



KENCANA AGRI LIMITED

(Registration No: 200717793E)

UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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INFORMATION REQUIRED FOR ANNOUNCEMENT OF FINANCIAL YEAR ENDED 31 December 2025

The board of directors (the "Board") of Kencana Agri Limited (the "Company", and together with its subsidiaries, the "Group") is pleased to announce the unaudited condensed consolidated financial statements of the Group for the year ended 31 December 2025.

A. Condensed consolidated statement of comprehensive income

	<u>Notes</u>	<u>Group</u>	
		<u>financial year ended</u>	
		<u>31 December</u>	
		<u>2025</u>	<u>2024</u>
		<u>US\$'000</u>	<u>US\$'000</u>
Revenue	5	198,652	153,734
Cost of sales	6	(142,998)	(110,397)
Gross profit		55,654	43,337
Interest income		422	378
Other gains	9	1,982	3,324
Changes in fair value of biological assets and plasma receivables	7	(3,379)	5,894
Distribution costs	8	(2,683)	(1,931)
Administrative expenses		(9,733)	(9,732)
Finance costs	10	(13,102)	(15,452)
Other losses	9	(4,385)	(3,093)
Profit before tax		24,776	22,725
Income tax expense	11	(6,334)	(10,783)
Net profit for the year		18,442	11,942
<u>Other comprehensive income</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating Group entities' functional currency to US\$ presentation currency, net of tax		(1,937)	(1,942)
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension plans, net of tax		(553)	347
Other comprehensive loss for the year, net of tax		(2,490)	(1,595)
Total net comprehensive income for the year		15,952	10,347

B. Condensed statements of financial position

	<u>Notes</u>	<u>Group</u>		<u>Company</u>	
		<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	14	70,845	72,008	-	-
Right-of-use assets	12	232	278	-	-
Bearer plants	13	85,974	93,490	-	-
Investments in subsidiaries		-	-	31,367	32,570
Land use rights	15	21,600	23,558	-	-
Deferred tax assets		2,752	3,442	-	-
Other receivables	19	5,982	4,211	-	-
Total non-current assets		187,385	196,987	31,367	32,570
<u>Current assets</u>					
Biological assets	16	23,198	27,646	-	-
Inventories		15,361	15,294	-	-
Trade and other receivables		9,232	20,481	34,231	35,497
Other non-financial assets		1,408	1,936	-	1
Cash and cash equivalents	17	26,974	25,967	56	50
Total current assets		76,173	91,324	34,287	35,548
Total assets		263,558	288,311	65,654	68,118
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	18	93,860	93,860	93,860	93,860
Retained earnings (accumulated losses)		8,538	(9,351)	(488)	(886)
Other reserve		2,400	2,400	-	-
Foreign exchange translation reserve		(47,921)	(45,984)	(37,452)	(35,316)
Total equity attributable to owners of the Company		56,877	40,925	55,920	57,658
<u>Non-current liabilities</u>					
Advances from customer	20	2,700	8,411	-	-
Deferred tax liabilities		3,316	3,484	-	-
Lease liabilities	24	1,410	794	-	-
Other financial liabilities	24	114,745	134,778	-	-
Other non-financial liabilities		5,341	6,016	-	-
Total non-current liabilities		127,512	153,483	-	-
<u>Current liabilities</u>					
Income tax payable		5,905	2,571	-	-
Trade and other payables	20	33,086	34,547	9,734	10,460
Lease liabilities	24	1,409	1,398	-	-
Other financial liabilities	24	38,769	55,387	-	-
Total current liabilities		79,169	93,903	9,734	10,460
Total liabilities		206,681	247,386	9,734	10,460
Total equity and liabilities		263,558	288,311	65,654	68,118

C. Condensed consolidated statement of cash flows

	Group	
	financial year ended	
	31 December	
	2025	2024
	US\$'000	US\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	24,776	22,725
<u>Adjustments for:</u>		
Interest income	(422)	(378)
Interest expense	13,102	15,452
Amortisation of land use rights	1,106	1,066
Depreciation expense	14,679	14,569
Fair value changes in biological assets	3,485	(5,053)
Fair value changes in plasma receivables	(106)	(841)
(Reversal) provision for employment pension benefits	(1,170)	193
(Gain) loss on disposal of property, plant and equipment	(61)	135
Bearer plants written-off	2,488	39
Write-off of long overdue payables to supplier	-	(726)
Write-off of bad debts	36	150
Net effect of exchange rate changes in consolidating entities	18	1,136
Operating cash flows before changes in working capital	57,931	48,467
Inventories	(643)	(3,081)
Trade and other receivables	11,432	6,896
Other non-financial assets	464	1,050
Trade and other payables	(6,350)	(17,384)
Net cash flows from operations	62,834	35,948
Income taxes paid	(4,335)	(7,157)
Net cash flows from operating activities	58,499	28,791
<u>Cash flows used in investing activities</u>		
Proceeds from disposal of property, plant and equipment	220	-
Purchase of property, plant and equipment	(7,149)	(9,009)
Additions to bearer plants	(4,657)	(4,030)
Purchase of land use rights	-	(1,495)
Interest received	422	378
Net cash flows used in investing activities	(11,164)	(14,156)
<u>Cash flows used in financing activities</u>		
Cash released from (allocated to) restricted account	6,015	(4,448)
Proceeds from borrowings	123,295	264,418
Repayment of borrowings	(153,449)	(251,924)
Repayment of lease liabilities	(1,834)	(826)
Interest paid	(13,348)	(15,694)
Net cash flows used in financing activities	(39,321)	(8,474)
Net increase in cash and cash equivalents	8,014	6,161
Net effect of exchange rate changes on cash and cash equivalents	(480)	(259)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	9,393	3,491
Cash and cash equivalents, consolidated statement of cash flows, ending balance	16,927	9,393
Cash and cash equivalents as presented in the statement of financial positions :		
Cash and cash equivalents	26,974	25,967
Less:		
Deposits pledged for bank facilities	(10,047)	(16,574)
	16,927	9,393

