

**SEROJA INVESTMENTS LIMITED**

(Company Registration Number: 198300847M)

**Unaudited First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 March 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                                       |   | Increase/<br>(Decrease)<br>% |
|---|---|---|------------------------------|
|   | 3 months<br>ended<br>31/03/2019<br>US\$'000 | 3 months<br>ended<br>31/12/2018<br>US\$'000 |                              |
| <b>Revenue</b>  | 8,766                                       | 8,264                                       | 6.1                          |
| Cost of services  | (7,915)                                     | (7,429)                                     | 6.5                          |
| Gross profit  | 851   | 835   | 1.9                          |
| Other gains/(losses)  | 207   | (89)  | n.m.                         |
| Expenses  |   |   |                              |
| - Administrative  | (798)                                       | (841)                                       | (5.1)                        |
| - Finance   | (90)  | (153)                                       | (41.2)                       |
| Share of results of associated companies                                  | (9)   | -   | n.m.                         |
| Profit/(Loss) before income tax   | 161   | (248)                                       | n.m.                         |
| Income tax expense  | (95)  | (89)  | 6.7                          |
| <b>Net profit/(loss)</b>  | <b>66</b>                                   | <b>(337)</b>                                | <b>n.m.</b>                  |
| Other comprehensive income/(loss):  |   |   |                              |
| <i>Items that may be reclassified subsequently to profit or loss:</i>     |   |   |                              |
| Currency translation arising from consolidation - gain/(loss)             | 18  | (15)  | n.m.                         |
| <i>Items that may not be reclassified subsequently to profit or loss:</i> |   |   |                              |
| Currency translation arising from consolidation - gain/(loss)             | 19  | (17)  | n.m.                         |
| Other comprehensive income/(loss)   | 37  | (32)  | n.m.                         |
| <b>Total comprehensive income/(loss) for the period</b>                   | <b>103</b>                                  | <b>(369)</b>                                | <b>n.m.</b>                  |
| <b>Net profit/(loss) attributable to:</b>                                 |   |   |                              |
| Equity holders of the Company   | (60)  | (272)                                       | (77.9)                       |
| Non-controlling interests   | 126   | (65)  | n.m.                         |
|   | <b>66</b>                                   | <b>(337)</b>                                | <b>n.m.</b>                  |
| <b>Total comprehensive income/(loss) attributable to:</b>                 |   |   |                              |
| Equity holders of the Company   | (42)  | (287)                                       | (85.4)                       |
| Non-controlling interests   | 145   | (82)  | n.m.                         |
|   | <b>103</b>                                  | <b>(369)</b>                                | <b>n.m.</b>                  |

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

|   | <b>Group</b>  |   |                                       |
|---|---|---|---------------------------------------|
|   | <b>3 months<br/>ended<br/>31/03/2019<br/>US\$'000</b> | <b>3 months<br/>ended<br/>31/12/2018<br/>US\$'000</b> | <b>Increase/<br/>(Decrease)<br/>%</b> |
| Profit/(Loss) before income tax is arrived at after charging/(crediting): |   |   |                                       |
| Depreciation of property, plant and equipment                             | 3,315   | 2,894   | 14.5                                  |
| (Gain)/loss on foreign exchange   | (165)   | 98  | n.m.                                  |
| Interest expense  | 90  | 153   | (41.2)                                |
| Interest income   | (41)  | (9)   | 355.6                                 |

