

SEROJA INVESTMENTS LIMITED

(Company Registration Number: 198300847M)

Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2020
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		
	12 months ended 31/12/2020 US\$'000	12 months ended 31/12/2019 US\$'000	Increase/ (Decrease) %
Continuing operations			
Other losses - net	(1,903)	(77)	2371.4
- Administrative	(1,585)	(821)	93.1
Share of results of associated companies	-	7	(100.0)
Loss before income tax	(3,488)	(891)	291.5
Income tax expense	-	-	
Net loss from continuing operations	(3,488)	(891)	291.5
Discontinued operations			
Profit from discontinued operations	796	5,233	(84.8)
Total net (loss)/profit	(2,692)	4,342	n.m.
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation arising from consolidation - (loss)/gain	(123)	108	n.m.
Reclassification of currency translation reserve on disposal of a subsidiary	591	-	n.m.
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Currency translation arising from consolidation - (loss)/gain	(133)	118	n.m.
Remeasurements of post-employment benefits	-	95	(100.0)
Other comprehensive (loss)/income	335	321	4.4
Total comprehensive (loss)/income for the year	(2,357)	4,663	n.m.
Net (loss)/profit attributable to:			
Equity holders of the Company	(3,106)	1,866	n.m.
Non-controlling interests	414	2,476	(83.3)
	(2,692)	4,342	n.m.
Net (loss)/profit attributable to equity holders of the Company related to:			
Loss from continuing operations	(3,488)	(870)	300.9
Profit from discontinued operations	382	2,736	(86.0)
	(3,106)	1,866	n.m.
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(2,638)	2,020	n.m.
Non-controlling interests	281	2,643	(89.4)
	(2,357)	4,663	n.m.

n.m. – not meaningful

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

	Group		
	12 months ended 31/12/2020 US\$'000	12 months ended 31/12/2019 US\$'000	Increase/ (Decrease) %
Loss before income tax is arrived at after charging/(crediting):			
<u>Continued operations</u>			
Depreciation of property, plant and equipment	-	1	(100.0)
Fair value (gain)/loss on financial assets, at fair value through profit or loss	(9)	41	n.m.
Loss on disposal of a subsidiary corporation	2,588	-	n.m.
(Gain)/Loss on foreign exchange	(647)	25	n.m.
Government grant	(18)	-	n.m.
Allowance for impairment in investment in associated companies	-	26	(100.0)
Interest income	(11)	(15)	(26.7)
<u>Discontinued operations</u>			
Depreciation of property, plant and equipment	11,215	12,246	(8.4)
Loss/(Gain) on foreign exchange	557	(412)	n.m.
Gain on disposal of property, plant and equipment	-	(3)	(100.0)
Interest expense	38	181	(79.0)
Interest income	(177)	(447)	(60.4)

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	
	31/12/2020 US\$'000	31/12/2019 US\$'000	31/12/2020 US\$'000	31/12/2019 US\$'000
ASSETS				
Current assets				
Cash and bank balances	32,680	2,798	32,680	2,798
Financial assets, at fair value through profit or loss	43	34	43	34
Other current assets	20	47	20	47
	<u>32,743</u>	<u>2,879</u>	<u>32,743</u>	<u>2,879</u>
Assets of disposal group classified as held-for-sale	-	73,840	-	-
Non-current asset classified as held-for-sale	-	-	-	28,337
	<u>32,743</u>	<u>76,719</u>	<u>32,743</u>	<u>31,216</u>
Non-current assets				
Investments in subsidiary corporations	-	-	34	34
Total assets	<u>32,743</u>	<u>76,719</u>	<u>32,777</u>	<u>31,250</u>
LIABILITIES				
Current liabilities				
Trade and other payables	1,488	2,458	1,249	2,218
Liabilities directly associated with disposal group classified as held-for-sale	-	5,945	-	-
	<u>1,488</u>	<u>8,403</u>	<u>1,249</u>	<u>2,218</u>
Net Assets	<u>31,255</u>	<u>68,316</u>	<u>31,528</u>	<u>29,032</u>
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	56,951	31,801	56,951	56,951
Currency translation reserves	-	(468)	-	-
Other reserve	(305)	(305)	-	-
Accumulated losses	(28,902)	(646)	(25,423)	(27,919)
	<u>27,744</u>	<u>30,382</u>	<u>31,528</u>	<u>29,032</u>
Non-controlling interests	3,511	37,934	-	-
Total equity	<u>31,255</u>	<u>68,316</u>	<u>31,528</u>	<u>29,032</u>