D. Condensed Statements of Changes in Equity

<u>Group</u>	Total equity attributable to owners of the Company US\$'000	Share capital US\$'000	Retained earnings (accumulated losses) US\$'000	Other reserve US\$'000	Reserve on post- employment benefits US\$'000	Translation reserve US\$'000
Current year:						
Opening balance at 1 January 2025	40,925	93,860	(9,351)	2,400	-	(45,984)
Changes in equity:						
Total comprehensive income for the year	15,952	-	18,442	-	(553)	(1,937)
Transferred to retained earnings	-	-	(553)	-	553	-
Closing balance at 31 December 2025	<u>56,877</u>	<u>93,860</u>	<u>8,538</u>	<u>2,400</u>	<u>-</u>	<u>(47,921)</u>
Previous year:						
Opening balance at 1 January 2024	30,578	93,860	(21,640)	2,400	-	(44,042)
Changes in equity:						
Total comprehensive income for the year	10,347	-	11,942	-	347	(1,942)
Transferred to accumulated losses	-	-	347	-	(347)	-
Closing balance at 31 December 2024	<u>40,925</u>	<u>93,860</u>	<u>(9,351)</u>	<u>2,400</u>	<u>-</u>	<u>(45,984)</u>
<u>Company</u>	Total equity US\$'000	Share capital US\$'000	Accumulated losses US\$'000	Translation reserve US\$'000		
Current year:						
Opening balance at 1 January 2025	57,658	93,860	(886)	(35,316)		
Changes in equity:						
Total comprehensive loss for the year	(1,738)	-	398	(2,136)		
Closing balance at 31 December 2025	<u>55,920</u>	<u>93,860</u>	<u>(488)</u>	<u>(37,452)</u>		
Previous year:						
Opening balance at 1 January 2024	61,235	93,860	(124)	(32,501)		
Changes in equity:						
Total comprehensive loss for the year	(3,577)	-	(762)	(2,815)		
Closing balance at 31 December 2024	<u>57,658</u>	<u>93,860</u>	<u>(886)</u>	<u>(35,316)</u>		

E. Notes to the condensed consolidated financial statements

1. Corporate information

The Company is incorporated as a limited liability Company and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed consolidated financial statements as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are:

- (a) Oil palm plantations and palm oil mill; and
- (b) Logistics and bulking.

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its obligations as and when they fall due in the next twelve months. If the Group is unable to continue as a going concern, adjustments may have to be made to reflect the situation that the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the statement of financial position. In addition, the Group may have to provide for further liabilities which may arise.

2 Basis of preparation

The condensed consolidated financial statements for the financial year ended 31 December 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Financial Reporting* issued by the Accounting Standards Council in Singapore. The condensed consolidated financial statements is included all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand changes in the Group's financial positions and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed consolidated financial statements are presented in United States Dollars.

2.1 New and amended standards

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting year compared with the audited financial statements for the year ended 31 December 2024, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for the financial year beginning on or after 1 January 2025. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

2.2 Use of judgement and estimates

In preparing the condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (a) Valuation of biological assets;
- (b) Taxation;
- (c) Impairment assessment of cost of investments and other receivables from subsidiaries;
- (d) Impairment assessment of non-current non-financial assets;
- (e) Assessing expected credit loss allowance on trade and other receivables;
- (f) Useful lives of property, plant and equipment;
- (g) Land use right;
- (h) Provision of pension and employee benefits;
- (i) Advances/guarantees under Plasma Programme;
- (j) Environmental regulations;
- (k) Climate risks.

(a) Valuation of biological assets

The biological assets (un-harvested FFB) are stated at fair value less costs to sell at the point of harvest. This measurement is significant and the process is highly judgemental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the yield of oil palm trees, annual discount rate, cost of production and projected selling prices of FFB. The disclosures about measurement of fair values are included in note 16, which explains that small changes in the key assumptions used could give rise to gains and losses. Actual outcomes could vary from these estimates.

(b) Taxation

The Group has exposure to income taxes in mainly two jurisdictions, Indonesia and Singapore. The entity recognises tax liabilities and tax assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the year when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future years to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature, assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

(c) Impairment assessment of cost of investments and other receivables from subsidiaries

Where a subsidiary is in net equity deficit and or has suffered losses, a test is made whether the investment and other receivable from subsidiary has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the subsidiary, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting period that are different from assumptions could require a material adjustment to the carrying amounts.

The two subsidiaries of the company that own the Group's Indonesian palm oil plantation business are Kencana Plantations Pte Ltd ("KP") and Sawindo Agri Pte Ltd ("SA"). The KP subgroup and SA subgroup's palm oil plantation estates are individually identified as a single Cash Generating Unit ("CGU") for impairment testing. The recoverable amounts of the CGUs were also used for the purpose of management's impairment assessment of the Group's non-current non-financial assets comprising primarily of property, plant and equipment, bearer plants and land use rights.

(d) Impairment assessment of non-current non-financial assets

The Group's non-current non-financial assets comprise primarily of property, plant and equipment, bearer plants and land use rights. An assessment is made for the reporting period whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. This impairment assessment was undertaken in conjunction with the impairment assessment of subsidiaries.

(e) Assessing expected credit loss allowance on trade and other receivables

The assessment of the expected credit losses ("ECL") requires a degree of estimation and judgement. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next reporting period but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting period.

(f) Useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment is based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting period that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

(g) Land use right

The Group holds location permits (*Ijin Lokasi*) issued by the Indonesian authorities in respect of plantation land. Upon completion of the acquisition of such land, the Group is entitled to apply for Rights-to-Cultivate (*Hak Guna Usaha* or *HGU*) certificates. An *Ijin Lokasi* automatically expires if the Group fails to acquire the land within its stipulated validity period, which may result in the loss of rights over any unacquired portion of the land.

