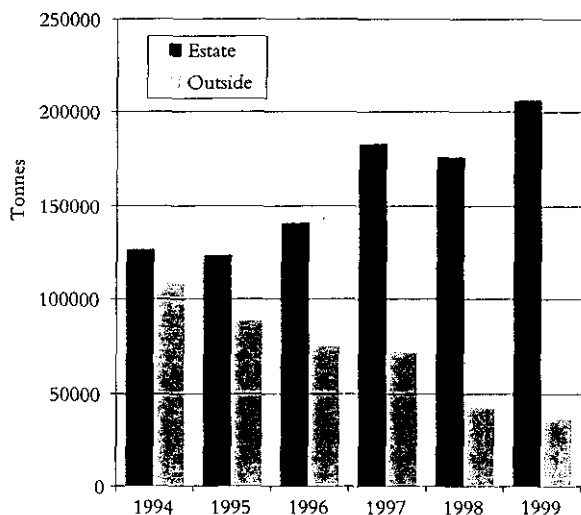
	1999	1998	1997	1996	1995
Crops	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes
FFB - all estates	206,725	176,546	182,855	140,566	123,632
- bought in or processed for third parties	36,730	42,750	71,697	74,723	89,012
Saleable Crude Palm Oil (CPO)	42,941	31,224	36,894	30,728	32,711
Rubber	1,595	1,621	1,658	1,530	1,633
Cocoa	182	206	139	245	627
Sales					
CPO - Tasik	44,619	29,012	37,647	29,899	35,992
FFB - other estates	31,887	26,486	33,803	10,956	-
Rubber	1,595	1,621	1,682	1,526	1,633
Cocoa	175	162	152	224	725
Average Sales Prices - Indonesia	Rp/kg	Rp/kg	Rp/kg	Rp/kg	Rp/kg
CPO (after export tax)	2,295	3,166	1,360	1,085	1,133
Rubber	5,037	6,941	2,749	3,232	3,290
Cocoa	7,791	15,787	4,570	2,870	3,006
FFB	491	668	239	183	-
Average Sales Prices - Malaysia	RM/mt	RM/mt	RM/mt	RM/mt	RM/mt
FFB	243	424	227	183	-
Exchange Rates - Year End					
Rp: \$	7,100	8,025	4,650	2,363	2,280
\$: £	1.61	1.67	1.65	1.71	1.56
RM: \$	3.80	3.80	3.89	2.53	2.54
Exchange Rates - Average					
Rp: \$	7,795	9,935	2,921	2,330	2,280
\$: £	1.61	1.66	1.64	1.57	1.56
RM: \$	3.80	3.89	2.87	2.52	2.51



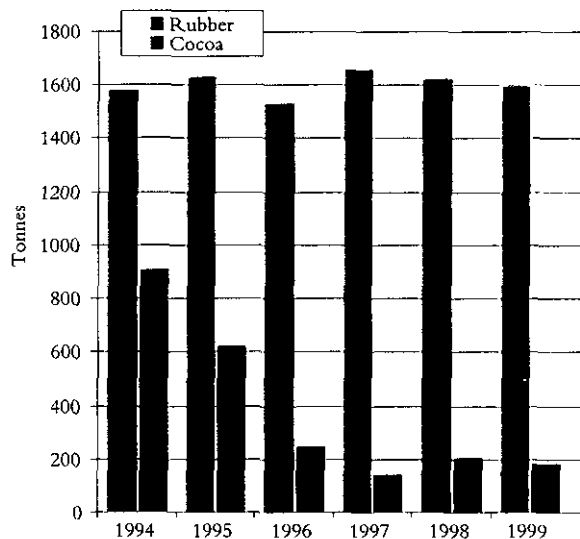
ANGLO - EASTERN PLANTATIONS PLC

ADDITIONAL INFORMATION

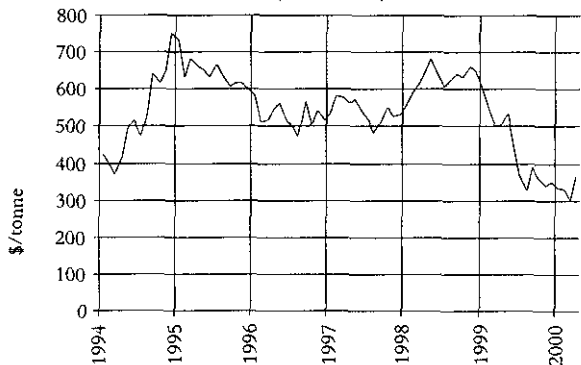
FFB PRODUCTION



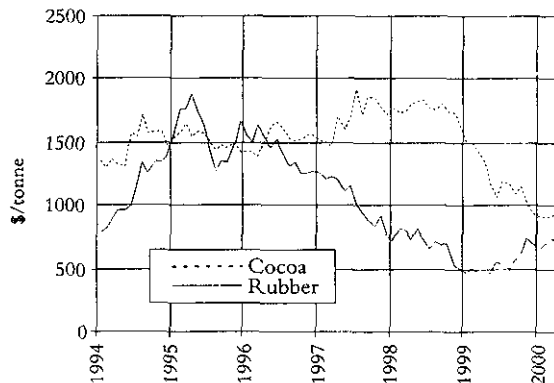
RUBBER AND COCOA PRODUCTION



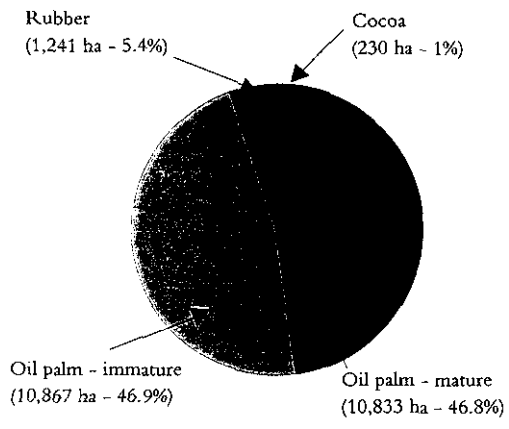
PALM OIL - PRICE * (Rotterdam)



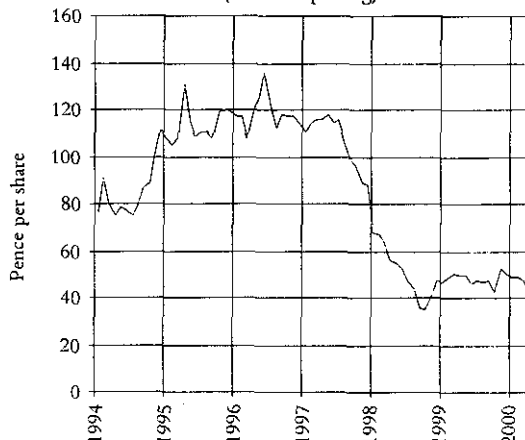
RUBBER AND COCOA PRICES * \$/tonne



PLANTED AREAS - HECTARES



ANGLO-EASTERN SHARE PRICE (Month opening)



* = Source: Primark Datastream

DIRECTORS' REPORT

The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 31 December 1999.

Principal Activity

The company acts as a holding company and co-ordinates the businesses of its subsidiaries. At 31 December 1999 these comprised principally the cultivation of oil palm, rubber and cocoa in Indonesia and Malaysia.

The subsidiary and associated undertakings principally affecting the profits or net assets of the group in the year are listed in note 25 to the financial statements.

Results and Dividends

The audited financial statements for the year ended 31 December 1999 are set out on pages 18 to 35.

The group profit for the year on ordinary activities before taxation was \$9,231,000 (1998 - \$9,666,000) and the profit attributable to ordinary shareholders was \$4,848,000 (1998 - \$5,454,000).

No interim dividend was paid. The directors recommend a final dividend of 4.00 cts (1998 - 7.00 cts) to be paid on 16 August 2000 to shareholders on the register on 28 July 2000.

Shareholders who elect to receive their dividend in sterling as described on page 13 will receive a dividend of 2.56p (1998 - 4.34p).

