

SEROJA INVESTMENTS LIMITED

(Company Registration Number: 198300847M)

Unaudited First Quarter Financial Statement and Dividend Announcement for the Year Ended 31 March 2015
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		
	3 months ended 31/03/2015 US\$'000	3 months ended 31/03/2014 US\$'000	Increase/ (Decrease) %
Revenue	13,326	17,843	(25.3)
Cost of services	(10,694)	(13,257)	(19.3)
Gross profit	2,632	4,586	(42.6)
Other (losses)/gains	(208)	167	n.m.
Expenses			
- Administrative	(892)	(1,352)	(34.0)
- Finance	(499)	(550)	(9.3)
Share of results of associates	173	(275)	n.m.
Profit before income tax	1,206	2,576	(53.2)
Income tax expense	(145)	(181)	(19.9)
Net profit	1,061	2,395	(55.7)
Other comprehensive income	-	-	
Total comprehensive income for the period	1,061	2,395	(55.7)
Net profit / Total comprehensive income			
Attributable to:			
Equity holders of the Company	192	647	(70.3)
Non-controlling interests	869	1,748	(50.3)
	1,061	2,395	(55.7)

n.m. – not meaningful

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

Group			
	3 months ended 31/03/2015 US\$'000	3 months ended 31/03/2014 US\$'000	Increase/ (Decrease) %
Profit/(Loss) before income tax is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment,	3,051	2,899	5.3
Loss/(gain) on foreign exchange	212	(156)	n.m.
Loss/(Gain) on disposal of property, plant equipment,	-	(5)	(100.0)
Interest expense	499	550	(9.3)
Interest income	(5)	(5)	-

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	
	31/03/2015 US\$'000	31/12/2014 US\$'000	31/03/2015 US\$'000	31/12/2014 US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	5,056	6,511	520	463
Trade and other receivables	8,571	7,531	29,604	28,844
Inventories	1,148	1,558	-	-
Other current assets	968	1,121	68	57
	<u>15,743</u>	<u>16,721</u>	<u>30,192</u>	<u>29,364</u>
Non-current assets				
Investments in subsidiaries	-	-	23,440	23,440
Investments in associates	4,809	4,636	-	-
Property, plant and equipment	109,765	112,244	91	106
	<u>114,574</u>	<u>116,880</u>	<u>23,531</u>	<u>23,546</u>
Total assets	<u>130,317</u>	<u>133,601</u>	<u>53,723</u>	<u>52,910</u>
LIABILITIES				
Current liabilities				
Trade and other payables	4,099	5,228	360	321
Finance lease	2,624	2,647	-	-
Borrowings	24,618	23,518	2,600	1,600
	<u>31,341</u>	<u>31,393</u>	<u>2,960</u>	<u>1,921</u>
Non-current liabilities				
Finance lease	2,099	2,496	-	-
Borrowings	14,286	18,171	-	-
Deferred income tax liabilities	298	309	-	-
Provision for post employment benefits	456	456	-	-
	<u>17,139</u>	<u>21,432</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>48,480</u>	<u>52,825</u>	<u>2,960</u>	<u>1,921</u>
NET ASSETS	<u>81,837</u>	<u>80,776</u>	<u>50,763</u>	<u>50,989</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	-	-
Other reserve	697	697	-	-
Retained earnings/(accumulated losses)	12,329	12,137	(6,188)	(5,962)
	<u>44,830</u>	<u>44,638</u>	<u>50,763</u>	<u>50,989</u>
Non-controlling interests	37,007	36,138	-	-
	<u>81,837</u>	<u>80,776</u>	<u>50,763</u>	<u>50,989</u>

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

	Group	
	31/03/2015 US\$'000	31/12/2014 US\$'000
<u>Amount repayable in one year or less, or on demand:</u>		
Secured	24,618	23,518
Unsecured	2,624	2,647
	27,242	26,165
<u>Amount repayable after one year:</u>		
Secured	14,286	18,171
Unsecured	2,099	2,496
	16,385	20,667
Total borrowings	43,627	46,832

Details of any collateral

Borrowings of the Group are secured by the following:

