

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 14 June 2021 to convene the AGM of the Company for the financial year ended 31 December 2020 to be held on 29 June 2021 at 2.00 p.m.; and
- (b) the accompanying announcement issued by the Company on 14 June 2021 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

Edwin Soeryadjaya
Chairman and Non-Executive Director
28 June 2021

1. **Questions on future plans of the company**

- Q1. What is the management future plan after selling the company asset and business?**
- Q2. What is the company plan going forward?**
- Q3. What are the company's plans if the capital reduction plan is approved?**
- Q4. What are the company's plans if it fails to meet the deadline? When will it implement the plans?**
- Q5. Can we source for local RTO company, especially during this Covid-19 pandemic?**
- Q6. What kind of businesses are the company exploring if the company has no intention of listing?**
- Q7. Will the company be delisted after capital reduction exercise?**
- Q8. How much more time does the company have to look for a new business before SGX delists it?**
- Q9. How confident is the board of completing the acquisition of new business before this deadline?**
- Q10. When is Seroja going to be lifted from suspension?**

Company's Response:

Since the completion of the disposal of its entire business and business assets on 21 October 2020, the company has been on the search for new business opportunities that will be able to satisfy the listing requirements of SGX-ST. The company is currently in discussion with a potential target. If the discussion falls through, the Company will consider appointing a professional firm of investment bankers to help identify potential targets. The company is not restricting itself from any potential candidate in its search.

With regards to delisting, please refer to section 6.2 of the Circular to Shareholders dated 24 September 2020 which is published on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> as well as the Company's website at the URL <http://www.seroja.com.sg>. The Board will not want to speculate on whether it can complete acquisition of new business before the delisting deadline but will endeavour to do so in the interest of the company and its shareholders. Lastly, the lifting of suspension is dependent on, amongst others, the company's acquiring a business or business assets that can satisfy the requirements of SGX-ST for a new listing.

2. **Questions on convening AGM and EGM**

- Q1. Why was the earlier AGM vacated and postponed? Which party was at fault?**
- Q2. Why is the EGM not held together with AGM as is common for many other companies? When will EGM be held now?**
- Q3. Why couldn't the company submit the AGM, EGM, distribution of capital proposals to SGX for approval way in advance so that AGM can be held together with the EGM?**

- Q4 How much costs and professional fees were wasted for the aborted AGM, the rejected submission, having to re-submit to SGX, holding EGM on separate date etc?**
- Q5. Is the board doing anything to recover these costs and professional fees and the damages suffered by the company in distributing the capital promptly and the shareholders not receiving the distribution of capital promptly?**

Company's Response:

Please refer to the announcement made through SGXNet on 10 May 2021 on the requirement to postpone the FY2020 AGM. After the postponement of the FY2020 AGM, the company wrote to SGX RegCo to request a longer extension of time to hold the FY2020 AGM by no later than 29 June 2021 which was subsequently approved by SGX RegCo. The reason for the extension of time was to table the special resolutions in relation to the proposed capital reduction and cash distribution at the FY2020 AGM instead of holding a separate EGM to table such special resolutions. However, this extension of time was still not sufficient for the company to obtain clearance from SGX RegCo on the Letter to Shareholders in relation to the proposed capital reduction and cash distribution.

On 8 June 2021, the company wrote again to ACRA to request a longer extension of time to hold the FY2020 AGM by no later than 15 July 2021 but had not received response by 14 June 2021, which was the deadline to issue 14 days' notice period to Shareholders for FY2020 AGM to be convened on 29 June 2021. As such, the company had no choice but to proceed to convene the FY2020 AGM on 29 June 2021 and to convene a separate EGM to table the special resolutions pertaining to the proposed capital reduction and cash distribution. The company will make further announcements to update Shareholders on developments in respect of the proposed capital reduction and cash distribution as well as the EGM to table such special resolutions.

The company does not expect significant costs to be incurred for the above-mentioned events and will monitor and control such costs accordingly.

