

**SEROJA INVESTMENTS LIMITED**

(Company Registration Number: 198300847M)

**Unaudited Half Year Financial Statement and Dividend Announcement for the Period Ended 30 June 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		
	6 months ended 30/6/2020 US\$'000	6 months ended 30/6/2019 US\$'000 (Restated)	Increase/ (Decrease) %
<b>Continuing operations</b>			
Other losses - net	(4)	(51)	(92.2)
Administrative expenses	(365)	(383)	(4.7)
Share of results of associated companies	-	(9)	(100.0)
Loss before income tax	(369)	(443)	(16.7)
Income tax expense	-	-	
<b>Loss from continuing operations</b>	(369)	(443)	(16.7)
<b>Discontinued operations</b>			
(Loss)/Profit from discontinued operations	(351)	934	n.m.
Total net (loss)/profit	(720)	491	n.m.
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation arising from consolidation - (loss)/gain	(97)	26	n.m.
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Currency translation arising from consolidation - (loss)/gain	(105)	27	n.m.
<b>Other comprehensive (loss)/income</b>	(202)	53	n.m.
<b>Total comprehensive (loss)/income for the year</b>	(922)	544	n.m.
<b>Net (loss)/profit attributable to:</b>			
Equity holders of the Company	(538)	18	n.m.
Non-controlling interests	(182)	473	n.m.
	(720)	491	n.m.
<b>Net (loss)/profit attributable to equity holders of the Company related to:</b>			
Loss from continuing operations	(369)	(430)	(14.2)
(Loss)/profit from discontinued operations	(169)	448	n.m.
	(538)	18	n.m.
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company	(635)	44	n.m.
Non-controlling interests	(287)	500	n.m.
	(922)	544	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		
	6 months ended 30/6/2020 US\$'000	6 months ended 30/6/2019 US\$'000 (Restated)	Increase/ (Decrease) %
(Loss)/Profit before income tax is arrived at after charging/(crediting):			
<b><u>Continued operations</u></b>			
Depreciation of property, plant and equipment	-	1	(100.0)
Fair value loss on financial assets, at fair value through profit or loss	14	41	(65.9)
Loss on foreign exchange	-	14	(100.0)
Interest income	(10)	(4)	150.0
<b><u>Discontinued operations</u></b>			
Depreciation of property, plant and equipment	6,720	6,640	1.2
Loss/(Gain) on foreign exchange	134	(213)	n.m.
Gain on disposal of property, plant and equipment		(3)	(100.0)
Interest expense	33	134	(75.4)
Interest income	(107)	(50)	114.0

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	
	30/6/2020 US\$'000	31/12/2019 US\$'000	30/6/2020 US\$'000	31/12/2019 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	3,926	2,798	3,926	2,798
Financial assets, at fair value through profit or loss	20	34	20	34
Trade and other receivables	-	-	-	-
Non-current asset classified as held-for- sale	-	-	-	-
Inventories	-	-	-	-
Other current assets	33	47	33	47
	<u>3,979</u>	<u>2,879</u>	<u>3,979</u>	<u>2,879</u>
Assets of disposal group classified as held-for-sale	69,452	73,840	-	-
Non-current asset classified as held-for-sale	-	-	26,839	28,337
	<u>73,431</u>	<u>76,719</u>	<u>30,818</u>	<u>31,216</u>
<b>Non-current assets</b>				
Investments in subsidiary corporations	-	-	34	34
	<u>-</u>	<u>-</u>	<u>34</u>	<u>34</u>
<b>Total assets</b>	<u>73,431</u>	<u>76,719</u>	<u>30,852</u>	<u>31,250</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	2,429	2,458	2,189	2,218
	<u>2,429</u>	<u>2,458</u>	<u>2,189</u>	<u>2,218</u>
Liabilities directly associated with disposal group classified as held-for-sale	3,608	5,945	-	-
<b>Total liabilities</b>	<u>6,037</u>	<u>8,403</u>	<u>2,189</u>	<u>2,218</u>
<b>Net Assets</b>	<u>67,394</u>	<u>68,316</u>	<u>28,663</u>	<u>29,032</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	(565)	(468)	-	-
Other reserve	(305)	(305)	-	-
Accumulated losses	(1,184)	(646)	(28,288)	(27,919)
	<u>29,747</u>	<u>30,382</u>	<u>28,663</u>	<u>29,032</u>
Non-controlling interests	37,647	37,934	-	-
<b>Total equity</b>	<u>67,394</u>	<u>68,316</u>	<u>28,663</u>	<u>29,032</u>

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

	Group	
	30/6/2020 US\$'000	31/12/2019 US\$'000
<b><u>Discontinued operations</u></b>		
<b><u>Amount repayable in one year or less, or on demand:</u></b>		
Secured	23	3,023
Unsecured	-	-
	23	3,023
<b><u>Amount repayable after one year:</u></b>		
Secured	8	22
Unsecured	-	-
	8	22
<b>Total borrowings</b>	<b>31</b>	<b>3,045</b>