Fixed Assets

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

Directors

A full list of directors appears on page 14. All the directors served throughout the year. In accordance with the Articles of Association, Mr Wee Sin Tho and Datuk Henry Chin Poy-Wu,

who do not have service contracts, will retire by rotation and will offer themselves for re-election at the forthcoming annual general meeting. Other than Mr Barnes, who has a service contract expiring in June 2001, no director has a service agreement exceeding one year's duration.

Directors' Interests

The interests of the directors together with those of their immediate families in the securities of the company were as shown below:

Directors' beneficial interests at December	1999 Ordinary Shares	1998 Ordinary Shares
R O B Barnes	3,602	3,602
T H Chan	345,500	345,500
Datuk Chin	-	-
Dato Haron	249,000	249,000
S C Ho	400,000	400,000
S K Lim	20,817,914	21,217,914
P E O'Connor	300,000	300,000
ST Wee	-	-

Mr ST Wee is general manager of Benchmark Asia Ltd which owned 1,200,000 shares at 31 December 1999 (1998 - 1,200,000) and in which Mr Wee is therefore deemed to be interested.

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

There have been no changes in the interests of the directors in the securities of the company between 31 December 1999 and the date of this report.

Share options granted to the directors of the company under the company's 1994 Executive Share Option Scheme and Overseas Share Option Scheme at 31 December 1999 were:

Name of Director	No of ordinary shares under option	Date of Grant	Exercise price	Exercise period
R O B Barnes	31,412	5.11.94	93.2p	5.11.97-4.11.04
	14,338	24.5.96	124p	24.5.99-23.5.06
	250,000	11.10.99	47p	25.10.02-24.10.09
T H Chan	40,800	11.10.99	47p	25.10.02-24.10.09

DIRECTORS' REPORT

The market price of shares at 31 December 1999 was 48.5p and the range during 1999 was 42p to 54.5p.

No director had a material interest in any contract of the company subsisting during, or at the end of, the financial year. A subsidiary of the company rents office space from, and manages a small plantation owned by, companies controlled by Mr T H Chan and Madam S K Lim. These contracts are on an arm's length basis and are not material.

Substantial Share Interests

As at 3 May 2000 the following were the interests in excess of 3% of the issued ordinary share capital:

Name of holder	Number	Percentage held
Genton International Limited	20,176,414	51.4%
S N Roditi	2,116,900	5.4%
Benchmark Asia Limited	1,200,000	3.1%

Power to Issue Share Capital

At the annual general meeting held on 14 June 1999 shareholders authorised the board under the provisions of section 80 of the Companies Act 1985 to allot relevant securities within specified limits for a period of five years. Renewal of this authority on similar terms is being sought under Resolution 5 at the forthcoming annual general meeting. Such authority will be limited to the unissued authorised share capital.

A fresh authority is also being sought under the provisions of section 95 of the Companies Act 1985 to enable the board to make an issue to existing shareholders without being obliged to comply with certain technical requirements of the Companies Act, which create problems with regard to fraction entitlements and to overseas shareholders. In addition the authority will give the board power to make issues of shares for cash to other than existing shareholders up to a maximum nominal amount of £490,336 representing 5% of

the current issued share capital. The section 95 authority will last for up to 15 months from the date of the annual general meeting.

Script Dividends

Resolution 6 to be proposed at the annual general meeting seeks renewal for a further five years of the authority under which the directors are able to offer shareholders a scrip dividend alternative. A scrip dividend alternative is not being offered in respect of the 1999 final dividend.

Acquisition of the Company's Own Shares and Authority to Purchase Own Shares

Further to the shareholders' resolution of 5 June 1998 the company purchased, for a consideration of £420,312, in January and February 1999 800,000 ordinary shares representing 2.0% of the company's issued ordinary share capital at 31 December 1998.

At 3 May 2000, the directors had remaining authority, under the shareholders' resolution of 14 June 1999, to make further purchases of 3,922,622 of the company's ordinary shares. This authority expires on 14 June 2000.

The board will only make purchases if they believe the earnings or net assets per share of the company would be improved by such purchases. All such purchases will be market purchases made through the London Stock Exchange and will be subject to the London Stock Exchange's model code of dealings. Any shares purchased by the company will be cancelled and the number of shares in issue will accordingly be reduced.

Resolution 7 to be proposed at the forthcoming annual general meeting seeks renewed authority to purchase up to a maximum of 3,922,692 ordinary shares of 25p each on the London Stock Exchange, representing 10% of the company's issued ordinary share capital. The maximum price which may be paid for ordinary

DIRECTORS' REPORT

shares on any exercise of the authority will be restricted to 5% above the average middle market quotations for such shares as derived from the London Stock Exchange Daily Official List for the 5 business days before the purchase is made.

The group reporting currency is US dollars. However at the time of acquiring their interest shareholders can choose to receive dividends in US dollars or in sterling. In the absence of any specific instruction up to the date of closing the register, shareholders with addresses in the UK are deemed to have elected to receive their dividends in sterling and those with addresses outside the UK in US dollars.

The sterling equivalent dividend will be paid at the exchange rate ruling at the date of approval of the company's financial statements by the directors and in the case of the current year is recorded within the section "Results and Dividends" on page 11.

Supplier Payment Policy

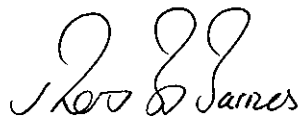
It is the company's policy to pay suppliers promptly in accordance with terms of payment. Year and trade creditor days were 30.

Liability Insurance for Company Officers

As permitted by the Companies Act 1985 the company has maintained insurance cover for the directors against liabilities in relation to the company.

Income and Corporation Taxes Act 1988

In the opinion of the directors, the company is not a close company within the meaning of the above Act.



By order of the board
R. O B Barnes
Secretary

3 May 2000

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards

have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

T H Chan (Chairman and CEO, aged 60)

Chartered Accountant; managing director of Metroplex Berhad; founder and managing partner of a leading accounting firm in Malaysia for some 17 years.

R O B Barnes (Chief Financial Officer, aged 55)

Chartered Accountant; director of The Chillington Corporation Plc from 1986 to 1989.

Dato Haron bin Dato Mohd Salleh (Executive, aged 56)

Managing director, Anglo-Eastern Plantations (Malaysia) Sdn Bhd.

Vice Admiral Royal Malaysian Navy, now retired.

Chief of Staff Malaysian Armed Forces HQ 1994 - 1996.

P E O'Connor (Senior independent non-executive, aged 59)

Chairman of City Merchants High Yield Trust Plc, and of Advance Developing Markets Plc; director of AMR Technologies Inc; director of GT Management Plc 1975 to 1990 (in London and Hong Kong).

S C Ho (Independent non-executive, chairman of

audit and remuneration committee, aged 50)

Executive director of Vickers Ballas Holdings Limited, a group principally involved in securities broking and related financial services.

Madam S K Lim (Non-executive, aged 51)

Executive chairman of Metroplex Berhad, an investment holding company, listed on the Kuala Lumpur Stock Exchange, primarily engaged in property development, investment property, hotel ownership, building materials, leisure and gaming.

Datuk H Chin Poy-Wu (Independent non-executive, aged 62)

Director of Glenealy Plantations Berhad, Malaysian Mosaics Berhad and Sabah Forest Industries Sdn. Bhd. Commissioner of Police - Kuala Lumpur, retired 1993.

S T Wee (Independent non-executive, aged 51)

President & CEO of Vickers Ballas Holdings Limited, a group principally involved in securities broking and related financial services.

STATEMENT ON CORPORATE GOVERNANCE

In June 1998 the Stock Exchange published the Principles of Good Governance and Code of Best Practice (the "Combined Code") which became effective in respect of accounting periods after 31 December 1998.

During 1999 the company has complied with the majority of the requirements of the Combined Code.

Particular comment is made in the statements below and in the Remuneration Report on page 16 where the requirements were not met during 1999. The statements do not seek to reiterate all the requirements of the Combined Code.

