



KENCANA AGRI LIMITED

(Registration No: 200717793E)

RESPONSE TO SGX REGCO'S COMPLIANCE QUERY ON FOREST AND PEATLAND FIRES AND TRANSBOUNDARY HAZE

The Company refers to the Exchange's queries dated 15 October 2026 concerning the recent forest and peatland fires in Indonesia and the resulting transboundary haze. The board of directors (the "Board") of Kencana Agri Limited (the "Company", and with its subsidiaries, the "Group") wishes to respond as follows:

(a) Whether any of the Group's operations, concessions or other assets in Indonesia have been affected by the recent forest and peatland fires. If so, please provide details.

The Group's plantations and mills are located in Sumatra, Kalimantan and Sulawesi, covering a total planted area of approximately 67,862 hectares.

The Group recorded incidents within concession areas operated by its subsidiaries in North Kalimantan and East Kalimantan. The affected area is estimated at approximately 62 hectares or less than 0.09% of the Group total planted area. Based on preliminary internal assessments, it indicates that the fire did not originate from within the Group's operations, but rather spread from adjacent areas.

The fire was handled by the relevant subsidiaries' fire-fighting teams, working together with the relevant authorities and local communities, with drones and fire observation towers used to locate active fire fronts and to direct ground crews. The incidents are under control, with ongoing monitoring and precautionary response measures being maintained.

(b) The Group's assessment of whether any of its operations, concessions or activities in Indonesia have contributed, or may have contributed, to the recent haze, and the basis for that assessment.

Under the Group's NDPE Policy and in accordance with government regulations, the Group does not undertake land clearing by burning or use fire for land preparation.

Based on the Group's operational review which includes field inspections, incident and patrol records, drone surveillance, and hotspot monitoring, management assesses that the information currently available does not indicate that the Group's operations or activities materially contributed to the recent forest and peatland fires or transboundary haze.

As detailed in section (a) above, the fire incidents recorded within the Group's concession boundaries spread from adjacent external areas and was promptly contained by the Group's firefighting teams. The Group strictly enforces its Zero-Burning Policy and maintains active surveillance to prevent external fires from encroaching onto its estates.

(c) Whether the Group has received any enquiries, allegations, notices or requests for information from government authorities, the media or other stakeholders.

The authorities have commenced a preliminary inquiry into the fire incident at the subsidiary in North Kalimantan. The details are as follows:

- (i) Matters raised: the authorities issued a preliminary inquiry concerning suspected land clearing by burning in the affected area.
- (ii) The Group's position: based on information presently available to the Group the subsidiary did not carry out land clearing or land preparation in the affected area. As noted in section (b) above, the area is located along the boundary between the Group's concession and an adjacent third-party concession.
- (iii) Steps taken: in September 2026, the investigators conducted a field inspection of the affected area. The subsidiary has provided, and continues to provide, the necessary cooperation and information requested by the investigators.
- (iv) Status: the inquiry is still ongoing, and the Group is cooperating fully with the authorities.

Save as disclosed above, as at the date of this response, the Group has not received any other enquiry, allegation, notice or request for information from any government authority, the media or other stakeholders about the recent fires.

(d) Measures currently in place to prevent, monitor and respond to fires within the Group's operations and concessions in Indonesia.

The Group maintains adequate fire prevention, detection and emergency response protocols and controls across its Indonesian plantation operations. These measures are intended both to minimise the risk of fires within the Group's operational areas and to facilitate a prompt response where fires originating from surrounding areas threaten to spread into its estates.

(e) Whether the matters described above have resulted, or are expected to result, in any material operational, financial, legal, regulatory or reputational impact on the Group.

Based on the information currently available, the Board does not expect this matter to have a material operational, financial, legal, regulatory or reputational impact on the Group. The Board notes that the inquiry by the relevant authorities described in section (c) remains ongoing and will continue to monitor its progress closely. In the meantime, the Group continues to maintain heightened prevention and monitoring measures across its operations to manage and assess any potential operational impact arising from the prevailing dry season conditions.

BY ORDER OF THE BOARD OF KENCANA AGRI LIMITED

Ratna Maknawi

Vice Chairman and Executive Director

16 October 2026