

SEROJA INVESTMENTS LIMITED

(Company Registration Number: 198300847M)

Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2019
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 31/12/2019 US\$'000	12 months ended 31/12/2018 US\$'000 (Restated)	Increase/ (Decrease) %
Continuing operations			
Other losses - net	(77)	(15)	413.3
Administrative expenses	(821)	(746)	10.1
Share of results of associated companies	7	2	250.0
Loss before income tax	(891)	(759)	17.4
Income tax expense	-	-	
Loss from continuing operations	(891)	(759)	17.4
Discontinued operations			
Profit from discontinued operations	5,233	3,192	63.9
Total net profit	4,342	2,433	78.5
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation arising from consolidation - gain/(loss)	109	(67)	n.m.
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Currency translation arising from consolidation - gain/(loss)	117	(73)	n.m.
Remeasurements of post-employment benefits	95	69	37.7
Other comprehensive income/(loss)	321	(71)	n.m.
Total comprehensive income for the year	4,663	2,362	97.4
Net profit attributable to:			
Equity holders of the Company	1,866	773	141.4
Non-controlling interests	2,476	1,660	49.2
	4,342	2,433	78.5
Net profit attributable to equity holders of the Company related to:			
Loss from continuing operations	(870)	(759)	14.6
Profit from discontinued operations	2,736	1,532	78.6
	1,866	773	141.4
Total comprehensive income attributable to:			
Equity holders of the Company	2,020	739	173.3
Non-controlling interests	2,643	1,623	62.8
	4,663	2,362	97.4

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 31/12/2019 US\$'000	12 months ended 31/12/2018 US\$'000	Increase/ (Decrease) %
(Loss)/Profit before income tax is arrived at after charging/(crediting):			
<u>Continued operations</u>			
Depreciation of property, plant and equipment	1	1	-
Fair value loss on financial assets, at fair value through profit or loss	41	-	n.m.
Loss on foreign exchange	25	33	(24.2)
Allowance for impairment in investment in associated companies	26	-	n.m.
Interest income	(15)	(19)	(21.1)
<u>Discontinued operations</u>			
Depreciation of property, plant and equipment	12,246	11,697	4.7
Gain on foreign exchange	(412)	(125)	229.6
Write-off of property, plant and equipment	-	25	(100.0)
(Gain)/Loss on disposal of property, plant and equipment	(3)	136	n.m.
Interest expense	-	694	(100.0)
Interest income	(266)	(15)	1,673.3

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	
	31/12/2019 US\$'000	31/12/2018 US\$'000	31/12/2019 US\$'000	31/12/2018 US\$'000
ASSETS				
Current assets				
Cash and bank balances	2,798	5,024	2,798	742
Financial assets, at fair value through profit or loss	34	75	34	75
Trade and other receivables	-	9,377	-	1
Inventories	-	2,891	-	-
Other current assets	47	296	47	45
	<u>2,879</u>	<u>17,663</u>	<u>2,879</u>	<u>863</u>
Assets of disposal group classified as held-for-sale	73,840	-	-	-
Non-current asset classified as held-for-sale	-	-	28,337	-
	<u>76,719</u>	<u>17,663</u>	<u>31,216</u>	<u>863</u>
Non-current assets				
Investments in subsidiary corporations	-	-	34	29,213
Investments in associated companies	-	315	-	-
Property, plant and equipment	-	56,518	-	1
	<u>-</u>	<u>56,833</u>	<u>34</u>	<u>29,214</u>
Total assets	<u>76,719</u>	<u>74,496</u>	<u>31,250</u>	<u>30,077</u>
LIABILITIES				
Current liabilities				
Trade and other payables	960	3,008	2,218	193
Finance lease liabilities	-	564	-	-
Borrowings	-	5,690	-	-
	<u>960</u>	<u>9,262</u>	<u>2,218</u>	<u>193</u>
Liabilities directly associated with disposal group classified as held-for-sale	7,443	-	-	-
	<u>8,403</u>	<u>9,262</u>	<u>2,218</u>	<u>193</u>
Non-current liabilities				
Finance lease liabilities	-	68	-	-
Deferred income tax liabilities	-	129	-	-
Post-employment benefits	-	734	-	-
	<u>-</u>	<u>931</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,403</u>	<u>10,193</u>	<u>2,218</u>	<u>193</u>
Net Assets	<u>68,316</u>	<u>64,303</u>	<u>29,032</u>	<u>29,884</u>
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	31,801	31,801	56,951	56,951
Currency translation reserves	(468)	(576)	-	-
Other reserve	(305)	(305)	-	-
Accumulated losses	(646)	(2,558)	(27,919)	(27,067)
	<u>30,382</u>	<u>28,362</u>	<u>29,032</u>	<u>29,884</u>
Non-controlling interests	37,934	35,941	-	-
Total equity	<u>68,316</u>	<u>64,303</u>	<u>29,032</u>	<u>29,884</u>