As at the reporting date, the Group is in the final stages of obtaining HGU certificates for conversion in respect of 4,107 hectares (December 2024: 4,371 hectares) of Kadastral land—land measured to confirm its actual area for the purposes of HGU title registration. Until the HGU certificates are issued, such land is classified as uncertified. While the Group is permitted to occupy, develop, plant, and harvest crops on uncertified land, the administration of land laws in Indonesia is subject to regulatory discretion. Accordingly, there is no certainty that the relevant authorities will not adopt a different interpretation or approach regarding the use, registration, or future disposal of uncertified land. Any failure to secure HGU titles could adversely affect the Group's rights to, and use of, such land.

In January 2025, the Government of Indonesia enacted Presidential Regulation No. 5/2025 on forest area enforcement, establishing a national task force to review land use within state-designated forest zones. The Group holds valid HGU titles for its plantation areas, granted in accordance with applicable laws and regulations. The Group was notified that a portion of its HGU area is being assessed for potential overlap with forest land. As at the reporting date, the Group continues to engage constructively with the national task force and relevant authorities to address the matter through the established administrative and judicial processes. No sanctions, administrative penalties, or enforcement actions have been imposed. Based on legal advice and the Group's compliance with applicable regulations, management has reasonable grounds to believe that the HGU areas were validly granted. Nevertheless, any adverse outcome of the ongoing review or judicial proceedings could potentially impact the Group's financial position.

(h) Provision of pension and employee benefits

The determination of the group's obligations and cost for pension and employee benefits liability is dependent on its selection of certain assumptions used by independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increases, annual employee turnover rates, disability rates, retirement age and mortality rates.

There was no significant change in estimates from 31 December 2024. Actual results that differ from the assumptions are recognised immediately in profit or loss as and when they occur. While the group believes that its assumptions are reasonable and appropriate, significant differences in the group's actual experience or significant changes in the assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of the estimated liabilities for employee benefits as at 31 December 2025 was US\$5,341,000 (31 December 2024: US\$6,016,000).

(i) Advances/guarantees under Plasma Programme

The Group has provided guarantees in respect of loans granted by banks to villagers under the Plasma Programme. The villagers will repay the bank loans from the sale proceeds of FFB. In the event the villagers default on their obligations to repay the bank loans, the banks may call upon the guarantees, which have been provided by the Group to the banks to secure the loans of the villagers. The entity recognises expected losses, if any, which require significant judgement.

(j) Environmental regulations

The main environmental concerns relate to the discharge of effluent arising from the milling of FFB and clearance of land and forest for developing the Group's plantations. The main social concern relates to possible conflicts that may arise with local communities in the areas around the plantations. Any environmental claims or failure to comply with any present or future regulations could result in the imposition of fines, the suspension or a cessation of the Group's operations. The Group's plantations are subject to both scheduled and unscheduled inspections by various Indonesian government agencies, each of whom may have differing perspectives or standards from the others. These agencies have the power to examine and control the Group's compliances with their environmental regulations, including the imposition of fines and revocation of licenses and land rights. However, governmental agencies may adopt additional regulations that would require the Group to spend additional funds on environmental matters.

Environmental regulations and social practices in Indonesia tend to be less exact than in developed countries. It is possible that these regulations could become more exact in the future and compliance with them may involve incurring significant costs. This may consequently have an adverse effect on the Group's operations. Any failure to comply with the laws and regulations could subject the Group to further liabilities. It is impracticable to disclose the extent of the possible effects of the above matters on the consolidated financial statements of the Group.

(k) Climate risks

The Group has exercised judgement in evaluating the potential impacts of climate change on its financial reporting. Climate change gives rise to a number of uncertainties, including physical risks (such as flooding, prolonged drought, and changes in rainfall and temperature that may affect yields of oil palm plantations), transition risks (such as regulatory changes, carbon pricing, sustainability certification requirements, and evolving consumer preferences), and market risks (such as volatility in crude palm oil prices and shifts in global demand linked to deforestation concerns). These uncertainties may affect key accounting estimates, including projected cash flows in impairment testing of plantation assets, valuation of biological assets, and determination of useful lives of estate infrastructure.

While no material adjustments have been required in the current reporting period, management continues to monitor emerging developments, including climate-related legislation, technological advances in sustainable farming, and industry-wide sustainability commitments, and will reflect material impacts in the financial statements as and when they become reasonably estimable.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment information

Information about reportable segment profit or loss, assets and liabilities

Segment reporting is not presented as the group is primarily engaged in the palm oil plantation business. The core business consists of planting of palm oil trees, processing of fresh fruit bunches into palm oil and palm kernel at the palm oil mills and kernel crushing plants and the sale of crude palm oil and palm kernel. The measurement of profit or loss that is used by the chief operating decision makers is on a group basis.

Geographical information

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>financial year ended</u>			
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Indonesia	198,652	153,734	176,148	186,800
Singapore	-	-	2,503	2,534
Total	<u>198,652</u>	<u>153,734</u>	<u>178,651</u>	<u>189,334</u>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

Revenue of approximately US\$165,315,000 (2024 : US\$96,855,000) were derived from four (2024: three) major customers of the Group.

These revenues are attributable to the Group's plantation segment.

5. Revenues

Revenue classified by type of good or service:

	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Sale of goods	<u>198,652</u>	<u>153,734</u>

The revenue from sale of goods such as Crude Palm Oil ("CPO"), palm kernel and FFB are earned from customers who are mainly wholesalers and producers of oil palm products. All revenue are recognised at a point-in-time.

