

**SEROJA INVESTMENTS LIMITED**

(Company Registration Number: 198300847M)

**Unaudited First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 March 2016**
**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 31/03/2016 US\$'000	3 months ended 31/03/2015 US\$'000 Restated	Increase/ (Decrease) %
<b>Revenue</b>	10,879	13,326	(18.4)
Cost of services	(8,137)	(10,694)	(23.9)
Gross profit	2,742	2,632	4.2
Other gains/(losses)	289	(127)	n.m.
Expenses			
- Administrative	(759)	(892)	(14.9)
- Finance	(328)	(499)	(34.3)
Share of results of associates	170	173	(1.7)
Profit before income tax	2,114	1,287	64.3
Income tax expense	(121)	(145)	(16.6)
<b>Net profit</b>	1,993	1,142	74.5
Foreign currency translation	71	(81)	n.m.
<b>Total comprehensive income for the period</b>	2,064	1,061	94.5
<b>Net profit attributable to:</b>			
Equity holders of the Company	866	231	274.9
Non-controlling interests	1,127	911	23.7
	1,993	1,142	74.5
<b><u>Total comprehensive income attributable to:</u></b>			
Equity holders of the Company	900	192	368.8
Non-controlling interests	1,164	869	33.9
	2,064	1,061	94.5

n.m. – not meaningful

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

**Group**

	<b>3 months ended 31/03/2016 US\$'000</b>	<b>3 months ended 31/03/2015 US\$'000</b>	<b>Increase/ (Decrease) %</b>
Profit before income tax is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment,	2,825	3,051	(7.4)
(Gain)/Loss on foreign exchange	(285)	130	n.m.
Interest expense	328	499	(34.3)
Interest income	(4)	(5)	(20.0)

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	
	31/03/2016 US\$'000	31/12/2015 US\$'000	31/03/2016 US\$'000	31/12/2015 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4,061	9,557	2,386	2,537
Trade and other receivables	10,694	9,103	24,274	24,265
Inventories	722	949	-	-
Other current assets	3,717	512	56	52
	<u>19,194</u>	<u>20,121</u>	<u>26,716</u>	<u>26,854</u>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	23,440	23,440
Investments in associates	5,617	5,446	-	-
Property, plant and equipment	77,842	79,933	32	46
	<u>83,459</u>	<u>85,379</u>	<u>23,472</u>	<u>23,486</u>
<b>Total assets</b>	<u>102,653</u>	<u>105,500</u>	<u>50,188</u>	<u>50,340</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	4,682	4,717	198	174
Finance lease	1,666	2,496	-	-
Borrowings	16,236	20,271	-	-
	<u>22,584</u>	<u>27,484</u>	<u>198</u>	<u>174</u>
<b>Non-current liabilities</b>				
Borrowings	3,600	3,600	-	-
Deferred income tax liabilities	253	264	-	-
Provision for post employment benefits	450	450	-	-
	<u>4,303</u>	<u>4,314</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>26,887</u>	<u>31,798</u>	<u>198</u>	<u>174</u>
<b>NET ASSETS</b>	<u>75,766</u>	<u>73,702</u>	<u>49,990</u>	<u>50,166</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
Translation reserve	(485)	(519)	-	-
Other reserve	(305)	(305)	-	-
Retained earnings/(accumulated losses)	3,796	2,930	(6,961)	(6,785)
	<u>34,807</u>	<u>33,907</u>	<u>49,990</u>	<u>50,166</u>
Non-controlling interests	40,959	39,795	-	-
	<u>75,766</u>	<u>73,702</u>	<u>49,990</u>	<u>50,166</u>

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

	Group	
	31/03/2016 US\$'000	31/12/2015 US\$'000
<b><u>Amount repayable in one year or less, or on demand:</u></b>		
Secured	17,902	22,767
Unsecured	-	-
	17,902	22,767
<b><u>Amount repayable after one year:</u></b>		
Secured	3,600	3,600
Unsecured	-	-
	3,600	3,600
<b>Total borrowings</b>	<b>21,502</b>	<b>26,367</b>