The Board

Mr T H Chan has been both chairman and chief executive since 1998. Together with his wife, Madam S K Lim, he is a controlling shareholder of the company. In the opinion of the board, given the size of his family's commitment to the company, his common interest as shareholder and manager in the company make it reasonable that the post of chairman and chief executive are combined. The other members of the board are satisfied that through the specific powers reserved for the board, and given the presence of four wholly independent non-executives, there is a reasonable balance of influence.

Mr P E O'Connor has been senior non-executive director since January 1999.

Non-executives are not appointed for specified terms. There have been changes in non-executive directors at intervals in the past for a variety of reasons. While accepting the need to maintain the vitality of the board the directors do not intend to specify terms of office for non-executives. However, the board will review the position of each director at the time set for his normal two to three yearly reappointment under the Articles.

A nomination committee is not considered necessary given the small size of the company and

there is no formal policy for the appointment of new directors. Directors are provided with background information on candidates who are then discussed by the board as a whole. New directors have not received formal training on the occasion of their appointment to the Board as all have previous experience of public company directorships.

Remuneration

The required report is set out at the end of this statement.

Relations with Shareholders

Company executives make a point of attempting to meet principal shareholders at least once a year and at all times are pleased to speak to and meet any shareholder.

A member of the audit and remuneration committees will be available at the 2000 annual general meeting.

Accountability and Audit

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

The audit committee comprises Mr S C Ho, Mr P E O'Connor and Datuk H Chin. The committee met prior to the completion of the 1998 and 1999 accounts, and twice in between.

The Combined Code requires that directors conduct an annual review of the effectiveness of the group's internal controls including those covering risk management, operations and compliance with laws and regulations as well as financial controls. Even in a relatively small company this is an extensive remit but the board acknowledges its responsibility for, and reviewing the effectiveness of, internal controls. The audit committee has not reviewed the effectiveness of all internal controls during the year but has reviewed

STATEMENT ON CORPORATE GOVERNANCE

what it considers to be the most important areas. In addition, the board receives regular reports from executive management in Malaysia and Indonesia and focuses at every meeting on the principal risks to which the group is exposed. In the last year these have comprised the effect of

- social unrest in Indonesia and consequent growth of spurious land claims
- retrospective and sometimes arbitrary government legislation in Indonesia
- commodity price movements on profitability and forward sales positions
- exchange rate movements on monetary assets and liabilities

From the beginning of 1999 the audit committee has begun a sequential review of the other risks facing the group, such as legal/regulatory compliance, land title validity and control of development expenditure, which is a major item at present. At the same time the committee has reviewed particular aspects of the group's other financial controls and internal audit reports.

This process cannot cover all risks in any one year, nor can it guarantee no loss from those risks reviewed, but it does make both board and management aware of those risks and hopefully reduces the chance of related loss.

REMUNERATION REPORT BY THE BOARD

Details of directors' remuneration in 1999 are set out in note 6 of the financial statements and details of outstanding share options are shown in the directors' report on page 11 and in note 18 on page 28.

Members of the audit committee, who are all non-executive directors, also act as a remuneration committee and, advised by the chief executive, make recommendations to the board as a whole on all aspects of executive pay and incentives.

Non-executives' remuneration will continue to be considered by the board as a whole.

Policy

Executive directors receive a regular salary which is normally reviewed annually. In the past the board has determined annual bonuses at its discretion, in relation to the company's performance.

Mr R. O B Barnes has a service contract which expires in June 2001. No other director has a service contract.

Share options issued before 1999 have no performance criteria and were issued on an ad hoc

basis. The issues in 1999 set out on pages 11 and 28 do have performance criteria and, with the exception of that to Mr Barnes, are part of a three year programme of annual grants. The grant to Mr Barnes is a single amount in view of the possible expiry of his contract in 2001.

There is no company pension scheme for executive directors or senior executives. In the case of one executive director the company makes contributions, based on salary, to a personal money purchase scheme. Pension contributions are not paid in respect of bonuses.

A substantial proportion of executives' remuneration is performance related.

AUDITORS' REPORT

To the Shareholders of Anglo-Eastern Plantations Plc

We have audited the financial statements on pages 18 to 35 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 22. We have also examined the amounts disclosed relating to the share options of the directors which form part of the directors' report on page 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report, including as described on page 14, preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the company and the group is not disclosed.

We review whether the corporate governance statement on pages 15 and 16 reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls or to form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and of the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

The group's operations in Indonesia continue to be exposed to uncertain economic and social conditions. Although the political climate became more stable during the year, exchange rates continued to fluctuate and restrictions placed on the export of palm oil were only gradually eased. In forming our opinion we have considered the adequacy of disclosures made in note 24 to the financial statements concerning the economic and social situation in Indonesia and its effect on the group.

It is not possible to determine the effect that a resurgence of social unrest or a further deterioration in economic conditions may have on the future asset values, earnings, profitability or cash flows of the group. The financial statements of the group include the effect of these factors as far as they can be currently determined and estimated.

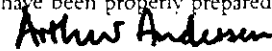
The financial statements have been prepared on a going concern basis. There remains a fundamental uncertainty as to the effect on the group's operations of the economic and social conditions in Indonesia.

Our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and of the group at 31 December 1999 and of the group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

3 May 2000


ARTHUR ANDERSEN
Chartered Accountants and
Registered Auditors

1 Surrey Street
London WC2R 2PS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	1999 US\$000	1998 US\$000
Turnover – continuing operations	1	19,636	14,944
Cost of sales		<u>(8,833)</u>	<u>(4,338)</u>
Gross profit – continuing operations		10,803	10,606
Other income and expenses (net)	2	<u>(1,523)</u>	<u>(2,133)</u>
Operating profit	3	9,280	8,473
Interest – receivable		326	373
– payable	4	(49)	(128)
Exceptional (losses)/profits	5	<u>(326)</u>	<u>948</u>
Profit on ordinary activities before taxation		9,231	9,666
Tax on profit on ordinary activities	7	<u>(3,399)</u>	<u>(3,170)</u>
Profit on ordinary activities after taxation		5,832	6,496
Minority interests	19	<u>(984)</u>	<u>(1,042)</u>
Profit for the financial year		4,848	5,454
Dividends proposed	8	<u>(1,569)</u>	<u>(2,746)</u>
Retained profit for the year		3,279	2,708
Earnings per ordinary share (basic and diluted)	9	12.3cts	13.3cts

All operations of the group continued throughout the periods and no operations were acquired or discontinued.
The accompanying notes are an integral part of this consolidated profit and loss account.

CONSOLIDATED AND COMPANY BALANCE SHEETS

31 DECEMBER 1999

	Notes	Consolidated		Company	
		1999 US\$000	1998 US\$000	1999 US\$000	1998 US\$000
Fixed Assets					
Tangible assets	10	95,284	87,587	-	-
Investments	25	-	-	1,599	1,599
		<u>95,284</u>	<u>87,587</u>	<u>1,599</u>	<u>1,599</u>
Current Assets					
Stocks	12	1,023	900	-	-
Debtors	13	2,175	3,658	59,059	55,353
Investments	14	662	453	662	453
Cash at bank and in hand	23	2,709	7,866	971	2,098
		<u>6,569</u>	<u>12,877</u>	<u>60,692</u>	<u>57,904</u>
Current Liabilities					
Creditors: falling due within one year					
Borrowings	15	-	(923)	-	-
Other creditors	15	(7,614)	(10,035)	(18,489)	(15,420)
		<u>(7,614)</u>	<u>(10,958)</u>	<u>(18,489)</u>	<u>(15,420)</u>
Net current (liabilities)/assets		<u>(1,045)</u>	<u>1,919</u>	<u>42,203</u>	<u>42,484</u>
Total assets less current liabilities		<u>94,239</u>	<u>89,506</u>	<u>43,802</u>	<u>44,083</u>
Non-current liabilities					
Creditors: falling due after more than one year					
Deferred taxation	17	(590)	(590)	-	-
Net assets		<u>93,649</u>	<u>88,916</u>	<u>43,802</u>	<u>44,083</u>
Capital and Reserves					
Called-up share capital	18	15,171	15,480	15,171	15,480
Share premium account	19	23,570	23,570	23,570	23,570
Share capital redemption reserve	19	1,087	778	1,087	778
Revaluation and exchange reserve	19	8,575	6,290	3,872	3,872
Profit and loss account	19	26,173	24,902	102	383
		<u>74,576</u>	<u>71,020</u>	<u>43,802</u>	<u>44,083</u>
Shareholders' funds – all equity interests		<u>74,576</u>	<u>71,020</u>	<u>43,802</u>	<u>44,083</u>
Minority interests – all equity interests	11,19	<u>19,073</u>	<u>17,896</u>	<u>-</u>	<u>-</u>
Total capital employed		<u>93,649</u>	<u>88,916</u>	<u>43,802</u>	<u>44,083</u>

Leo Barnes

The accounts were approved by the board of directors on 3 May 2000 and were signed on its behalf by R O B Barnes.

