

Source: Thomson Reuters Eikon

Market data	
EPIC/TKR	RE.
Price (p)	355.0
12m High (p)	366.0
12m Low (p)	218.3
Shares Ord (m)	40.5
Shares Prefs (m)	63.6
Mkt Cap Ord (£m)	143.8
Mkt Cap Pref (£m)	62.2
EV (\$m)	463.5
Free Float* (%)	33.9%
Market	Main

*As defined by AIM Rule 26

Description

R.E.A. is engaged in the operation and further development of palm oil plantations in East Kalimantan, Indonesia. The group also operates a stone quarry, and owns coal mining concessions that have been contracted out to other significant coal mine operators.

Company information

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Managing Director Mark Parry

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Key shareholders	
Directors	31.95%
M&G Investment Mang.	14.97%
Alcatel Bell Pension Fund	10.32%
Artemis UK	8.83%

Next event

April 2017 Full Year Results

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R.E.A. Holdings

Fixed Interest Investments

In addition to a market capitalisation of some £144m for the REA Holdings' ordinary shares, investors can also choose to invest for superior income opportunity amongst the company's range of traded fixed interest securities. These securities include 9% Cumulative Preference shares with a market capitalisation in the region of £62m, a US\$ Note programme with an issue value of some £35m and offering a coupon of 7.5%, and two Sterling Note issues of £8.3m and £31.85m, with coupons of 9.5% and 8.75% respectively.

- **Strategy:** REA Kaltim (REAK), the principal division of REA, is developing a bank of some 108,000 ha in East Kalimantan. At the current, accelerated rate of development, the proprietary plantations should be completed by 2020 at 60,000 ha (43,000 ha for end 2016). With some 6,600 ha of plasma plantations supplying its mills, REAK should have finished 2016, within the top 20 producers.
- **Renewable Energy:** With a high end profit margin (35%-50%), on supply of sustainable electricity from palm oil mill effluent, this distinct activity is on course for \$0.8m of revenues in 2017 and has significant scope for growth. Although dependent on the palm oil operations for fuel, this almost unique activity within the sector, should enjoy an independent valuation.
- **Valuation:** REA's fixed interest securities are trading close to par value at date of publication. REA's debt instruments, currently offer superior returns compared with the majority of competing issues from plantation sector peers, and the Preference shares offer the 7th highest coupon amongst the LSE listed preference share issues.
- **Risks:** Agricultural risk (as shown by the El Nino weather pattern in 2015/16), commodity price risk, and country risk are constants of palm oil production. 1H gearing, at 72.5%, reflects both a capital structure more biased to debt than equity, the impact of tough operating conditions and a drive for growth.
- **Investment summary:** REA is developing and operating high quality plantation assets to produce sustainable palm oil. Against the background of tightening land availability in Indonesia and gathering consolidation within the sector, new partner DSN has acquired a 15% stake in REAK, with scope to attain 49% within 5 years (subject to agreement on price and shareholder approval).

Financial summary and valuation					
Year end Dec (\$m)	2013	2014	2015	2016E	2017E
Sales	111	126	91	88	124
EBITDA	39	43	15	19	41
Reported EBIT	27	32	-4	0	21
Pretax Profit	25	24	-9	-10	7
EPS (cents)	16	40	-53	-40	-10
Dividend per share (p)	7.25	7.75	0.00	0.00	4.00
Net (debt)/cash	-164.4	-179.2	-196.7	-206.0	-209.9
P/E (x)	20.9	8.2	-	-	-
Planted Hectares (ha)	33,830	34,614	37,097	43,097	47,097
EV/Planted Hectare (\$/ha)*	11,703	11,438	10,672	12,652	11,675
CPO Production (mt)	147,649	169,466	163,880	136,850	186,235

*EV/planted Hectare includes market value of the 9% Cumulative Preference Shares

Source: Hardman Agribusness

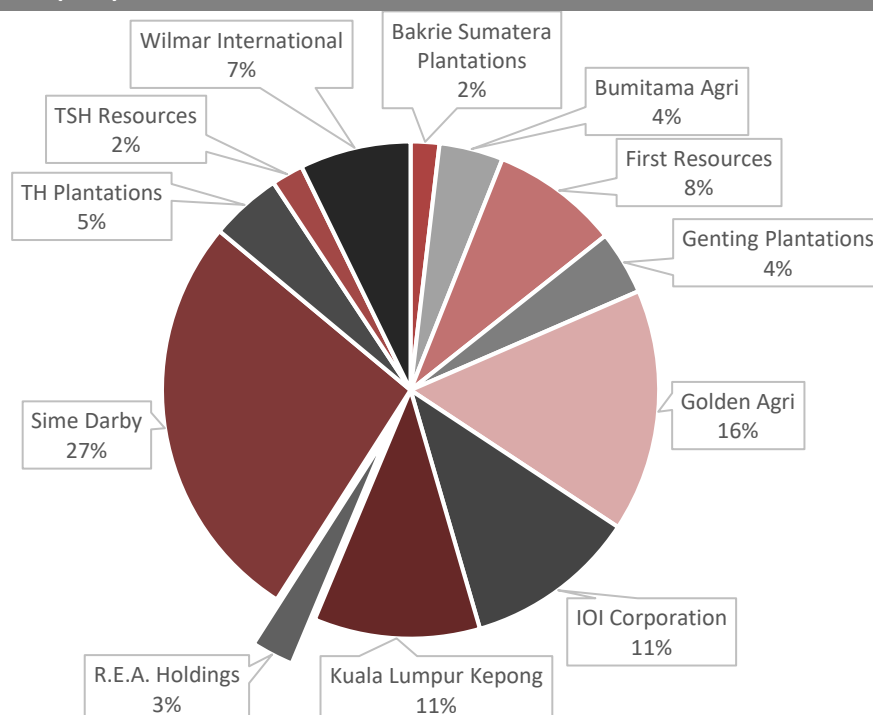
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Fixed Interest Debt Securities: Palm Oil Producer Sector

There is an investible universe of fixed interest securities valued at some \$5.4bn, comprising bonds and other instruments, issued by 12 palm oil producers, and listed on the Jakarta, Kuala Lumpur, London and Singapore stock exchanges (see Appendices A & B).

Total Tradable Debt by Issuer (US\$)

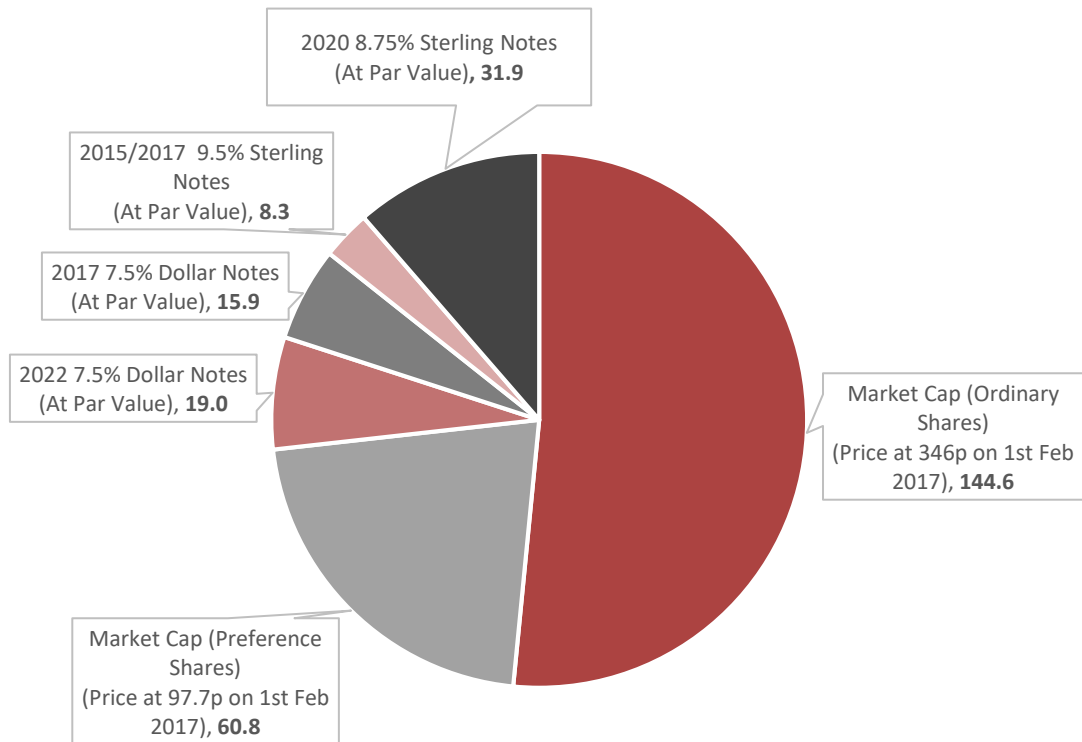


Source: Thomson Reuters Eikon/ Hardman Agribusiness

The largest issuers are Sime Darby (\$1.4bn), Golden Agri (\$0.85bn), IOI (\$.6bn) and KLK (\$.58bn). Together the palm oil related businesses of these 4 companies, have issued \$3.5bn of investible fixed interest securities, making up more than 64% of the palm oil related fixed interest securities universe. This segment of traded palm oil sector securities, is relatively small (0.8%), by comparison to the value of global palm oil producer sector equity listings, currently worth in the region of \$66.5bn. Moreover, these fixed interest securities are generally traded as Over The Counter (OTC) securities.