Breakdown of revenue and operating profit by period :

		<u>The Group</u>		
		<u>2025</u>	<u>2024</u>	<u>% Increase/</u>
		<u>US\$'000</u>	<u>US\$'000</u>	<u>(Decrease)</u>
(a)	Revenue reported for the first half year	87,148	54,531	59.8%
(b)	Operating profit after tax before deducting non-controlling interests reported for the first half year	9,782	568	1622.2%
(c)	Revenue reported for the second half year	111,504	99,203	12.4%
(d)	Operating profit after tax before deducting non-controlling interests reported for the second half year	8,660	11,374	-23.9%

6. Cost of Sales

	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Cost of goods produced and purchases	142,998	110,233
Cost incurred for rendering of services	-	164
	<u>142,998</u>	<u>110,397</u>

7. Changes in biological assets and plasma receivables

	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
(Loss) gain on fair value changes in biological asset	(3,485)	5,053
Gain on fair value changes in plasma receivables	106	841
	<u>(3,379)</u>	<u>5,894</u>

8. Distribution costs

	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Freight costs	2,478	1,747
Others	205	184
	<u>2,683</u>	<u>1,931</u>

9. Other gains (losses)

	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Gain (loss) on disposal of property, plant and equipment	61	(135)
Foreign exchange translation gain (loss)	229	(592)
Unrecoverable indirect taxes	(1,861)	(2,177)
Reversal of long overdue payables to suppliers	-	726
Write-off of bad debts	(36)	(150)
Insurance claim	109	47
Management fee from plasma	1,032	922
Tolling fee	74	209
Sale of waste and materials	448	1,040
Bearer plant written-off	(2,488)	(39)
Miscellaneous items	29	380
	<u>(2,403)</u>	<u>231</u>
Presented in profit or loss as:		
Other gains	1,982	3,324
Other losses	<u>(4,385)</u>	<u>(3,093)</u>
Net	<u>(2,403)</u>	<u>231</u>

10. Finance costs

	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Gross finance costs	13,348	15,694
Less: capitalised in bearer plants and property, plant and equipment	<u>(246)</u>	<u>(242)</u>
Net finance costs	<u>13,102</u>	<u>15,452</u>

11. Income tax

	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<u>Current income tax:</u>		
Current year	(5,427)	(2,067)
Under provision in respect of previous years	<u>(221)</u>	<u>(5,144)</u>
Total current income tax	<u>(5,648)</u>	<u>(7,211)</u>
Deferred income tax	<u>(686)</u>	<u>(3,572)</u>
Total income tax expenses	<u>(6,334)</u>	<u>(10,783)</u>

The Group's operations are predominantly located in Indonesia. The statutory corporate income tax rate is 22%. The effective income tax rate in FY2025 is higher than statutory tax rate due to (i) expenses which are non-deductible for tax purpose and (ii) losses from non-operating subsidiaries which are not recoverable or utilizable for tax purpose.

12. Right-of-use assets

The details of right-of-use assets in the statement of financial position are as follows:

	<u>Lease of office and warehouse premises</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<u>Group</u>		
<u>Cost:</u>		
At beginning of the year	613	642
Foreign exchange difference	(23)	(29)
At end of the year	<u>590</u>	<u>613</u>
 <u>Accumulated depreciation:</u>		
At beginning of the year	335	311
Depreciation for the year	36	37
Foreign exchange difference	(13)	(13)
At end of the year	<u>358</u>	<u>335</u>
 <u>Carrying value:</u>		
At beginning of the year	278	331
At end of the year	<u>232</u>	<u>278</u>

The right-of-use assets are for the lease of office from a related party. The lease agreement covers a period of 25 years from 1 July 2008 to 31 December 2033. The Group has prepaid the lease payments to the related party. Accordingly, there is no lease liability.

13. Bearer plants

	<u>Group</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<u>Cost:</u>		
At beginning of the year	157,910	162,065
Additions	4,657	4,030
Capitalisation of interest cost	246	242
Capitalisation of depreciation expense	183	90
Write-off	(3,229)	(984)
Foreign exchange difference	(5,864)	(7,533)
At end of the year	<u>153,903</u>	<u>157,910</u>
 <u>Accumulated Depreciation:</u>		
At beginning of the year	64,420	61,490
Depreciation for the year	6,729	6,806
Write-off	(741)	(945)
Foreign exchange difference	(2,479)	(2,931)
At end of the year	<u>67,929</u>	<u>64,420</u>
 <u>Carrying Value:</u>		
At beginning of the year	93,490	100,575
At end of the year	<u>85,974</u>	<u>93,490</u>

During the financial year ended 31 December 2025, the Group experienced severe flooding which caused significant physical damage to a portion of its oil palm bearer plants. As a result of this natural disaster, the affected bearer plants were assessed to be no longer capable of generating future economic benefits and were therefore written off.

The carrying amount of bearer plants written off during the year amounted to US\$2,488,000 (2024: US\$39,000), which has been recognised as an impairment loss and presented within other losses in the consolidated statement of comprehensive income (Note 9). The write-off relates entirely to mature oil palm trees located in Kalimantan, which were destroyed or rendered unproductive as a direct consequence of the flood.

Bearer plants are accounted for as property, plant and equipment in accordance with SFRS(I) 1-16 – Property, Plant and Equipment and are measured at cost less accumulated depreciation and impairment losses. The impairment assessment was performed in accordance with SFRS(I) 1-36 – Impairment of Assets, based on management's evaluation of the physical condition of the bearer plants and their ability to generate future economic benefits. As the affected bearer plants were determined to have no recoverable amount, their carrying values were fully written off.

The Group plans to commence replanting activities in the affected areas in a future period. The related replanting costs will be capitalised as additions to bearer plants when incurred, in accordance with the Group's accounting policies.