The accompanying notes are an integral part of these balance sheets.

**RECOGNISED GAINS AND LOSSES
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
HISTORICAL COST PROFITS AND LOSSES**

FOR THE YEAR ENDED 31 DECEMBER 1999

	Consolidated		Company	
	1999 US\$000	1998 US\$000	1999 US\$000	1998 US\$000
Statement of Total Recognised Gains and Losses				
Profit for the financial year	4,848	5,454	1,968	4,315
Unrealised (deficit)/surplus on revaluation of the estates	(6,795)	9,313	-	-
Gain/(loss) on exchange translation	7,752	(21,276)	-	-
Provision for diminution in value of investment in subsidiary	-	-	-	(4,346)
	<u>5,805</u>	<u>(6,509)</u>	<u>1,968</u>	<u>(31)</u>
Total recognised gains/(losses) relating to the year				
Reconciliation of Movements in Shareholders' Funds				
Total recognised gains/(losses)	5,805	(6,509)	1,968	(31)
Dividends	(1,569)	(2,746)	(1,569)	(2,746)
Transfers re purchase of own shares	(680)	(1,411)	(680)	(1,411)
Reserves relating to disposal of interest in subsidiary	-	(611)	-	-
Net increase/(decrease) in shareholders' funds	3,556	(11,277)	(281)	(4,188)
Beginning of year	71,020	82,297	44,083	48,271
	<u>74,576</u>	<u>71,020</u>	<u>43,802</u>	<u>44,083</u>
End of year				
Historical Cost Profits and Losses				
Reported profit on ordinary activities before taxation	9,231	9,666	1,968	4,315
Difference between historical cost depreciation charge and the actual depreciation charge for the year	(258)	(746)	-	-
	<u>8,973</u>	<u>8,920</u>	<u>1,968</u>	<u>4,315</u>
Historical cost profit on ordinary activities before taxation				
Historical cost retained profit for the year	3,021	1,962	399	1,569

Depreciation based on the historic dollar cost of fixed assets exceeds that on the current reported amount because of the effects of the long term decline in value of the Indonesian rupiah against the US dollar.

The accompanying notes are an integral part of this statement of total recognised gains and losses, and this note of historical cost profits and losses.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1999

		1999		1998	
	Notes	US\$000	US\$000	US\$000	US\$000
Net cash inflow from operating activities	22		11,406		12,012
Returns on Investments and Servicing of Finance					
Interest received		326		373	
Interest paid		<u>(49)</u>		<u>(128)</u>	
			277		245
Taxation					
Foreign tax paid		(4,802)		(2,823)	
UK tax repaid/(paid)		<u>1,539</u>		<u>(687)</u>	
			(3,263)		(3,510)
Capital Expenditure					
Payments to acquire tangible fixed assets		(9,276)		(8,755)	
Payments to acquire land		(241)		(733)	
Proceeds from sale of tangible fixed assets		<u>70</u>		<u>1,208</u>	
			(9,447)		(8,280)
Acquisition and Disposals					
Proceeds from disposal of interest in subsidiary			-		2,640
Equity Dividends Paid					
Parent company		(2,746)		(2,745)	
Minority shareholders		<u>-</u>		<u>(939)</u>	
			(2,746)		(3,684)
Cash outflow before management of liquid resources and financing			(3,773)		(577)
Management of Liquid Resources					
Proceeds from sale of liquid resources		<u>-</u>		<u>159</u>	
			-		<u>159</u>
Cash outflow before financing			(3,773)		(418)
Financing					
Purchase of own shares		(680)		(1,411)	
Repayment of long term loan		(923)		(923)	
Subscription by minority shareholder		<u>219</u>		<u>1,872</u>	
			(1,384)		(462)
Decrease in cash and cash equivalents	23		<u>(5,157)</u>		<u>(880)</u>

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

ACCOUNTING POLICIES

The principal accounting policies are summarised below. Except as noted below they have all been applied consistently throughout the year and the preceding year.

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets, and in accordance with applicable United Kingdom law and accounting standards.

Basis of Consolidation

The group financial statements consolidate those of Anglo-Eastern Plantations Plc and its subsidiary undertakings, drawn up to 31 December each year under the acquisition method of accounting.

Tangible Fixed Assets

The estates are valued by the directors each year at their recoverable amount, which is the higher of their net realisable value and value in use.

The estates are revalued by independent valuers every three to five years.

The Tasik oil mill is included at cost less depreciation.

The depreciation charge on Indonesian estates is based on mature values at the end of the year and is provided at a rate of 2% per annum. The Tasik oil mill is depreciated at a rate of 3% per annum. The Malaysian leasehold land is depreciated over the remaining term of the lease. Mature plantations in Malaysia are depreciated at a rate of 5% per annum. The UK equipment is depreciated at 25% per annum.

Fixed Asset Investments

The company's fixed asset investments in subsidiary undertakings are stated at cost less provisions for impairment. This is a change from prior years, when provisions were only made for permanent diminution in value, caused by implementing FRS 11. Only dividends received or receivable are credited to the company's profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Current Asset Investments

The company's investments are stated at the lower of cost or market value.

Foreign Currency

Normal trading transactions in foreign currencies are recorded at the rates of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

In the group financial statements the results and year end balances of foreign group companies are translated using the average and closing rates respectively. Exchange rate adjustments arising from translation are transferred direct to revaluation and exchange reserves.

Exchange differences on foreign currency loans, to the extent that they relate to investments in overseas operations, are also taken to revaluation and exchange reserve.

Turnover

Turnover represents amounts receivable for goods and services provided by the group in the normal course of business, net of trade discounts, VAT and export taxes

Taxation

UK and foreign corporation tax payable on taxable profits is provided at the current rates.

Deferred tax is provided using the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

Deferred tax has been provided in respect of the revaluation of the estates where there is a possibility of disposing of an interest in those estates in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

1 Segment Information

	Net assets		Turnover		Profit before taxation	
	1999 \$000	1998 \$000	1999 \$000	1998 \$000	1999 \$000	1998 \$000
Oil palm	89,638	81,819	18,440	13,555	10,110	9,357
Rubber	3,797	3,564	1,030	1,131	636	1,026
Cocoa	675	1,034	166	258	57	223
Other income and expenses	-	-	-	-	(1,523)	(2,133)
Interest	-	-	-	-	277	245
Exceptional items	-	-	-	-	(326)	948
Unallocated assets	(461)	2,499	-	-	-	-
	<u>93,649</u>	<u>88,916</u>	<u>19,636</u>	<u>14,944</u>	<u>9,231</u>	<u>9,666</u>

	1999 \$000	1998 \$000
Turnover, by location of customer, is analysed as follows:		
Indonesia	17,386	13,249
Rest of Asia	1,349	1,695
Europe	901	-
	<u>19,636</u>	<u>14,944</u>

Turnover and profit on ordinary activities before taxation arose primarily in Indonesia.

