Regulatory Action

8 March 2024

SGX-ST Listings Disciplinary Committee reprimands former Group CEO and Executive Director of Eneco Energy Limited, Aditya Wisnuwardana Seky Soeryadjaya

Public Reprimand: Breaches of Listing Rules

1. The SGX-ST Listings Disciplinary Committee ("**LDC**") reprimands Aditya Wisnuwardana Seky Soeryadjaya ("**Aditya**") for breaching:

   a. Mainboard Rule 703(1)(a) in relation to Eneco Energy Limited's (the "**Company**" and together with its subsidiaries, the "**Group**") failure to disclose in a timely manner developments surrounding the expiry of a material permit to explore and produce oil and gas assets in the West Jambi Operating Areas (the "**Permit**"); and

   b. Mainboard Rule 719(1) in relation to Aditya's circumvention of established internal protocols in the appointment of a vendor, PT Mandiri Pratama Khatulistiwa ("**MPK**"), and disbursement of funds from the bank account of the Company's subsidiary PT Hexindo Gemilang Jaya ("**PT Hexindo**") without the knowledge and approval of the Company's board of directors.

2. In addition, the LDC has required Aditya to provide a signed written undertaking to the Exchange not to seek any directorship on the board of directors or role as a key executive officer (as defined in the Listing Rules) of issuers whose securities are listed on the SGX Mainboard or Catalist for a period of two and a half years starting from 2 February 2024.

3. Having regard to Mainboard Rule 1402(6)[1], Aditya breached the following Mainboard Rules by causing the Company to omit to do acts which resulted in the breach of these rules:

   a. Mainboard Rule 703(1)(a), by failing to disclose the status of the Permit on or before 21 September 2017 when an offer to extend the Permit lapsed, that disclosure being necessary to avoid the establishment of a false market.

      Aditya was the Group CEO and Executive Director ("**ED**") at the material time, and the Board had relied on Aditya for updates on the status and progress on the Company's oil and gas projects based in Indonesia. Aditya knew of the Permit's expiry and the Group's inability to secure an extension of the Permit but did not update the Board of such developments despite ample opportunities during Audit Committee meetings, held in November 2016, August 2017 and November 2018, where matters concerning the Permit were presented to the Board.

[1] Mainboard Rule 1402(6) provides that a Relevant Person is deemed to have contravened a Relevant Rule when a Relevant Person has caused another Relevant Person to omit to do an act which resulted in a breach of a Relevant Rule. "Relevant Rule" is defined under Mainboard Rule 1401 as the relevant provision(s) in the Exchange's Listing Rules.

b. Mainboard Rule 719(1), by circumventing established internal protocols in the appointment of MPK and disbursement of funds to MPK without the knowledge and approval of the board of directors, causing the Company to fail to have in place a robust and effective system of internal controls addressing financial, operational and compliance risks.

   In October 2018, MPK was appointed by Aditya to assist in the procurement of a bank guarantee required for the extension of the Permit. Pursuant to an agreement with MPK, the Group was to transfer USD2.88 million (cash collateral for the bank guarantee) and USD7,500 (service charges) to MPK for the service. Payment was made to MPK in two tranches in November 2018 – (i) a sum of USD2,832,633 was transferred from the bank account of PT Hexindo to Aditya's personal bank account; and (ii) a transfer of USD2,877,500 from Aditya's personal bank account to an account purportedly belonging to MPK.

   It was Aditya's duty as an ED to inform the Board of the appointment of MPK and the disbursement of funds to MPK. However, he did not escalate any of these matters to the Board but acted on his own without any notice to any other members of the Board or the Company. Further, the appointment of MPK did not adhere to procurement procedures and was done without performing proper due diligence. The disbursement of funds from PT Hexindo's account was also carried out without complying with treasury activity procedures, which require all bank transfers to be subject to the approval of the respective business units' boards.

4. The LDC's Grounds of Decision is attached.

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