SEROJA INVESTMENTS LIMITED
(Company Registration Number: 198300847M)
(Incorporated in the Republic of Singapore)

DISPOSAL OF 50% SHAREHOLDING IN A SUBSIDIARY COMPANY

---

1. INTRODUCTION

Seroja Investments Limited (the "**Company**") wishes to announce that the Company and its wholly-owned subsidiary, Seroja Shipping Services Pte Ltd ("**SSS**"), has entered into a sale and purchase agreement dated 24 July 2014 with Extend Links Limited ("**ELL**") (the "**SPA**") for the sale of 1,302,880 ordinary shares in SSS representing 50% of the issued and paid up shares in SSS (the "**Sale Shares**") to ELL for a consideration of US$2 million (the "**Proposed Disposal**")

2. INFORMATION ON SSS

SSS is a company incorporated in Singapore with an initial issued and paid up capital of S$1 comprising 1 ordinary share. On 7 July 2014, the Company capitalized its loan to SSS amounting to US$2,605,759 through the subscription of 2,605,759 new ordinary shares in SSS.

SSS owns 30% of the issued and paid-up share capital of each of PT Sinar Mentari Prima ("**PT SMP**") and PT Pelayaran Antarbuwana Pertala ("**PT PAP**"), companies incorporated under the laws of the Republic of Indonesia. PT SMP is the registered owner of a floating storage and off-load vessel named "Federal-1" ("**FSO**") which is supplied to Petrochina International Jabung Ltd for operational services for Jabung Field Development in Indonesia. PT PAP has no undertakings.

3. INTERESTED PERSON TRANSACTION

ELL is a company duly established under the laws of the British Virgin Islands, having its registered address at the offices of Sertus Incorporations (BVI) Limited, Sertus Chambers, P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands.

Ms Fatmawati Sim, who is the daughter of Mr Masdjan, the Chief Operating Officer and executive director of the Company, is the beneficial owner of all the shares in ELL. Pursuant to Section 156(8) of the Companies Act and Rule 904(a)(ii) of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"), Mr Masdjan is interested in the Proposed Disposal. The Proposed Disposal is therefore an interested person transaction within the meaning of Chapter 9 of the SGX-ST listing manual. Mr Masdjan has abstained from voting on the Proposed Disposal and from giving any recommendation to the Company in relation to the Proposed Disposal.

Save for the Proposed Disposal, the Company has not entered into any other transaction with Mr Masdjan during the current financial year. The value of the Proposed Disposal amounts to 2.92% of the

latest audited net tangible assets of the Company and its subsidiaries (the "**Group**") as at 31 December 2013.

4. PURCHASE PRICE

The consideration of US$2 million for the Proposed Disposal was negotiated on a willing-buyer willing-seller basis. Offers for the Sale Shares from two other shareholders of PT SMP were lower than that offered by ELL. ELL has fully paid the Purchase Price in cash and the parties to the SPA will be completing the transfer of the Sale Shares within three business days from the date of the SPA.

Based on the latest audited financial statements of SSS for the financial year ended 31 December 2013, the book value and net tangible assets of the Sale Shares is approximately US$1.0 million as at 31 December 2013. The consideration for the Sale Shares of US$2 million represents an excess of the proceeds over the book value.

5. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

The Group intends to reduce its risk on the only operating asset, FSO, owned by SSS through its 30% shareholding in PT SMP. The risks include but are not limited to the following:-

a) uncertainty in renewing time charter contract of FSO when the contract expires in 2016;

b) unfavorable charter rate or terms if time charter contract is renewed; and

c) unexpected breakdown of FSO due to its age of about 32 years old. Additional costs will be incurred to repair as well as to charter new vessel during the off-hire period.

The net proceeds of about US$1.95 million, after deducting costs of about US$50,000, will be utilized partly to repay bank borrowings with the balance for working capital purpose.

6. THE PROPOSED DISPOSAL AS A DISCLOSEABLE TRANSACTION

For illustrative purposes only, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual, are set out below. The calculations are based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2013.

Listing Rule		**Relative Figure**
1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	1.5%(1)
1006 (b)	Net profits(2) attributable to the assets to be disposed of, compared with the group's net profits	n.m. (3)
1006 (c)	Aggregate value of the consideration given, compared with the market capitalization of the Company based on the total number of issued	8.3%(4)

	shares excluding treasury shares	
1006 (d)	Number of equity securities issued as consideration for the acquisition, compared with the number of equity securities previously issued	Not applicable

Notes:

(1) As 31 December 2013, the net asset value of the Sale Shares was approximately US$1.0 million and the net asset value of the Group was approximately US$68.4 million.

(2) Under Rule 1002(3)(b) of the Listing Manual, "net profit" is defined as a profit or loss before income tax, minority interest and extraordinary items.

(3) The computation under Rule 1006(b) of the Listing Manual is not meaningful because the net profit attributable to the Sale Shares as at 31 December 2013 was approximately US$0.3 million but the Group was not profitable in the financial year ended 31 December 2013.

(4) The Company's market capitalisation is based on 390,388,110 of its shares ("Shares") in issue at a volume weighted average price of S$0.077 for each Share as at 23 July 2014, being the last full Market Day preceding the date of the SPA and at the exchange rate of US$1:S$1.24.

The Proposed Disposal is considered a "discloseable transaction" under Rule 1010 of the Listing Manual because the relative figures computed under Rules 1006(a), (b) and (c) of the Listing Manual does exceeds 5% but does not exceed 20%.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal are for illustration purposes and do not reflect the actual future financial position of the Group after the completion of the Proposed Disposal. The financial effects of the Proposed Disposal based on the audited financial statements of the Group for the financial year ended 31 December 2013 are illustrated as follows:

	Before the Proposed Disposal (US cents)	After the Proposed Disposal (US cents)
Effects of the Proposed Disposal on the net tangible assets value per share assuming that the Proposed Disposal was completed on 31 December 2013	10.89	11.13
Effects of the Proposed Disposal on the earnings/(loss) per share assuming that the Proposed Disposal was completed on 31 December 2013	(2.68)	(2.44)

Note:- For purposes of the above computations, the net profit from Proposed Disposal attributable to the Group was US$0.95 million.

Apart from the deemed interest of Mr Masdjan as disclosed in this announcement, none of the directors or controlling shareholders of SIL has any interest, direct or indirect, in the transaction, save for their interests (if any) in the share capital of the Company.

A copy of the sale and purchase agreement is available for inspection during normal business hours at the Company's registered office at 96 Robinson Road, SIF Building #15-01/02, Singapore 068899, for 3 months from the date of this announcement.

By order of the Board

Husni Heron
Executive Director & CEO
24 July 2014