**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                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 31/03/2019<br>US\$'000 | 31/12/2018<br>US\$'000 | 31/03/2019<br>US\$'000 | 31/12/2018<br>US\$'000 |
| <b>ASSETS</b>  |                        |                        |                        |                        |
| <b>Current assets</b>  |                        |                        |                        |                        |
| Cash and bank balances   | 4,847                  | 5,024                  | 549                    | 742                    |
| Financial assets, at fair value through profit or loss                   | 75                     | 75                     | 75                     | 75                     |
| Trade and other receivables  | 8,945                  | 9,377                  | -                      | 1                      |
| Inventories  | 2,847                  | 2,891                  | -                      | -                      |
| Other current assets   | 385                    | 296                    | 60                     | 45                     |
|  | <u>17,099</u>          | <u>17,663</u>          | <u>684</u>             | <u>863</u>             |
| <b>Non-current assets</b>  |                        |                        |                        |                        |
| Investments in subsidiary corporations                                   | -                      | -                      | 29,214                 | 29,213                 |
| Investments in associated companies                                      | 306                    | 315                    | -                      | -                      |
| Property, plant and equipment  | 54,598                 | 56,518                 | -                      | 1                      |
|  | <u>54,904</u>          | <u>56,833</u>          | <u>29,214</u>          | <u>29,214</u>          |
| <b>Total assets</b>  | <u>72,003</u>          | <u>74,496</u>          | <u>29,898</u>          | <u>30,077</u>          |
| <b>LIABILITIES</b>   |                        |                        |                        |                        |
| <b>Current liabilities</b>   |                        |                        |                        |                        |
| Trade and other payables   | 2,829                  | 3,008                  | 190                    | 193                    |
| Finance lease liabilities  | 480                    | 564                    | -                      | -                      |
| Borrowings   | 3,443                  | 5,690                  | -                      | -                      |
|  | <u>6,752</u>           | <u>9,262</u>           | <u>190</u>             | <u>193</u>             |
| <b>Non-current liabilities</b>   |                        |                        |                        |                        |
| Finance lease liabilities  | 17                     | 68                     | -                      | -                      |
| Deferred income tax liabilities  | 118                    | 129                    | -                      | -                      |
| Post employment benefits   | 710                    | 734                    | -                      | -                      |
|  | <u>845</u>             | <u>931</u>             | <u>-</u>               | <u>-</u>               |
| <b>Total liabilities</b>   | <u>7,597</u>           | <u>10,193</u>          | <u>190</u>             | <u>193</u>             |
| <b>NET ASSETS</b>  | <u>64,406</u>          | <u>64,303</u>          | <u>29,708</u>          | <u>29,884</u>          |
| <b>EQUITY</b>  |                        |                        |                        |                        |
| <b>Capital and reserve attributable to equity holders of the Company</b> |                        |                        |                        |                        |
| Share capital  | 31,801                 | 31,801                 | 56,951                 | 56,951                 |
| Currency translation reserves  | (558)                  | (576)                  | -                      | -                      |
| Other reserves   | (305)                  | (305)                  | -                      | -                      |
| Accumulated losses   | (2,618)                | (2,558)                | (27,243)               | (27,067)               |
|  | <u>28,320</u>          | <u>28,362</u>          | <u>29,708</u>          | <u>29,884</u>          |
| Non-controlling interests  | 36,086                 | 35,941                 | -                      | -                      |
|  | <u>64,406</u>          | <u>64,303</u>          | <u>29,708</u>          | <u>29,884</u>          |

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

|   | <b>Group</b>                        |                                      |
|---|-------------------------------------|--------------------------------------|
|   | <b>31/3/2019</b><br><b>US\$'000</b> | <b>31/12/2018</b><br><b>US\$'000</b> |
| <b><u>Amount repayable in one year or less, or on demand:</u></b> |                                     |                                      |
| <b>Secured</b>  | 3,923                               | 6,254                                |
| <b>Unsecured</b>  | -                                   | -                                    |
|   | 3,923                               | 6,254                                |
| <b><u>Amount repayable after one year:</u></b>                    |                                     |                                      |
| <b>Secured</b>  | 17                                  | 68                                   |
| <b>Unsecured</b>  | -                                   | -                                    |
|   | 17                                  | 68                                   |
| <b>Total borrowings</b>   | 3,940                               | 6,322                                |
|   |                                     |                                      |

**Details of any collateral**

Borrowings 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 certain directors of related parties.

