

 Print this page

Third Quarter Results * Financial Statement And Related Announcement
 * Asterisks denote mandatory information

>> Explanatory Notes
 Please use this template to announce quarterly/half year/full year financial results. The template should also be used for related announcements such as notification of results release, profit guidance, emphasis of matter/qualified opinions/disclaimer of opinions by external auditors etc.

Name of Announcer *	SEROJA INVESTMENTS LIMITED
Company Registration No.	198300847M
Announcement submitted on behalf of	SEROJA INVESTMENTS LIMITED
Announcement is submitted with respect to *	SEROJA INVESTMENTS LIMITED
Announcement is submitted by *	HUSNI HERON
Designation *	CEO
Date & Time of Broadcast	
Announcement No.	

The Price Sensitivity and Contact Number information will not be published.

Price Sensitivity *	Yes
Contact Number *	6538 3177

>> Announcement Details
 The details of the announcement start here ...

For the Financial Period Ended *	30-09-2012
----------------------------------	------------

Description	PLEASE REFER TO THE ATTACHED.
-------------	-------------------------------

Attachments:

 SerojaFY2012Q3Ann08Nov2012.pdf
 Total size = **139K**
 (2048K size limit recommended)

To: Ng Chong & Hue LLC
 Approved for submission to SGX

 Name:
 Designation:
 Date:

Close Window

SEROJA INVESTMENTS LIMITED

(Company Registration Number: 198300847M)

Unaudited Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2012
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			Group		
	3 months ended 30/09/2012 US\$'000	3 months ended 30/09/2011 US\$'000	Increase/ (Decrease) %	9 months ended 30/09/2012 US\$'000	9 months ended 30/09/2011 US\$'000	Increase/ (Decrease) %
Revenue	20,481	13,618	50.4	53,938	37,248	44.8
Cost of services	(17,137)	(10,783)	58.9	(43,676)	(27,889)	56.6
Gross profit	3,344	2,835	18.0	10,262	9,359	9.6
Other (losses)/gains	21	100	(79.0)	(82)	140	n.m.
Expenses						
- Administrative	(844)	(998)	(15.4)	(3,020)	(2,978)	1.4
- Finance	(1,045)	(674)	55.0	(2,953)	(3,642)	(18.9)
Share of results of associates	211	150	40.7	647	535	20.9
Profit before income tax	1,687	1,413	19.4	4,854	3,414	42.2
Income tax expense	(177)	(139)	27.3	(503)	(369)	36.3
Net profit	1,510	1,274	18.5	4,351	3,045	42.9
Attributable to:						
Equity holders of the Company	571	693	(17.6)	2,387	2,365	0.9
Non-controlling interests	939	581	61.6	1,964	680	188.8
	1,510	1,274	18.5	4,351	3,045	42.9
Other comprehensive income						
Net profit	1,510	1,274	18.5	4,351	3,045	42.9
Currency translation gain	-	-		-	3	(100.0)
Total comprehensive income for the period	1,510	1,274	18.5	4,351	3,048	42.7
Attributable to:						
Equity holders of the Company	571	693	(17.6)	2,387	2,368	0.8
Non-controlling interests	939	581	61.6	1,964	680	188.8
	1,510	1,274	18.5	4,351	3,048	42.7

n.m. – not meaningful

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

	Group			Group		
	3 months ended 30/09/2012 US\$'000	3 months ended 30/09/2011 US\$'000	Increase/ (Decrease) %	9 months ended 30/09/2012 US\$'000	9 months ended 30/09/2011 US\$'000	Increase/ (Decrease) %
Profit before income tax is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment,	2,929	2,503	17.0	8,976	7,713	16.4
Loss/(gain) on foreign exchange	(15)	(122)	(87.7)	96	(98)	n.m.
Interest expense	1,045	674	55.0	2,953	3,642	(18.9)
Interest income	(5)	(10)	(50.0)	(14)	(15)	(6.7)