14. Property, plant and equipment

<u>Group</u>	Buildings	Infrastructure	Machinery and equipment	Vehicles and heavy equipment	Furniture, fixtures and office equipment	Assets under construction	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Cost:</u>							
At 1 January 2024	35,982	41,895	43,921	19,248	5,626	12,539	159,211
Foreign exchange difference	(1,583)	(2,054)	(2,088)	(887)	(262)	(470)	(7,344)
Additions	7	10	228	495	249	8,441	9,430
Disposals	(51)	-	(241)	(705)	(14)	(9)	(1,020)
Transfer from (to)	5,548	7,601	2,033	120	14	(15,316)	-
At 31 December 2024	39,903	47,452	43,853	18,271	5,613	5,185	160,277
Foreign exchange difference	(1,384)	(1,796)	(1,664)	(711)	(207)	(188)	(5,950)
Additions	23	8	763	3,008	262	5,621	9,685
Disposals	(23)	(25)	(109)	(881)	(206)	(11)	(1,255)
Transfer from (to)	1,119	2,609	2,003	30	33	(5,794)	-
At 31 December 2025	39,638	48,248	44,846	19,717	5,495	4,813	162,757
<u>Accumulated Depreciation:</u>							
At 1 January 2024	15,625	20,128	32,346	12,770	4,498	-	85,367
Foreign exchange difference	(730)	(965)	(1,526)	(599)	(209)	-	(4,029)
Depreciation for the year	1,736	2,247	2,365	1,231	237	-	7,816
Disposals	(12)	-	(215)	(649)	(9)	-	(885)
At 31 December 2024	16,619	21,410	32,970	12,753	4,517	-	88,269
Foreign exchange difference	(628)	(830)	(1,254)	(480)	(166)	-	(3,358)
Depreciation for the year	1,855	2,393	2,298	1,263	288	-	8,097
Disposals	(23)	(24)	(109)	(736)	(204)	-	(1,096)
At 31 December 2025	17,823	22,949	33,905	12,800	4,435	-	91,912
<u>Carrying Value:</u>							
At 1 January 2024	20,357	21,767	11,575	6,478	1,128	12,539	73,844
At 31 December 2024	23,284	26,042	10,883	5,518	1,096	5,185	72,008
At 31 December 2025	21,815	25,299	10,941	6,917	1,060	4,813	70,845

15. Land use rights

	<u>Group</u>	
	31 December 2025	31 December 2024
	US\$'000	US\$'000
<u>Cost:</u>		
At beginning of the year	35,137	35,295
Foreign exchange difference	(1,296)	(1,653)
Additions	-	1,495
At end of the year	33,841	35,137
<u>Accumulated amortisation:</u>		
At beginning of the year	11,579	11,040
Foreign exchange difference	(444)	(527)
Amortisation for the year included under cost of sales	1,106	1,066
At end of the year	12,241	11,579
<u>Carrying value:</u>		
At beginning of the year	23,558	24,255
At end of the year	21,600	23,558

16. Biological assets

	<u>Group</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<u>Movement in fair value</u>		
At beginning of the year	27,646	23,770
Foreign exchange difference	(963)	(1,177)
Fair value less estimated point-of-sale costs	<u>(3,485)</u>	<u>5,053</u>
At end of the year (Level 3)	<u>23,198</u>	<u>27,646</u>

There was no change in the fair value hierarchy during the year. The Group's oil palm plantations are located in Indonesia.

Biological assets comprise of un-harvested fresh fruit bunches ("FFB") growing on oil palm trees (bearer plants). The Group measures its biological assets at fair value less cost to sell at the point of harvest, which require use of accounting estimates and assumptions. Significant components of fair value measurement on a recurrent basis were determined using assumptions and estimates such as the yield of oil palm trees, annual discount rate, and projected selling prices of FFB. Any changes in fair values of these biological assets would affect the Group's profit and carrying value of the biological assets. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

The significant assumptions made in determining the fair values of the oil palm plantations are as follows:

- (i) Projected volumes of FFB harvested subsequent to year-end are based on management inspection on actual condition of un-harvested FFB growing on the trees in December 2025;
- (ii) The discount rate used in December 2025 is 10.50% per annum (2024: 11.12% per annum) (such discount rates represent the asset specific rate for the Group's plantation operations which is applied in the discounted future cash flows calculations); and
- (iii) The projected selling prices of FFB are based on FFB published prices for the respective provinces for December 2025, which is used as an estimate for the forecasted market price.

The fair value of biological assets would be affected by changes in the above assumptions used, particularly the FFB prices used and projected volumes of FFB.

Sensitivity on unobservable inputs:

Favourable or adverse changes in discount rate, projected selling price and projected volume of FFB will increase or decrease the fair value.

Risk management strategy related to agricultural activities:

The Group is exposed to the following risks relating to its oil palm plantations.

Regulatory and environmental risks:

The Group is subject to laws and regulations in Indonesia. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Supply and demand risks:

The Group is exposed to risks arising from fluctuations in the price and sales volume of CPO. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

17. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Not restricted in use	16,927	9,393	56	50
Deposits pledged for bank facilities	<u>10,047</u>	<u>16,574</u>	<u>-</u>	<u>-</u>
Cash at end of the year	<u>26,974</u>	<u>25,967</u>	<u>56</u>	<u>50</u>

The interest earning balances are not significant.

18. Share Capital

	Number of shares <u>issued</u> '000	Share <u>capital</u> US\$'000
Ordinary shares of no par value:		
Balance at 1 January 2024, 31 December 2024 and 31 December 2025	<u>287,011</u>	<u>93,860</u>

The ordinary shares of no par value which are fully paid carry no right to fixed income.

19. Contingent Liabilities

Arrangements under the Plasma Programme

The Indonesian authorities require oil palm plantations to develop the surrounding local plantation areas held by small landholders when applying for land rights for oil palm plantations. This form of assistance to local small landholders is generally known as the Plasma Programme. Under the Plasma Programme, a plantation developer transfers a designated land area to the small landholders, who then operate the plasma plantation under the supervision of the plantation developer.

Certain subsidiaries of the Group have implemented the Plasma Programme using plantation business cooperatives scheme (Kredit Koperasi Primer Anggota or "KKPA"), cooperation in local community oil palm plantation scheme (Kebun Kelapa Sawit Rakyat or "KKSR"), and independent plasma scheme (Plasma Mandiri).

Under the KKPA scheme, the villagers typically occupy the land and the Group helps to develop the land and manage the oil palms to maturity. The development costs are funded by bank loans, which are guaranteed by the Group using the aforementioned land certificates and/or other appropriate forms of security as collateral. Upon maturity of the oil palms, the land will be maintained and managed by the villagers or in the future by the Group. The harvested fresh fruit bunches ("FFB") will then be sold to the Group. The villagers will repay the loan facilities from a portion of the FFB sale price. The Group obtains a power of attorney to manage the accounts of the villagers into which all monies from the sale of FFB will be deposited. This power of attorney allows the Group to withdraw funds from such accounts to pay for all the villagers operating costs and expenses. Under the KKSR scheme, the villagers also typically occupy the land. The Group will provide seedlings and the regional authorities will provide fertiliser to the villagers.