3. Questions on Letter to Shareholders, capital reduction and cash distribution

- Q1. Any reasons why the company missed submitting the circular for SGX review especially with a lawyer on the board?**
- Q2. When can we receive the capital reduction money?**
- Q3. When will the distribution be paid to shareholders?**

Company's Response:

Please refer to item 2 pertaining to Letter to Shareholders to be submitted to SGX RegCo. There are certain conditions to be satisfied for the capital reduction and cash distribution and such conditions will be provided for in the Letter to Shareholders to be released after clearance by SGX RegCo. The company will endeavour to satisfy all such conditions at the earliest possible time so as to process the cash distribution to all Shareholders entitled to the cash distribution.

4. **Question on Resolution 8**

- Q1. Seroja has no active business operations. Directors fees should be REDUCED and should not remain the same as FY2020, especially after all the costs and professional fees that were wasted in the aborted AGM. So what is the board's justification for Resolution 8 and keeping directors fees for FY2021 at the same level as FY2020 at \$312,000?**

Company's Response:

The current size of the Board has been reduced to 3 directors since 1 April 2021 from 7 directors in FY2020. With the reduced size, the directors' fees are expected to be significantly lower in FY2021 as compared to FY2020, assuming no new engagement of directors for the remaining period of FY2021.

The Board deemed it justifiable to keep FY2021 directors' fees to be on par with that of FY2020 to facilitate onboarding of new directors if the company is able to acquire new business to satisfy the listing requirements of SGX-ST. This gives the company the benefits of getting directors on board promptly with no issue over fees payment which will need to be approved in the next AGM if no buffer is catered for directors' fees in FY2021. It will also be unnecessary costs to convene an EGM just to approve fees for each new director joining the Board.

5. **Questions on Resolution 9**

- Q1. Why is Resolution 9 needed? Isn't Mr Edwin Soeryadjaya receiving director fees already under Resolution 8 for FY 2021? Hasn't he also received directors fees already in FY2020? What are his past efforts and duties that he performed that justify such a huge payment. There were practically no business operations in FY 2020 as well. This is not justified.**
- Q2. Can the company elaborate on what past efforts and contributions that Mr Edwin Soeryadjaya has done to warrant a payout of S\$450,000?**
- Q3. Mr Edwin Soeryadjaya is a major shareholder who will also benefit from the Cash Distribution, why not share this \$450k with all?**
- Q4. Can Mr Edwin Soeryadjaya introduce an Indonesian company for RTO and earn his introducer fee instead?**

Company's Response:

The Company was able, under rather difficult circumstances and in the midst of the COVID-19 pandemic that was ravaging Indonesia at that time, to sell its business which was based entirely in Indonesia for a good price. This price increased from the first offered price of US\$22.5 million to the final price of US\$30.0 million guided by the experience of the non-executive chairman. The precedents to completion were achieved with the efforts of non-executive chairman, without whom, the said disposal may not be realised.

Based on above, the Remuneration Committee, with the concurrence of the Board, (save for Mr Edwin Soeryadjaya who recused himself from voting on the bonus decision in the Remuneration Committee meeting and Board meeting) deemed that Mr Edwin Soeryadjaya was instrumental in negotiating the sale for the company and decided to provide a bonus of S\$450,000 to be payable upon shareholders' approval in the forthcoming AGM to be held on 29 June 2021. The decision to provide the bonus award is independent of size of shareholding by Mr Edwin Soeryadjaya, or whether he can introduce any company for RTO purpose.

6. **Question on Resolution 11**

Q1. Why is Resolution 11 still needed? The company has no business already? Why does the company still need to issue shares?

Company's Response:

If the company is able to source for business or business assets that can satisfy the listing requirements of SGX-ST, the company may need to fund such acquisition by issuing new shares. As such, the Board deemed it necessary to have the resolution included in this FY2020 AGM rather than to convene a separate EGM for new share issue when the need arises which will be unnecessary costs to the company.

7. **Question on Resolution 12**

Q1. Why is Resolution 12 still needed. The company has no business already? Why does it still need to issue employee share options?

Company's Response:

The rationale is similar to item 6 above. If the need does arise when the company becomes active with new business and employee share options are justified, the Board will prefer to have this tool readily available rather than to convene a separate meeting for such issue which will be unnecessary costs to the company.