**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.**

	<b>Group</b>	
	<b>For the 6 months ended</b>	
	<b>30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Net profit	(720)	491
Adjustments for:		
Income tax expense	151	200
Depreciation of property, plant and equipment	6,720	6,641
Gain on disposal of property, plant and equipment	-	(3)
Interest expense	33	134
Interest income	(117)	(54)
Share of results of associated companies	-	9
Unrealised currency translation (gain)/loss	(574)	26
Operating profit before working capital changes	<u>5,493</u>	<u>7,444</u>
Changes in working capital:		
Inventories	(904)	558
Financial assets, at fair value through profit or loss	14	41
Trade and other receivables	2,049	(78)
Other current assets	(760)	(842)
Trade and other payables	702	1,736
Post employment benefits	-	(56)
<b>Cash generated from operating activities</b>	<u>6,594</u>	<u>8,803</u>
Income tax paid	(173)	(222)
Interest received	117	54
<b>Net cash provided by operating activities</b>	<u>6,538</u>	<u>8,635</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(3,142)	(4,095)
Proceeds from disposal of property, plant and equipment	-	3
<b>Net cash used in investing activities</b>	<u>(3,142)</u>	<u>(4,092)</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of borrowings	(3,000)	(3,500)
Repayment of finance lease	(11)	(274)
Restricted cash	-	247
Interest paid	(83)	(180)
<b>Net cash used in financing activities</b>	<u>(3,094)</u>	<u>(3,707)</u>
<b>Net increase in cash and cash equivalents</b>	302	836
<b>Cash and cash equivalents at the beginning of the financial period</b>	<u>12,450</u>	<u>4,774</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u>12,752</u>	<u>5,610</u>
<b>Represented by:</b>		
Short-term bank deposits	1,657	129
Cash and bank balances	2,269	176
	<u>3,926</u>	<u>305</u>
Cash and bank balances reclassified to disposal group	8,826	5,305
	<u>12,752</u>	<u>5,610</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
<b>Balance as at 1 January 2019</b>	31,801	(576)	(305)	(2,558)	35,941	64,303
Net profit for the year	-	-	-	18	473	491
Other comprehensive income for the year	-	26	-	-	27	53
<b>Balance as at 30 June 2019</b>	<b>31,801</b>	<b>(550)</b>	<b>(305)</b>	<b>(2,540)</b>	<b>36,441</b>	<b>64,847</b>
<b>Balance as at 1 January 2020</b>	31,801	(468)	(305)	(646)	37,934	68,316
Net loss for the year	-	-	-	(538)	(182)	(720)
Other comprehensive loss for the year	-	(97)	-	-	(105)	(202)
<b>Balance as at 30 June 2020</b>	<b>31,801</b>	<b>(565)</b>	<b>(305)</b>	<b>(1,184)</b>	<b>37,647</b>	<b>67,394</b>

**Company**

	<b>Share capital US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total US\$'000</b>
<b>Balance as at 1 January 2019</b>	56,951	(27,067)	29,884
Total comprehensive loss for the year	-	(416)	(416)
<b>Balance as at 30 June 2019</b>	<u>56,951</u>	<u>(27,483)</u>	<u>29,468</u>
<b>Balance as at 1 January 2020</b>	56,951	(27,919)	29,032
Total comprehensive loss for the year	-	(369)	(369)
<b>Balance as at 30 June 2020</b>	<u>56,951</u>	<u>(28,288)</u>	<u>28,663</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 6 months ended 30 June 2020.

The Company does not have any outstanding convertible securities, treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 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 30 June 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 six months ended 30 June 2020 as compared with those audited consolidated financial statements for the financial year ended 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. (Loss)/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 6 months ended 30/6/2020 US cents	Discontinued operations 6 months ended 30/6/2020 US cents	Total 6 months ended 30/6/2020 US cents	Continuing operations 6 months ended 30/6/2019 US cents	Discontinued operations 6 months ended 30/6/2019 US cents	Total 6 months ended 30/6/2019 US cents
<b>(a) Basic</b>	(0.10)	(0.04)	(0.14)	(0.11)	0.11	0.00
<b>(b) Fully diluted basis</b>	(0.10)	(0.04)	(0.14)	(0.11)	0.11	0.00

Note 1:

The (loss)/profit per ordinary share of the Group for the financial period ended 30 June 2020 has been computed based on 390,388,110 ordinary shares. (30 June 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	
	30/06/20	31/12/19	30/06/20	31/12/19
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	7.62	7.78	7.34	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 30 June 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**

### **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 period are restated to reflect the reclassification.

Loss from continuing operations decreased by US\$74k from US\$443k in FY2019H1 to US\$369k in FY2020H1 due mainly to lower other losses and no share of losses from associated companies in FY2020H1. Other losses decreased from US\$51k in FY2019H1 to US\$4k in FY2020H1 due to lower fair value loss on a listed equity investment, no exchange loss as well as higher interest income from fixed deposit placed with a local bank in FY2020H1. There is no share of losses from associated companies in FY2020H1 as the investment in associated companies amounting to US\$26k was fully impaired as at end of financial year ended 31 December 2019.