Post-harvest, the FFB will be sold to the Group and part of the sale proceeds will be paid to the Group and the regional authorities as payment for the seedlings and fertiliser respectively. Plasma Mandiri is a scheme whereby the Group will provide the seedlings to the villagers, and the villagers will plant and maintain the plantations. Post-harvest, the FFB will be sold to the Group and part of the sale proceeds will be paid to the Group as payment for the seedlings provided. There is no governmental involvement under this scheme.

Costs incurred during development up to conversion of the oil palm plantations and temporary funding to the villagers for working capital purposes are included in other receivables in the statement of financial position. The funds received from the designated banks on behalf of villagers for the development and operations of the plantations are offset against advances under plasma program in the statement of financial position.

The development of plantations is financed by credit investment facilities granted by designated banks to the villagers through local cooperatives as the representatives of the villagers. The loan facilities are secured by the land certificates held by the villagers and corporate guarantees from the Group. The credit facility amounts and the outstanding balances of the bank loans granted by the banks to the villagers as at the end of the reporting year are as follows:

	<u>Group</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Facility amounts	30,126	22,890
Outstanding balances	<u>19,811</u>	<u>15,195</u>

Upon maturity of the oil palm, the land will be maintained and managed by the villagers or in the future by the Group. The harvested FFB will then be sold to the Group. The villagers will repay the loan facilities from a portion of the FFB sale price. In addition to the scheme, the Group provided temporary funding to the local cooperatives for working capital purposes. The cost of development of plantations and temporary funding provided by the Group to local cooperatives as at the end of the reporting year is as below :

	<u>Group</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<u>Presented as other receivables:</u>		
Advances under Plasma Programme, current	2,289	7,651
Advances under Plasma Programme, non-current	<u>5,982</u>	<u>4,211</u>
Total	<u>8,271</u>	<u>11,862</u>

The advances under plasma programme that are not secured by bank facilities and to be repaid by villagers using FFB was measured by management at the end of the reporting year based on the present value of the expected net cash flows with the following significant assumptions.

- (i) Yield per hectare of oil palm trees is determined by reference to guidelines issued by the Indonesian Oil Palm Research Institute (Pusat Penelitian Kelapa Sawit), which varies with the average age of oil palm trees;
- (ii) The discount rate for 2025 is 5.64% (2024: 6.59%) per annum;
- (iii) The projected selling prices of FFB are derived from adjusting CPO prices to the FFB extraction rate (% of CPO extractable from FFB) and processing costs. The CPO prices are based on the World Bank forecasts.

The carrying value of advances under plasma programme would be affected by changes in the assumptions used.

Relationship of unobservable inputs to carrying value:

Favourable or adverse change in discount rate will increase or decrease carrying value.

20. Trade and Other Payables

	<u>Group</u>		<u>Company</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Non-current</u>				
<u>Other payables :</u>				
Advances from customers	2,700	8,411	-	-
<u>Current</u>				
<u>Trade payables :</u>				
Outside parties and accrued liabilities	7,685	13,991	-	-
Related parties	162	89	-	-
	<u>7,847</u>	<u>14,080</u>	<u>-</u>	<u>-</u>
<u>Other payables :</u>				
Advances from customers	14,918	13,326	-	-
Subsidiaries	-	-	9,638	10,372
Outside parties and accrued liabilities	10,321	7,141	96	88
	<u>25,239</u>	<u>20,467</u>	<u>9,734</u>	<u>10,460</u>
	<u>33,086</u>	<u>34,547</u>	<u>9,734</u>	<u>10,460</u>
Total trade and other payables	<u>35,786</u>	<u>42,958</u>	<u>9,734</u>	<u>10,460</u>

21. Capital Commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	<u>Group</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Commitments for construction of leasehold buildings	562	316
Commitments for infrastructure construction and acquisition of machinery, plant, fixtures and equipment	2,026	2,251
	<u>2,588</u>	<u>2,567</u>

22. Financial instruments: categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>Group</u>		<u>Company</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Financial assets:</u>				
Financial assets measured at amortised cost	29,969	30,451	34,287	35,547
Financial assets at FVTPL	8,271	11,862	-	-
	<u>38,240</u>	<u>42,313</u>	<u>34,287</u>	<u>35,547</u>
<u>Financial liabilities:</u>				
Financial liabilities measured at amortised cost	174,501	213,579	9,734	10,460

23. Related party transactions

The related party balances and financial guarantee, if any, are unsecured without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these financial statements are not disclosed as related party transactions and balances. The following are the significant related party transactions during the year:

<u>Group</u>	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<u>Related parties:</u>		
Sales of commodities ^(a)	27,553	20,748
Purchase of goods ^(a)	-	(571)
Transport expenses ^(b)	(2,704)	(2,023)
Sales and processing of EFB ^(b)	<u>77</u>	<u>103</u>

(a) The related party, Wilmar International Limited, has 20% equity interest in and significant influence over the Group.

(b) The related parties are companies in which certain directors of the Company have controlling interests.

24. Aggregate amount of Group's borrowings and debt securities

Loans and borrowings

The Group's loans and borrowings of US\$156.3 million (2024 : S\$192.4 million) are secured by way of negative pledges on certain deposits, inventories, trade receivables, land use rights, investment property, bearer plants, property, plant and equipment and biological assets of the Group.

	<u>Group</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Amount due within one year		
Secured	<u>40,178</u>	<u>56,785</u>
Amount due more than one year		
Secured	<u>116,155</u>	<u>135,572</u>

The loan agreements include covenants that require the maintenance of certain financial ratios. Any non-compliance with these covenants will result in these loans becoming repayable immediately upon service of a notice by default by the lenders. As at the reporting year end, there were no breaches of the covenants for the relevant loans, hence, no waiver from the lenders was required (31 December 2024: US\$3,712,000).

25. Share capital

(a) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There have been no changes in the Company's issued share capital since 31 December 2024. The Company has no outstanding share options, outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2024 and 31 December 2025.

