

SEROJA INVESTMENTS LIMITED

(Company Registration Number: 198300847M)

Unaudited Half Year Financial Statement and Dividend Announcement for the Period Ended 30 June 2021
PART I: Information required for announcements of Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Results
1 (a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	6 months ended 30/6/2021 US\$'000	6 months ended 30/6/2020 US\$'000	Increase/ (Decrease) %
Continuing operations			
Other losses - net	(494)	(4)	n.m.
Administrative expenses	(281)	(365)	(23.0)
Loss before income tax	(775)	(369)	110.0
Income tax expense	-	-	
Loss from continuing operations	(775)	(369)	110.0
Discontinued operations			
Loss from discontinued operations	-	(351)	(100.0)
Total net loss	(775)	(720)	7.6
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation loss arising from consolidation	-	(97)	(100.0)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Currency translation loss arising from consolidation	-	(105)	(100.0)
Other comprehensive loss	-	(202)	(100.0)
Total comprehensive loss for the year	(775)	(922)	(15.9)
Net loss attributable to:			
Equity holders of the Company	(773)	(538)	43.7
Non-controlling interests	(2)	(182)	(98.9)
	(775)	(720)	7.6
Net loss attributable to equity holders of the Company related to:			
Loss from continuing operations	(773)	(369)	109.5
Loss from discontinued operations	-	(169)	(100.0)
	(773)	(538)	43.7
Total comprehensive loss attributable to:			
Equity holders of the Company	(773)	(635)	21.7
Non-controlling interests	(2)	(287)	(99.3)
	(775)	(922)	(15.9)

n.m. – not meaningful

1(a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements

	Group		
	6 months ended 30/6/2021 US\$'000	6 months ended 30/6/2020 US\$'000	Increase/ (Decrease) %
Loss before income tax is arrived at after charging/(crediting):			
<u>Continued operations</u>			
Fair value (gain)/loss on financial assets, at fair value through profit or loss	(2)	14	n.m.
Loss on foreign exchange	497	-	n.m.
Interest income	(1)	(10)	(90.0)
<u>Discontinued operations</u>			
Depreciation of property, plant and equipment	-	6,720	(100.0)
Loss on foreign exchange	-	134	(100.0)
Interest expense	-	33	(100.0)
Interest income	-	(107)	(100.0)

n.m. – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/6/2021 US\$'000	31/12/2020 US\$'000	30/6/2021 US\$'000	31/12/2020 US\$'000
ASSETS				
Current assets				
Cash and bank balances	31,078	32,680	31,078	32,680
Financial assets, at fair value through profit or loss	44	43	44	43
Other current assets	24	20	24	20
	<u>31,146</u>	<u>32,743</u>	<u>31,146</u>	<u>32,743</u>
Non-current assets				
Investments in subsidiary corporations	-	-	34	34
	<u>-</u>	<u>-</u>	<u>34</u>	<u>34</u>
Total assets	<u>31,146</u>	<u>32,743</u>	<u>31,180</u>	<u>32,777</u>
LIABILITIES				
Current liabilities				
Trade and other payables	666	1,488	423	1,249
Total liabilities	<u>666</u>	<u>1,488</u>	<u>423</u>	<u>1,249</u>
Net Assets	<u>30,480</u>	<u>31,255</u>	<u>30,757</u>	<u>31,528</u>
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	56,951	56,951	56,951	56,951
Other reserve	(305)	(305)	-	-
Accumulated losses	(29,675)	(28,902)	(26,194)	(25,423)
	<u>26,971</u>	<u>27,744</u>	<u>30,757</u>	<u>31,528</u>
Non-controlling interests	3,509	3,511	-	-
Total equity	<u>30,480</u>	<u>31,255</u>	<u>30,757</u>	<u>31,528</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	Group	
	30/6/2021 US\$'000	31/12/2020 US\$'000
<u>Discontinued operations</u>		
<u>Amount repayable in one year or less, or on demand:</u>		
Secured	-	-
Unsecured	-	-
	-	-
<u>Amount repayable after one year:</u>		
Secured	-	-
Unsecured	-	-
	-	-
Total borrowings	-	-