2 Other Income and Expenses

	1999 \$000	1998 \$000
Administrative expenses	(1,619)	(2,046)
Other operating income	88	31
Rent received	-	102
Income on current investments	5	10
Profit/(loss) on disposal of fixed assets	3	(230)
	<u>(1,523)</u>	<u>(2,133)</u>

\$702,000 of administrative expenses in 1998 have been reclassified to cost of sales to conform with current year presentation.

3 Operating Profit

	1999 \$000	1998 \$000
Operating profit is stated after charging:		
Auditors' remuneration - audit	86	85
- other advisory services - UK only	2	38
	<u>88</u>	<u>123</u>

4 Interest Payable

	1999 \$000	1998 \$000
Payable on loans repayable within five years:		
Oil mill development loan (note 16)	49	128
	<u>49</u>	<u>128</u>

NOTES TO THE FINANCIAL STATEMENTS

5 Exceptional items

	1999	1998
	\$000	\$000
Profit on sale of UK property	-	387
Profit on sale of 15% interest in Anglo-Eastern Plantations (M) Sdn Bhd	-	239
(Loss) on sale of current investments	-	(305)
Write-back of provision on current investments	209	124
Expenses relating to application for listing on Singapore Stock Exchange	(150)	-
Exchange (losses)/profits	(385)	503
	(326)	948

6 Employees and Directors' Remuneration

	1999	1998
	number	number
Average numbers employed (primarily overseas) during the year - full time	2,282	1,497
- casual	2,738	1,955
	1999	1998
	\$000	\$000
Staff costs (primarily overseas):		
Wages and salaries	2,955	2,220
Social security costs	90	64
Other pension costs	230	247
	3,275	2,531

The company has contributed \$27,000 (1998 - \$26,000) to directors' and employees' money purchase pension plans administered by UK insurance companies. Only one director is a member of such plans and no other director has a pension entitlement. The remaining amount of \$203,000 (1998 - \$221,000) for pension costs charged to profit and loss account relates to overseas employees.

Name of director	Fees	Executive salary	Bonus	Pension contribution	Benefits in kind	Total 1999	Total 1998
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Executive:</i>							
T H Chan (Chairman and CEO)	-	19	-	-	-	19	15
P Low	-	-	-	-	-	-	67
R O B Barnes	-	137	-	22	29	188	154
Dato Haron bin Dato Mohd Salleh	-	13	-	-	-	13	13
<i>Non-executive:</i>							
S K Lim	13	-	-	-	-	13	18
Datuk Henry Chin	13	-	-	-	-	13	9
S C Ho	13	-	-	-	-	13	13
P E O'Connor	13	-	-	-	-	13	13
S T Wee	13	-	-	-	-	13	13
1999	65	169	-	22	29	285	315
1998	94	178	7	21	15		315

Benefits in kind for 1999 in respect of Mr Barnes include a car, valued at \$24,000, transferred to him as part of new terms of employment which exclude fuel benefits.

NOTES TO THE FINANCIAL STATEMENTS

7 Taxation

	1999	1998
	\$000	\$000
The tax charge comprises:		
Foreign corporation tax - current year	3,179	2,671
Prior year foreign taxation provisions no longer required	-	(56)
Foreign withholding tax on remittances	220	555
	3,399	3,170

8 Dividends

	1999	1998
	\$000	\$000
Final proposed - 4.00 cts per ordinary share (1998 - 7.00cts)	1,569	2,746

9 Earnings per Ordinary Share

Basic net earnings per ordinary share for 1999 have been calculated on the profit attributable to ordinary shareholders divided by 39,303,689 (1998 - 41,005,062) ordinary shares, being the weighted average number of ordinary shares in issue during the year. The equivalent figure for diluted net earnings per share is 39,311,302 (1998 - 41,005,062) which includes the effect of share options granted to directors and employees.

10 Tangible Fixed Assets

	Consolidated balance sheet			
	UK			
	Estates \$000	Oil mill \$000	equipment \$000	Total \$000
Cost or valuation				
Beginning of year	85,700	2,708	28	88,436
Additions				
- existing operations	9,139	103	34	9,276
- new land	241	-	-	241
Revaluations and exchange translations	(1,833)	347	-	(1,486)
Disposals	(32)	(2)	(60)	(94)
End of year	93,215	3,156	2	96,373
Depreciation				
Beginning of year	-	(821)	(28)	(849)
Revaluations and exchange translations	1,747	(117)	-	1,630
Charge for the year	(1,747)	(150)	-	(1,897)
Disposals	-	1	26	27
End of year	-	(1,087)	(2)	(1,089)
Net book value				
Beginning of year	85,700	1,887	-	87,587
End of year	93,215	2,069	-	95,284

The net book value, including cumulative revaluation, incorporates the effect of a decline in value of the Indonesian rupiah and the Malaysian ringgit since acquisition which has been partially offset by the appreciation in the underlying value of the estates; the cumulative effect is shown in note 19.

NOTES TO THE FINANCIAL STATEMENTS

10 Tangible Fixed Assets - continued

The directors valued the estates at 31 December 1998 and 1999 at the discounted values of projected cash flows in local currency over fifteen years including replanting where required. The Indonesian estates have been included at these values which are considered by the directors to be fair values in use. The Malaysian estates have been included at a fair estimate of their recoverable value which is above the discounted value referred to above and below the last professional valuation in April 1997 which was on an open market existing use basis using projected crops and profit margins over the remaining economic life of each planting.

No interest was capitalised in respect of expenditure on estates under development during 1999.

Original cost and depreciation at historical rates of exchange of tangible fixed assets at 31 December 1999 were:

	UK equipment \$000	Estates \$000	Oil mill \$000	Total \$000
Original cost	2	100,249	10,283	110,534
Cumulative depreciation based on original cost	(2)	(13,326)	(2,641)	(15,969)
	-	86,923	7,642	94,565

The Indonesian authorities have granted or agreed to grant certain land exploitation rights and operating permits for the estates. These rights and permits expire between 2023 and 2028 for all the estates other than Alno, Mustika Rama and Sumindo where the land titles have yet to be issued but which, under normal rules, should be for a period of 35 years. The land title of the estate in Malaysia is a long lease expiring in 2084.

For certain categories of fixed asset the depreciation period exceeds the initial term of the rights and permits since the directors are confident that the land rights and permits will be extended beyond the initial term.

Company balance sheet

The tangible fixed assets included in the company only balance sheet are equivalent to the UK equipment shown above.

11 Minority Interests

In 1995 the Indonesian minority shareholders in PT United Kingdom Indonesia Plantations, PT Perusahaan Perkebunan Musam Utjing and PT Tasik Raja waived their rights to increase their shareholding to 51% over specified periods. In return those minority shareholders have been granted a right to acquire interests of 10% in the Puding Mas project and 6% in the Alno project on deferred terms. Interest will accrue on the resulting debts which will be settled from dividends ultimately arising from these projects.

12 Stocks

These are estate and mill stores of \$832,000 (1998 - \$620,000), and produce stocks of \$191,000 (1998 - \$280,000), stated at the lower of cost and net realisable value. Replacement value is not materially different.

13 Debtors

	1999 \$000	1998 \$000
Consolidated balance sheet		
Due within one year		
Trade debtors	357	251
Other debtors	255	443
Taxation	720	2,235
Prepayments and accrued income	296	137
Due after more than one year		
Other debtors	547	592
	2,175	3,658

NOTES TO THE FINANCIAL STATEMENTS

13 Debtors - continued

	1999	1998
	\$000	\$000
Company balance sheet		
Due within one year		
Owed by group undertakings	58,327	52,981
ACT recoverable on prior year dividends	687	2,235
Other debtors	33	128
Prepayments and accrued income	12	9
	59,059	55,353

The ACT recoverable at 31 December 1999 was repaid in full in February 2000.

14 Investments

These represent short term investments listed on the Kuala Lumpur Stock Exchange and are shown at market value. Aggregate cost: \$1,063,000 (1998 - \$1,063,000).