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

	Group	
	31/12/2019 US\$'000	31/12/2018 US\$'000
<u>Discontinued operations</u>		
<u>Amount repayable in one year or less, or on demand:</u>		
Secured	3,023	6,254
Unsecured	-	-
	3,023	6,254
<u>Amount repayable after one year:</u>		
Secured	22	68
Unsecured	-	-
	22	68
Total borrowings	3,045	6,322

Details of any collateral

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	
	2019	2018
	US\$'000	US\$'000
		Restated
Cash Flows from Operating Activities		
Net profit	4,342	2,433
Adjustments for:		
Income tax expense	462	406
Depreciation of property, plant and equipment	12,247	11,698
Property, plant and equipment written off	-	25
Impairment loss on investment in associated companies	26	-
Loss/(Gain) on disposal of property, plant and equipment	(3)	136
Interest expense	-	694
Interest income	(281)	(34)
Share of results of associated companies	(7)	(2)
Unrealised currency translation loss/(gain)	22	(221)
Operating profit before working capital changes	<u>16,808</u>	<u>15,135</u>
Changes in working capital:		
Inventories	1,219	(728)
Financial assets, at fair value through profit or loss	41	(75)
Trade and other receivables	(145)	(992)
Other current assets	(720)	737
Trade and other payables	(361)	(1,271)
Post employment benefits	38	90
Cash generated from operating activities	<u>16,880</u>	<u>12,896</u>
Income tax paid	(508)	(451)
Interest received	272	34
Net cash provided by operating activities	<u>16,644</u>	<u>12,479</u>
Cash Flows from Investing Activities		
Payment to non-controlling interests from capital reduction	(130)	-
Dividends paid to non-controlling interests of a subsidiary corporation	(520)	-
Security deposit for sale of a subsidiary corporation	2,000	-
Capital reduction in an associated company	296	-
Purchase of property, plant and equipment	(7,480)	(4,114)
Proceeds from disposal of property, plant and equipment	3	174
Net cash used in investing activities	<u>(5,831)</u>	<u>(3,940)</u>
Cash Flows from Financing Activities		
Repayment of borrowings	(2,500)	(5,938)
Repayment of finance lease	(620)	(501)
Restricted cash	250	291
Interest paid	(233)	(671)
Net cash used in financing activities	<u>(3,103)</u>	<u>(6,819)</u>
Net increase in cash and cash equivalents	7,710	1,720
Cash and cash equivalents at the beginning of the financial year	4,774	3,102
Effects of currency translation on cash and cash equivalents	(34)	(48)
Cash and cash equivalents at the end of the financial year	<u>12,450</u>	<u>4,774</u>
Represented by:		
Restricted cash	-	250
Short-term bank deposits	2,358	2,817
Cash and bank balances	440	1,957
	<u>2,798</u>	<u>5,024</u>
Cash and bank balances reclassified to disposal group	9,652	-
	<u>12,450</u>	<u>5,024</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 2018	31,801	(509)	(305)	(3,364)	34,318	61,941
Net profit for the year	-	-	-	773	1,660	2,433
Other comprehensive (loss)/income for the year	-	(67)	-	33	(37)	(71)
Balance as at 31 December 2018	<u>31,801</u>	<u>(576)</u>	<u>(305)</u>	<u>(2,558)</u>	<u>35,941</u>	<u>64,303</u>
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>

Company

	Share capital US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 January 2018	56,951	(26,306)	30,645
Total comprehensive loss for the year	-	(761)	(761)
Balance as at 31 December 2018	<u>56,951</u>	<u>(27,067)</u>	<u>29,884</u>
Balance as at 1 January 2019	56,951	(27,067)	29,884
Total comprehensive loss for the year	-	(852)	(852)
Balance as at 31 December 2019	<u>56,951</u>	<u>(27,919)</u>	<u>29,032</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 3 months ended 31 December 2019.