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

	Group	
	31/12/2020 US\$'000	31/12/2019 US\$'000
<u>Discontinued operations</u>		
<u>Amount repayable in one year or less, or on demand:</u>		
Secured	-	3,023
Unsecured	-	-
	-	3,023
<u>Amount repayable after one year:</u>		
Secured	-	22
Unsecured	-	-
	-	22
Total borrowings	-	3,045

Details of any collateral

In FY2019, bank borrowings and finance lease of the Group are secured by the following:

- mortgage over certain vessels of subsidiary corporations;
- an assignment of all rights in respect of certain coal barging contracts;
- an assignment of all moneys and rights to receive money in respect of any of the pledged vessels and their respective insurances;
- pledge of the shares of subsidiary corporation, PT Pulau Seroja Jaya ("PT PSJ") by certain shareholders of PT PSJ;
- a charge on the cash, receivables and inventories of PT PSJ; and
- corporate guarantees by related parties of certain directors.

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 12 months ended	
	31 December	
	2020	2019
	US\$'000	US\$'000
Cash Flows from Operating Activities		
Net (loss)/profit	(2,692)	4,342
Adjustments for:		
Income tax expense	318	462
Depreciation of property, plant and equipment	11,215	12,247
Loss on disposal a subsidiary corporation	2,588	-
Impairment loss on investment in associated companies	-	26
Gain on disposal of property, plant and equipment	-	(3)
Interest expense	38	181
Interest income	(188)	(462)
Share of results of associated companies	-	(7)
Unrealised currency translation loss	83	22
Operating profit before working capital changes	11,362	16,808
Changes in working capital:		
Inventories	291	1,219
Financial assets, at fair value through profit or loss	(9)	41
Trade and other receivables	1,339	(145)
Other current assets	(3,502)	(720)
Trade and other payables	1,432	(361)
Post employment benefits	(13)	38
Cash generated from operating activities	10,900	16,880
Income tax paid	(355)	(508)
Interest received	188	272
Net cash provided by operating activities	10,733	16,644
Cash Flows from Investing Activities		
Disposal of a subsidiary corporation (Note 1)	20,946	-
Payment to non-controlling interests from capital reduction	-	(130)
Dividends paid to non-controlling interests of a subsidiary corporation	(520)	(520)
Deposit for disposal of a subsidiary corporation	-	2,000
Refund of deposit upon completion of disposal of a subsidiary corporation	(2,000)	-
Capital reduction in an associated company	-	296
Purchase of property, plant and equipment	(6,789)	(7,480)
Proceeds from disposal of property, plant and equipment	916	3
Net cash provided by/(used in) investing activities	12,553	(5,831)
Cash Flows from Financing Activities		
Repayment of borrowings	(3,000)	(2,500)
Repayment of finance lease	(16)	(620)
Restricted cash	(29,724)	250
Interest paid	(41)	(233)
Net cash used in financing activities	(32,781)	(3,103)
Net increase in cash and cash equivalents	(9,495)	7,710
Cash and cash equivalents at the beginning of the financial year	12,450	4,774
Effects of currency translation on cash and cash equivalents	1	(34)
Cash and cash equivalents at the end of the financial year	2,956	12,450
Represented by:		
Short-term bank deposits	2,771	2,358
Cash and bank balances	185	440
	2,956	2,798
Cash and bank balances reclassified to disposal group	-	9,652
	2,956	12,450