15 Creditors: Amounts Falling Due Within One Year

	1999	1998
	\$000	\$000
Consolidated balance sheet		
Borrowings		
Current portion of long term loan (note 16)	-	923
Other creditors		
Trade creditors	639	436
Overseas taxation	1,595	2,984
Other creditors	2,258	2,524
Accruals	1,149	915
Proposed dividend	1,569	2,746
Share capital subscriptions/advance by minority shareholder	404	430
	7,614	10,035
Company balance sheet		
Group undertakings	16,777	12,395
Other creditors	10	60
Proposed dividend	1,569	2,746
Accruals	133	219
	18,489	15,420

16 Borrowings

	1999	1998
	\$000	\$000
Consolidated balance sheet		
Oil mill development dollar loan to a subsidiary repayable at 31 December 1998.		
Rate of interest about 7.5% pa.	-	923
Less repayments due in one year (note 15)	-	(923)
	-	-

17 Deferred Taxation

This represents a provision for Malaysian taxation on the potential disposal of the group's interest in Anglo-Eastern Plantations (M) Sdn Bhd based on the valuation at which it is carried in the consolidated balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

18 Share Capital

	Authorised Number	Issued and Fully paid Number	Authorised \$000	Issued and fully paid \$000	Authorised £000	Issued and fully paid £000
Ordinary shares of 25p each						
Beginning of year	60,000,000	40,026,922	23,865	15,480	15,000	10,008
Purchases of own shares and transfer to share capital redemption reserve	-	800,000	-	309	-	200
End of year	<u>60,000,000</u>	<u>39,226,922</u>	<u>23,865</u>	<u>15,171</u>	<u>15,000</u>	<u>9,808</u>

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

Date of grant	Price per share	Period of option	Number of options			Number of shares subject to option		
			1 Jan 99	Granted	31 Dec 99	1 Jan 99	Granted	31 Dec 99
5.11.94	92.4p	5.11.97 - 4.11.04	1	0	1	28,219	0	28,219
5.11.94	93.2p	5.11.97 - 4.11.04	1	0	1	31,412	0	31,412
3.11.95	115.8p	3.11.98 - 2.11.05	1	0	1	8,000	0	8,000
24.5.96	124.0p	24.5.99 - 23.5.06	2	0	2	27,219	0	27,219
21.10.96	120.6p	21.10.99 - 20.10.06	1	0	1	28,700	0	28,700
11.10.99	47.0p	25.10.02 - 24.10.09	0	33	33	0	554,400	554,400
			<u>6</u>	<u>33</u>	<u>39</u>	<u>123,550</u>	<u>554,400</u>	<u>677,950</u>

Options granted to directors, included above, are shown on page 11.

19 Reserves and Minority Interests

(a) Consolidated balance sheet

	Share premium account \$000	Share capital redemption \$000	Revaluation and exchange reserve \$000	Profit and loss account \$000	Minority interests \$000
Beginning of year	23,570	778	6,290	24,902	17,896
Transfers re purchase of own shares	-	309	-	(680)	-
Realised exchange loss on repayment of intergroup loans	-	-	1,328	(1,328)	-
Share capital subscription to subsidiary	-	-	-	-	219
Revaluation	-	-	(6,795)	-	(1,185)
Exchange translation	-	-	7,752	-	1,569
Retained profit for year	-	-	-	3,279	984
Minority dividends	-	-	-	-	(410)
End of year	<u>23,570</u>	<u>1,087</u>	<u>8,575</u>	<u>26,173</u>	<u>19,073</u>

As significantly all foreign exchange translation is attributable to fixed assets, foreign exchange translation effects have been included in the revaluation and exchange reserve. This reserve includes cumulative revaluation reserve of \$68,815,000 (credit), the reserve of \$3,449,000 (credit) referred to in note 19(b) below and exchange translation loss of \$63,689,000 (debit).

NOTES TO THE FINANCIAL STATEMENTS

19 Reserves and Minority Interests - continued

(b) Company balance sheet

	Share premium account \$000	Share capital redemption \$000	Revaluation and exchange reserve \$000	Profit and loss account (distributable) \$000
Beginning of year	23,570	778	3,872	383
Profit for the financial year	-	-	-	1,968
Proposed dividend	-	-	-	(1,569)
Retained profit for year	-	-	-	399
Transfers re purchase of own shares	-	309	-	(680)
End of year	<u>23,570</u>	<u>1,087</u>	<u>3,872</u>	<u>102</u>

As permitted by section 230 of the Companies Act 1985, a separate profit and loss account dealing with the results of the company has not been presented. The profit before tax of the company for the year was \$2,040,000 (1998-\$4,406,000).

Of the revaluation and exchange reserve \$3,449,000 is available to meet any reduction in dollar terms of investments in and loans to subsidiaries caused by adverse exchange rate movements on the underlying assets.

20 Guarantees and Other Financial Commitments

	1999 \$000	1998 \$000
Consolidated		
<i>Capital commitments at 31 December</i>		
Contracted for but not provided for - normal operations	421	822
- acquisition of new land	521	528
Authorised but not contracted for	<u>3,275</u>	<u>3,494</u>

Contingent liabilities

The company is facing claims over two separate parcels of land in Indonesia amounting to 236ha and 350ha, one not planted by the company, the other fully planted by the company. In both cases the subsidiary in question has a valid HGU land title covering the relevant area. In the first case the subsidiary has won its case in the local court but the plaintiff has appealed. In the second case the subsidiary has already won its case in the Appeal Court, but the plaintiff has appealed to the Supreme Court. The company is reasonably confident of winning these cases. The relevant pieces of land are valued in the consolidated accounts at approximately \$45,000 and \$1,040,000.

Company

The company had no capital commitments at 31 December 1999 (1998 - Nil).

21 Post Balance Sheet Events

In April 2000 the company agreed the terms of a US dollar denominated long term bank loan facility of \$10,000,000 to be made available to its Indonesian subsidiaries, PT Alno Agro Utama and to PT Mitra Puding Mas to fund field development and oil mill construction on the group's Bengkulu projects. Drawdown will be over two years from completion of documentation which is expected to be by June 2000. Repayment will be in instalments over three years following last drawdown. The loan will be secured on the Bengkulu properties and guaranteed by the parent company. Interest will be about 11% per annum.

Also in April 2000 the company finalised the documentation for a ringgit denominated long term development loan of RM8,000,000 to be made available to its Malaysian subsidiary Anglo-Eastern Plantations (M) Sdn Bhd to fund field development of the Cenderung estates. Drawdown will be over two years from completion which is expected in May 2000. Repayment will be in instalments over five years following last drawdown. The loan will be secured on the Cenderung estates and guaranteed by the parent company. Interest will be about 12% per annum.

NOTES TO THE FINANCIAL STATEMENTS

22 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	1999	1998
	\$000	\$000
Operating profit	9,280	8,473
Exceptional items	(326)	948
Depreciation and amortisation	1,897	1,200
(Profit) on sale of fixed assets	(3)	(157)
(Profit) on disposal of interest in subsidiary	-	(239)
Realised and unrealised (profits)/losses on investments	(209)	181
Increase in stocks	(123)	(548)
(Increase)/decrease in debtors	(32)	869
Decrease in creditors	(265)	(58)
Foreign exchange	1,187	1,343
Net cash inflow from ordinary activities	11,406	12,012

23 Analysis of Changes in Net Funds

	At 31 Dec 1999	Flows	At 31 Dec 1998	Flows	At 31 Dec 1997
	\$000	\$000	\$000	\$000	\$000
Cash in hand, at bank	2,709	(5,157)	7,866	(880)	8,746
Borrowings due within 1 year	-	923	(923)	-	(923)
Borrowings due after 1 year	-	-	-	923	(923)
Current asset investments	662	209	453	(363)	816
Change in net funds	3,371	(4,025)	7,396	(320)	7,716

24 Disclosure of Financial Instruments and Other Risks

General

The group's financial instruments at present simply comprise cash and liquid resources and some short term creditors, together with normal trade debtors and creditors.

The main risks which arise from these financial instruments relate to liquidity; exchange rates and interest rates.