The Company does not have any outstanding convertible securities, treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 2018.

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 2019 is 390,388,110. (31 December 2018: 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 2019 as compared with those for the audited consolidated financial statements as at 31 December 2018.

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			Group		
	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	Continuing operations 12 months ended 31/12/2018 US cents	Discontinued operations 12 months ended 31/12/2018 US cents	Total 12 months ended 31/12/2018 US cents
(a) Basic	(0.22)	0.70	0.48	(0.19)	0.39	0.20
(b) Fully diluted basis	(0.22)	0.70	0.48	(0.19)	0.39	0.20

Note 1:

The earnings per ordinary share of the Group for the financial year ended 31 December 2019 has been computed based on weighted average of 390,388,110 ordinary shares. (31 December 2018: 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	
	31/12/19	31/12/18	31/12/19	31/12/18
Net asset value per ordinary share based on issued share capital as at the end of the year (US cents)	7.78	7.27	7.44	7.65

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 2019 of 390,388,110 shares (31 December 2018: 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

As announced through SGXNet on 15 August 2019, the Company has entered into a sale and purchase agreement to dispose of its entire shareholding in Trans LK Marine Pte. Ltd. ("TLM"). Upon the disposal of the entire operation and business assets under TLM, there will be no business operation and the group will only have expenses incurred by its office in Singapore. Accordingly, the results of TLM Group are reclassified under discontinued operations and corresponding figures in prior year are restated to reflect the reclassification.

The increase in loss from continuing operations by US\$0.1 million from US\$0.8 million in FY2018 to US\$0.9 million in FY2019 was mainly due to higher administrative expenses incurred in relation to the disposal exercise as abovementioned.

Discontinued operations

Profit from discontinued operations increased from US\$3.2 million in FY2018 to US\$5.2 million in FY2019 due to:-

- increase in gross profit of US\$0.8 million from US\$6.9 million in FY2018 to US\$7.7 million in FY2019. The increase in gross profit was due mainly to higher revenue from more shipments made to existing customers which is partly offset by higher costs incurred to service the vessel fleet.
- Increase in other gains of US\$0.7 million in FY2019 due to foreign currency exchange gain of US\$0.4 million and interest income of US\$0.3 million.
- additional interest amortised for financing loan was net off against interest expense of about US\$0.2 million in FY2019 which results in nil interest expense in FY2019 as compared to interest expense of US\$0.7 million in FY2018.
- above is partly offset by higher administrative expenses of US\$0.1 million from US\$2.6 million in FY2018 to US\$2.7 million in FY2019 due to more travelling and entertainment expenses incurred to negotiate contracts with customers.

Please refer to below commentary under "**Discontinued operations and subsidiary classified as held-for-sale**" for further financial summary information on the discontinued operations.

Net profit / Total comprehensive income

Arising from the above, net profit attributable to equity holders of the Company increased from US\$0.8 million in FY2018 to US\$1.9 million in FY2019. Total comprehensive income attributable to equity holders of the Company also increased from US\$0.7 million in FY2018 to US\$2.0 million in FY2019.

Review of the Group's Financial Position as at 31 December 2019 as compared to the Group's Financial Position as at 31 December 2018

The Group's non-current assets decreased from US\$56.5 million as at 31 December 2018 to nil as at 31 December 2019 as all fixed assets under the disposal group was reclassified as current assets under assets of disposal group classified as held-for-sale. Accordingly, current assets increased from US\$17.7 million as at 31 December 2018 to US\$76.7 million as at 31 December 2019 as all current assets and non-current assets of the disposal group were reclassified to assets of disposal group classified as held-for-sale.