The London listed company REA Holdings, has a large listed fixed interest securities offering relative to the market valuation of its ordinary shares, and relative to its sector peers. This provides investors with two distinct investment strategy options in respect of REA Holdings: investment for growth in the business through the ordinary shares, or investment for income via the fixed interest securities.

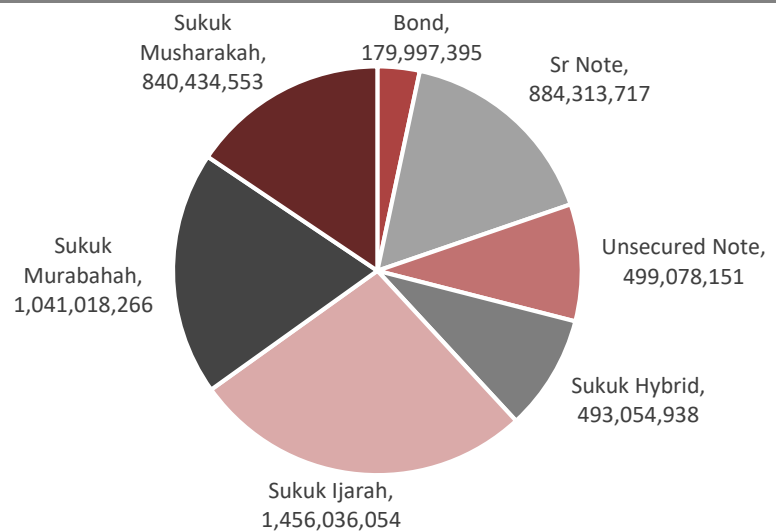
REA Holdings Securities by Class £(m) (\$1: £0.79)



Source: Thomson Reuters Eikon/ Hardman Agribusiness

Unlike the ordinary shares of the listed palm oil producers, the bonds issued by the palm oil producers tend not to be traded in the secondary market via exchanges, instead these securities are traded OTC. The principal reasons to explain why the palm oil producer fixed interest securities tend to be traded OTC, include the sheer diversity of issue types (see chart below), and the difficulty in reporting current prices.

Amount Issued (US\$) by Debt Type



Source: Thomson Reuters Eikon/ Hardman Agribusiness

While equity securities are either ordinary / common stock, and preferred stock, fixed interest securities may have strikingly different profiles and features, including their maturities and yields. (See Appendix C). The price of palm oil sector fixed interest securities may be influenced by:

- ▶ The interest rate environment
- ▶ Changes to the credit ratings of issuers
- ▶ Underlying economic fundamentals for the issuer's business, including possibly the price of palm oil commodities
- ▶ Movements in the currency of issue, especially relative to the US\$.

Income Profile

For investors looking for income, the yields available on palm oil related bonds, are mostly well above the average yield available on palm oil equities: 2.04%: Asian Palm Oil Index (Bursa Malaysia) 23rd January, 2017 (sector weighted average yield).

Yield Range

The yield range is wide: 10.42% (Golden Agri, 7-year Rupiah bond) to 2.86% (Wilmar 5 year Sing \$ Note), but in reality these are outlier statistics only: amongst the securities shown below, for which we have yield data, 54 are clustered in the range of 6.45% to 4.09%. The securities yielding in excess of 6.45% include two Golden Agri Indonesian Rupiah denominated bonds: yielding 10.4% and 8.9%, and the REA Holdings' Sterling and \$ Notes, which variously yield between 9.5% and 7.5%.

Below the lower yield threshold of 4.09%, there are just 3 securities: two unsecured Notes, issued by Wilmar for 7 years and 5 years respectively, and denominated in Sing \$, yielding 3.1% and 2.86%. Yielding 2.89%, there is also a Sime Darby US\$ denominated Sukuk Ijarah security, with a 5-year term. While Wilmar, with a market capitalisation of \$17bn, is the largest processor of palm oil in the world, with refinery capacity equal to 39 million tonnes annually, Sime Darby is controlled (52.42% of shares) by the Malaysian state-owned fund manager, Permodalan Nasional Bhd. (PNB). Both companies have strong business risk profiles and financial risk looks to be modest. The Golden Agri, Rupiah denominated bonds, together with the REA Holdings Sterling and US\$ Notes, and the Sime Darby and Wilmar listings (in US\$ and Sing \$ respectively), look to be outliers within the palm sector fixed interest investments universe. While the issue currency, might appear to exert an influence on the coupon rate of the Asian listings, this does not look to be an influence in the case of the REA Holdings Notes.

See Table below.

Palm Oil Sector Bonds by Yield (%)