Liquidity risk

Agricultural developments of the type undertaken by the group have a long immature period before generating income. To the extent these developments are funded by borrowings, the group has a preference for long term loans with a repayment provision of about seven years. In December 1999 the final instalment of a seven year long term loan was paid and at 31 December 1999 the group had no long term borrowings. The group has since agreed terms for new long term loans, details of which are set out in note 21.

Interest rate risk

The loans referred to above have effectively been at fixed rates of interest. Depending on the general level of interest rates at the time of taking a loan the group's preference would normally be for fixed rates over a long period; but whether future loans are at fixed or floating rates will depend more on what is available from lenders than on the policy of the group.

Foreign currency risk

All the group's operations are overseas, in Indonesia since 1985 and in Malaysia since 1995. The group is therefore exposed to currency movements on its net investment overseas (in other words, its structural currency exposures). Since 1985 the Indonesian rupiah has depreciated either gradually or in stepped devaluations. Between December 1997 and December 1998 the Indonesian rupiah and Malaysian ringgit depreciated sharply by 70% and 33% respectively. In 1999 the Indonesian rupiah strengthened by 13% and by April 2000 had weakened again by 8%. The Malaysian ringgit has been pegged at RM3.8:\$ since September 1998. It is difficult to predict what will happen to the ringgit exchange rate if the peg is removed, but it is certain the group faces significant risks from exchange rate movements.

The effects of devaluation in local currencies on the group's operations are as follows:

Since selling prices of the group's produce are linked directly to the US dollar, a depreciation of local currencies against

NOTES TO THE FINANCIAL STATEMENTS

24 Disclosure of Financial and Other Risks - continued

Foreign currency risk - continued

the US dollar would increase the profit of the Malaysian and Indonesian subsidiaries. However, this benefit is partly offset over time by consequent inflation in local costs. Cost of development in dollar terms also reduces.

Foreign currency profits of subsidiaries are translated into dollars in the group accounts using average rates of exchange. Under this treatment, reported dollar profit is normally slightly higher than it would be in the absence of any depreciation in local currencies.

Value of plantations in Indonesia are included in the group's financial statements based on estimated future cash flows. Plantations in Malaysia have been included in the group's financial statements at valuation determined by the directors. In both cases, exchange losses on translation of these values into US dollars are offset against revaluation surpluses.

The group retains little of its cash balances in local currencies. The exchange profits arising in overseas subsidiaries holding foreign currency balances are also credited in the group profit and loss account.

In the event that the group's subsidiaries borrow US dollars, as is likely in Indonesia, those subsidiaries can face significant exchange losses, which are also charged in the group profit and loss account.

The group has had no significant local currency borrowings in recent years. Therefore, it has not been affected by the high interest rates and tight liquidity conditions which have been a feature of the recent Asian economic crisis. Exchange losses on dollar intercompany debt do not affect the group's profit but are charged against the revaluation surpluses referred to above.

Interest rate risk profile of financial assets and financial liabilities

• *Financial assets*

The group's financial assets comprise short term debtors, short term portfolio investments, cash at bank and long term debtors. All surplus cash is in bank deposits at variable short term rates of interest. Long term debtors comprise dollar denominated amounts due from minority shareholders for their participation in subsidiaries, on which amounts interest accrues at 6%.

The group's financial liabilities comprise only short term creditors since all outstanding US dollar bank borrowings (bearing interest at a fixed rate of 7.5%) were repaid during the year.

The interest rate profile of the group's financial liabilities at 31 December 1999 was:

Currency	Total \$000	Fixed rate financial liabilities \$000	Financial liabilities on which no interest is paid \$000
Sterling	77	-	77
US dollar	2,913	404	2,509
Rupiah	4,086	1,208	2,878
Ringgit	538	-	538
Total	7,614	1,612	6,002

Fixed rate financial liabilities		Financial liabilities on which no interest is paid
Weighted average interest rate %	Weighted average period on which rate is fixed Years	Weighted average period until maturity Years
US dollar	6	1
Rupiah	16	1
Total	13	1

• *Currency exposures*

Gains and losses arising from structural currency exposures are taken to the revaluation and exchange reserve and are therefore recognised in the Statement of Total Recognised Gains and Losses.

NOTES TO THE FINANCIAL STATEMENTS

24 Disclosure of Financial and Other Risks - continued

The table below shows the net monetary assets and liabilities of the group that are not denominated in the operating (or "functional") currency of the operating unit involved.

Functional currency of group operation	Net foreign currency assets/(liabilities)		
	US dollar \$000	Ringgit \$000	Total \$000
Indonesian rupiah	1,201	-	1,201
Pounds sterling	(554)	662	108
Total	647	662	1,309

These are non-structural currency exposures that may result in net currency gains and losses recognised in the profit and loss account.

- *Maturity of financial liabilities*
The group's financial liabilities at 31 December 1999 were all due in one year or less, or on demand.
- *Borrowing facilities*
The group had no borrowing facilities at 31 December 1999.
- *Fair values of financial assets and financial liabilities*
There is no material difference between the book values and fair values of the group's financial assets and liabilities as at 31 December 1999.
- *Gains and losses on hedges*
The group enters into no hedging transactions and normally does not contract to sell produce more than one month ahead.

Other risks

Indonesia is going through a period of major political change. It is difficult to predict the effect of this change on exchange and interest rates and on social stability.

Indonesian government policy towards foreign investment and the plantation industry may also change, affecting the group's current or future profits and cash flows. For example, between July 1998 and February 1999 the export tax on palm oil was raised to 60%. The rate at April 2000 was effectively 4%.

25 Subsidiary Undertakings

	Percentage holding
Principal United Kingdom sub-holding company	
Anglo-Indonesian Oil Palms Limited	100
United Kingdom management company	
Indopalm Services Limited	100
Malaysian operating companies	
Anglo-Eastern Plantations (M) Sdn Bhd	55
Anglo-Eastern Plantations Management Sdn Bhd	100
Indonesian operating companies	
PT Tasik Raja	80
PT United Kingdom Indonesia Plantations	75
PT Simpang Ampat	100
PT Musam Utjing	75
PT Anak Tasik	100
PT Mitra Puding Mas	90
PT Aino Agro Utama	94

The principal United Kingdom sub-holding company is registered in England and Wales and is a direct subsidiary of the company. The Malaysian operating companies are incorporated in Malaysia and are direct subsidiaries of the company. The Indonesian operating companies are incorporated in Indonesia and are direct subsidiaries of the principal sub-holding company. Details of United Kingdom and Malaysian subsidiaries which are not significant have been omitted. The principal activity of the operating companies is plantation agriculture.

CONSOLIDATED PROFIT AND LOSS ACCOUNT (£ STERLING)

FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes (References in US Dollars)	1999 £000	1998 £000
Turnover – continuing operations	1	12,196	8,997
Cost of sales		(5,486)	(2,189)
		<hr/>	<hr/>
Gross profit – continuing operations		6,710	6,808
Other income and expenses (net)	2	(946)	(1,707)
		<hr/>	<hr/>
Operating profit	3	5,764	5,101
Interest - receivable		202	225
- payable	4	(30)	(77)
Exceptional (losses)/profits	5	(202)	570
		<hr/>	<hr/>
Profit on ordinary activities before taxation		5,734	5,819
Tax on profit on ordinary activities	7	(2,111)	(1,908)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		3,623	3,911
Minority interests	19	(611)	(627)
		<hr/>	<hr/>
Profit for the financial year		3,012	3,284
Dividends proposed	8	(975)	(1,652)
		<hr/>	<hr/>
Retained profit for the year		2,037	1,632
		<hr/>	<hr/>
Earnings per ordinary share (basic and diluted)	9	7.6p	8.0p

The accompanying notes are an integral part of this consolidated profit and loss account.

