**ENECO ENERGY LIMITED**
(Company registration number 200301668R)
(Incorporated in the Republic of Singapore)

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**RELEASE OF EXECUTIVE SUMMARY OF INDEPENDENT REVIEW REPORT**

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## 1. BACKGROUND

1.1 The board of directors (the "**Board**" or "**Directors**") of Eneco Energy Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements on 10 June 2019, 21 June 2019, 10 September 2019 and 26 April 2021 (the "**Previous Announcements**") in relation to the appointment of an independent reviewer to look into, *inter alia*, the circumstances surrounding the Queried Payment.

1.2 To recap, on 10 June 2019, the Company announced that, during the course of the Group's Financial Year 2018 audit, the Group's external auditors, Ernst & Young LLP, had identified a withdrawal of approximately USD2.88 million (**"Queried Payment"**) from a subsidiary's bank account and the amount was then advanced to a broker to secure a bank guarantee in favour of another subsidiary, Ramba Energy West Jambi Ltd. The Company subsequently issued an announcement in response to SGX queries on 21 June 2019 that the Queried Payment was made by the Company's then appointed Executive Director, Chief Executive Officer and Substantial Shareholder, Mr Aditya Wisnuwardana Seky Soeryadjaya. The withdrawal was made from the bank account of the Company's Indonesian subsidiary, PT Hexindo Gemilang Jaya ("**PTH**") to the said director's personal bank account, and thereafter the funds were purportedly advanced to a broker, PT Mandiri Pratama Khatulistiwa, who was engaged to obtain the said bank guarantee in order to secure the extension of the exploratory permit for the exploration and production on the Group's West Jambi Operating Areas.

1.3 Unless otherwise defined, all capitalised terms used in this Announcement shall bear the same meanings as ascribed to them in the Previous Announcements.

## 2. COMPLETION OF INDEPENDENT REVIEW REPORT

2.1 The Company wishes to inform shareholders that Deloitte & Touche Financial Advisory Services Pte. Ltd. ("**Deloitte**"), which was appointed by the Company to conduct the independent review, has completed the independent review. The Executive Summary of the independent review report setting out details of the findings of the independent review is attached to this announcement for shareholders' information and reference.

2.2 The independent review found that there are potential listing rule breaches relating to the non-disclosure of the expiry of the exploration permit, internal control lapses involving the disbursement of funds as well as potential contraventions of the Companies Act as highlighted by Deloitte in Section 5 of the Executive Summary. Deloitte had recommended in paragraph 6.4 that the Company seek legal advice on the possible recourse against the culpable parties.

The Board is in the process of formulating its response and proposal to address this issue, and implementing the recommendation proposed. The Board will be seeking legal advice on the appropriate courses of action in the best interests of shareholders

and the Company and will provide updates to shareholders in due course and at the appropriate time.

2.3 Deloitte's recommendations are set out in part 6 of the Executive Summary, in particular in paragraph 6.1. The Company has taken steps to implement the recommendations, and appointed Wensen Consulting Asia (S) Pte Ltd ("**Wensen Consulting**") to carry out a review and verification of the control procedures and policies put in place and adopted by the Group. Wensen Consulting conducted its checks and confirmed on 31 December 2021 and 22 March 2022 that these control procedures and policies have been implemented. The recommendations of Deloitte and the main findings of Wensen Consulting during the course of its inspections are summarized as follows :

| No. | Deloitte Recommendation | Wensen Consulting's Confirmation that Deloitte Recommendations implemented through Group's internal policies and procedures |
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| (1) | The Audit Committee (the "**AC**") is to approve appointments within the Group, ensuring oversight by Board and AC. | • The Eneco Group Directorship list was reviewed by the Group Chief Executive Officer (CEO) and approved by the Board which included members of the AC on 13 December 2021;<br>• Statement of the Results of PTH's extraordinary general meeting (verified by a notary public in Indonesia) dated 25 February 2022 confirming the changes of the Board of Directors and Commissioners of PTH as of 18 March 2022 was actually sighted by Wensen Consulting . |
| (2) | Ensuring the Group employees are aware of its Whistle-blowing policy so as to provide avenues of direct access to Boards without fear of recrimination. | • The Group-wide Anti-Bribery and Whistle Blowing Policy up-dated 1 November 2021 was reviewed and noted that it was circulated to all employees in November and December 2021.<br>• Noted that employees could refer to the HR representative of each entity within the Group for clarification on the policies and whistle blowers could report directly to the Ethics Committee which comprises members from the AC. |
| (3) | The Board, Company's secretary and advisors should familiarise themselves with the listing rules and ensure compliance and internal guidance on disclosure rules. | • Board members have attended the Listed Entity Director ("LED") Programme.which aim to improve attendees' skills and knowledge to execute their duties as directors.<br>• Board members are also members of the Singapore Institute of Directors which circulate quarterly bulletins to members on the latest developments including relating to governance. |

