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 EGM ("**Notice of EGM**") issued on 24 September 2020 to convene the EGM of the Company to be held on 9 October 2020 at 2.00 p.m.; and

(b) the accompanying announcement issued by the Company on 24 September 2020 setting out, *inter alia*, the alternative arrangements relating to attendance at the EGM via electronic means.

The Company would like to thank Shareholders for submitting their questions in advance of the EGM, and is pleased to provide its responses to the questions in relation to relevant and substantial matters received from shareholders. Due to the overlapping nature of some questions received, the Company has grouped similar questions based on certain key topics. Please refer to the list of questions categorised by topic and the Company's responses to these questions below. Please note that the questions and responses should be read in conjunction with the Circular to Shareholders dated 24 September 2020 which was posted on the same day on SGXNET and the Company's website at http://www.seroja.com.sg.

By order of the Board

Andreas Tjahjadi
Executive Director
8 October 2020

1. Questions on Company's plans and operations after proposed disposal

Q1. What is the likely source of M&A opportunities coming from?

Q2. This sale has taken much longer than usual. The Company must have used this time to look for substitute business. What is the business?

Q3. What is the time frame shareholders expected to wait for further news?

Q4. Is there any on-going new business negotiation?

Q5. What's Company's plan after this asset disposal?

Q6. What is the expenses expected monthly or in a year for the Company post-disposal?

Q7. Please elaborate the staff strength of the Company after the proposed transaction. What is the expected expenditure per month?

Company's Response:

The Company was in discussion with a third party on a possible new venture and had incorporated a new subsidiary in April 2020, but that discussion has fallen through. The Company is currently evaluating another business opportunity and will make the necessary announcement through SGXNET on any material developments where appropriate.

After the completion of the proposed disposal, the Company's expected expenses pertain to head office expenses incurred in Singapore. There will be only two existing staff members employed in Singapore. As required under Rule 1018 of the Listing Manual, the Company will provide a monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.

2. Questions on proceeds from proposed disposal

Q1. Any intention of the Company to reward shareholders?

Q2. When will the Company distribute the sale proceeds and cash to shareholders?

Q3. What is the management intend to do with the money in the escrow account?

Q4. Will the management consider declaring special dividend after the deal?

Q5. Why there is no mention of any distribution from the proceeds of the disposal?

Q6. What the Company can do to alleviate such concern as the Company will be suspended and we have all the money in escrow and bank account

Q7. Can we expect any hedging for the US dollars kept for distribution or escrow account?

Company's Response:

The Board will give due consideration to the use of proceeds arising from the proposed disposal and will make an announcement once a decision has been made. With regard to the concern that funds in escrow and bank accounts will be unproductive or susceptible to abuse, the Company is required to comply with Rule 1018 of the Listing Manual. Please refer to section 6.2 of the Circular to Shareholders for details on the requirements and restrictions imposed on the Company to ensure compliance with Rule 1018 for the purpose of safeguarding the

interests of Shareholders. On the matter of hedging for US dollars in the escrow account, the Company will assess the need to hedge, taking into consideration the cost of hedging and use of proceeds in the escrow account.

3. Questions on other issues relating to the proposed disposal

Q1. The buyer signed a legally binding agreement. How could the Company just let the buyer lower the purchase price?

Q2. The company should just insist on the original price and sue the buyer. Why was this done?

Q3. Why this sale take so long? Have the directors discharged their fiduciary duties?

Company's Response:

The Company had submitted its draft circular in respect of the Proposed Disposal to the SGX-ST on 17 December 2019. As explained in Section 5 of the Response to questions from Shareholders in respect of the Annual General Meeting that was released on SGXNet on 28 June 2020, on 4 May 2020 the SGX-ST wrote to the Company to say that it had no comment on the draft circular in respect of the Proposed Disposal. Unfortunately, the Company did not have sufficient time to convene the Extraordinary General Meeting 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 could not proceed to complete the Proposed Disposal without a further extension of the Long-stop Date, and the Purchaser could have terminated the agreement. The Company could not insist on the Purchaser completing the Proposed Disposal on the original purchase price. In order to save the deal, the Company had to renegotiate the purchase price with the Purchaser, who wanted to terminate the agreement. By this time, due to the COVID-19 pandemic, the valuation of the 72 vessels owned by the PSJ Group had been reduced.

Please also refer to section 2.4 of the Circular to Shareholders in respect of the valuation. The Company engaged Cushman & Wakefield VHS Pte. Ltd. as Valuer and W Capital Markets Pte. Ltd. as independent financial advisors ("IFA") for the transaction. The Valuation Report by Cushman & Wakefield VHS Pte. Ltd. indicated that the market value of the entire equity interest in the capital of Trans LK Marine Pte. Ltd ("TLM") as at 31 May 2020 is in the range of between US$24.3 million to US$25.6 million. The reduced consideration of US$30,000,000 is still a significant premium of between 17.2% to 23.5% to the market valuation of the entire equity interest in the capital of TLM. The IFA has also opined that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders. Please refer to section 7 of the Letter from the IFA on page B-15 of the Circular to Shareholders providing the basis of the opinion of the IFA.

Under the circumstances, the board of directors of the Company preferred to agree on the new purchase price, rather than to terminate the agreement and lose the transaction altogether. The directors of the Company have fully discharged their duties and have acted in the interest of the Company at all times.