### **Discontinued operations**

Loss from discontinued operations was US\$0.4 million in FY2020H1 as compared to profit of US\$0.9 million in FY2019H1 was mainly due to decrease in gross profit of US\$1.2 million from US\$2.2 million in FY2019H1 to US\$1.0 million in FY2019H1. The decrease in gross profit was due to lower revenue from decrease in quantity shipped to major customers as well as lower average freight rate which is partly offset by lower operating costs from the decline in business volume.

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 (loss)/profit**

Arising from the above, net loss attributable to equity holders of the Company was US\$0.5 million in FY2020H1 as compared to net profit attributable to equity holders of the Company of US\$18k in FY2019H1.

### **Total comprehensive (loss)/income**

Other comprehensive loss for FY2020H1 was US\$0.2 million as compared to other comprehensive income for FY2019H1 of US\$53k due to currency translation arising from consolidation of foreign subsidiaries under discontinued operations. Accordingly, total comprehensive loss attributable to equity holders of the Company was US\$0.6 million in FY2020H1 as compared to total comprehensive income attributable to equity holders of the Company of US\$44k in FY2019H1.

## Review of the Group's Financial Position as at 30 June 2020 as compared to the Group's Financial Position as at 31 December 2019

The Group's total assets comprised mainly assets of disposal group classified as held-for-sale and cash and bank balances held by the Company. Assets of disposal group classified as held-for-sale decreased from US\$73.8 million as at 31 December 2019 to US\$69.5 million as at 30 June 2020 due to decrease in property, plant and equipment of US\$3.2 million and decrease in trade receivables of US\$2.0 million which is partly offset by increase in inventories of US\$0.9 million. Cash and bank balances held by the Company increased from US\$2.8 million as at 31 December 2019 to US\$3.9 million as at 30 June 2020 due to loan repayment by a subsidiary corporation of approximately US\$1.5 million which is partly offset by payment for expenses incurred by the Company amounting to approximately US\$0.4 million for the period under review.

The Group's total liabilities comprised mainly liabilities directly associated with disposal group classified as held-for-sale and trade and other payables of the Company. Liabilities directly associated with disposal group classified as held-for-sale decreased from US\$5.9 million as at 31 December 2019 to US\$3.6 million as at 30 June 2020 due to decrease in bank borrowings of US\$3.0 million which is partly offset by increase in trade and other payables of US\$0.7 million. There is no material movement for trade and other payables of the Company.

Net cash provided by operating activities amounted to US\$6.5 million which was partly offset by net cash used in investing activities and financing activities of US\$3.1 million each in both activities. Cash used in investing activities was for barges under construction in progress and 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\$0.3 million from US\$12.5 million as at 31 December 2019 to US\$12.8 million as at 30 June 2020.

### 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 period reported on and the prior period 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 FY2020H1 and FY2019H1 from the Discontinued Operations are presented as follows:-

#### Summarised net profit from discontinued operations

	FY2020H1	FY2019H1
	US\$'000	US\$'000
Revenue	14,315	18,402
Cost of sales	(13,279)	(16,161)
Gross Profit	<u>1,036</u>	<u>2,241</u>
Other gains/(losses)	(26)	265
Expenses		
- Administrative	(1,177)	(1,238)
- Finance	(33)	(134)
Profit before income tax	<u>(200)</u>	<u>1,134</u>
Income tax expense	(151)	(200)
<b>Net (loss)/profit</b>	<u><u>(351)</u></u>	<u><u>934</u></u>

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

	<b>30/6/2020</b>	<b>31/12/2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Current</b>		
Assets	20,621	21,818
Liabilities	(2,845)	(6,661)
Total current net assets	<u>17,776</u>	<u>15,157</u>
<b>Non-current</b>		
Assets	48,831	52,022
Liabilities	(763)	(782)
Total non-current net assets	<u>48,068</u>	<u>51,240</u>
<b>Net assets</b>	<u><u>65,844</u></u>	<u><u>66,397</u></u>

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

	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Net cash provided by operating activities	5,410	8,823
Net cash used in investing activities	(3,142)	(4,092)
Net cash used in financing activities	(3,094)	(3,707)
<b>Net cashflow</b>	<u><u>(826)</u></u>	<u><u>1,024</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 subsequently entered into a supplemental deed to amend, modify and supplement the SPA in respect of the Proposed Disposal as announced through SGXNet on 3 July 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 to update shareholders on the Proposed Disposal.

## 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	-	5,988

## 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 Half Year Results of the Group for the financial period ended 30 June 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Andreas Tjahjadi  
Director

Masdjani  
Director

**By Order of The Board**

**Andreas Tjahjadi  
Director  
12 August 2020**