SEROJA INVESTMENTS LIMITED
(Company Registration Number: 198300847M)
(Incorporated in the Republic of Singapore)
(the "**Company**")

RESPONSE TO QUESTIONS BY SHAREHOLDERS

The Board of Directors (the "**Board**") of the Company refers to:-

(a) the notice of the AGM ("**Notice of AGM**") issued on 12 June 2020 to convene the AGM of the Company for the financial year ended 31 December 2019 to be held on 29 June 2020 at 2.00 p.m.; and

(b) the accompanying announcement issued by the Company on 12 June 2020 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

The Company would like to thank Shareholders for submitting their questions in advance of our AGM. Please refer below for the list of questions received from Shareholders and the Company's responses to these questions.

By order of the Board

Andreas Tjahjadi
Executive Director
28 June 2020

1. Question on Dividends

Q1. Once again, in FY2019, in spite of the company's increased profitability, the company again did not declare any dividend for the year despite the strong financial performance of the company. May I know the reason why?

Company's Response:

The Group is profitable for FY2019 but the Company is not. The Company incurred losses of approximately US$852,000 for FY2019 and hence has no profits available to declare dividends for FY2019.

2. Question on proceeds from completion of proposed disposal

Q1. Upon the completion of the disposal, would the company be distributing the proceeds of the disposal to shareholders as a reward for the patience (lack of dividends despite profitability) and loyalty over the years? Could I suggest the company do so. Thank you.

Company's Response:

The Board will make due consideration on the use of proceeds arising from the proposed disposal of the entire issued and paid-up share capital of Trans LK Marine Pte. Ltd. ("**Proposed Disposal**") and will make an announcement once a decision has been made.

3. Question on impact of COVID-19

Q1. How have the company's business or operations or the progress of the disposal been impacted by COVID-19?

Company's Response:

The severe slowdown in economic activities in the second quarter of FY2020 due to COVID-19 has resulted in a lower demand for marine transportation for the Group. Revenue will decrease due to lesser shipments made to customers. The Group will also be negatively impacted from exchange rate movement with a stronger US dollar vs Indonesian rupiah as the billing to customers are in Indonesian rupiah but the reporting currency of the Group is in US dollar. Nevertheless, the Group is in a strong cash position which is sufficient to support the Group's current operation. For impact of COVID-19 on progress of the Proposed Disposal, please refer to response to item 5 below.

4. Questions on incorporation of Seroja Biotech Pte. Ltd.

Q1. Following the completion of the disposal transaction, does the company intend to diversify into the Biotechnology sector?

Q2. What is the rationale for the incorporation of the above-mentioned subsidiary?

Q3. As this Biotechnology sector is unrelated to the current operations of the company's business, would the company be holding an EGM for shareholders to consider the merits and demerits of such a diversification?

Company's Response:

The Company was in discussion with a third party on a possible new venture but that has fallen through.

5. Questions on proposed disposal of the entire issued and paid-up share capital of Trans LK Marine Pte. Ltd.

Q1. What is the reason for the delay in the completion of the disposal transaction?

Q2. What is the reason for multiple extension of 'Sale and Purchase Agreement - SPA' execution?

Q3. What are the main terms that are re-negotiated that results in multiple time line extension?

Q4. Update on latest asset acquisitions and disposal.

Q5. Any other update to share on the ongoing disposal of business?

Q6. On what basis or reasons, are we allowing the re-negotiation of the SPA? Who is negotiating on behalf of the company?

Q7. With such delay and possibility of re-reviewing of the circular draft by SGX and IFA, does the offeror intend to provide any compensation if the offeror was the one who requested the re-negotiation?

Company's Response:

On 4 May 2020, SGX-ST wrote to the Company to say that it has no comment on the draft circular in respect of the Proposed Disposal. The Company did not have sufficient time to convene the extraordinary general meeting ("**EGM**") to seek its shareholders' approval for the Proposed Disposal and complete the transaction before the extended Long-stop Date of 13 May 2020. The Purchaser did not want to further extend the Long-stop Date because his bank was not willing to extend his banking facility without changes to the terms of the facility due to the economic impact caused by COVID-19. The Company and the Purchaser then agreed to extend the Long-stop Date for the Parties to re-negotiate some of the main terms of the conditional sale and purchase agreement dated 15 August 2019. As negotiations are presently ongoing, the Company will update the shareholders on the main terms which are re-negotiated in due course. The re-negotiation with the Purchaser is being conducted by Mr. Andreas Tjahjadi, an executive director of the Company, with assistance from Mr. Lim Poh Chen, the Group financial controller. At the same time, the Company understands from the Purchaser that he is seeking approval from his bank for his bank facilities and that the Purchaser's application to his bank is progressing well. The Parties have agreed to extend the Long-stop Date to 5 July 2020 because the Company understands from the Purchaser that his bank will make its decision by the end of June 2020.

There will be no compensation by the Purchaser on the re-negotiation as both parties agreed mutually to re-negotiate due to the circumstances as above-mentioned.

6. Questions on share price performance of Seroja

Q1. What is the company doing to improve its share price performance?

Q2. What have the company done over the past year to improve its share price performance? With regards to IR, investment community outreach/roadshows etc.

Q3. What does the company intend to do to address this chronic undervaluation and underappreciation of Seroja Investments' share price?

Company's Response:

The Group operates in an industry that is challenging and competitive over the last few years and the share price reflects, to a certain extent, the underlying conditions which the Group operates in. The Group will focus on its existing or any new business to drive growth and profitability and increase shareholders' value.