**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.**

	<b>Group</b>	
	<b>For the 3 months ended</b>	
	<b>31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
		<b>Restated</b>
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit before income tax	2,114	1,287
Adjustments for:		
Depreciation of property, plant and equipment	2,825	3,051
Interest expense	328	499
Interest income	(4)	(5)
Share of results of associates	(170)	(173)
Unrealised currency translation loss/(gain)	25	49
Operating cash flow before working capital changes	5,118	4,708
Changes in working capital:		
Inventories	226	410
Trade and other receivables	(1,590)	(1,040)
Other current assets	(119)	153
Trade and other payables	200	(1,106)
<b>Cash generated from operating activities</b>	3,835	3,125
Income tax paid	(132)	(156)
Interest received	4	5
<b>Net cash generated from operating activities</b>	3,707	2,974
Deposits for purchase of property, plant and equipment	(3,086)	-
Purchase of property, plant and equipment	(689)	(701)
<b>Net cash generated from/(used in) investing activities</b>	(3,775)	(701)
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	-	1,100
Repayment of borrowings	(4,035)	(3,886)
Payment of finance lease	(752)	(502)
Interest paid	(641)	(440)
<b>Net cash used in financing activities</b>	(5,428)	(3,728)
<b>Net increase in cash and cash equivalents</b>	(5,496)	(1,455)
<b>Cash and cash equivalents at the beginning of the financial period</b>	9,557	6,511
<b>Cash and cash equivalents at the end of the financial period</b>	4,061	5,056
<b>Represented by:</b>		
Short-term bank deposits	2,303	-
Cash and bank balances	1,758	5,056
	4,061	5,056

**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.**

<b>Group</b>	<b>Share capital US\$'000</b>	<b>Translation reserve US\$'000</b>	<b>Other reserve US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Non-controlling Interests US\$'000</b>	<b>Total US\$'000</b>
<b>Balance as at 1 January 2015 (restated)</b>	31,801	(432)	(305)	11,397	35,972	78,433
Net profit for the period (restated)	-	-	-	231	911	1,142
Other comprehensive loss for the period (restated)	-	(39)	-	-	(42)	(81)
<b>Balance as at 31 March 2015 (restated)</b>	<u>31,801</u>	<u>(471)</u>	<u>(305)</u>	<u>11,628</u>	<u>36,841</u>	<u>79,494</u>
<b>Balance as at 1 January 2016</b>	31,801	(519)	(305)	2,930	39,795	73,702
Net profit for the period	-	-	-	866	1,127	1,993
Other comprehensive income for the period	-	34	-	-	37	71
<b>Balance as at 31 March 2016</b>	<u>31,801</u>	<u>(485)</u>	<u>(305)</u>	<u>3,796</u>	<u>40,959</u>	<u>75,766</u>

**Company**

	<b>Share capital US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Total US\$'000</b>
<b>Balance as at 1 January 2015</b>	56,951	(5,962)	50,989
Total comprehensive loss for the period	-	(226)	(226)
<b>Balance as at 31 March 2015</b>	<u>56,951</u>	<u>(6,188)</u>	<u>50,763</u>
<b>Balance as at 1 January 2016</b>	56,951	(6,785)	50,166
Total comprehensive loss for the period	-	(176)	(176)
<b>Balance as at 31 March 2016</b>	<u>56,951</u>	<u>(6,961)</u>	<u>49,990</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 2016.

**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 2016 is 390,388,110. (31 March 2015: 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 2016 as compared with those for the audited consolidated financial statements as at 31 December 2015.