Company Name	Stock Exchange	Issue Date	Maturity Date	Period (Years)	Amt Outstanding (US\$)	Issue Currency	Debt Type	Yield (%) (Last Price)
Golden Agri	Singapore	03/07/2012	03/07/2019	7	7,500,000	IDR	Bond	10.42%
R.E.A. Holdings	London	04/12/2006	31/12/2017	11	27,304,018	GBE	Unsecrd Nt	9.50%
Golden Agri	Singapore	03/07/2012	03/07/2017	5	67,500,000	IDR	Bond	8.87%
R.E.A. Holdings	London	03/09/2015	31/08/2020	5	32,953,467	GBE	Unsecrd Nt	8.75%
Bakrie Sumatera Plantations	Jakarta	18/02/2010	11/12/2017	7	100,762,500	US\$	Sr Note	8.00%
R.E.A. Holdings	London	19/11/2012	30/06/2017	5	50,381,250	US\$	Unsecrd Nt	7.50%
R.E.A. Holdings	London	24/11/2016	30/06/2022	6	37,785,938	US\$	Unsecrd Nt	7.50%
TH Plantations	Kuala Lumpur	28/05/2015	29/10/2027	12	44,823,176	MR	Sukuk Murabahah	6.45%
Golden Agri	Singapore	05/08/2014	05/08/2019	5	84,043,455	MR	Sukuk Murabahah	6.25%
TH Plantations	Kuala Lumpur	28/05/2015	10/12/2026	11	6,723,476	MR	Sukuk Murabahah	6.24%
TH Plantations	Kuala Lumpur	11/06/2015	11/06/2026	11	11,205,794	MR	Sukuk Murabahah	6.18%
TH Plantations	Kuala Lumpur	28/05/2015	10/06/2026	11	8,964,635	MR	Sukuk Murabahah	6.14%
TH Plantations	Kuala Lumpur	24/02/2016	24/02/2026	10	5,602,897	MR	Sukuk Murabahah	6.09%
TH Plantations	Kuala Lumpur	28/05/2015	10/12/2025	10	4,482,318	MR	Sukuk Murabahah	6.07%
TH Plantations	Kuala Lumpur	29/06/2015	26/06/2025	10	6,723,476	MR	Sukuk Murabahah	6.04%
Golden Agri	Singapore	05/08/2013	03/08/2018	5	112,057,940	MR	Sukuk Murabahah	6.04%
TH Plantations	Kuala Lumpur	28/05/2015	15/04/2025	10	13,446,953	MR	Sukuk Murabahah	6.03%
TH Plantations	Kuala Lumpur	24/02/2016	24/02/2025	9	2,241,159	MR	Sukuk Murabahah	6.00%
Golden Agri	Singapore	30/04/2014	30/04/2017	3	104,997,395	Sing\$	Bond	5.95%
TH Plantations	Kuala Lumpur	28/05/2015	10/12/2024	9	6,723,476	MR	Sukuk Murabahah	5.94%
TH Plantations	Kuala Lumpur	28/05/2015	29/11/2024	9	11,205,794	MR	Sukuk Murabahah	5.92%
TH Plantations	Kuala Lumpur	29/06/2015	28/06/2024	9	6,723,476	MR	Sukuk Murabahah	5.90%
TH Plantations	Kuala Lumpur	29/06/2015	28/06/2023	8	6,723,476	MR	Sukuk Murabahah	5.83%
TH Plantations	Kuala Lumpur	28/05/2015	24/02/2023	8	16,808,691	MR	Sukuk Murabahah	5.80%
TH Plantations	Kuala Lumpur	24/02/2016	24/02/2022	6	5,602,897	MR	Sukuk Murabahah	5.72%
TH Plantations	Kuala Lumpur	28/05/2015	25/02/2022	7	16,808,691	MR	Sukuk Murabahah	5.72%
TH Plantations	Kuala Lumpur	28/05/2015	25/02/2021	6	16,808,691	MR	Sukuk Murabahah	5.57%
TH Plantations	Kuala Lumpur	28/05/2015	25/02/2020	5	16,808,691	MR	Sukuk Murabahah	5.43%
Golden Agri	Singapore	19/11/2012	17/11/2017	5	336,173,821	MR	Sukuk Murabahah	5.42%
Sime Darby	Kuala Lumpur	24/03/2016	Perpetual	Perp	493,054,938	MR	Sukuk Hybrid	5.34%
TH Plantations	Kuala Lumpur	28/05/2015	25/02/2019	4	15,688,112	MR	Sukuk Murabahah	5.29%
Golden Agri	Singapore	27/04/2015	27/04/2018	3	139,996,527	Sing\$	Sr Note	5.28%
TH Plantations	Kuala Lumpur	28/05/2015	19/03/2018	3	672,348	MR	Sukuk Murabahah	5.17%
TH Plantations	Kuala Lumpur	28/05/2015	19/03/2018	3	3,361,738	MR	Sukuk Murabahah	5.12%
TH Plantations	Kuala Lumpur	28/05/2015	19/03/2018	3	7,171,708	MR	Sukuk Murabahah	5.12%
TH Plantations	Kuala Lumpur	28/05/2015	30/11/2017	2	6,723,476	MR	Sukuk Murabahah	5.10%
TH Plantations	Kuala Lumpur	28/05/2015	30/11/2017	2	2,241,159	MR	Sukuk Murabahah	5.10%
TH Plantations	Kuala Lumpur	28/05/2015	16/08/2017	2	6,723,476	MR	Sukuk Murabahah	5.10%
TSH Resources	Kuala Lumpur	17/06/2016	16/06/2023	7	3,361,738	MR	Sukuk Ijarah	5.02%
TSH Resources	Kuala Lumpur	17/06/2016	16/06/2023	7	20,170,429	MR	Sukuk Murabahah	5.02%
TSH Resources	Kuala Lumpur	17/06/2016	17/06/2021	5	13,446,953	MR	Sukuk Murabahah	4.92%
Sime Darby	Kuala Lumpur	11/12/2012	10/12/2027	15	89,646,352	MR	Sukuk Musharakah	4.89%
TSH Resources	Kuala Lumpur	24/08/2015	24/08/2020	5	6,723,476	MR	Sukuk Ijarah	4.83%
First Resources	Singapore	27/10/2014	27/10/2021	7	89,646,352	MR	Sukuk Musharakah	4.79%
Genting Plantations	Kuala Lumpur	05/06/2015	05/06/2025	10	224,115,881	MR	Sukuk Murabahah	4.78%
Bumitama Agri	Jakarta	02/09/2014	02/09/2019	5	112,057,940	MR	Sukuk Musharakah	4.76%
TSH Resources	Kuala Lumpur	16/07/2012	16/07/2019	7	5,602,897	MR	Sukuk Ijarah	4.72%
Bumitama Agri	Jakarta	18/03/2014	18/03/2019	5	112,057,940	MR	Sukuk Musharakah	4.71%
First Resources	Singapore	06/06/2013	05/06/2020	7	134,469,528	MR	Sukuk Musharakah	4.70%
Sime Darby	Kuala Lumpur	11/12/2012	09/12/2022	10	67,234,764	MR	Sukuk Musharakah	4.70%
Kuala Lumpur Kep.	Kuala Lumpur	26/04/2016	24/04/2026	10	112,057,940	MR	Sukuk Ijarah	4.66%
Kuala Lumpur Kep.	Kuala Lumpur	12/08/2015	12/08/2025	10	246,527,469	MR	Sukuk Ijarah	4.64%
TSH Resources	Kuala Lumpur	10/02/2012	10/02/2017	5	11,205,794	MR	Sukuk Ijarah	4.64%
Kuala Lumpur Kep.	Kuala Lumpur	03/09/2012	02/09/2022	10	224,115,881	MR	Sukuk Ijarah	4.58%
Wilmar International	Singapore	17/04/2014	17/04/2021	7	38,979,691	HK\$	Sr Note	4.57%
TSH Resources	Kuala Lumpur	09/02/2015	09/02/2018	3	6,723,476	MR	Sukuk Ijarah	4.51%
First Resources	Singapore	10/12/2012	08/12/2017	5	89,646,352	MR	Sukuk Musharakah	4.38%
First Resources	Singapore	31/07/2012	31/07/2017	5	134,469,528	MR	Sukuk Musharakah	4.33%
IOI Corporation	Kuala Lumpur	27/06/2012	27/06/2022	10	604,575,000	US\$	Sr Note	4.18%
Sime Darby	Kuala Lumpur	29/01/2013	29/01/2023	10	403,050,000	US\$	Sukuk Ijarah	4.17%
TSH Resources	Kuala Lumpur	04/04/2011	04/04/2018	7	11,205,794	MR	Sukuk Musharakah	4.09%

Wilmar International	Singapore	25/01/2012	25/01/2019	7	69,998,263	Sing\$	Unsecd Nt	3.10%
Sime Darby	Kuala Lumpur	29/01/2013	29/01/2018	5	403,050,000	US\$	Sukuk Ijarah	2.89%
Wilmar International	Singapore	25/01/2012	25/01/2017	5	174,995,658	Sing\$	Unsecd Nt	2.86%
Total					5,393,933,075			

Source: Thomson Reuters Eikon/ Hardman Agribusiness

Shari'ah Compliant Issues

It is also notable that the majority of the securities listed within this universe are compliant with the rules of Shari'ah finance. Only 8 securities in the table above are described as Bonds or Notes, the remaining 51 entries are Sukuk issues. Sukuk commonly refers to the Islamic equivalent of bonds. In order to generate returns for investors, all sukuk structures rely upon either the performance of an underlying asset, or a contractual arrangement with respect to that asset. Compared with conventional bonds, which merely confer ownership of a debt, Sukuk may grant the investor a share of an asset, along with the commensurate cash flows and risk. As such, Sukuk securities adhere to Islamic laws (Shari'ah principles), which prohibit the charging or payment of interest. The emergence of Sukuk has been one of the most significant developments in Islamic capital markets. A wide pool of investors has invested in Sukuk.

31: Sukuk Murabahah

The Sukuk Murabaha structure is commonly used in Islamic finance in situations where it is not possible to identify a tangible asset for the purposes of the underlying investment. The term can be broadly construed as a contractual arrangement for deferred payment, between a party selling specified assets or commodities for spot delivery (the lender), and a party purchasing those assets or commodities (the borrower).

10: Sukuk Ijarah

The most commonly used sukuk structure is that of sukuk Ijara. In the Islamic finance industry, the term "ijara" is broadly understood to mean the transfer of the usufruct of an asset to another person in exchange for a rent. The Ijara structure provides for regular payments throughout the life of a financing arrangement, together with the flexibility to tailor the payment profile - and method of calculation - in order to generate a profit.

9: Sukuk Musharakah

The term Musharaka, implies partnership. In its simplest form, a Musharaka arrangement is a partnership arrangement between two (or more) parties, wherein each partner makes a capital contribution to the partnership (i.e. to the Musharaka), in the form of either cash contributions or contributions in kind. The Musharaka partners share the profits of the Musharaka in pre-agreed proportions and share the losses of the Musharaka in proportion to their initial capital investment.

1: Sukuk Hybrid

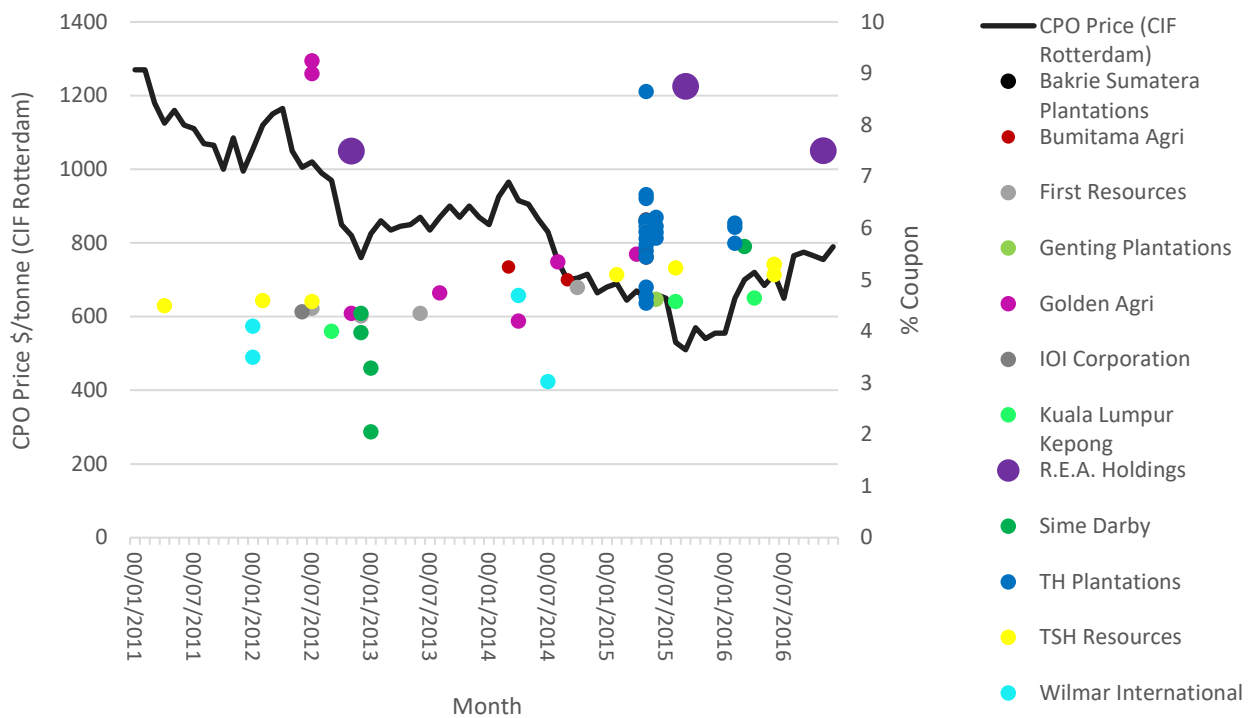
A Sukuk Hybrid is a type of sukuk structure in which the underlying pool of assets consists of two or more Islamic finance contracts. The hybrid structure permits the use of sharia-compatible financing contracts to facilitate refinancing. In a hybrid sukuk structure, the originator transfers tangible assets to a special purpose vehicle. The SPV then issues sukuk (financial certificates) to investors (who become the sukuk holders) and receives sukuk proceeds from them. The proceeds are used to pay the