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	
	30/09/2012 US\$'000	31/12/2011 US\$'000	30/09/2012 US\$'000	31/12/2011 US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	12,634	13,090	3,611	7,973
Trade and other receivables	14,642	10,661	26,629	23,172
Inventories	1,203	1,140	-	-
Other current assets	899	1,070	53	77
	<u>29,378</u>	<u>25,961</u>	<u>30,293</u>	<u>31,222</u>
Non-current assets				
Investments in subsidiaries	-	-	22,138	22,138
Investments in associates	3,457	2,770	-	-
Property, plant and equipment	143,350	143,482	239	285
	<u>146,807</u>	<u>146,252</u>	<u>22,377</u>	<u>22,423</u>
Total assets	<u>176,185</u>	<u>172,213</u>	<u>52,670</u>	<u>53,645</u>
LIABILITIES				
Current liabilities				
Trade and other payables	12,662	4,954	355	303
Finance Lease	2,863	2,940	-	-
Borrowings	15,433	12,200	-	-
	<u>30,958</u>	<u>20,094</u>	<u>355</u>	<u>303</u>
Non-current liabilities				
Finance Lease	8,333	10,471	-	-
Borrowings	63,851	73,000	-	-
Deferred income tax liabilities	411	445	-	-
Provision for post employment benefits	220	142	-	-
	<u>72,815</u>	<u>84,058</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>103,773</u>	<u>104,152</u>	<u>355</u>	<u>303</u>
NET ASSETS	<u>72,412</u>	<u>68,061</u>	<u>52,315</u>	<u>53,342</u>
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	31,801	31,801	56,951	56,951
Translation reserve	3	3	-	-
Retained earnings/(accumulated losses)	19,651	17,264	(4,636)	(3,609)
	<u>51,455</u>	<u>49,068</u>	<u>52,315</u>	<u>53,342</u>
Non-controlling interests	20,957	18,993	-	-
	<u>72,412</u>	<u>68,061</u>	<u>52,315</u>	<u>53,342</u>

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

	Group	
	30/09/2012 US\$'000	31/12/2011 US\$'000
<u>Amount repayable in one year or less, or on demand:</u>		
Secured	15,433	12,200
Unsecured	2,863	2,940
	18,296	15,140
<u>Amount repayable after one year:</u>		
Secured	63,851	73,000
Unsecured	8,333	10,471
	72,184	83,471
Total borrowings	90,480	98,611

Details of any collateral

Bank borrowings of the Group are secured by the following:

- mortgage over certain vessels of subsidiaries and joint venture companies;
- 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, PT Pulau Seroja Jaya ("PT PSJ") by certain shareholders of PT PSJ;
- pledge of the shares of joint venture companies;
- a charge on the cash, receivables and inventories of PT PSJ and joint venture companies;
- corporate guarantees by joint venture companies;
- corporate guarantees by related parties of certain directors; and
- personal guarantees by certain directors of joint venture companies.

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		Group	
	For the 3 months ended		For the 9 months ended	
	30 September		30 September	
	2012	2011	2012	2011
	US\$'000	US\$'000	US\$'000	US\$'000
Cash Flows from Operating Activities				
Profit before income tax	1,687	1,413	4,854	3,414
Adjustments for:				
Depreciation of property, plant and equipment	2,929	2,503	8,976	7,713
Interest expense	1,045	674	2,953	3,642
Interest income	(5)	(10)	(14)	(15)
Share of results of associates	(211)	(150)	(647)	(535)
Operating cash flow before working capital changes	5,445	4,430	16,122	14,219
Changes in working capital:				
Inventories	(292)	(52)	(63)	(791)
Trade and other receivables	(2,369)	(510)	(3,981)	(3,013)
Other current assets	468	(543)	171	(835)
Trade and other payables	4,257	236	7,776	(231)
Post employment benefits	-	-	78	-
Cash generated from operating activities	7,509	3,561	20,103	9,349
Income tax paid	(187)	(151)	(536)	(403)
Interest received	5	10	14	15
Net cash generated from operating activities	7,327	3,420	19,581	8,961
Cash Flows from Investing Activities				
Investments in associates	-	-	(41)	(2,205)
Purchase of property, plant and equipment	(873)	(230)	(8,844)	(18,338)
Net cash used in investing activities	(873)	(230)	(8,885)	(20,543)
Cash Flows from Financing Activities				
Proceeds from issue of shares - net	-	-	-	13,159
Capital injection from non-controlling interests	-	302	-	5,502
Proceeds from borrowings	-	-	4,850	84,930
Repayment of borrowings	(3,858)	(3,050)	(10,766)	(74,446)
Payment of finance lease	(752)	-	(2,257)	-
Interest paid	(1,051)	(603)	(2,979)	(4,386)
Net cash (used in)/generated from financing activities	(5,661)	(3,351)	(11,152)	24,759
Net increase/(decrease) in cash and cash equivalents	793	(161)	(456)	13,177
Cash and cash equivalents at the beginning of the financial period	11,841	14,390	13,090	1,052
Cash and cash equivalents at the end of the financial period	12,634	14,229	12,634	14,229
Represented by:				
Short-term bank deposits	3,546	7,931	3,546	7,931
Cash and bank balances	9,088	6,298	9,088	6,298
	12,634	14,229	12,634	14,229