The Company has not granted options or shares during the financial year ended 31 December 2025.

(b) Number of shares held as treasury shares against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer.

Not applicable.

(c) To show the total number of issued shares excluding treasury shares as at the end of the current financial year.

	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	Number of	Number of
	shares	shares
<u>Issued and fully paid:</u>		
At beginning and end of the year	<u>287,011,177</u>	<u>287,011,177</u>

(d) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

(e) A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

26. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends

	<u>Group</u>	
	<u>financial year ended</u>	
	<u>31 December</u>	
	<u>2025</u>	<u>2024</u>
	US Cents	US Cents
Earnings per share attributable to ordinary equity holders of the Company	<u>6.43</u>	<u>4.16</u>
Weighted number of shares	<u>287,011,177</u>	<u>287,011,177</u>

27. Net assets value (for the issuer and Group) per ordinary share based on issued share capital at the end of the :
a. current financial period reported on; and
b. immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share	19.82	14.26	19.48	20.09
Number of shares outstanding	<u>287,011,177</u>	<u>287,011,177</u>	<u>287,011,177</u>	<u>287,011,177</u>

28. Subsequent events

None.

29. Other significant event

None.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of the Group as at 31 December 2025 and the related condensed consolidated profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed by the auditors.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

a. Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

b. Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

3. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

a. any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, (where applicable) seasonal or cyclical factors; and

b. any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

Review of financial performance

Revenue

The Group recorded an increase in revenue of 29.2% in FY2025 compared to FY2024. The higher revenue was attributable to a combination of increased sales volumes and higher average selling prices ("ASP") for both crude palm oil ("CPO") and palm kernel ("PK").

The ASP of CPO increased moderately by 6.0%, from US\$785/MT in FY2024 to US\$832/MT in FY2025, while the ASP of PK increased by 44.1%, from US\$491/MT to US\$708/MT, reflecting improved market pricing conditions during the year. Sales volume of CPO increased by 17.3%, from 173,323 MT in FY2024 to 203,314 MT in FY2025, and PK sales volume increased by 18.1%, from 33,833 MT to 39,964 MT. The increase in sales volumes was mainly due to higher output and improved operational performance.

Overall, the Group's revenue performance in FY2025 was supported by favourable pricing conditions and higher sales volumes, compared to the corresponding period of the immediately preceding financial year.

Cost of Sales

Cost of sales increased by 29.5%, from US\$110.4 million in FY2024 to US\$143.0 million in FY2025. The increase was mainly attributable to more intensive manuring and upkeep activities carried out during the year to maintain plantation condition and support yield potential. In addition, the improvement in CPO market prices resulted in a corresponding increase in the cost of fresh fruit bunches ("FFB") procured from plasma cooperatives and third-party suppliers. Cost of sales was further impacted by higher purchases volume of third-party CPO, which were combined with the Group's own production primarily to meet minimum cargo requirements and optimise delivery arrangements.

As a result, the increase in cost of sales broadly corresponded with the increase in revenue, and the Group's gross profit margin remained stable at 28.0% in FY2025 compared to 28.2% in FY2024.

Net Profit

Profit before tax increased to US\$24.8 million in FY2025, from US\$22.7 million in FY2024, mainly due to higher gross profit arising from increased revenue, as explained above. This was partially offset by losses from changes in the fair value of biological assets and plasma receivables, with the fair value loss on biological assets primarily attributable to the moderation of CPO prices from the elevated levels recorded at the end of 2024.

After accounting for lower income tax expenses, the Group recorded a net profit of US\$18.4 million in FY2025, representing an increase of 54.4% compared to US\$11.9 million in FY2024.

Review of financial position

As at 31 December 2025, the Group's total current assets decreased by US\$15.1 million, from US\$91.3 million in FY2024 to US\$76.2 million in FY2025. The decrease was primarily driven by :

- US\$3.5 million reduction in the fair value of biological assets, reflecting the moderation CPO price as explained above;
- US\$2.9 million foreign exchange translation loss arising from the depreciation of the Indonesian Rupiah ("IDR") against the United States Dollar ("USD"). During the year, the IDR weakened by 620 points, or 3.8%, from IDR16,162 per USD to IDR16,782 per USD, which reduced the USD-equivalent value of IDR-denominated current assets; and
- US\$10.9 million reduction in trade and other receivables mainly due to reimbursements received from banks under new plasma loan facilities for advances previously funded by the Group under the plasma programme, as well as refunds of excess input VAT recovered from the tax authority.

Total non-current assets decreased by US\$9.6 million to US\$187.4 million as at 31 December 2025, from US\$197.0 million as at 31 December 2024. The decrease was mainly attributable to (i) foreign exchange translation loss of US\$6.8 million on land use rights, property, plant and equipment, and bearer plants, arising from the depreciation of IDR; and (ii) US\$4.2 million net reduction in mature bearer plants, mainly due to depreciation and write-off.

The Group's total liabilities decreased by US\$40.7 million from US\$247.4 million as of 31 December 2024 to US\$206.7 million as of 31 December 2025. This decrease was mainly due to (i) US\$7.2 million foreign exchange translation gain from IDR-denominated trade payables and bank borrowings, and (ii) net repayment of bank borrowings amounting to US\$30.2 million during FY2025.

Review of cash flows

The Group generated net cash flows from operating activities of US\$58.5 million in FY2025, compared to US\$28.8 million in FY2024, reflecting improved operating performance and stronger cash conversion. Operating cash flows before working capital changes increased to US\$57.9 million, driven mainly by higher profitability and non-cash adjustments, including depreciation, amortisation and bearer plants write-offs. Working capital movements also contributed positively, particularly from a reduction in trade and other receivables, partially offset by an increase in trade and other payables.