originator, while the revenues realized from the underlying assets are paid through to the sukuk holders. At maturity, the originator purchases back the underlying assets from the SPV, while the sukuk holders receive fixed payment of return on assets (ROA), and the sukuk are paid off.

Palm Oil Commodity Pricing Influence on Pricing of Sector Fixed Interest Securities

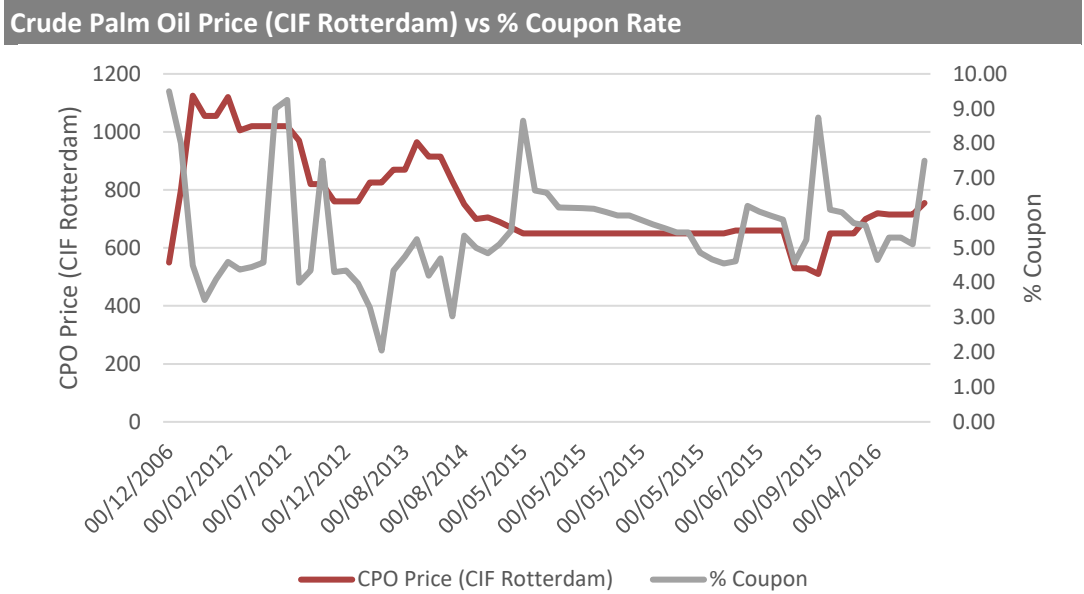
The chart below maps the coupons offered on sector bonds issued in the last 6 years: the data imply that coupons trended higher as the commodity price traded lower in the period 2013-16, although the relationship is tenuous.

Crude Palm Oil Price vs Coupon Rate



Source: Thomson Reuters Eikon/ Hardman Agribusiness

The chart below has refined the raw data presented above, and indeed a pattern is suggested, with higher coupon issuance coinciding with lower trending commodity prices, but in itself, the data are probably not conclusive.



Source: Thomson Reuters Eikon/ Hardman Agribusiness

Balance Sheet Influence on Pricing of Sector Fixed Interest Securities

The data in the following table does not reveal a clear pattern of balance sheet strength or weakness driving the coupon rate at issuance, however intuitive this might be.

Palm Oil Sector bond by Coupon (%)

Company Name	Stock Exchange	Issue Date	Net Debt/EBITDA (On Issue Date)	Net Debt/Equity (On Issue Date)	Coupon (%)
R.E.A. Holdings	London	04-Dec-06	4.00	0.70	9.50%
Golden Agri	Singapore	03-Jul-12	1.00	0.10	9.25%
Golden Agri	Singapore	03-Jul-12	1.00	0.10	9.00%
R.E.A. Holdings	London	03-Sep-15	8.80	0.90	8.75%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	8.65%
Bakrie Sumatera Plant.	Jakarta	18-Feb-10	2.40	0.60	8.00%
R.E.A. Holdings	London	19-Nov-12	2.40	0.30	7.50%
R.E.A. Holdings	London	24-Nov-16	14.60	0.70	7.50%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	6.65%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	6.58%
TH Plantations	Kuala Lumpur	11-Jun-15	6.60	0.90	6.21%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	6.16%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	6.15%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	6.14%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	6.12%
TH Plantations	Kuala Lumpur	24-Feb-16	8.20	0.90	6.10%
TH Plantations	Kuala Lumpur	29-Jun-15	6.60	0.90	6.04%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	6.03%
TH Plantations	Kuala Lumpur	24-Feb-16	8.20	0.90	6.02%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	5.93%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	5.93%
TH Plantations	Kuala Lumpur	29-Jun-15	6.60	0.90	5.92%
TH Plantations	Kuala Lumpur	29-Jun-15	6.60	0.90	5.81%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	5.80%
TH Plantations	Kuala Lumpur	24-Feb-16	8.20	0.90	5.71%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	5.67%
Sime Darby	Kuala Lumpur	24-Mar-16	3.70	0.50	5.65%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	5.56%
Golden Agri	Singapore	27-Apr-15	5.40	0.30	5.50%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	5.44%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	5.44%
Golden Agri	Singapore	05-Aug-14	3.20	0.30	5.35%
TSH Resources	Kuala Lumpur	17-Jun-16	N/A	1.10	5.30%
TSH Resources	Kuala Lumpur	17-Jun-16	N/A	1.10	5.30%
Bumitama Agri	Jakarta	18-Mar-14	2.90	0.90	5.25%
TSH Resources	Kuala Lumpur	24-Aug-15	5.40	0.90	5.23%
TSH Resources	Kuala Lumpur	09-Feb-15	3.70	0.80	5.10%
TSH Resources	Kuala Lumpur	17-Jun-16	N/A	1.10	5.10%
Bumitama Agri	Jakarta	02-Sep-14	1.90	0.70	5.00%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	4.86%
First Resources	Singapore	27-Oct-14	1.00	0.30	4.85%
Golden Agri	Singapore	05-Aug-13	2.20	0.20	4.75%
Wilmar International	Singapore	17-Apr-14	6.70	1.00	4.70%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	4.67%
Kuala Lumpur Kepong	Kuala Lumpur	26-Apr-16	1.60	0.30	4.65%
Genting Plantations	Kuala Lumpur	05-Jun-15	0.00	0.00	4.62%
TSH Resources	Kuala Lumpur	10-Feb-12	2.90	1.00	4.60%
Kuala Lumpur Kepong	Kuala Lumpur	12-Aug-15	1.20	0.30	4.58%
TSH Resources	Kuala Lumpur	16-Jul-12	3.70	0.90	4.58%
TH Plantations	Kuala Lumpur	28-May-15	6.60	0.90	4.55%
TSH Resources	Kuala Lumpur	04-Apr-11	4.40	1.00	4.50%
First Resources	Singapore	31-Jul-12	1.00	0.20	4.45%
IOI Corporation	Kuala Lumpur	27-Jun-12	1.10	0.20	4.38%
First Resources	Singapore	06-Jun-13	0.50	0.20	4.35%
Golden Agri	Singapore	19-Nov-12	1.10	0.10	4.35%
Sime Darby	Kuala Lumpur	11-Dec-12	0.70	0.20	4.35%
First Resources	Singapore	10-Dec-12	0.30	0.20	4.30%

Golden Agri	Singapore	30-Apr-14	3.60	0.30	4.20%
Wilmar International	Singapore	25-Jan-12	4.90	0.80	4.10%
Kuala Lumpur Kepong	Kuala Lumpur	03-Sep-12	0.30	0.10	4.00%
Sime Darby	Kuala Lumpur	11-Dec-12	0.70	0.20	3.98%
Wilmar International	Singapore	25-Jan-12	4.90	0.80	3.50%
Sime Darby	Kuala Lumpur	29-Jan-13	0.70	0.20	3.29%
Wilmar International	Singapore	17-Jul-14	6.50	1.00	3.03%
Sime Darby	Kuala Lumpur	29-Jan-13	0.70	0.20	2.05%

Source: Thomson Reuters Eikon/ Hardman Agribusiness

One, perhaps more typical example is the Bakrie 2017 (7 year) US\$100m Senior Note issued in 2010: despite being issued in US\$, the Note came with an 8% coupon; the data for Bakrie Sumatera Plantations indicates net debt at 60% of equity and net debt to ebitda at 2.4x, ratios which are within acceptable levels, for a corporate issuer of fixed interest securities.