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| | | • The Board members are further encouraged to attend courses, conferences and seminars conducted by professional organisations which are funded by the Company.<br>• The Board members also rely on the Company Secretary, Tricor Evatthouse Corporate Services to advise the Board on governance matters and regulatory requirements, as and when applicable. |
| (4) | The Company should arrange training and consider issuing an internal guide for the Board and key executives on the Company's disclosure obligations as a public listed company. | • Steps taken as above.<br>• The Group-wide Code of Conduct updated on 1 November 2021 guides key executives on public disclosures. |
| (5) | A handover framework for departing employees to ensure continuity of performance and retention of documents should be established. | • The Group-wide Cessation of Employment Policy provides for the procedures that a departing employee and direct supervisor must adhere to, for a smooth flow between departing and onboarding employees.<br>• Back-up documents maintained by departing employees are stored in softcopy by various departments. |
| (6) | The Company should ensure the maintenance of a record of all bank accounts and signing mandates of all companies within the Group, including copies of the relevant supporting documents. | • Group's Bank Matrix records the bank accounts and signing mandates for cheque and online bank transactions maintained by all entities within the Group as well as their supporting documents (such as board resolutions and written instructions).<br>• Changes of signatories were also recorded and actually sighted by Wensen Consulting . |
| (7) | The Company's risk management team should conduct periodic inspections to ensure compliance with documentation retention guide. | • The Group's Document Retention Policy updated 28 February 2022 defines the retention schedule for various departments of the Group.<br>• The Risk Management Committee is responsible for compliance with documentation retention policies, and quarterly risk management updates are made.<br>• The Company enforced the requirement to maintain proper records pertaining to financial transactions and retain the source documents for a period of 5 years, in line with the requirements of the Inland Revenue Authority of Singapore. The |

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| | | review confirmed that the Group had put in place steps to retain, store and/or archive documents both physically and digitally in Singapore and in Indonesia in line with the Group's policies. |
| (8) | An independent review of subsidiaries' bank accounts should be conducted to verify that the signing mandates as instructed by the head office have been duly implemented. | • The Group's Bank Matrix dated 14 February 2022 which record the bank accounts and signing mandates for cheque and online bank transactions maintained by all entities within the Group was reviewed.<br>• The review confirmed that the current existing bank accounts and signing mandates were in order and properly documented. |
| (9) | The Group's approval authority matrix should be clearly set out and circulated to all authorised signatories and employees involved in the payment process. | • The Group's Financial Authority Limit sets out the approval authority matrix for active entities within the Group.<br>• The review found that key employees involved in payment processing, who were randomly tested and assessed, were aware of the Financial Authority Limits for their entities.<br>• Changes to the limits were also notified to these employees.<br>• The approval matrixes are being reviewed and the Board is required to approve the authority matrixes and any changes thereto. |
| (10) | The Company should conduct a comprehensive review of its payment process to tighten controls including having all invoices processed centrally. | • The Group's Account Payable Procedures governs policies and procedures for recording and payment for goods and services through SAP Account Payable Systems.<br>• Currently these systems are deployed only for the logistics division of the Group only.<br>• The review noted that payments were reviewed and approved by dedicated authorized personnel (i.e. Finance Manager, Senior Finance Manager, Accounting Manager, Financial Controller or President Director) in accordance with the Account Payable Procedure. Payments were also initiated according to the authorized personnel stated in the applicable Bank Matrix and Financial Authority Limit. |
| (11) | A logbook to track contractual obligations, including Bankers' | • All major client contracts, leases and bank guarantees or security deposits will be |

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| | Guarantees and expiration dates of such obligations, should be maintained | reported in the monthly review meetings of the business units and these will be recorded.<br>• The Head of Finance of the applicable entities maintains a spreadsheet to keep track of the entity's contractual obligations which includes hire purchase, office and warehouse rental, banker's guarantees, leasing, insurance bonds, with person-in-charge appointed to monitor the obligations. |
| (12) | The Company should streamline and reduce the number of existing bank accounts, change the existing operating mandates and confirm with every bank that such changes have been implemented. | • As commented in item (6) and (8) above, the Company has reviewed and up-dated the Group's Bank Matrix and is satisfied that the Group's bank accounts and its signing/authority mandates are properly recorded both by the Group and the respective banks. |

2.4 Based on the above, the Board confirms that the Group has taken note of and implemented recommendations put forth by Deloitte in paragraph 6.1 of the Executive Summary. The Board would like to highlight that Deloitte had also noted that their recommendations have been implemented as stated in paragraphs 6.2 and 6.3 of the Executive Summary:-

*6.2 As at the date of this report, we understand from the Current Board that they have implemented the measure that all payments above S$100,000 require the approval of 2 directors of the Board, including a member of the AC.*

*6.3 As at the date of this report, we understand from the Current Board that they have implemented the above recommended control measures. The Board has also appointed Wensen Consulting Asia (S) Pte Ltd to conduct an independent review on the status of implementation. Based on the Independent Audit Report on Agreed Upon Procedures issued on 31 December 2021 and 22 March 2022, all the above recommendations had been implemented by EEL.*

Further up-dates relating to the outstanding issue referred to in this announcement will be made to shareholders in due course.

In the meantime, trading in the shares of the Company continues to remain suspended. Shareholders, securityholders and investors should refer to the Company's announcement on 9 January 2022 which sets out the conditions of the SGX-ST for resumption of trading of the Company's securities. Shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

**By Order of the Board**
**Eneco Energy Limited**

Gwee Chee Kiang
Chief Executive Officer
8 July 2022