- mortgage over certain vessels of subsidiaries;
- 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;
- 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 3 months ended	
	31 March	
	2015	2014
	US\$'000	US\$'000
Cash Flows from Operating Activities		
Profit before income tax	1,206	2,576
Adjustments for:		
Depreciation of property, plant and equipment	3,051	2,899
Gain on disposal of property, plant and equipment	-	(5)
Interest expense	499	550
Interest income	(5)	(5)
Share of results of associates	(173)	275
Operating cash flow before working capital changes	<u>4,578</u>	<u>6,290</u>
Changes in working capital:		
Inventories	410	610
Trade and other receivables	(1,040)	1,383
Other current assets	153	(258)
Trade and other payables	<u>(1,106)</u>	<u>2,280</u>
Cash generated from operating activities	<u>2,995</u>	<u>10,305</u>
Income tax paid	(156)	(192)
Interest received	<u>5</u>	<u>5</u>
Net cash provided by operating activities	<u>2,844</u>	<u>10,118</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(571)	(360)
Proceeds from disposal of property, plant and equipment	-	3,284
Net cash (used in)/provided by investing activities	<u>(571)</u>	<u>2,924</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	1,100	-
Repayment of borrowings	(3,886)	(7,229)
Payment of finance lease	(502)	(752)
Interest paid	<u>(440)</u>	<u>(525)</u>
Net cash used in financing activities	<u>(3,728)</u>	<u>(8,506)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,455)</u>	<u>4,536</u>
financial period	<u>6,511</u>	<u>4,292</u>
Cash and cash equivalents at the end of the financial period	<u>5,056</u>	<u>8,828</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	Translation reserve US\$'000	Other reserve US\$'000	Retained earnings US\$'000	Non-controlling Interests US\$'000	Total US\$'000
Balance as at 1 January 2014	31,801	3	-	10,707	25,924	68,435
Net gain for the period	-	-	-	647	1,748	2,395
Balance as at 31 March 2014	<u>31,801</u>	<u>3</u>	<u>-</u>	<u>11,354</u>	<u>27,672</u>	<u>70,830</u>
Balance as at 1 January 2015	31,801	3	697	12,137	36,138	80,776
Net gain for the period	-	-	-	192	869	1,061
Balance as at 31 March 2015	<u>31,801</u>	<u>3</u>	<u>697</u>	<u>12,329</u>	<u>37,007</u>	<u>81,837</u>

Company

	Share capital US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2014	56,951	(5,735)	51,216
Total comprehensive loss for the period	-	(225)	(225)
Balance as at 31 March 2014	<u>56,951</u>	<u>(5,960)</u>	<u>50,991</u>
Balance as at 1 January 2015	56,951	(5,962)	50,989
Total comprehensive loss for the period	-	(226)	(226)
Balance as at 31 March 2015	<u>56,951</u>	<u>(6,188)</u>	<u>50,763</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 3 months ended 31 March 2015.

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 2015 is 390,388,110. (31 March 2014: 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.

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 three months ended 31 March 2015 as compared with those for the audited consolidated financial statements as at 31 December 2014.

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/(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.

	Group	
	3 months ended 31/03/2015 US cents	3 months ended 31/03/2014 US cents
(a) Basic	0.05	0.17
(b) Fully diluted basis	0.05	0.17

Note 1:

The earnings/(loss) per ordinary share of the Group for the financial year ended 31 March 2015 has been computed based on 390,388,110 ordinary shares. (31 March 2014: 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	
	31/03/15	31/12/14	31/03/15	31/12/14
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	11.48	11.43	13.00	13.06

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 2015 of 390,388,110 shares (31 December 2014: 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 FY2015Q1 and FY2014Q1 are summarised in the table below:-

	FY2015Q1		FY2014Q1	
	US\$'000	%	US\$'000	%
Freight charter	12,875	96.6	15,277	85.6
Time charter	451	3.4	2,566	14.4
Total revenue	13,326	100.0	17,843	100.0

Revenue

Revenue decreased by 25.3% or US\$4.5 million from US\$17.8 million in FY2014Q1 to US\$13.3 million in FY2015Q1 due to lower freight charter revenue as well as time charter revenue for the period under review. Freight charter revenue decreased by US\$2.4 million from US\$15.3 million in FY2014Q1 to US\$12.9 million in FY2015Q1 due mainly to lower cargo volume provided to a major customer as well as lower average freight rate for the period under review. Time charter revenue decreased by US\$2.1 million from US\$2.5 million in FY2014Q1 to US\$0.4 million in FY2015Q1 due mainly to no contribution from one panamax vessel as a result of its disposal in December 2014 and lower contribution from another panamax vessel due to lower time charter rate secured in line with weak market condition. There was also no time charter contract secured in Indonesia for tugboats and barges as customers prefer to charter under spot or per voyage basis due to freight rates remaining weak.