Bakrie Sumatera Plantations 8% Bond

Company Name	Listed Country	Issue Date	Net Debt / EBITDA (x) (At last reported date prior to issue)	Company Name	Listed Country
Bakrie Sumatera Plantations	Jakarta	18-Feb-10	2.4	0.6	8%

Source: Thomson Reuters Eikon/ Hardman Agribusiness

The coupon rate at 8% looks high relative to the other three US\$ issues from IOI and Sime Darby, (4.18% and 4.17% / 2.89% respectively). In both cases, the net debt position for the two issuers at the time of issue, was reported at 20%, compared to Bakrie Plantations' 60%.

REA Holdings Fixed Interest Securities

Debt Securities

As detailed within this review, the REA Holdings' fixed interest debt securities, and other fixed interest securities, provide generally higher coupons and yields, relative to the fixed interest securities of the majority of the company's sector peers.

REA Holdings Fixed Interest Debt Securities

Description	Coupon	Issue Date	Maturity Date	Amt Outstanding (US\$)	Currency
REAH 7.5000 30-Jun-2017	7.50%	19-Nov-12	30-Jun-17	50,381,250	US\$
REBO 9.5000 31-Dec-2017	9.50%	04-Dec-06	31-Dec-17	27,304,018	GB £
REBO 8.7500 31-Aug-2020	8.75%	03-Sep-15	31-Aug-20	32,953,467	GB £
REAH 7.5000 30-Jun-2022	7.50%	24-Nov-16	30-Jun-22	37,785,938	US\$

Source: Thomson Reuters Eikon/ Hardman Agribusiness

The issued loan capital of REA Holdings comprises:

- ▶ \$24,035,218 nominal of 7.5 per cent dollar notes 2022
- ▶ \$20,155,785 nominal of 7.5 per cent dollar notes 2017

The issued loan capital of REA Finance BV comprises:

- ▶ £8,324,000 nominal of 9.5% guaranteed sterling notes 2015/17

- ▶ £31,852,000 nominal of 8.75% guaranteed sterling notes 2020

The £ and \$ notes tend to trade around par, and they are reported to be 'fairly stable', by the brokers active in dealing in the instruments. The lowest price level at which the 8.75% 2020 Sterling Notes has been reported to trade was £0.90. This was thought to be influenced by downward pressure on the palm oil price, and by market response to the company's refinancing activities. The brokers in the instruments report that they do not observe any significant impact on pricing by exchange rate movements.

REA 9% Cumulative Preference Shares

In addition to the \$94.4m (US\$ equivalent) issuance of debt securities detailed above, investors have the choice of investing in the REA 9.0% Cumulative Preference shares (permanent capital) which have a separate listing on the London Stock Exchange (to the ordinary shares). The authorised and issued preference share capital of R.E.A. Holdings plc comprises:

Authorised

- ▶ £85,000,000 in 85,000,000 9 per cent cumulative preference shares of £1 each

Issued

- ▶ £63,641,232 in 63,641,232 9 per cent cumulative preference shares of £1 each

Preference shares are a special class of stock that carry superior rights to ordinary shares. The dividends payable on preference issues, are also more secure than those on ordinary shares. Preference dividends must be paid out ahead of dividends on ordinary shares, and if a payment is not made, then in the case of cumulative preference issues, such as the REA Holdings 9% shares, the dividend payment obligation rolls up. Importantly, preference shares rank higher than ordinary shares if a company goes into liquidation.

For the investor, preference shares offer a steady and predictable source of income, typically with a higher yield than is available on either ordinary shares or corporate bonds – and this is certainly true for the international palm oil producer sector data shown above. In the case of REA Holdings, its 9% Cumulative Preference shares are yielding comfortably more than 3% above the majority of the of the bond issues detailed, and some 7% above the average dividend yield for the sector. The disadvantages of preference shares as investments, is that they do not increase in value with the growth of the underlying business, yet they are prone to both negative sentiment relating to the underlying equity, in particular around cash flow sensitivities, and to wider market concerns surrounding bond markets and interest rate volatility.

Preference shares are a relatively neglected instrument of corporate finance. The reason typically offered is that they offer none of the upside of ordinary shares, and none of the tax advantages of loan notes. On the other hand, preference shares are permanent capital: they do not need to be repaid. Additionally, from the issuer's perspective, if liquidity is tight, the issuer can pass the dividend payment on its preference share without risking insolvency. In the case of cumulative preference issues, the company can defer the obligation until its cash flow permits the payments to be made.

Detailed below are 66 preference share issues listed on the London Stock Exchange, with a coupon range of 31.5%-2.7%. The S&U coupon of 31.5% is very much an outlier in the group, with the next highest coupon at 11.5%. The REA Holdings 9% Cumulative Preference shares rank (amongst other names) as the 7th highest coupon available in the UK listed preference share segment.

Preference Shares on London Stock Exchange

Company Name	Security Name	Coupon	Supersector	Trading Currency
S & U	31.5% CUM PRF 12 1/2P	31.5%	Financial Services	GBX
HEAVITREE BREWERY	11.5% CUM PRF GBP1	11.5%	Travel & Leisure	GBX
CAFFYNS	11% CUM PRF GBP1	11.0%	Retail	GBX
ROYAL BANK OF SCOTLAND GROUP PLC	11% CUM PRF GBP1	11.0%	Banks	GBP
BALFOUR BEATTY	10.75P GROSS(NET PD)CUM CNV RED PRF 1P	10.8%	Construction & Materials	GBX
ASHPOL	10% CUM PRF GBP1	10.0%		GBX
ROTORK	9.5% CUM PRF GBP1	9.5%	Industrial Goods & Services	GBX
BP	9% CUM 2ND PRF GBP1	9.0%	Oil & Gas	GBX
R.E.A. HLDGS PLC	9% CUM PRF GBP1	9.0%	Food & Beverage	GBX
MENZIES(JOHN)	9% CUM PRF GBP1	9.0%	Industrial Goods & Services	GBX
NATIONAL WESTMINSTER BANK	9% SER'A'NON-CUM PRF GBP1	9.0%		GBX
BBVA CAPITAL FUNDING	'A'9% N-CUM GTD N.VTG DM EURO PRF(BR)	9.0%		EUR
GENERAL ACCIDENT PLC	8 7/8% CUM IRRD PRF GBP1	8.9%	Insurance	GBX
AVIVA	8.75% CUM IRRD PRF GBP1	8.8%	Insurance	GBX
BRISTOL WATER	8.75% CUM IRRD PRF GBP1	8.8%		GBX
ECCLESIASTICAL INSURANCE OFFICE	8.625% NON CUM IRRD PRF GBP1	8.6%		GBX
AVIVA	8.375% CUM IRRD PRF GBP1	8.4%	Insurance	GBX
STANDARD CHARTERED	8.25% NON-CUM IRRD PRF GBP1	8.3%	Banks	GBX
NORTHERN ELECTRIC	8.061P(NET)CUM IRRD PRF 1P	8.1%		GBX
BP	8% CUM 1ST PRF GBP1	8.0%	Oil & Gas	GBX
FULLER SMITH & TURNER	8% 2ND CUM PRF GBP1	8.0%	Travel & Leisure	GBX
LATHAM(JAMES)	8% CUM PRF GBP1	8.0%	Industrial Goods & Services	GBX
GENERAL ACCIDENT PLC	7 7/8% CUM IRRD PRF GBP1	7.9%	Insurance	GBX
STANDARD CHARTERED	7.375% NON-CUM IRRD PRF GBP1	7.4%	Banks	GBX
RSA INSURANCE GROUP PLC	7.375% CUM IRRD PRF GBP1	7.4%	Insurance	GBX
BBVA INTERNATIONAL	SER'A'7.2% NON CUM GTD PRF	7.2%		USD
CAFFYNS	7% CUM 1ST PRF GBP1	7.0%	Retail	GBX
MUCKLOW(A.& J.)GROUP	7% CUM PRF GBP1	7.0%	Real Estate	GBX
CRH	7%'A'CUM PRF EUR1.27	7.0%	Construction & Materials	GBX
CHEMRING GROUP	7% CUM PRF GBP1	7.0%	Industrial Goods & Services	GBX
LLOYDS BANKING GROUP PLC	ADR REPR 6.657% NON CUM PRF 144A	6.7%	Banks	USD
LLOYDS BANKING GROUP PLC	ADR REPR 6.657% NON CUM PRF REG'S	6.7%	Banks	USD
CRODA INTERNATIONAL PLC	6.6% CUM PRF GBP1	6.6%	Chemicals	GBX
TATE & LYLE	6.5% CUM PRF GBP1	6.5%	Food & Beverage	GBX
LLOYDS BANKING GROUP PLC	ADR REPR 6.413% NON CUM PRF 144A	6.4%	Banks	USD
LLOYDS BANKING GROUP PLC	ADR REPR 6.413% NON CUM PRF REG'S	6.4%	Banks	USD
MARSTON'S PLC	6% CUM PRF(PTG)STK GBP1	6.0%	Travel & Leisure	GBX
LOW & BONAR PLC	6% 1ST CUM PRF STK GBP1	6.0%	Construction & Materials	GBX
LOW & BONAR PLC	6% 2ND CUM PRF STK GBP1	6.0%	Construction & Materials	GBX
COBHAM PLC	6% 2ND CUM PRF GBP1	6.0%	Industrial Goods & Services	GBX
S & U	6% CUM PRF GBP1	6.0%	Financial Services	GBX
FULLER SMITH & TURNER	6% 1ST CUM PRF GBP1	6.0%	Travel & Leisure	GBX
RENOLD	6% CUM PRF STK GBP1	6.0%	Industrial Goods & Services	GBX
CRODA INTERNATIONAL PLC	5.9% CUM PRF GBP1	5.9%	Chemicals	GBX
AECI	5.5% CUM PRF ZAR2	5.5%		GBX
MORGAN ADVANCED MATERIALS PLC	5.5% CUM 1ST PRF GBP1	5.5%	Industrial Goods & Services	GBX
LOW & BONAR PLC	5.5% 3RD CUM PRF STK GBP1	5.5%	Construction & Materials	GBX
ROYAL BANK OF SCOTLAND GROUP PLC	5.5% CUM PRF GBP1	5.5%	Banks	GBX
JAMES HALSTEAD	5.5% CUM PRF GBP1	5.5%	Construction & Materials	GBX
BOOT(HENRY)	CUM PRF(5.25%)GBP1	5.3%	Construction & Materials	GBX
MORGAN ADVANCED MATERIALS PLC	5% CUM 2ND PRF GBP1	5.0%	Industrial Goods & Services	GBX
BRUNNER INVESTMENT TRUST	5% CUM PRF STK	5.0%	Equity Investment	GBP
KEYSTONE INVESTMENT TRUST	5% CUM PRF GBP1	5.0%	Equity Investment	GBP
NORTHGATE PLC	5% CUM PRF 50P	5.0%	Instruments	GBX
LONDON & ST LAWRENCE INVESTMENT	5% CUM PRF GBP1	5.0%	Industrial Goods & Services	GBX
			Equity Investment	GBP
			Instruments	GBX
			Industrial Goods & Services	GBX
			Equity Investment	GBP
			Instruments	GBX