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	For the 6 months ended	
	30 June	
	2021	2020
	US\$'000	US\$'000
Cash Flows from Operating Activities		
Net loss	(775)	(720)
Adjustments for:		
Income tax expense	-	151
Depreciation of property, plant and equipment	-	6,720
Interest expense	-	33
Interest income	(1)	(117)
Unrealised currency translation loss/(gain)	509	(574)
Operating (loss)/profit before working capital changes	<u>(267)</u>	<u>5,493</u>
Changes in working capital:		
Inventories	-	(904)
Financial assets, at fair value through profit or loss	(2)	14
Trade and other receivables	-	2,049
Other current assets	(4)	(760)
Trade and other payables	<u>(822)</u>	<u>702</u>
Cash (used in)/generated from operating activities	(1,095)	6,594
Income tax paid	-	(173)
Interest received	1	117
Net cash (used in)/provided by operating activities	<u>(1,094)</u>	<u>6,538</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	-	(3,142)
Net cash used in investing activities	<u>-</u>	<u>(3,142)</u>
Cash Flows from Financing Activities		
Repayment of borrowings	-	(3,000)
Repayment of finance lease	-	(11)
Interest paid	-	(83)
Net cash used in financing activities	<u>-</u>	<u>(3,094)</u>
Net (decrease)/increase in cash and cash equivalents	(1,094)	302
Cash and cash equivalents at the beginning of the financial period	<u>2,956</u>	<u>12,450</u>
Cash and cash equivalents at the end of the financial period	<u>1,862</u>	<u>12,752</u>
Represented by:		
Restricted cash	29,216	-
Short-term bank deposits	1,501	1,657
Cash and bank balances	<u>361</u>	<u>2,269</u>
	31,078	3,926
Cash and bank balances reclassified to disposal group	-	8,826
	<u>31,078</u>	<u>12,752</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital US\$'000	Currency translation reserve US\$'000	Other reserve US\$'000	Accumulated losses US\$'000	Non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2020	31,801	(468)	(305)	(646)	37,934	68,316
Net loss for the period	-	-	-	(538)	(182)	(720)
Other comprehensive loss for the period	-	(97)	-	-	(105)	(202)
Balance as at 30 June 2020	<u>31,801</u>	<u>(565)</u>	<u>(305)</u>	<u>(1,184)</u>	<u>37,647</u>	<u>67,394</u>
Balance as at 1 January 2021	56,951	-	(305)	(28,902)	3,511	31,255
Net loss for the period	-	-	-	(773)	(2)	(775)
Balance as at 30 June 2021	<u>56,951</u>	<u>-</u>	<u>(305)</u>	<u>(29,675)</u>	<u>3,509</u>	<u>30,480</u>

Company

	Share capital US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 January 2020	56,951	(27,919)	29,032
Total comprehensive loss for the period	-	(369)	(369)
Balance as at 30 June 2020	<u>56,951</u>	<u>(28,288)</u>	<u>28,663</u>
Balance as at 1 January 2021	56,951	(25,423)	31,528
Total comprehensive loss for the period	-	(771)	(771)
Balance as at 30 June 2021	<u>56,951</u>	<u>(26,194)</u>	<u>30,757</u>

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the Company's share capital during the 6 months ended 30 June 2021. The Company does not have any outstanding convertible securities, treasury shares and subsidiary holdings as at 30 June 2021 and 30 June 2020.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued ordinary shares as at 30 June 2021 is 390,388,110. (31 December 2020: 390,388,110 shares).

1(d)(iv) A statement showing all shares, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

5(a) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Company has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related Interpretations to SFRS(I) ("SFRS(I) INT") that are relevant to its operations and mandatory for the financial year beginning 1 January 2021. The adoption of these new and revised SFRS(I) and SFRS(I) INT did not give rise to any material impact on the Company's financial statements.

