

SEROJA INVESTMENTS LIMITED

(Company Registration Number: 198300847M)

(Incorporated in the Republic of Singapore)

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Board of Directors of Seroja Investments Limited (“**SIL**” or the “**Group**”) refers to the announcement on unaudited full year financial statements for the financial year ended 31 December 2014 released by the Company on the SGXNet on 26 February 2015.

The Board wishes to announce and clarify material differences between the unaudited financial statements and audited financial statements for the financial year ended 31 December 2014.

The material variances are set out as follows:

	Audited	Unaudited	Difference	Note
	US\$'000	US\$'000	US\$'000	
Consolidated Statement of Comprehensive Income				
Other gains	213	910	(697)	1
Net profit attributable to equity holders of the Company	1,372	2,069	(697)	1
Other comprehensive income:				
Difference between non-controlling interests disposed and fair value of consideration received	697	-	697	1
Balance Sheet - Group				
Retained earnings	12,137	12,834	(697)	1
Other reserves	697	-	697	1
Consolidated Statement of Cash Flows				
Net cash generated from operating activities	18,731	23,883	(5,152)	2
Net cash generated from/(used in) investing activities	2,861	(2,291)	5,152	2

Note:

- 1 Gain on disposal of subsidiary amounting to US\$697,000 recorded under ‘Other gains’ was adjusted to ‘Other comprehensive income’ as this was an equity transaction under FRS110 as the Company retained control even after the disposal of 50% equity stake in a subsidiary. Accordingly, ‘net profit attributable to equity holders of the Company’

decreased by US\$697,000. For the Group's balance sheet, the above transaction resulted in a decrease in 'Retained earnings' due to decrease in net profit but an increase in 'Other reserves' due to increase in 'Other comprehensive income'

- 2 Difference was due to presentation of aggregate cash flows arising from obtaining control of a subsidiary or other business separately as single line item and classified as investing activities in the statement of cash flow as per FRS7. Accordingly, the aggregate cash flows from obtaining control of previous joint operation, without a change in interest, of US\$5,152,000 was reclassified from cash generated from operating activities to cash generated from investing activities.

By order of the Board

Husni Heron

Executive Director & CEO

26 March 2015