BBA AVIATION PLC	5% CUM PRF GBP1	5.0%	Industrial Goods & Services	GBX
ANTOFAGASTA	5% CUM PRF GBP1	5.0%	Basic Resources	GBX
INVESTEC INVESTMENT TRUST(GB)	5% CUM PRF STK GBP1	5.0%		GBX
HENDERSON SMALLER COS INV TST	4.5% CUM PRF STK	4.5%	Equity Investment Instruments	GBP
CITY OF LONDON INVESTMENT TRUST	4.2% NON CUM 2ND PRF STK GBP1	4.2%	Equity Investment Instruments	GBX
CITY OF LONDON INVESTMENT TRUST	4.2% CUM 1ST PRF STK	4.2%	Equity Investment Instruments	GBP
MERCHANTS TRUST	3.65% CUM PRF GBP1	3.7%	Equity Investment Instruments	GBX
FISHGUARD & ROSSLARE RLYS & HBRS CO	3.5% GTD PRF STK	3.5%		GBP
INVESTEC INVESTMENT TRUST(GB)	3.5% CUM PRF STK	3.5%		GBP
WITAN INVESTMENT TRUST	3.4% CUM PRF GBP1	3.4%	Equity Investment Instruments	GBX
WITAN INVESTMENT TRUST	2.7% CUM PRF GBP1	2.7%	Equity Investment Instruments	GBX

Source: Source: London Stock Exchange

Of the companies with preference share issues listed on the London Stock Exchange, 52 of them have total combined (ordinary shares and preference shares) market capitalisations in excess of £100m. The data shown below is priced for end December 2016. A common complaint amongst investors is that many preference share issues are too illiquid for practical trading. Anecdotally, it is reported that only a quarter of the preference issues are big enough, and have sufficiently narrow spreads to be of interest to most investors.

Preference Shares of companies with total market capitalisation of over £100m

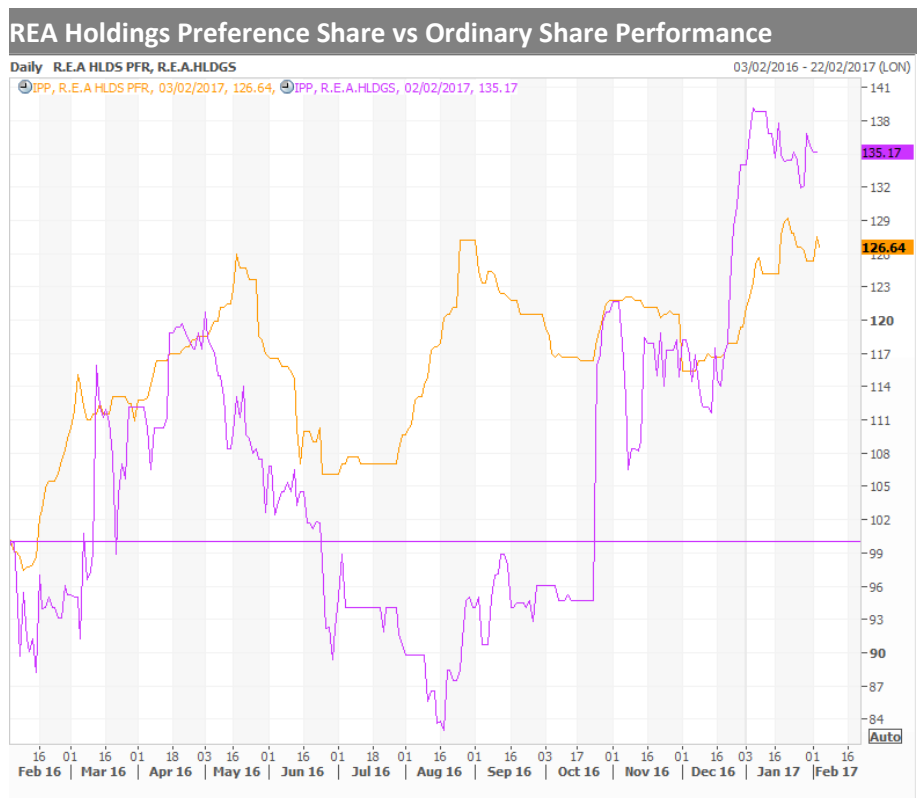
Company Name	Security Name	Coupon	Mkt Cap £m
BP	9% CUM 2ND PRF GBP1	9.0%	98,938
BP	8% CUM 1ST PRF GBP1	8.0%	98,938
LLOYDS BANKING GROUP PLC	ADR REPR 6.657% NON-CUM PRF 144A	6.7%	45,308
LLOYDS BANKING GROUP PLC	ADR REPR 6.657% NON-CUM PRF REG'S	6.7%	45,308
LLOYDS BANKING GROUP PLC	ADR REPR 6.413% NON-CUM PRF 144A	6.4%	45,308
LLOYDS BANKING GROUP PLC	ADR REPR 6.413% NON CUM PRF REG'S	6.4%	45,308
ROYAL BANK OF SCOTLAND GROUP PLC	11% CUM PRF GBP1	11.0%	26,518
ROYAL BANK OF SCOTLAND GROUP PLC	5.5% CUM PRF GBP1	5.5%	26,518
CRH	7%'A'CUM PRF EUR1.27	7.0%	23,143
AVIVA	8.375% CUM IRRD PRF GBP1	8.4%	19,756
AVIVA	8.75% CUM IRRD PRF GBP1	8.8%	19,756
STANDARD CHARTERED	8.25% NON-CUM IRRD PRF GBP1	8.3%	16,636
STANDARD CHARTERED	7.375% NON-CUM IRRD PRF GBP1	7.4%	16,636
ANTOFAGASTA	5% CUM PRF GBP1	5.0%	6,656
RSA INSURANCE GROUP PLC	7.375% CUM IRRD PRF GBP1	7.4%	6,112
CRODA INTERNATIONAL PLC	6.6% CUM PRF GBP1	6.6%	4,319
CRODA INTERNATIONAL PLC	5.9% CUM PRF GBP1	5.9%	4,319
TATE & LYLE	6.5% CUM PRF GBP1	6.5%	3,260
BBA AVIATION PLC	5% CUM PRF GBP1	5.0%	2,940
COBHAM PLC	6% 2ND CUM PRF GBP1	6.0%	2,796
ROTORK	9.5% CUM PRF GBP1	9.5%	2,098
BALFOUR BEATTY	10.75P GROSS (NET PD) CUM CNV RED PRF 1P	10.8%	2,025
WITAN INVESTMENT TRUST	3.4% CUM PRF GBP1	3.4%	1,546
WITAN INVESTMENT TRUST	2.7% CUM PRF GBP1	2.7%	1,546
JAMES HALSTEAD	5.5% CUM PRF GBP1	5.5%	1,004
CITY OF LONDON INVESTMENT TRUST	4.2% NON-CUM 2ND PRF STK GBP1	4.2%	996
CITY OF LONDON INVESTMENT TRUST	4.2% CUM 1ST PRF STK	4.2%	996
HENDERSON SMALLER COS INV TST	4.5% CUM PRF STK	4.5%	983
MORGAN ADVANCED MATERIALS PLC	5.5% CUM 1ST PRF GBP1	5.5%	825
MORGAN ADVANCED MATERIALS PLC	5% CUM 2ND PRF GBP1	5.0%	825
MARSTON'S PLC	6% CUM PRF(PTG)STK GBP1	6.0%	776
NORTHGATE PLC	5% CUM PRF 50P	5.0%	654
CHEMRING GROUP	7% CUM PRF GBP1	7.0%	478
MERCHANTS TRUST	3.65% CUM PRF GBP1	3.7%	471
MENZIES (JOHN)	9% CUM PRF GBP1	9.0%	358
GENERAL ACCIDENT PLC	8 7/8% CUM IRRD PRF GBP1	8.9%	348
GENERAL ACCIDENT PLC	7 7/8% CUM IRRD PRF GBP1	7.9%	348
FULLER SMITH & TURNER	8% 2ND CUM PRF GBP1	8.0%	315
FULLER SMITH & TURNER	6% 1ST CUM PRF GBP1	6.0%	315
MUCKLOW (A.& J.) GROUP	7% CUM PRF GBP1	7.0%	294
S & U	31.5% CUM PRF 12 1/2P	31.5%	265
S & U	6% CUM PRF GBP1	6.0%	265
BOOT (HENRY)	CUM PRF (5.25%)GBP1	5.3%	262
BRUNNER INVESTMENT TRUST	5% CUM PRF STK	5.0%	260
KEYSTONE INVESTMENT TRUST	5% CUM PRF GBP1	5.0%	224
LOW & BONAR PLC	6% 1ST CUM PRF STK GBP1	6.0%	208
LOW & BONAR PLC	5.5% 3RD CUM PRF STK GBP1	5.5%	208
LOW & BONAR PLC	6% 2ND CUM PRF STK GBP1	6.0%	208
R.E.A. HLDGS PLC	9% CUM PRF GBP1	9.0%	192
LATHAM (JAMES)	8% CUM PRF GBP1	8.0%	144
LONDON & ST LAWRENCE INVESTMENT	5% CUM PRF GBP1	5.0%	106
RENOLD	6% CUM PRF STK GBP1	6.0%	100