Gross Profit

Gross profit decreased by 42.6% or US\$2.0 million from US\$4.6 million in FY2014Q1 to US\$2.6 million in FY2015Q1 mainly due to lower revenue generated. Gross profit margin decreased from 25.78% in FY2014Q1 to 19.8% in FY2015Q1. This was mainly attributed to the lower average freight rate and higher depreciation charges which were partly offset by lower fuel expenses as a result lower fuel price.

Other (losses)/gains

Other losses of US\$0.2 million in FY2015Q1 was mainly due to exchange losses as compared to exchange gains in FY2014Q1 from foreign currency fluctuations.

Expenses

Administrative expenses decreased by 34.0% or US\$0.5 million from US\$1.4 million in FY14Q1 to US\$0.9 million in FY15Q1 FY2013. This was due mainly to expenses incurred for scrapping capesize vessel in FY2014Q1 was not repeated in FY2015Q1. The decrease in finance cost by US\$0.1 million from US\$0.6 million in FY2014Q1 to US\$0.5 million in FY2015Q1 was mainly due to lower bank borrowings as a result of repayments made.

Share of results of associates

The share of results of associates reversed from a loss of US\$0.3 million in FY2014Q1 to a gain of US\$0.2 million in FY2015Q1. The loss in FY2014Q1 was due mainly to chartering expenses incurred to charter a new FSO vessel in place of existing FSO vessel which was undergoing repair and maintenance works.

Net Profit/(Loss)

Arising from the above, net profit attributable to shareholders decreased by US\$0.5 million from US\$0.7 million in FY2014Q1 to US\$0.2 million in FY2015Q1

Review of the Group's Financial Position as at 31 March 2015 as compared to the Group's Financial Position as at 31 December 2014

Trade and other receivables increased by US\$1.0 million from US\$7.5 million as at 31 December 2014 to US\$8.5 million as at 31 March 2015. The increase was mainly due to higher revenue generated during the last 2 months of current quarter which remained outstanding as at 31 March 2015. Inventories decreased by US\$0.4 million was mainly due to fuel was replenished at lower price. Other current assets decreased by US\$0.2 million due to lower advance payments made which was partly offset by higher prepaid insurance expense for our fleet of tugboats and barges in Indonesia.

Investments in associates increased by US\$0.2 million due to the profits generated from the FSO vessel during the period under review. The decrease in property, plant and equipment of US\$2.5 million from US\$112.2 million as at 31 December 2014 to US\$109.7 million as at 31 March 2015 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 from US\$5.2 million as at 31 December 2014 to US\$4.1 million as at 31 March 2015 was in line with the decrease in business activities for the period under review. Total borrowings (current and non-current) decreased by US\$3.2 million from US\$46.8 million as at 31 December 2014 to US\$43.6 million as at 31 March 2015. The decrease was mainly due to instalment repayments of finance lease obligations and bank loans during the period under review.

The Group is in negative working capital position as at 31 March 2015 as its current liabilities exceed current assets by US\$15.6 million. This is mainly due to short term borrowings obtained to repay a bank loan in full in last financial year. Despite the negative working capital position, the Group continues to generate positive cashflow from operations of US\$2.8 million for current quarter under review and has generated sufficient cashflow to service the current portion of bank loans due on quarterly basis. The Group has also tightened its capital expenditures to contain significant cash outflows.

Net cash generated from operating activities amounted to US\$2.8 million which were partly offset by net cash used in investing activities and financing activities of US\$0.6 million and US\$3.7 million respectively. Cash used in investing activities was for drydocking expenditures incurred for the tugboats and barges. Cash used in financing activities was for repayments of bank loan, finance lease obligations and interest which was partly offset by proceeds from short term loan obtained from a related party to repay partially a third party loan. Arising from the above, the Group generated a net decrease in cash and cash equivalents of US\$1.5 million from US\$6.5 million as at 31 December 2014 to US\$5.0 million as at 31 March 2015.

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.

Despite weak freight rate, the Group will continue to work closely with existing major customers to keep its fleet of tugboats and barges in Indonesia efficiently deployed. The Group will continue to explore means to maximize returns from its sole panamax vessel after disposing of one capesize vessel and one panamax vessel in last financial year.

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	-	6,832

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 2015 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

**Husni Heron
CEO
12 May 2015**