**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.**

|   | <b>Group</b>                  |                 |
|---|-------------------------------|-----------------|
|   | <b>For the 3 months ended</b> |                 |
|   | <b>31 March</b>               |                 |
|   | <b>2019</b>                   | <b>2018</b>     |
|   | <b>US\$'000</b>               | <b>US\$'000</b> |
| <b>Cash Flows from Operating Activities</b>                 |                               |                 |
| Profit/(Loss) before income tax                             | 161                           | (248)           |
| Adjustments for:  |                               |                 |
| Depreciation of property, plant and equipment               | 3,315                         | 2,894           |
| Interest expense  | 90                            | 153             |
| Interest income   | (41)                          | (9)             |
| Share of results of associated companies                    | 9                             | -               |
| Unrealised currency translation gain                        | (332)                         | (20)            |
| Operating profit before working capital changes             | <u>3,202</u>                  | <u>2,770</u>    |
| Changes in working capital:                                 |                               |                 |
| Inventories   | 44                            | (603)           |
| Trade and other receivables                                 | 432                           | 437             |
| Other current assets  | (90)                          | (266)           |
| Trade and other payables                                    | (154)                         | 165             |
| Post employment benefits                                    | (23)                          | (11)            |
| <b>Cash generated from operating activities</b>             | <u>3,411</u>                  | <u>2,492</u>    |
| Income tax paid   | (106)                         | (100)           |
| Interest received   | 41                            | 9               |
| <b>Net cash provided by operating activities</b>            | <u>3,346</u>                  | <u>2,401</u>    |
| <b>Cash Flows from Investing Activities</b>                 |                               |                 |
| Purchase of property, plant and equipment                   | (1,025)                       | (1,006)         |
| <b>Net cash used in investing activities</b>                | <u>(1,025)</u>                | <u>(1,006)</u>  |
| <b>Cash Flows from Financing Activities</b>                 |                               |                 |
| Repayment of borrowings                                     | (2,250)                       | (1,562)         |
| Repayment of finance lease                                  | (135)                         | (120)           |
| Restricted cash   | 219                           | 25              |
| Interest paid   | (113)                         | (148)           |
| <b>Net cash used in financing activities</b>                | <u>(2,279)</u>                | <u>(1,805)</u>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | 42                            | (410)           |
| <b>Cash and cash equivalents</b>                            |                               |                 |
| <b>At the beginning of the financial period</b>             | <u>4,774</u>                  | <u>3,102</u>    |
| <b>At the end of the financial period</b>                   | <u>4,816</u>                  | <u>2,692</u>    |
| <b>Represented by:</b>                                      |                               |                 |
| Restricted cash   | 31                            | 515             |
| Short-term bank deposits                                    | 3,204                         | 1,326           |
| Cash and bank balances                                      | 1,612                         | 1,366           |
|   | <u>4,847</u>                  | <u>3,207</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<br>capital<br>US\$'000 | Translation<br>reserve<br>US\$'000 | Other<br>reserve<br>US\$'000 | Accumulated<br>losses<br>US\$'000 | Non-controlling<br>interests<br>US\$'000 | Total<br>US\$'000 |
|--|------------------------------|------------------------------------|------------------------------|-----------------------------------|--|-------------------|
| <b>Balance as at 1 January 2018</b>          | 31,801                       | (509)                              | (305)                        | (3,364)                           | 34,318                                   | 61,941            |
| Net loss for the period                      | -                            | -                                  | -                            | (272)                             | (65)                                     | (337)             |
| Other comprehensive loss for<br>the period   | -                            | (15)                               | -                            | -                                 | (17)                                     | (32)              |
| <b>Balance as at 31 March 2018</b>           | <b>31,801</b>                | <b>(524)</b>                       | <b>(305)</b>                 | <b>(3,636)</b>                    | <b>34,236</b>                            | <b>61,572</b>     |
| <b>Balance as at 1 January 2019</b>          | 31,801                       | (576)                              | (305)                        | (2,558)                           | 35,941                                   | 64,303            |
| Net (loss)/profit for the period             | -                            | -                                  | -                            | (60)                              | 126                                      | 66                |
| Other comprehensive income for<br>the period | -                            | 18                                 | -                            | -                                 | 19                                       | 37                |
| <b>Balance as at 31 March 2019</b>           | <b>31,801</b>                | <b>(558)</b>                       | <b>(305)</b>                 | <b>(2,618)</b>                    | <b>36,086</b>                            | <b>64,406</b>     |

