KENCANA AGRI LIMITED

(Registration No: 200717793E)

RESPONSE TO SGX REGCO'S FOLLOW-UP QUERIES ON FOREST AND PEATLAND FIRES AND TRANSBOUNDARY HAZE

The board of directors (the "Board") of Kencana Agri Limited (the "Company" and, together with its subsidiaries, the "Group") refers to the Exchange's follow-up queries received on 28 October 2026 concerning the recent forest and peatland fires in Indonesia and the resulting transboundary haze. These follow-up queries relate to the Company's announcement dated 16 October 2026 (the "Previous Announcement"), issued in response to the Exchange's queries dated 15 October 2026.

As announced by the Company on 25 October 2026, the Company has received a notice from the National Environment Agency of Singapore ("**NEA**") under section 10(1) of the Transboundary Haze Pollution Act 2014 to provide documents and information by 2 November 2026 ("**NEA Notice**"), and several of SGX RegCo's questions relate to matters covered by the NEA Notice. The Group is in the process of reviewing its records and compiling the documents and information requested, and will continue to engage and cooperate with the NEA on the provision of such documents and information.

In this announcement, the "Affected Areas" refers to the areas within the concessions operated by the Group in North Kalimantan and East Kalimantan that were affected by the fire incidents described in the Previous Announcement. The Company's responses to the Exchange's follow-up queries are set out below. The responses are based on the information available to the Company and the records reviewed as at the date of this announcement and may be updated as the review progresses. The Company will make further announcements as and when there are material developments.

(a) The Company stated in its announcement on 16 October 2026 that it has an NDPE Policy and a strict Zero-Burning Policy. Please clarify the procedures and processes in place to monitor the effectiveness of and compliance with these policies.

The Group's NDPE and Zero-Burning Policies are aligned with the Group's mission statement and are incorporated into its standard operating procedures for land clearing and land preparation. Compliance with these policies is overseen by the Group's Sustainability Team, led by the Head of Sustainability and Manager of Sustainability, in coordination with estate management.

Monitoring includes estate patrols, fire-risk monitoring, incident reporting and operational reviews, as described in section (b) below.

(b) Please elaborate on the measures that have been put in place to prevent, monitor and respond to fires within the Group's operations and concessions in Indonesia

The Group monitors compliance with the fire-related requirements of its NDPE and Zero-Burning Policies and reviews the effectiveness of its fire-management measures through:

- **Indonesian government regulations:** The Indonesian government has established a regulatory framework for fire prevention, preparedness and response to address the risks of forest and land fires. The Group aligns the implementation of its fire-management measures with the applicable regulatory requirements.
- **Monitoring and detection:** Deployment of routine patrols in and around the estates including through fire observation towers, drone surveillance and hotspot satellite monitoring, with heightened vigilance in the dry season.
- **Records and reporting:** Patrol and incident records support management's operational reviews. Fire incidents are tracked and reported to relevant authorities (including the police).
- **Response readiness:** Fire response teams remain on standby during the dry season, supported by equipment checks, emergency and fire-management training, including training by Manggala Agni (Indonesian government's forest and land fire control brigade).
- **Community engagement:** Collaboration with local communities on joint preparedness drills, zero-burning awareness, fire prevention and early detection. In anticipation of El-Nino condition this year, the Group has established Kelompok Tani Peduli Api (Farmer Fire-awareness Group), Masyarakat Peduli Api (Fire Care Community), and/or Joint Forest and Land Fire Patrol.

(c) Please state whether the Group's NDPE Policy, Zero-Burning Policy, and fire prevention, monitoring and firefighting practices are subject to any independent or external verification, audit or assurance. If so, please provide the details of such verification, audit and assurance, and the key findings from the latest verification.

The Group is implementing the mandatory Indonesian Sustainable Palm Oil ("ISPO") certification requirements applicable to its plantations, with certification of additional plantations currently in progress. The Group's ISPO-certified plantations are subject to independent external assessments against applicable ISPO principles and criteria, including requirements relating to zero-burning land clearing, fire prevention, monitoring and firefighting practices.

Apart from the ISPO assessments described above, the Group's NDPE Policy, Zero-Burning Policy and fire-management practices are not currently subject to other independent external verification, audit or assurance.