Note 1:

The cash flow effects from the Disposal are as follows:-

	31/12/2020
	US\$'000
Property, plant and equipment	49,843
Cash and cash equivalents	8,857
Inventories	1,381
Trade and other receivables	8,183
Other current assets	1,020
Total identifiable assets	69,284
Trade and other payables	2,563
Lease liabilities	26
Deferred income tax liabilities	48
Post-employment benefits	663
Total identifiable liabilities	3,300
Identifiable net assets disposed	65,984
Less:- Non-controlling interests	34,184
Net assets disposed	31,800
Add:- Currency translation reserves	591
Less:- Loss on disposal	2,391
Cash proceeds from disposal	30,000
Less:- Cash and cash equivalents disposed	(8,857)
Less:- Expenses incurred for the Disposal	(197)
Net cash inflow on Disposal	20,946
Loss on disposal, net of expenses	2,588

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 2019	31,801	(576)	(305)	(2,558)	35,941	64,303
Net profit for the year	-	-	-	1,866	2,476	4,342
Other comprehensive income for the year	-	108	-	46	167	321
Capital reduction in a subsidiary corporation	-	-	-	-	(130)	(130)
Dividends paid to non-controlling interests	-	-	-	-	(520)	(520)
Balance as at 31 December 2019	<u>31,801</u>	<u>(468)</u>	<u>(305)</u>	<u>(646)</u>	<u>37,934</u>	<u>68,316</u>
Balance as at 1 January 2020	31,801	(468)	(305)	(646)	37,934	68,316
Net (loss)/profit for the year	-	-	-	(3,106)	414	(2,692)
Other comprehensive loss for the year	-	468	-	-	(133)	335
Dividends paid to non-controlling interests	-	-	-	-	(520)	(520)
Disposal of a subsidiary corporation	25,150	-	-	(25,150)	(34,184)	(34,184)
Balance as at 31 December 2020	<u>56,951</u>	<u>-</u>	<u>(305)</u>	<u>(28,902)</u>	<u>3,511</u>	<u>31,255</u>

Company

	Share capital US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 January 2019	56,951	(27,067)	29,884
Total comprehensive loss for the period	-	(852)	(852)
Balance as at 31 December 2019	<u>56,951</u>	<u>(27,919)</u>	<u>29,032</u>
Balance as at 1 January 2020	56,951	(27,919)	29,032
Total comprehensive income for the period	-	2,496	2,496
Balance as at 31 December 2020	<u>56,951</u>	<u>(25,423)</u>	<u>31,528</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 year ended 31 December 2020.

The Company does not have any outstanding convertible securities, treasury shares and subsidiary holdings as at 31 December 2020 and 31 December 2019.

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 31 December 2020 is 390,388,110. (31 December 2019: 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. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the financial year ended 31 December 2020 as compared with those for the audited consolidated financial statements as at 31 December 2019.

5. 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. 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 12 months ended 31/12/2020 US cents	Discontinued operations 12 months ended 31/12/2020 US cents	Total 12 months ended 31/12/2020 US cents	Continuing operations 12 months ended 31/12/2019 US cents	Discontinued operations 12 months ended 31/12/2019 US cents	Total 12 months ended 31/12/2019 US cents
(a) Basic	(0.90)	0.10	(0.80)	(0.22)	0.70	0.48
(b) Fully diluted basis	(0.90)	0.10	(0.80)	(0.22)	0.70	0.48

Note 1:

The earnings per ordinary share of the Group for the financial year ended 31 December 2020 has been computed based on weighted average of 390,388,110 ordinary shares. (31 December 2019: 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	
	31/12/20	31/12/19	31/12/20	31/12/19
Net asset value per ordinary share based on issued share capital as at the end of the year (US cents)	7.11	7.78	8.08	7.44