5(b). If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable

6. (Loss)/Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group					
	Continuing operations 6 months ended 30/6/2021 US cents	Discontinued operations 6 months ended 30/6/2021 US cents	Total 6 months ended 30/6/2021 US cents	Continuing operations 6 months ended 30/6/2020 US cents	Discontinued operations 6 months ended 30/6/2020 US cents	Total 6 months ended 30/6/2020 US cents
(a) Basic	(0.20)	-	(0.20)	(0.10)	(0.04)	(0.14)
(b) Fully diluted basis	(0.20)	-	(0.20)	(0.10)	(0.04)	(0.14)

Note 1:

The loss per ordinary share of the Group for the financial period ended 30 June 2021 has been computed based on 390,388,110 ordinary shares. (30 June 2020: 390,388,110 shares).

7. Net asset value per ordinary share based on issued share capital of the issuer at the end of the:-
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	30/06/21	31/12/20	30/06/21	31/12/20
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	6.91	7.11	7.88	8.08

Net asset value per ordinary share of the Group and the Company have been computed based on the total issued share capital as at 30 June 2021 of 390,388,110 shares (31 December 2020: 390,388,110 shares).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Statement of Comprehensive Income

Continuing operations

Other losses in FY2021H1 of US\$494k was due to foreign exchange loss of US\$497k which was offset by fair value gain of US\$2k on a listed equity investment and interest income of US\$1k whereas other losses in FY2020H1 of US\$4k was due to fair value loss of US\$14k on the same listed equity investment which is offset by interest income of US\$10k. The foreign exchange loss in FY2021H1 was due to translating cash retained in escrow account denominated in S\$ as a result of appreciation of US\$ against S\$ for the current period under review.

Administrative expenses comprised mainly of professional and listing fees, salaries, rental and statutory expenses. Such expenses decreased from USD365k in FY2020H1 to USD281k in FY2021H1 due mainly to reduced number of directors on board as well as no professional fees incurred for the current period under review as compared to professional fees incurred in prior period for the disposal of the entire operation and business assets of the Group during FY2020.

Discontinued operations

There is no result from discontinued operations for FY2021H1 as the Group has completed the disposal of its entire shareholding in Trans LK Marine Pte. Ltd. on 21 October 2020.

Net loss/Comprehensive loss

Arising from the above, net loss increased from US\$0.5 million in FY2020H1 to US\$0.8 million in FY2021H1 and comprehensive loss similarly increased from US\$0.6 million in FY2020H1 to US\$0.8 million in FY2021H1.

Review of the Group's Financial Position as at 30 June 2021 as compared to the Group's Financial Position as at 31 December 2020

Current assets decreased due to lower cash balance. Cash balance decreased from US\$32.7 million as at 31 December 2020 to US\$31.1 million as at 30 June 2021 due to cash utilized for current period working capital and payment of accruals under current liabilities as well as due to foreign exchange loss of US\$0.5 million arising from translating cash retained in escrow account as above-mentioned.

Current liabilities decreased from US\$1.5 million as at 31 December 2020 to US\$0.7 million as at 30 June 2021 due to payments of accrued bonus and accruals for audit and directors' fees as at 31 December 2020.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As announced on 28 July 2021 through SGXNet, the Company will be convening an Extraordinary General Meeting by way of electronic means on 19 August 2021 to seek approval from shareholders to approve the capital reduction and cash distribution as provided in the Letter to Shareholders dated 28 July 2021. The Company will also continue to explore and evaluate business opportunities which are able to satisfy the listing requirements of SGX-ST and will update shareholders as and when there are any material developments.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded during the period under review as the Company does not have profits available to declare dividends.

13. Interested Person Transactions

There is no general mandate obtained from shareholders for Interested Person Transactions.

14. Confirmation of procurement of Undertakings from all Directors and Executive Officers

The Company confirmed that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

CONFIRMATION BY THE BOARD ON FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

To the best of our knowledge and belief, nothing has come to the attention of the Directors of the Company which may render the Half Year Results of the Group for the financial period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Yap Kian Peng
Director

Ng Soon Kai
Director

By Order of The Board

Yap Kian Peng
Director
13 August 2021