**Company**

|   | <b>Share<br/>capital<br/>US\$'000</b> | <b>Accumulated<br/>losses<br/>US\$'000</b> | <b>Total<br/>US\$'000</b> |
|---|---------------------------------------|--|---------------------------|
| <b>Balance as at 1 January 2018</b>     | 56,951                                | (26,306)                                   | 30,645                    |
| Total comprehensive loss for the period | -                                     | (210)                                      | (210)                     |
| <b>Balance as at 31 March 2018</b>      | <u>56,951</u>                         | <u>(26,516)</u>                            | <u>30,435</u>             |
| <b>Balance as at 1 January 2019</b>     | 56,951                                | (27,067)                                   | 29,884                    |
| Total comprehensive loss for the period | -                                     | (176)                                      | (176)                     |
| <b>Balance as at 31 March 2019</b>      | <u>56,951</u>                         | <u>(27,243)</u>                            | <u>29,708</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 March 2019. The Company does not have any outstanding convertible securities, treasury shares and subsidiary holdings as at 31 March 2019 and 31 March 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 March 2019 is 390,388,110. (31 March 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the three months ended 31 March 2019 as compared with those audited consolidated financial statements for the financial year ended 31 December 2018 except for the adoption of Singapore Financial Reporting Standard (International) ("SFRS (I)") 16 Leases which is effective for the annual financial period beginning on or after 1 January 2019. The adoption of SFRS (I) 16 has no significant impact on the Group's financial statements.

**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. Loss 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.**

|                                | <b>Group</b>  |   |
|--------------------------------|---|---|
|                                | <b>3 months<br/>ended<br/>31/03/2019<br/>US cents</b> | <b>3 months<br/>ended<br/>31/03/2018<br/>US cents</b> |
| <b>(a) Basic</b>               | (0.02)  | (0.07)  |
| <b>(b) Fully diluted basis</b> | (0.02)  | (0.07)  |

Note 1:

The loss per ordinary share of the Group for the financial period ended 31 March 2019 has been computed based on 390,388,110 ordinary shares. (31 March 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.**

|   | <b>Group</b>    |                 | <b>Company</b>  |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | <b>31/03/19</b> | <b>31/12/18</b> | <b>31/03/19</b> | <b>31/12/18</b> |
| Net asset value per ordinary share based on issued share capital as at the end of the period (US cents) | 7.25            | 7.27            | 7.61            | 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 March 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

The Group's revenue breakdown for FY2019Q1 and FY2018Q1 are summarised in the table below:-

|                 | FY2019Q1 |       | FY2018Q1 |       |
|-----------------|----------|-------|----------|-------|
|                 | US\$'000 | %     | US\$'000 | %     |
| Freight charter | 8,612    | 98.2  | 8,264    | 100.0 |
| Time charter    | 154      | 1.8   | -        | -     |
| Total revenue   | 8,766    | 100.0 | 8,264    | 100.0 |

#### Revenue

Revenue increased by 6.1% or US\$0.5 million from US\$8.3 million in FY2018Q1 to US\$8.8 million in FY2019Q1 due to higher freight charter revenue and time charter revenue for the period under review. Freight charter revenue increased by US\$0.3 million from US\$8.3 million in FY2018Q1 to US\$8.6 million in FY2019Q1 due mainly to higher cargo volume delivered for the period under review. There was time charter revenue for FY2019Q1 of US\$0.2 million compared to nil for FY2018Q1 as the customer commenced the time charter only in third quarter of FY2018.