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	Translation reserve US\$'000	Retained earnings US\$'000	Non-controlling Interests US\$'000	Total US\$'000
Balance as at 1 July 2011	31,801	3	15,921	12,837	60,562
Total comprehensive income for the period	-	-	693	581	1,274
Balance as at 30 September 2011	<u>31,801</u>	<u>3</u>	<u>16,614</u>	<u>13,418</u>	<u>61,836</u>
Balance as at 1 July 2012	31,801	3	19,080	20,018	70,902
Total comprehensive income for the period	-	-	571	939	1,510
Balance as at 30 September 2012	<u>31,801</u>	<u>3</u>	<u>19,651</u>	<u>20,957</u>	<u>72,412</u>

Company

	Share capital US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 July 2011	56,951	(3,111)	53,840
Total comprehensive loss for the period	-	(215)	(215)
Balance as at 30 September 2011	<u>56,951</u>	<u>(3,326)</u>	<u>53,625</u>
Balance as at 1 July 2012	56,951	(4,412)	52,539
Total comprehensive loss for the period	-	(224)	(224)
Balance as at 30 September 2012	<u>56,951</u>	<u>(4,636)</u>	<u>52,315</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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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 financial period from 1 July 2012 to 30 September 2012.

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 September 2012 is 390,388,110. (31 December 2011: 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.

The Company does not have any treasury shares.

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 nine months ended 30 September 2012 as compared with those for the audited consolidated financial statements as at 31 December 2011.

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.

	3 months ended 30/09/12 US cents	3 months ended 30/09/11 US cents	9 months ended 30/09/12 US cents	9 months ended 30/09/11 US cents
(a) Basic	0.15	0.19	0.61	0.64
(b) Fully diluted basis	0.15	0.19	0.61	0.64

Note 1:

The earnings per ordinary share of the Group for the three months and nine months ended 30 September 2012 has been computed based on weighted average of 390,388,110 ordinary shares. (30 September 2011: 370,864,300 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	
	30/09/12	31/12/11	30/09/12	31/12/11
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	13.18	12.57	13.40	13.66

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 September 2012 of 390,388,110 shares (31 December 2011: 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 FY2012Q3 and FY2011Q3 are summarised in the table below:-

	FY2012Q3		FY2011Q3	
	US\$'000	%	US\$'000	%
Freight charter	14,551	71.0	10,220	75.0
Time charter	5,930	29.0	3,398	25.0
Total revenue	20,481	100.0	13,618	100.0

Revenue

Revenue increased by 50.4% or US\$6.9 million from US\$13.6 million in FY2011Q3 to US\$20.5 million in FY2012Q3 due to increase in both freight charter revenue and time charter revenue. Freight charter revenue increased by US\$4.3 million from US\$10.2 million in FY2011Q3 to US\$14.5 million in FY2012Q3 due to more shipments generated from major customers as well as higher freight rate adjustment due to increase in fuel price. Time charter revenue increased by US\$2.5 million from US\$3.4 million in FY2011Q3 to US\$5.9 million in FY2012Q3 due to contribution from 2 jointly owned Panamax vessels which were chartered out upon their delivery from shipyard in late January 2012.

Gross Profit

Gross profit increased by US\$0.5 million from US\$2.8 million in FY2011Q3 to US\$3.3 million in FY2012Q3. This was mainly due to higher revenue from increase in coal volume transported as well as contribution from 2 jointly owned Panamax vessels. The higher revenue was partly offset by higher fuel expenses as well as higher depreciation expenses from the increase in our vessel fleet size. As a result of higher increase in cost of services over revenue, gross profit margin decreased from 20.8% in FY2011Q3 to 16.3% in FY2012Q3.

Other gains/(losses)

The decrease in other gains from US\$0.10 million in FY2011Q3 to US\$0.02 million in FY2012Q3 was mainly due to lower exchange gains from currency fluctuation.

Expenses

Administrative expenses decreased by US\$0.2 million from US\$1.0 million in FY2011Q3 to US\$0.8 million in FY2012Q3 mainly due to lower professional fees and entertainment expenses incurred. The increase in finance expenses from US\$0.7 million in FY2011Q3 to US\$1.0 million in FY2012Q3 was mainly due to interest expense incurred for bank loan to finance purchase of 2 Panamax vessels as abovementioned.

Share of results of associates

The share of results of associates increased by US\$0.06 million from US\$0.15 million in FY2011Q3 to US\$0.21 million in FY2012Q3 mainly due to lower operating and finance expenses incurred by the associates which owned the FSO vessel.