Source: London Stock Exchange

All of Cannacord, Peel Hunt and Winterflood are reported to make a market in the REA Holdings 9% Cumulative Preference shares. The London bond broker, Guy Butler is also thought to see good flow in larger sized parcels. Traders of the shares, note that they trade in mostly 'retail' amounts, typically in parcels of up to 10,000 shares. Prices quoted by market makers in the shares tend to include a spread in the range of 3-4 pence. Traders note that there are traditionally more buyers than sellers. Larger parcels up to a few hundred thousand shares are said to come on to the market perhaps once a month or more, particularly when they are trading close to par. These bigger parcels are reported to trade close to mid-market price when they do appear.

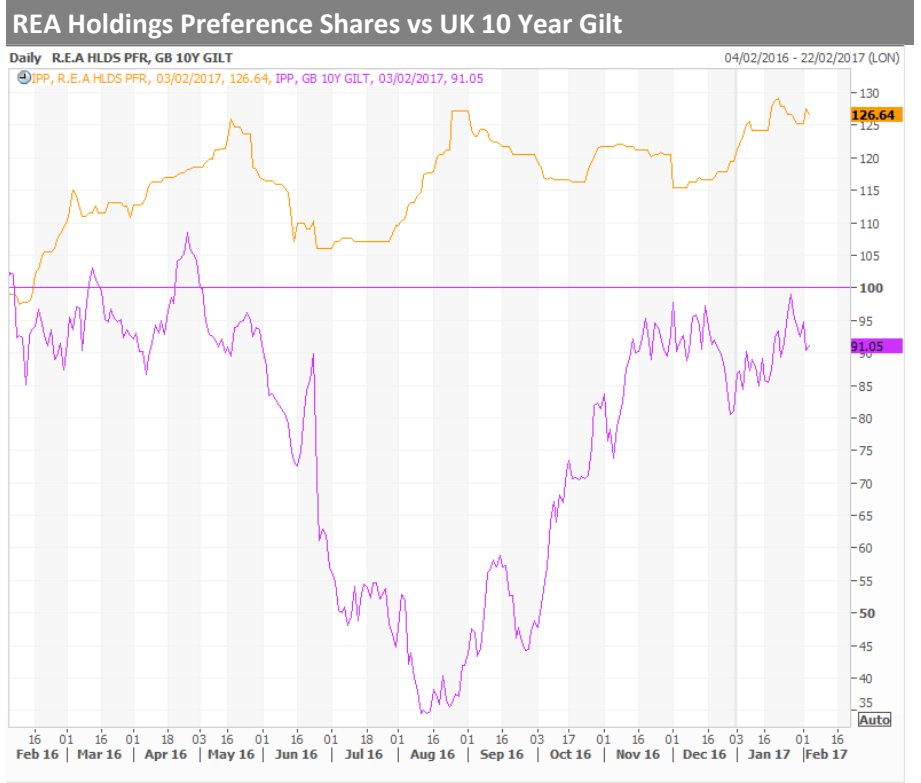
The REA Holdings 9% Cumulative Preference shares are likely to experience greater price volatility than the REA Holdings traded debt securities: the £ and \$ Notes, although there is little trading data for the Notes. In the last twelve months, the shares have traded in a range of £1.075-£0.76, although at the time of writing this note, they are trading in the range £0.995-£0.96.

As can be seen from the chart below, the Prefs outperformed the ordinary shares over much of the last twelve months, but the ordinary shares have put in a stronger performance recently on palm oil producer sector improved sentiment, based on firm commodity prices and M&A activity in the London market (KLK/MP Evans).



Source: Thomson Reuters Eikon

Against the UK 10 Year Gilt, the REA Prefs, have strongly outperformed over the past 12 months.



Source: Thomson Reuters Eikon

Appendix A

Company Name	Stock Exchange	Issue Date	Maturity Date	Period (Years)	Amt Outstanding (US\$)	Issuer Totals (US \$)	Issue Currency	Debt Type	Coupon	Yield (%) At Last Price
Bakrie Sumatera Plantations	Jakarta	18-Feb-10	11-Dec-17	7	100,762,500	100,762,500	US\$	Sr Note	8.00%	
Bumitama Agri	Jakarta	18-Mar-14	18-Mar-19	5	112,057,940		MR	Sukuk Musharakah	5.25%	4.71%
Bumitama Agri	Jakarta	02-Sep-14	02-Sep-19	5	112,057,940		MR	Sukuk Musharakah	5.00%	4.76%
						224,115,881				
First Resources	Singapore	31-Jul-12	31-Jul-17	5	134,469,528		MR	Sukuk Musharakah	4.45%	4.33%
First Resources	Singapore	10-Dec-12	08-Dec-17	5	89,646,352		MR	Sukuk Musharakah	4.30%	4.38%
First Resources	Singapore	06-Jun-13	05-Jun-20	7	134,469,528		MR	Sukuk Musharakah	4.35%	4.70%
First Resources	Singapore	27-Oct-14	27-Oct-21	7	89,646,352		MR	Sukuk Musharakah	4.85%	4.79%
						448,231,762				
Genting Plantations	Kuala Lumpur	05-Jun-15	05-Jun-25	10	224,115,881	224,115,881	MR	Sukuk Murabahah	4.62%	4.78%
Golden Agri	Singapore	30-Apr-14	30-Apr-17	3	104,997,395		Sing\$	Bond	4.20%	5.95%
Golden Agri	Singapore	03-Jul-12	03-Jul-17	5	67,500,000		IDR	Bond	9.00%	8.87%
Golden Agri	Singapore	19-Nov-12	17-Nov-17	5	336,173,821		MR	Sukuk Murabahah	4.35%	5.42%
Golden Agri	Singapore	27-Apr-15	27-Apr-18	3	139,996,527		Sing\$	Sr Note	5.50%	5.28%
Golden Agri	Singapore	05-Aug-13	03-Aug-18	5	112,057,940		MR	Sukuk Murabahah	4.75%	6.04%
Golden Agri	Singapore	03-Jul-12	03-Jul-19	7	7,500,000		IDR	Bond	9.25%	10.42%
Golden Agri	Singapore	05-Aug-14	05-Aug-19	5	84,043,455		MR	Sukuk Murabahah	5.35%	6.25%
						852,269,138				
IOI Corporation	Kuala Lumpur	27-Jun-12	27-Jun-22	10	604,575,000	604,575,000	US\$	Sr Note	4.38%	4.18%
Kuala Lumpur Kepong	Kuala Lumpur	03-Sep-12	02-Sep-22	10	224,115,881		MR	Sukuk Ijarah	4.00%	4.58%
Kuala Lumpur Kepong	Kuala Lumpur	12-Aug-15	12-Aug-25	10	246,527,469		MR	Sukuk Ijarah	4.58%	4.64%
Kuala Lumpur Kepong	Kuala Lumpur	26-Apr-16	24-Apr-26	10	112,057,940		MR	Sukuk Ijarah	4.65%	4.66%
						582,701,290				
R.E.A. Holdings	London	19-Nov-12	30-Jun-17	5	50,381,250		US\$	Unsecrd Nt	7.50%	
R.E.A. Holdings	London	04-Dec-06	31-Dec-17	11	27,304,018		GB£	Unsecrd Nt	9.50%	
R.E.A. Holdings	London	03-Sep-15	31-Aug-20	5	32,953,467		GB£	Unsecrd Nt	8.75%	
R.E.A. Holdings	London	24-Nov-16	30-Jun-22	6	37,785,938		US\$	Orderschuldverschr	7.50%	
						148,424,672				
Sime Darby	Kuala Lumpur	29-Jan-13	29-Jan-18	5	403,050,000		US\$	Sukuk Ijarah	2.05%	2.89%
Sime Darby	Kuala Lumpur	11-Dec-12	09-Dec-22	10	67,234,764		MR	Sukuk Musharakah	3.98%	4.70%
Sime Darby	Kuala Lumpur	29-Jan-13	29-Jan-23	10	403,050,000		US\$	Sukuk Ijarah	3.29%	4.17%
Sime Darby	Kuala Lumpur	11-Dec-12	10-Dec-27	15	89,646,352		MR	Sukuk Musharakah	4.35%	4.89%