#### Gross profit

Gross profit remains relatively unchanged at US\$0.8 million for current period under review as compared to previous corresponding quarter. Gross profit margin decreased marginally by 0.4% from 10.1% in FY2018Q1 to 9.7% in FY2019Q1 due mainly to higher fuel costs and depreciation expenses.

#### Other gains/(losses)

Other gains for FY2019Q1 is mainly from exchange gains and interest income as compared to other losses in FY2018Q1 mainly from exchange losses from foreign currency fluctuations.

#### Expenses

No significant variance for administrative expenses for the current period under review compared to previous corresponding quarter. The decrease in finance cost by 41.2% or US\$63k from US\$153k in FY2018Q1 to US\$90k in FY2019Q1 was mainly due to decrease in bank borrowings.

#### Net loss/Total comprehensive loss

Arising from the above, net loss attributable to equity holders of the Company decreased by 77.9% or US\$212k from loss of US\$272k in FY2018Q1 to loss of US\$60k in FY2019Q1 and total comprehensive loss attributable to equity holders of the Company decreased by 85.4% or US\$245k from loss of US\$287k in FY2018Q1 to loss of US\$42k in FY2019Q1

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

Trade and other receivables decreased by US\$0.5 million from US\$9.4 million as at 31 December 2018 to US\$8.9 million as at 31 March 2019 due to prompt collection from its major customers. Inventories was relatively unchanged due to no significant change in business activity level. Other current assets increased by US\$0.1 million was mainly due to higher prepaid insurance expense for our vessel fleet in Indonesia.

The decrease in property, plant and equipment of US\$1.9 million from US\$56.5 million as at 31 December 2018 to US\$54.6 million as at 31 March 2019 was mainly due to depreciation charges during the period under review which was partly offset by drydocking costs capitalized.

The decrease in trade and other payables by US\$0.2 million from US\$3.0 million as at 31 December 2018 to US\$2.8 million as at 31 March 2019 was due to portion of prompt collection from customers was utilised to make payments to vendors which offer lower pricing for shipping supplies with shorter payment terms. Total borrowings (current and non-current) decreased by US\$2.4 million from US\$6.3 million as at 31 December 2018 to US\$3.9 million as at 31 March 2019 due to instalment repayments of bank loans and finance lease obligations during the period under review.

Net cash provided by operating activities amounted to US\$3.35 million which was partly offset by net cash used in investing activities and financing activities of US\$1.03 million and US\$2.28 million respectively. Cash used in investing activities was for drydocking expenditures incurred for the vessel fleet in Indonesia. 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\$0.04 million from US\$4.77 million as at 31 December 2018 to US\$4.81 million as at 31 March 2019.

### **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.**

Our fleet of vessels continued to maintain high utilisation rate despite the competition from other shippers in Indonesia. The support from major customers will be key to increasing cargo volume to be shipped. The Group will also need to manage its customers well to achieve better freight rate when renewing freight or time charter contracts.

## 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 during the period under review as the Company does not have profits available to declare dividends.

## 13. Interested Person Transactions

| <b>Name of Interested Persons</b>       | <b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b> | <b>Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate (excluding transactions less than S\$100,000) pursuant to Rule 920</b> |
|---|---|--|
|   | US\$ '000   | US\$ '000  |
| Revenue from PT. Maritim Barito Perkasa | -   | 3,713  |

## 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 First Quarter Results of the Group for the financial period ended 31 March 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Andreas Tjahjadi  
Director

Masdjan  
Director

**By Order of The Board**

**Andreas Tjahjadi  
Director  
14 May 2019**