CONSOLIDATED AND COMPANY BALANCE SHEETS (£ STERLING)

31 DECEMBER 1999

	Notes (References in US dollars)	Consolidated		Company	
		1999 £000	1998 £000	1999 £000	1998 £000
Fixed Assets					
Tangible assets	10	59,183	52,322	-	-
Investments	25	-	-	993	955
		<u>59,183</u>	<u>52,322</u>	<u>993</u>	<u>955</u>
Current Assets					
Stocks	12	635	538	-	-
Debtors	13	1,351	2,185	36,682	33,066
Investments	14	411	271	411	271
Cash at bank and in hand	23	1,683	4,698	603	1,253
		<u>4,080</u>	<u>7,692</u>	<u>37,696</u>	<u>34,590</u>
Current Liabilities					
Creditors : falling due within one year					
Borrowings	15	-	(551)	-	-
Other creditors	15	(4,729)	(5,995)	(11,484)	(9,211)
		<u>(4,729)</u>	<u>(6,546)</u>	<u>(11,484)</u>	<u>(9,272)</u>
Net current (liabilities)/assets		<u>(649)</u>	<u>1,146</u>	<u>26,212</u>	<u>25,379</u>
Total assets less current liabilities		58,534	53,468	27,205	26,334
Non-current Liabilities					
Creditors : falling due after more than one year					
Deferred taxation	17	(366)	(352)	-	-
Net assets		58,168	53,055	27,205	26,334
Capital and Reserves					
Called-up share capital	18	9,808	10,008	9,808	10,008
Share premium account	19	15,329	15,329	15,329	15,329
Share capital redemption reserve	19	663	471	663	471
Revaluation and exchange reserve	19	4,264	1,741	1,342	297
Profit and loss account	19	16,257	14,876	63	229
Shareholders' funds – all equity interests		46,321	42,425	27,205	26,334
Minority interests – all equity interests	11,19	11,847	10,691	-	-
Total capital employed		58,168	53,116	27,205	26,334

The accompanying notes are an integral part of these balance sheets.

CONSOLIDATED CASH FLOW STATEMENT (£ STERLING)

FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes (References in US dollars)	1999		1998	
		£000	£000	£000	£000
Net cash inflow from operating activities	22		7,273		7,160
Returns on Investments and Servicing of Finance					
Interest received		202		225	
Interest paid		<u>(30)</u>		<u>(77)</u>	
			172		148
Taxation					
Foreign tax paid		(2,983)		(1,700)	
UK tax repaid/(paid)		<u>956</u>		<u>(414)</u>	
			(2,027)		(2,114)
Capital Expenditure					
Payments to acquire tangible fixed assets		(5,761)		(5,271)	
Payments to acquire land		(150)		(441)	
Proceeds from sale of tangible fixed assets		<u>43</u>		<u>727</u>	
			(5,868)		(4,985)
Acquisition and Disposals					
Proceeds from disposal of interest in subsidiary			-		1,589
Equity Dividends Paid					
Parent company		(1,706)		(1,653)	
Minority shareholders		<u>-</u>		<u>(565)</u>	
			(1,706)		(2,218)
Cash outflow before management of liquid resources and financing			(2,156)		(420)
Management of Liquid Resources					
Proceeds from sale of liquid resources		<u>-</u>		<u>96</u>	
Cash outflow before financing			<u>-</u>		<u>96</u>
			(2,156)		(324)
Financing					
Purchase of own shares		(422)		(849)	
Repayment of long term loan		(573)		(556)	
Subscription by minority shareholder		<u>136</u>		<u>1,127</u>	
			(859)		(278)
Decrease in cash and cash equivalents	23		<u>(3,015)</u>		<u>(602)</u>

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

NOTICE OF MEETING

Notice is hereby given that the fifteenth Annual General Meeting of Anglo-Eastern Plantations Plc will be held at the offices of Lovells, 21 Holborn Viaduct, London EC1A 2DY on 14 June 2000 at 11.00 a.m. for the following purposes:

As Ordinary Business

- 1 To receive and consider the company's annual report for the year ended 31 December 1999.
- 2 To declare a dividend.
- 3 To re-elect the following directors.
 - a) Mr Wee Sin Tho
 - b) Datuk H Chin Poy-Wu
- 4 To re-appoint Arthur Andersen as auditors and to authorise the directors to fix their remuneration.

As Special Business

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

That

- (a) the directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 ("the Act") to exercise for the period ending on 13 June 2005 all the powers of the company to allot relevant securities up to an aggregate nominal amount equal to the company's authorised but unissued share capital at the date of this resolution;
 - (b) pursuant to the said authority and during the period expiring on the date of the next Annual General Meeting or on 13 September 2001 (whichever shall be earlier) the directors be empowered to allot equity securities wholly for cash:
 - (i) in connection with a rights issue; and
 - (ii) up to an aggregate nominal amount of £490,336 otherwise than in connection with a rights issue; as if section 89 (1) of the Act did not apply to any such allotment;
 - (c) by such authority and power the directors may during such periods make offers or agreements which would or might require the making of allotments after the expiry of such period; and
 - (d) for the purposes of this resolution:
 - (i) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the directors to holders of equity securities on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory);
 - (ii) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the company, the nominal amount of such shares which may be allotted pursuant to such rights; and
 - (iii) words and expressions defined in or for the purposes of part IV of the Act shall bear the same meanings herein.
- 6 To consider and if thought fit to pass the following resolution as a special resolution:

That the directors be and they are hereby authorised

- (i) to exercise the powers contained in Articles 137 and 138 of the Articles of Association of the company so that, to the extent determined by the directors, the holders of ordinary shares be permitted to elect to receive new ordinary shares of 25p each in the capital of the company, credited as fully paid, instead of all or part of any interim or final dividend or dividends which may be declared or paid at any time or times prior to 13 June 2005; and

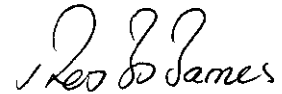
NOTICE OF MEETING

- (ii) to capitalise the appropriate nominal amount of additional ordinary shares, falling to be allotted pursuant to elections made as aforesaid, out of the amount standing to the credit of any reserves of the company, to apply such sum in paying up such ordinary shares and pursuant to section 80 of the Act to allot such ordinary shares up to a maximum nominal value of an aggregate nominal amount equal to the company's authorised but unissued share capital at the date of this resolution to members of the company validly making such elections at any time or times prior to 13 June 2005 as if sub-section (1) of section 89 of the said Act did not apply thereto and so that this authority shall be without prejudice and additional to the authority conferred by resolution no. 5.

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

That the company is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 16.3 of the Act) of ordinary shares of 25p each in the capital of the company provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 3,922,692 (representing 10% of the issued ordinary share capital);
- (b) the minimum price which may be paid for each ordinary share is 25p;
- (c) the maximum price which may be paid for each ordinary share is an amount equal to 105% of the average of the middle market quotations for such share as derived from the Daily Official List of the London Stock Exchange Limited for the five business days immediately preceding the date of purchase; and
- (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the company save that the company may before the expiry of this authority make a contract of purchase which will or may be executed wholly or partly after such expiry and may make a purchase of shares pursuant to any such contract.



By order of the board
R O B BARNES
Secretary

3 May 2000

A member of the company entitled to attend and vote at the meeting may appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member. The instrument appointing a proxy must be deposited at the office of the registrars not less than forty-eight hours before the time appointed for holding the meeting.

Pursuant to regulation 34 of the Uncertified Securities Regulations 1995, the company has specified that only those shareholders on the register of members of the company at 11.00 a.m. on 12 June 2000 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after 11.00 a.m. on 12 June 2000 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

The register of directors' interests, showing any transactions of directors and of their families in the securities of the company, will be available for inspection at the registered office of the company during usual business hours from the date of this notice until the date of the Annual General Meeting and at on that day until the conclusion of the meeting. No directors have service agreements exceeding one year's duration.

COMPANY ADDRESSES

Malaysian Office

Level 9
Grand Seasons Avenue
72 Jalan Pahang
53000 Kuala Lumpur
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Wisma HSBC
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Secretary and Registered Office

(Company Number 1884630)

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COMPANY ADVISERS

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Principal Bankers

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15 Bishopsgate
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Registrars

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Solicitors

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