Net cash flows used in investing activities amounted to US\$11.2 million, largely attributable to capital expenditure on property, plant and equipment and continued investments in bearer plants. Net cash flows used in financing activities were US\$39.3 million, reflecting the Group's continued deleveraging efforts, with loan repayments exceeding new borrowings during the year. As a result, the Group recorded a net increase in cash and cash equivalents of US\$8.0 million, bringing the closing cash and cash equivalents balance to US\$16.9 million as at 31 December 2025, compared to US\$9.4 million at the end of FY2024.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

None.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Indonesian oil palm industry continues to operate in a challenging yet supportive market environment. Indonesia remains the world's largest producer and exporter of CPO with demand underpinned by food consumption and domestic biodiesel mandates. Nevertheless, competitive conditions remain subject to regulatory developments, export levies, sustainability requirements and cost inflation across the supply chain.

Geopolitical developments are expected to remain a key source of uncertainty over the next 12 months. Ongoing tensions in the Middle East and recent geopolitical events involving major oil-producing regions, have contributed to heightened volatility in global energy markets. Although such events do not have a direct impact on palm oil production, fluctuations in crude oil prices may influence biofuel economics, logistics costs and broader commodity market sentiment, which could in turn affect CPO pricing dynamics and demand conditions. Prolonged geopolitical uncertainty may also weigh on global economic growth and trade flows, potentially impacting purchasing behaviour in key export markets.

The Group will maintain a disciplined and adaptive approach in overseeing its procurement activities, inventory management and overall risk profile. Although the operating outlook for 2026 remains generally constructive, the Group acknowledges that heightened external uncertainties could result in near-term market fluctuations. Accordingly, the Group will continue to closely monitor these developments and factor them into its operational planning and risk management strategies, with a focus on preserving margins, ensuring financial stability and maintaining operational resilience.

6. Dividend

a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Proposed final dividend
Dividend Type	Cash
Dividend Amount per Share	1.50 Singapore cents
Tax Rate	Tax-exempt, one-tier

The proposed final dividend for FY2025 will be declared in 2026 out of profits available to the Company at the time of declaration, arising from dividends receivable from subsidiaries in respect of their FY2025 results. The proposed final dividend is subject to the approval of the shareholders of the Company.

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the Corresponding Period of the Immediately Preceding Financial Year?

No.

c. Date Payable

The date of payment will be announced at a later date

d. Books closure date

The date of books closure for the preparation of dividends will be announced at later date.

If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

7. Interested person transactions

If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		FY2025	FY2025
		<u>US\$'000</u>	<u>US\$'000</u>
Wilmar Group ⁽¹⁾ (Sales)	Controlling shareholder	-	27,553
PT Berkah Wahana Sukses ⁽²⁾ (Services received, shareholders' mandate obtained at EGM held on 26 April 2024)	Associate of Maknawi family	-	2,668

⁽¹⁾ In respect of transactions conducted pursuant to General Mandate for transactions with Wilmar Group.

⁽²⁾ In respect of transactions conducted pursuant to Specific Mandate for transactions PT Berkah Wahana Sukses.

8. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purpose, a breakdown with specific details on how the proceeds have been applied must be disclosed.

Not applicable.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers.

The Company confirms it has procured the undertakings from all its Directors and executive officers as required under Rule 720(1) of the SGX-ST Listing Manual.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(3). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any Director, Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties held, if any, during the year
Ajis Chandra	62	Brother-in-law of Henry Maknawi (Executive Chairman) Husband of Ratna Maknawi (Executive Vice-Chairman)	Director of Subsidiaries: <u>2010</u> PT Bumi Permai Sentosa <u>2007</u> Kencana Logistics Pte. Ltd. <u>2021</u> Sawindo Agri Pte Ltd	No change
Augyawati Joe	46	Niece of: - Henry Maknawi (Executive Chairman) - Ratna Maknawi (Executive Vice-Chairman)	Director of Subsidiaries: <u>2008</u> Sawindo Agri Pte. Ltd. Kencana Logistics Pte. Ltd. Kencana Plantations Pte. Ltd.	No change
Eddy Maknawi	63	Brother of Henry Maknawi (Executive Chairman) Brother of Ratna Maknawi (Executive Vice-Chairman)	Head of Procurement: <u>2008</u> In charge of the Group's procurement. Director of Subsidiaries: <u>2017</u> PT Bumi Permai Sentosa <u>2015</u> PT Mentari Bangun Persada PT Citra Megah Kencana <u>2010</u> PT Sawit Permai Lestari PT Wira Palm Mandiri	No change

			<p>Commissioner of Subsidiaries:</p> <p><u>2017</u> PT Delta Subur Permai</p> <p><u>2010</u> PT Wira Mas Permai PT Palm Makmur Sentosa PT Langgeng Nusa Makmur PT Belitung Energy PT Agro Mas Lestari</p> <p><u>2007</u> PT Sawindo Cemerlang</p>	
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11. Disclosure pursuant to Rule 706A of the Listing Rule.

Increase in share capital of subsidiaries

In July 2025, PT Alamraya Kencana Mas (“AKM”) subscribed to 13,000 new shares in PT Mentari Bangun Persada (“MBP”) through the conversion of a shareholder loan amounting to IDR 13,000,000,000, while PT Sawindo Kencana (“SWK”) subscribed to 13,000 new shares in MBP for a cash consideration of IDR 13,000,000,000.

Subsequently, MBP subscribed to an additional 26,000 new shares in its wholly owned subsidiary, PT Citra Megah Kencana (“CMK”), for a total cash consideration of IDR 26,000,000,000. CMK, in turn, subscribed to an additional 26,000 new shares in its wholly owned subsidiary, PT Loka Indah Lestari (“LIL”), for a total cash consideration of IDR 26,000,000,000.

As all of the entities involved are wholly owned subsidiaries of the Group, the above transactions did not result in any change to the Company’s effective equity interest in these subsidiaries. The increase in share capital was undertaken to strengthen the capital structure of the respective companies. The subscriptions were funded through the Group’s internal resources and are not expected to have a material impact on the Group’s net tangible assets per share or earnings per share for the financial year ending 31 December 2025.

BY ORDER OF THE BOARD KENCANA AGRI LIMITED

Ratna Maknawi
Vice Chairman and Executive Director
27 February 2026