

R.E.A. Holdings plc (RE.)
R.E.A. Holdings plc: Further re selling prices

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

Further re selling prices and export tariffs

Further to the company's announcement on 6 September 2022 regarding selling prices for crude palm oil ("CPO") and crude palm kernel oil ("CPKO"), and to subsequent updates thereto published on the company's website at www.rea.co.uk/investors/cpo-export-tariffs, the Indonesian government has published a change to the export levy structure effective from 22 September 2024.

Export levy, as also export duty, has, in recent years, been calculated on a sliding scale by reference to a CPO reference price that is set periodically by the Indonesian government on the basis of recognised benchmark CPO prices. Export levy is payable to a dedicated fund that utilises levy income to support measures designed to benefit the growing of oil palms in Indonesia. Export duty is a tax payable to the Indonesian government.

The change just announced by the Indonesian government retains the existing sliding scale of export duty with a top and bottom cap but now imposes a fixed 7.5 per cent export levy against the CPO reference price with no top or bottom cap, replacing the previous format of incremental levy increases. The ministerial decree is expected to be reviewed after six months and the new export tariff structure will remain in place pending any further announcement.

The rates of export levy and export duty following the latest revision are set out below. The CPO reference price for September is \$839.53, resulting in total export tariffs of \$115 per tonne for CPO (net price of \$765 per tonne) and export tariffs of \$148 per tonne for CPKO. This represents decreases in the tariffs for both CPO and CPKO of approximately \$27 per tonne as compared with the regime in force prior to the revision.

REA sells CPO into the local Indonesian market which is not subject to export levy or export duty. However, arbitrage between the Indonesian and international CPO markets normally results in a local price that is broadly in line with prevailing international prices after adjustment of the latter for delivery costs and export tariffs and restrictions. Changes to export tariffs and restrictions therefore have an indirect effect on the prices that REA achieves on sales of its CPO.

Export tariffs applicable from 22 September 2024

From	To	Duty	Levy (7.5%)	Total	Example net price*
\$	\$	\$	\$	\$	\$
-	680	-	51	51	629
681	730	3	55	58	672
731	780	18	59	77	704
781	830	33	62	95	735
831	880	52	66	118	762
881	930	74	70	144	786

931	980	124	74	198		783
981	1,030	148	77	225		805
1,031	1,080	178	81	259		821
1,081	1,130	201	85	286		844
1,131	1,180	220	89	309		872
1,181	1,230	240	92	332		898
1,231	1,280	250	96	346		934
1,281	1,330	260	100	360		970
1,331	1,380	270	104	374		1,007
1,381	1,430	280	107	387		1,043
1,431	1,480	288	111	399		1,081

**At top of band*

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