Further details of the Group's ISPO certification are available in its Sustainability Report 2025

(d) On 16 October 2026 and 19 October 2026, the National Environment Agency of Singapore ("NEA") issued Preventive Measure Notices to 10 companies under the Transboundary Haze Pollution Act 2014 (listed below). Please confirm whether these 10 companies named by NEA are subsidiaries of the Group or entities with which the Group has any material operational, supply-chain or business relationship:

1. **PT Bumi Andalas Permai**
2. **PT Bumi Mekar Hijau**
3. **PT Paramitra Mulia Langgeng**
4. **PT Sumatera Alam Anugerah**
5. **PT SBA Wood Industries**
6. **PT Hutan Lestari Raya**
7. **PT Bangkanesia**
8. **PT Buana Megatama Jaya**
9. **PT Mananjung Hayak**
10. **PT Baratama Putra Perkasa**

None of the 10 companies named above is a subsidiary, associate or joint venture of the Group, and based on the Group's records reviewed to date, the Group has not identified any shareholding in, or direct operational, supply-chain or business relationship with any of them.

(e) With reference to the Company's announcement on 16 October 2026, please provide the basis for the Company's assessment that the fires as well as the transboundary haze are not expected to have a material operational, financial, legal, regulatory or reputational impact on the Group.

The Group's assessment set out in the Previous Announcement was made on the basis of the information available at that time, and took into account the following considerations:

- **Operational:** The Affected Areas total approximately 62 hectares, representing approximately 0.09% of the Group's total planted area.
- **Financial:** the estimated cost of fire suppression and of damage to planted areas of approximately US$544,000 based on the information presently available. The potential financial effects of the incidents are not expected to be material to the Group's financial position and performance.
- **Legal and regulatory:** The preliminary inquiry into the North Kalimantan incident, described in section (f) below, remains ongoing. Based on its internal assessment and the information currently available, the Group's position is that the relevant subsidiary did not initiate or carry out burning and that the fire spread into the affected area from adjacent land. The subsidiary continues to cooperate fully with the authorities.
- **Reputational:** The fires and transboundary haze have led to heightened public, regulatory and stakeholder scrutiny of companies operating in Indonesia, including the Group. The Group maintains an NDPE Policy, a strict Zero-Burning Policy and fire prevention and response measures, including proactive community engagement program, as described in section (a) above. The Group has been cooperating fully with the relevant authorities in relation to the inquiry and the NEA Notice and will continue to do so. Based on the information currently available and taking into account these measures, the Board does not expect the incidents to have a material reputational impact on the Group.

  The assessment remains subject to further information, including the outcome of the ongoing inquiry and NEA's review. The Company will update shareholders on any material developments.

(f) Please confirm whether the Group has received queries or is subject to any investigation by any authorities or agencies in Singapore, Indonesia or elsewhere, in relation to the recent and ongoing fire and transboundary haze situation. If yes, please identify and name the authority or agency, as well as the scope of the query or investigation.

As disclosed in the Previous Announcement, the Indonesian Police have commenced a preliminary inquiry into the fire incident at the Group's subsidiary in North Kalimantan. The inquiry remains ongoing, and the subsidiary continues to cooperate fully with the authorities. Based on its internal assessments and the information currently available, the Group is confident that it did not initiate the fire and that the fire spread into the affected area from adjacent land, despite the Group's efforts to extinguish it.

In addition, as disclosed in the Company's announcement dated 25 October 2026, the Group received a notice from the NEA pursuant to Section 10 of the Transboundary Haze Pollution Act 2014, requesting certain documents and information. As at the date of this announcement, the Group is in the process of preparing its response to the notice and will cooperate fully with NEA in accordance with applicable laws.

Save as disclosed above and based on the information currently available to the Group as at the date of this announcement, the Group has not received any other relevant query and is not aware of being subject to any investigation by any authority or agency in Singapore, Indonesia or elsewhere in relation to the recent fires and transboundary haze.

BY ORDER OF THE BOARD OF KENCANA AGRI LIMITED

Ratna Maknawi
Executive Vice Chairman

30 October 2026