Similarly, non-current liabilities decreased from US\$0.9 million as at 31 December 2018 to nil as at 31 December 2019 as all such liabilities were reclassified as current liabilities under the liabilities directly associated with disposal group classified as held-for-sale. The current liabilities decreased from US\$9.3 million as at 31 December 2018 to US\$8.4 million as at 31 December 2019 due to instalment repayment of bank loans and finance lease obligations by the disposal group during the year under review

Net cash provided by operating activities amounted to US\$16.6 million which was partly offset by net cash used in investing activities and financing activities of US\$5.8 million and US\$3.1 million respectively. Cash used in investing activities was for purchase of vessels and drydocking expenditures, payment to non-controlling interests of a subsidiary, Seroja Shipping Services Pte Ltd arising from capital reduction and payment to non-controlling interests of another subsidiary, PT Pulau Seroja Jaya arising from dividends declared which is partly offset by a security deposit received of US\$2.0 million for the proposed disposal as abovementioned and receipt of US\$0.3 million from capital reduction of associated companies. Cash used in financing activities was for repayments of bank loan, finance lease obligations and interest. Arising from the above, the Group generated a net increase in cash and cash equivalents of US\$7.7 million from US\$4.8 million as at 31 January 2019 to US\$12.5 million as at 31 December 2019.

Discontinued operations and subsidiary classified as held-for-sale

In compliance with SFRS(I) 5 - *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities of TLM Group were classified as Assets of disposal group classified as held-for-sale and Liabilities directly associated with disposal group classified as held-for-sale respectively on the Statement of Financial Position. The financial results of TLM Group were reclassified to "Discontinued Operations" for the current financial year reported on and the prior year financial results were restated to reflect the change in presentation on the Statement of Comprehensive Income. The change in classification and presentation has no effect to the profit or loss after tax and net asset value of the Group. The financial summary for FY2019 and FY2018 from the Discontinued Operations are presented as follows:-

Summarised net profit from discontinued operations

	FY2019	FY2018
	US\$'000	US\$'000
Revenue	38,052	37,189
Cost of sales	(30,385)	(30,312)
Gross Profit	<u>7,667</u>	<u>6,877</u>
Other gains/(losses)	678	(20)
Expenses		
- Administrative	(2,650)	(2,565)
- Finance	-	(694)
Profit before income tax	<u>5,695</u>	<u>3,598</u>
Income tax expense	(462)	(406)
Net profit	<u><u>5,233</u></u>	<u><u>3,192</u></u>

Summarised Balance Sheet of a subsidiary classified as held-for-sale

	FY2019	FY2018
	US\$'000	US\$'000
Current		
Assets	21,818	16,799
Liabilities	(6,661)	(10,592)
Total current net assets	<u>15,157</u>	<u>6,207</u>
Non-current		
Assets	52,022	56,518
Liabilities	(782)	(931)
Total non-current net assets	<u>51,240</u>	<u>55,587</u>
Net assets	<u><u>66,397</u></u>	<u><u>61,794</u></u>

Summarised Cash Flows of a subsidiary classified as held-for-sale

	FY2019	FY2018
	US\$'000	US\$'000
Net cash provided by operating activities	16,755	13,306
Net cash used in investing activities	(7,997)	(3,940)
Net cash used in financing activities	(3,103)	(6,819)
Net cash inflow	<u><u>5,655</u></u>	<u><u>2,547</u></u>

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.

After signing the sale and purchase agreement (“SPA”) on 15 August 2019 to dispose of its entire shareholding in TLM, the Company has on 14 February 2020 entered into a supplemental letter to the SPA to extend the Long-stop Date for a further three months from 14 February 2020 to 13 May 2020.

As TLM owns the existing business and business assets of the Company, the Company will cease to have any operating business upon the completion of the proposed disposal. The Company will be deemed 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. As at the date of this announcement, the disposal exercise is still in progress and the Company will continue to make the necessary announcements through SGXNet during the course of the exercise.

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/recommended, a statement to that effect.

No dividend has been declared/recommended for the financial year under review as the Company does not have profits available 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.

The disposal group was previously presented under the "Freight and time charter" segments of the Group. No geographical segment was presented as the Group generated all its revenue in Indonesia. 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	-	14,869

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.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Bobby Susanto	37	Son of Executive Director, Mr Masdjan	Director of PT PSJ, a subsidiary of the Company, since 2014.	Not Applicable.
Ms Fatmawati	38	Daughter of Executive Director, Mr Masdjan	Commissioner of PT PSJ, a subsidiary of the Company, since 2014.	Not Applicable.

By Order of The Board

**Andreas Tjahjadi
Executive Director**

28 February 2020