Sime Darby	Kuala Lumpur	24-Mar-16	Perpetual	Perp	493,054,938	MR	Sukuk Hybrid	5.65%	5.34%
					1,456,036,054				
TH Plantations	Kuala Lumpur	28-May-15	16-Aug-17	2	6,723,476	MR	Sukuk Murabahah	4.86%	5.10%
TH Plantations	Kuala Lumpur	28-May-15	30-Nov-17	2	6,723,476	MR	Sukuk Murabahah	4.67%	5.10%
TH Plantations	Kuala Lumpur	28-May-15	30-Nov-17	2	2,241,159	MR	Sukuk Murabahah	5.44%	5.10%
TH Plantations	Kuala Lumpur	28-May-15	19-Mar-18	3	3,361,738	MR	Sukuk Murabahah	4.55%	5.12%
TH Plantations	Kuala Lumpur	28-May-15	19-Mar-18	3	7,171,708	MR	Sukuk Murabahah	6.58%	5.12%
TH Plantations	Kuala Lumpur	28-May-15	19-Mar-18	3	672,348	MR	Sukuk Murabahah	8.65%	5.17%
TH Plantations	Kuala Lumpur	28-May-15	25-Feb-19	4	15,688,112	MR	Sukuk Murabahah	5.44%	5.29%
TH Plantations	Kuala Lumpur	28-May-15	25-Feb-20	5	16,808,691	MR	Sukuk Murabahah	5.56%	5.43%
TH Plantations	Kuala Lumpur	28-May-15	25-Feb-21	6	16,808,691	MR	Sukuk Murabahah	5.67%	5.57%
TH Plantations	Kuala Lumpur	24-Feb-16	24-Feb-22	6	5,602,897	MR	Sukuk Murabahah	5.71%	5.72%
TH Plantations	Kuala Lumpur	28-May-15	25-Feb-22	7	16,808,691	MR	Sukuk Murabahah	5.80%	5.72%
TH Plantations	Kuala Lumpur	28-May-15	24-Feb-23	8	16,808,691	MR	Sukuk Murabahah	5.93%	5.80%
TH Plantations	Kuala Lumpur	29-Jun-15	28-Jun-23	8	6,723,476	MR	Sukuk Murabahah	5.81%	5.83%
TH Plantations	Kuala Lumpur	29-Jun-15	28-Jun-24	9	6,723,476	MR	Sukuk Murabahah	5.92%	5.90%
TH Plantations	Kuala Lumpur	28-May-15	29-Nov-24	9	11,205,794	MR	Sukuk Murabahah	6.12%	5.92%
TH Plantations	Kuala Lumpur	28-May-15	10-Dec-24	9	6,723,476	MR	Sukuk Murabahah	5.93%	5.94%
TH Plantations	Kuala Lumpur	24-Feb-16	24-Feb-25	9	2,241,159	MR	Sukuk Murabahah	6.02%	6.00%
TH Plantations	Kuala Lumpur	28-May-15	15-Apr-25	10	13,446,953	MR	Sukuk Murabahah	6.16%	6.03%
TH Plantations	Kuala Lumpur	29-Jun-15	26-Jun-25	10	6,723,476	MR	Sukuk Murabahah	6.04%	6.04%
TH Plantations	Kuala Lumpur	28-May-15	10-Dec-25	10	4,482,318	MR	Sukuk Murabahah	6.03%	6.07%
TH Plantations	Kuala Lumpur	24-Feb-16	24-Feb-26	10	5,602,897	MR	Sukuk Murabahah	6.10%	6.09%
TH Plantations	Kuala Lumpur	28-May-15	10-Jun-26	11	8,964,635	MR	Sukuk Murabahah	6.15%	6.14%
TH Plantations	Kuala Lumpur	11-Jun-15	11-Jun-26	11	11,205,794	MR	Sukuk Murabahah	6.21%	6.18%
TH Plantations	Kuala Lumpur	28-May-15	10-Dec-26	11	6,723,476	MR	Sukuk Murabahah	6.14%	6.24%
TH Plantations	Kuala Lumpur	28-May-15	29-Oct-27	12	44,823,176	MR	Sukuk Murabahah	6.65%	6.45%
					251,009,786				
TSH Resources	Kuala Lumpur	10-Feb-12	10-Feb-17	5	11,205,794	MR	Sukuk Ijarah	4.60%	4.64%
TSH Resources	Kuala Lumpur	09-Feb-15	09-Feb-18	3	6,723,476	MR	Sukuk Ijarah	5.10%	4.51%
TSH Resources	Kuala Lumpur	04-Apr-11	04-Apr-18	7	11,205,794	MR	Sukuk Musharakah	4.50%	4.09%
TSH Resources	Kuala Lumpur	16-Jul-12	16-Jul-19	7	5,602,897	MR	Sukuk Ijarah	4.58%	4.72%
TSH Resources	Kuala Lumpur	24-Aug-15	24-Aug-20	5	6,723,476	MR	Sukuk Ijarah	5.23%	4.83%
TSH Resources	Kuala Lumpur	17-Jun-16	17-Jun-21	5	13,446,953	MR	Sukuk Murabahah	5.10%	4.92%

R.E.A. Holdings

TSH Resources	Kuala Lumpur	12-Jul-16	12-Jul-21	5	7,844,056	MR	Sukuk Ijarah		
TSH Resources	Kuala Lumpur	01-Dec-16	01-Dec-21	5	25,773,326	MR	Sukuk Ijarah		
TSH Resources	Kuala Lumpur	17-Jun-16	16-Jun-23	7	3,361,738	MR	Sukuk Ijarah	5.30%	5.02%
TSH Resources	Kuala Lumpur	17-Jun-16	16-Jun-23	7	20,170,429	MR	Sukuk Murabahah	5.30%	5.02%
					112,057,940				
Wilmar International	Singapore	25-Jan-12	25-Jan-17	5	174,995,658	Sing\$	Unsecd Nt	3.50%	2.86%
Wilmar International	Singapore	25-Jan-12	25-Jan-19	7	69,998,263	Sing\$	Unsecd Nt	4.10%	3.10%
Wilmar International	Singapore	17-Apr-14	17-Apr-21	7	38,979,691	HK\$	Sr Note	4.70%	4.57%
Wilmar International	Singapore	17-Jul-14	17-Jul-21	7	105,659,558	Euro	Unsecd Nt	3.03%	
					389,633,170				
Total					5,393,933,075	5,393,933,075			

Source: Thomson Reuters Eikon

Appendix B

Company Name	Issuer Totals (US \$)
Bakrie Sumatera Plantations	100,762,500.00
Bumitama Agri	224,115,880.78
First Resources	448,231,761.57
Genting Plantations	224,115,880.78
Golden Agri	852,269,138.36
IOI Corporation	604,575,000.00
Kuala Lumpur Kepong	582,701,290.04
R.E.A. Holdings	148,424,672.33
Sime Darby	1,456,036,054.27
TH Plantations	251,009,786.48
TSH Resources	112,057,940.39
Wilmar International	389,633,169.52
Total	5,393,933,074.51

Source: Thomson Reuters Eikon

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