Net Profit

Arising from the above, net profit attributable to shareholders decreased by US\$0.1 million from US\$0.7 million in FY2011Q3 to US\$0.6 million in FY2012Q3.

Review of the Group's Financial Position as at 30 September 2012 as compared to the Group's Financial Position as at 31 December 2011

The increase in trade and other receivables by US\$4.0 million was mainly due to higher revenue generated from operations in Indonesia and China during the last 2 months of current quarter. The decrease in other current assets of US\$0.2 million was mainly due to insurance claim receivable as at 31 December 2011 which was subsequently received in current quarter.

Investments in associates increased by US\$0.7 million mainly due to the profits generated by the FSO vessel under the associates. The decrease in property, plant and equipment of US\$0.1 million from US\$143.5 million as at 31 December 2011 to US\$143.4 million as at 30 September 2012 was due to depreciation charges during the period under review which was partly offset by additions from the completion of 2 new Panamax vessels as well as drydocking costs capitalized.

The increase in trade and other payables of US\$7.7 million was in line with the increase in business activities for the period under review. The decrease in total borrowings (current and non-current) of US\$8.1 million was due to repayment of bank loan of US\$10.8 million and finance lease obligations of US\$2.2 million which is partly offset by proportionate share of joint venture's borrowings of US\$4.9 million during the period under review.

The Group is in net asset position despite its current liabilities exceeding current assets by about US\$1.6 million mainly due to higher trade and other payables and current portion of bank borrowings. Nevertheless, the Group's net profits has improved from US\$3.0 million for the nine months ended 30 September 2011 to US\$4.4 million for the nine months ended 30 September 2012 as well as increase in cashflows generated from operations from US\$9.0 million for the nine months ended 30 September 2011 to US\$19.6 million for the nine months ended 30 September 2012. Hence, it will be unlikely for the Group not to meet its obligations of current liabilities.

For the 3 months ended 30 September 2012, net cash provided by operating activities amounted to US\$7.3 million which was partly offset by net cash used in investing and financing activities of US\$0.9 million and US\$5.7 million respectively. Cash used in investing activities was mainly to fund drydocking expenditures for our tugboats and barges whereas cash used in financing activities was for repayments of bank loan, interest and finance lease obligations. Arising from the above, the Group generated a net increase in cash and cash equivalents of US\$0.8 million from US\$11.8 million as at 30 June 2012 to US\$12.6 million as at 30 September 2012.

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.

The Group had deployed more of its vessels in Indonesia from time charter to freight charter due to demand from customers for such charter type. Hence, there will be more revenue contribution from freight charter than time charter for the Group's operations in Indonesia. For the Group's operations in China, all vessels are jointly owned and are under time charter contracts. The Group expects significant revenue contribution from such jointly owned vessels for the current financial year ending 31 December 2012.

On 15 October 2012 and 01 November 2012, two tranches of prepayments amounting to US\$8 million had been applied against the bank loan to finance the purchase of the 2 jointly owned Panamax vessels under our joint ventures. The Group will continue to monitor its working capital requirements and apply its excess cash balance to repay outstanding loans so as to derive interest savings from such 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 during the period under review.

13. Interested Person Transactions

Name of Interested Persons	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)	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
	US\$ '000	US\$ '000
Freight charter revenue from PT Adaro Indonesia	-	8,454

14. Update on the use of net proceeds from the Placement

Subsequent to the announcement made through SGXNet on the use of proceeds dated 27 January 2012, the Company has further utilized approximately S\$1.3 million of the net proceeds as working capital up to 30 September 2012. The use of net proceeds is in accordance to its stated use as stated in the Placement exercise. The working capital disbursements of S\$1.3 million are utilized as follows:-

	S\$ million
Payments of head office expenses (Note 1)	1.0
Payments of administrative expenses of a subsidiary (Note 2)	0.3
Total	<u>1.3</u>

Note 1: Head office expenses comprised mainly of remuneration of staff and directors, professional fees, listing fees and office rental.

Note 2: Administrative expenses comprised mainly of remuneration of administrative staff and directors, office supplies and travelling costs.

As at 30 September 2012, the balance of the net proceeds is approximately S\$5.4 million allocated as follows:-

	<u>S\$ million</u>
Expand and diversify business	5.3
General working capital	<u>0.1</u>
Total	<u>5.4</u>

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 Third Quarter Results of the Group for the financial period ended 30 September 2012 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Husni Heron
Director

Masdjani
Director

By Order of The Board

**Husni Heron
CEO**

8 November 2012