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For immediate release

17 September 2025

R.E.A Holdings plc (the "company")

Proposed reduction of the capital of R.E.A Holdings plc by way of a reduction of of the amount standing to the credit of the company's share premium account by 20,000,000

Introduction

The company announces that it is today despatching a circular (the "**circular**") to the holders of its ordinary shares and, for information only, to the holders of its preference shares, giving details of a proposal for a reduction of the capital of the company by way of a reduction of 20,000,000 of the amount standing to the credit of the company's share premium account.

Such proposal requires, inter alia, the approval of shareholders given by way of a special resolution. Accordingly, a general meeting of the company has been convened for 22 October 2025. Notice of the meeting is included in the circular. The necessary special resolution will be proposed at such meeting.

Background to and reasons for the proposed reduction of capital

The company is permitted by law to pay dividends on its shares only out of distributable reserves. The level of distributable reserves shown by the balance sheet of the company at 31 December 2024 (being the date of the latest audited balance sheet of the company) amounted to 8.0 million (being the amount standing to the credit of the company's retained earnings account, which constitutes a distributable reserve). The company requires distributable reserves of some 8.8 million to meet the aggregate annual preference dividend payable in respect of the preference shares before even considering the payment of any dividend to the holders of the ordinary shares.

The company has, however, built up a substantial capital reserve in its share premium account through the issue of shares at prices in excess of the nominal value of those shares. As at 31 December 2024, the amount standing to the credit of the company's share premium account was 47.4 million. As the share premium account is not a distributable reserve, it has limited application and cannot be used to pay dividends.

The board therefore proposes that the company should proceed with a reduction of capital to create additional distributable reserves. The board proposes that the amount standing to the credit of the share premium account be reduced by 20,000,000, with the 20,000,000 of realised profits thereby created being applied to increase the accumulated profit on the company's retained earnings account (the "**proposed reduction of capital**").

By undertaking the proposed reduction of capital and creating additional distributable reserves, the company will increase its ability to pay dividends, subject always to the financial performance of the company. The increased distributable reserves would also be available for other returns of value to shareholders in the coming years. However, save for the payment of dividends in respect of the preference shares, and a possible resumption of ordinary dividends in years where internally generated cash flows are sufficient to effect a material reduction in group net debt, the board currently has no plans to use the additional distributable reserves that will be available to the company should the proposed reduction of capital take place.

If the proposed reduction of capital were not to be undertaken, the company would be reliant upon the receipt of dividends from its subsidiaries to provide the distributable reserves needed in order to permit the company to make dividend payments. The terms of the loans made by PT Bank Mandiri (Persero) Tbk (the Indonesian State bank providing loan facilities to the Indonesian operating companies within the group) ("**Bank Mandiri**") to PT REA Kaltim Plantations ("**REA Kaltim**") include provisions requiring that REA Kaltim obtain the consent of Bank Mandiri to any proposed dividends. Whilst the board has no reason to expect that Bank Mandiri would refuse to consent to the payment by REA Kaltim of dividends that are proportionate to REA Kaltim's earnings, were Bank Mandiri to do so, this would be likely to result in the company finding itself in a situation where it has the cash resources to pay a dividend but is unable so to do due to insufficient distributable reserves.

Further details of the proposed reduction of capital

In addition to requiring the approval of shareholders, the proposed reduction of capital is subject to confirmation by the High Court of Justice in England and Wales (the "**Court**").

If the special resolution is passed, the company intends to apply to the Court for the necessary confirmation. The proposed reduction of capital will only become effective if the special resolution is passed at the general meeting, the Court confirms the reduction and the order of the Court confirming the reduction is delivered to, and registered by, the Registrar of Companies in England and Wales.

Provisional dates have been obtained for the required Court hearings for the purposes of the proposed reduction of capital, but they are subject to change. If the hearings proceed as scheduled, the final hearing, at which the company will request that the Court make an order confirming the reduction, is currently expected to take place on 11 November 2025. The company will notify shareholders when the proposed reduction of capital has become effective by issuing an announcement through a Regulatory Information Service.

In considering an application by the company for an order confirming the proposed reduction of capital, the Court will need to be satisfied that there is no real likelihood that the reduction will result in the company being unable to discharge all amounts due by it, at the time of the reduction, to creditors (including contingent creditors) of the company when such amounts fall due. In order to satisfy the Court, the company may seek the consent of certain of its creditors to the proposed reduction of capital. It is for the Court to determine whether

any creditor protection is required and, if so, what form that should take. However, given the substantial net assets of the group, the board does not anticipate that any such creditor protection measures will be required.

The holders of the 7.5 per cent dollar notes 2028 of the company have already consented to the proposed reduction of capital by way of an extraordinary resolution passed by them on 4 September 2025. In addition, the trust deed constituting the dollar notes now contains provisions pursuant to which the trustee for the holders of the dollar notes has irrevocably consented, on behalf of itself and the holders of the dollar notes, to the proposed reduction of capital and to the release to distributable reserves of the reserve that would thereby be created. If necessary, the company may seek to obtain similar consents from certain other of its material creditors to whom obligations are owed that will not fall due for discharge within a short period following the reduction of capital taking effect.

The board reserves the right to abandon or discontinue any application to the Court for confirmation of the proposed reduction of capital if the board believes that the terms required to obtain confirmation are unsatisfactory to the company or if, as the result of a material unforeseen event, the board considers that to continue with the proposed reduction of capital would be inappropriate, inadvisable or otherwise not in the best interests of the company.

Recommendation

Each of the directors of the company is of the opinion that the proposed reduction of capital is in the best interests of the company and its shareholders as a whole.

Accordingly, the board recommends that all ordinary shareholders vote in favour of the special resolution set out in the notice of general meeting of the company convened for 22 October 2025 as the directors intend to do in respect of their own holdings comprising, in aggregate, 705,140 ordinary shares (representing 1.6 per cent of the voting share capital of the company). Richard Robinow also intends to vote in favour of the special resolution in respect of the 24,167 ordinary shares (representing 0.055 per cent of the voting share capital of the company) held by him as trustee.

Emba Holdings Limited has confirmed that it intends to vote in favour of the special resolution in respect of its holding of 13,022,420 ordinary shares (representing 29.7 per cent of the voting share capital of the company).

If the special resolution is not passed or if the Court declines to confirm the proposed reduction of capital, while the company expects to have sufficient distributable reserves to pay the dividend due on 31 December 2025 in respect of its preference shares, absent any augmentation of distributable reserves, the company does not currently have sufficient distributable reserves to pay the preference share dividend due on 30 June 2026, nor any subsequent preference share dividends. As noted above, whilst the board has no reason to expect that Bank Mandiri would refuse consent for the payment by REA Kaltim of dividends that are proportionate to REA Kaltim's annual earnings, which dividends would increase the distributable reserves of the company, there cannot be certainty that Bank Mandiri will grant its consent. Thus, absent the proposed reduction of capital, the company could find itself in the situation where the group has the profits and cash resources to make dividend payments but the company is unable to make those payments due to the fact that it does not have the necessary distributable reserves.

If the dividends payable to the holders of the preference shares were to become in arrear for a period of more than six months, the holders of the preference shares would become entitled to attend and vote at general meetings of the company.

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