Net asset value per ordinary share of the Group and the Company have been computed based on the total issued share capital as at 31 December 2020 of 390,388,110 shares (31 December 2019: 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

On 21 October 2020, the Company completed the disposal of its entire business and business assets held by Trans LK Marine Pte Ltd ("TLM"). As a result of the disposal, the Group recorded a loss of US\$2.6 million. The loss on disposal is partly offset by exchange gain of US\$0.7 million, resulting in other losses of US\$1.9 million in FY2020. Administrative expenses was US\$1.6 million in FY2020 due mainly to accrual for bonus of US\$1.0 million payable to directors and management attributed to their past efforts and performance for the Company. Also, expenses related to disposal of TLM of about US\$0.1 million recorded in FY2019 was adjusted from administrative expenses to other losses in FY2020. Taking into account the adjustment, administrative expenses for FY2019 will be approximately US\$0.7 million which is comparable to FY2020 after excluding bonus.

The results of TLM and its subsidiaries was recorded under discontinued operations up to the date of disposal.

After accounting the results from both continuing operations and discontinued operations, net profit attributable to equity holders of the Company reversed from profit of US\$1.9 million in FY2019 to a loss of US\$3.1 million in FY2020. Total comprehensive income attributable to equity holders of the Company also reversed from a comprehensive income of US\$2.0 million in FY2019 to a comprehensive loss of US\$2.6 million in FY2020.

Review of the Group's Financial Position

Following the completion of the Disposal, the assets of the Group comprised mainly of cash and bank balance of US\$32.7 million which included an amount of S\$39.3 million (equivalent to about US\$29.7 million) placed under an escrow account. The liabilities of the Group comprised of trade and other payables of US\$1.5 million which were mainly accrued for professional fees, bonus and listing fees.

Net cash provided by operating activities and investing activities amounted to US\$10.7 million and US\$12.6 million respectively which was partly offset by net cash used in financing activities of US\$32.8 million. Cash provided by investing activities was net proceeds of US\$20.9 million from disposal of business and business assets under TLM and proceeds of US\$0.9 million from insurance claims related to a damaged vessel disposed under TLM. This is partly offset by purchase of vessels and drydocking expenditures of US\$6.8 million, payment of dividends of US\$0.5 million to non-controlling interests and refund of deposit of US\$2.0 million upon completion of the Disposal. Cash used in financing activities was mainly for repayments of bank loan of US\$3.0 million and substantial portion of proceeds from Disposal of US\$29.7 million placed under an escrow account. Arising from the above, the Group generated a net decrease in cash and cash equivalents of US\$9.5 million from US\$12.5 million as at 31 December 2019 to US\$3.0 million 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.

Subsequent to the completion of the disposal of its entire shareholding in TLM, the Company is currently a cash company under Rule 1018 of the SGX Listing Manual and will be required to comply with relevant rules as stipulated under SGX Listing Manual. The Company will be exploring opportunities to acquire new assets or businesses to satisfy the listing requirements of SGX and will make the necessary announcement through SGXNet.

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 for the financial year under review as the Company intends to fund new acquisitions of assets or businesses with internal resources pending further review of decision to declare dividends.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2 & Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable as there is no business and revenue under continuing operations of the Group.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. Breakdown of sales.

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

17. Interested Person Transactions

Name of Interested Persons	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate (excluding transactions less than S\$100,000) pursuant to Rule 920
	US\$ '000	US\$ '000
Revenue from PT Maritim Barito Perkasa	-	9,607
Gross proceeds from disposal of business and business assets under a subsidiary corporation, Trans LK Marine Pte Ltd to Mr Masdjan ⁽¹⁾		30,000

(1) Mr Masdjan was previously the Chief Operating Officer and an Executive Director of the Company and had resigned from both positions with effect from 12 January 2021.

18. 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.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

By Order of The Board

Andreas Tjahjadi
Executive Director

26 February 2021