**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 31/03/2016 US cents	3 months ended 31/03/2015 US cents Restated
<b>(a) Basic</b>	0.22	0.06
<b>(b) Fully diluted basis</b>	0.22	0.06

Note 1:

The earnings/(loss) per ordinary share of the Group for the financial year ended 31 March 2016 has been computed based on 390,388,110 ordinary shares. (31 March 2015: 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	
	31/03/16	31/12/15	31/03/16	31/12/15
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	8.92	8.69	12.81	12.85

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 2016 of 390,388,110 shares (31 December 2015: 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 FY2016Q1 and FY2015Q1 are summarised in the table below:-

	FY2016Q1		FY2015Q1	
	US\$'000	%	US\$'000	%
Freight charter	10,879	100.0	12,875	96.6
Time charter	0	-	451	3.4
Total revenue	10,879	100.0	13,326	100.0

### **Revenue**

Revenue decreased by 18.4% or US\$2.4 million from US\$13.3 million in FY2015Q1 to US\$10.9 million in FY2016Q1 due to lower freight charter revenue as well as time charter revenue for the period under review. Freight charter revenue decreased by US\$2.0 million from US\$12.9 million in FY2015Q1 to US\$10.9 million in FY2016Q1 due mainly to lower cargo volume delivered for major customers as well as lower average freight rate for the period under review. There was no time charter revenue for the current period under review as compared to US\$0.4 million in FY2015Q1 due to no contribution from one panamax vessel which was disposed 1 September 2015.

### **Gross Profit**

Gross profit increased by 4.2% or US\$0.1 million from US\$2.6 million in FY2015Q1 to US\$2.7 million in FY2016Q1 due to lower service costs incurred which was partly offset by lower revenue generated for the period under review. Gross profit margin increased from 19.8% in FY2015Q1 to 25.2% in FY2016Q1. This was mainly attributed to the lower fuel expenses, depreciation expenses and vessel supplies costs which were partly offset by lower average freight rate for the period under review. Also, there is no management and maintenance fees incurred for the panamax vessel which was disposed as abovementioned.

### **Other gains/(losses)**

Other gains of US\$0.2 million in FY2016Q1 was mainly due to exchange gains as compared to exchange losses of US\$0.1 million in FY2015Q1 from foreign currency fluctuations.

### **Expenses**

Administrative expenses decreased by 14.9% or US\$0.1 million from US\$0.9 million in FY2015Q1 to US\$0.8 million in FY2016Q1 mainly as a result of inspection costs for the panamax vessel which was not repeated in current quarter under review. The decrease in finance cost by US\$0.2 million from US\$0.5 million in FY2015Q1 to US\$0.3 million in FY2016Q1 was mainly due to lower bank borrowings as a result of repayments made.

### **Share of results of associates**

There is no material variance for the share of results of associates for current period as compared to corresponding period under review.

### **Net Profit / Total comprehensive income**

Arising from the above, net profit attributable to shareholders increased by US\$0.6 million from US\$0.2 million in FY2015Q1 to US\$0.8 million in FY2016Q1. Due to translation gain of approximately US\$0.1 million for current quarter under review, the Group recorded an increase in comprehensive income attributable to shareholders of US\$0.7 million from US\$0.2 million in FY2015Q1 to US\$0.9 million in FY2016Q1.

### **Review of the Group's Financial Position as at 31 March 2016 as compared to the Group's Financial Position as at 31 December 2015**

Trade and other receivables increased by US\$1.6 million from US\$9.1 million as at 31 December 2015 to US\$10.7 million as at 31 March 2016. The increase was mainly due to longer credit period given to existing customers as well as higher revenue generated during the last 2 months of current quarter which remained outstanding as at 31 March 2016. Inventories decreased by US\$0.2 million from US\$0.9 million as at 31 December 2015 to US\$0.7 million as at 31 March 2016 was mainly due to lower purchase of fuel for the fleet of tugboats and barges in Indonesia. Other current assets increased by US\$3.2 million was mainly due to deposit placed for one set of tugboat and barge of approximately US\$3.1 million as well as increase in prepaid insurance expense of approximately US\$0.1 million for our vessel fleet 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\$2.1 million from US\$79.9 million as at 31 December 2015 to US\$77.8 million as at 31 March 2016 was mainly due to depreciation charges during the period under review which was partly offset by drydocking costs capitalized.

Total borrowings (current and non-current) decreased by US\$4.9 million from US\$26.4 million as at 31 December 2015 to US\$21.5 million as at 31 March 2016. 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 2016 as its current liabilities exceed current assets by US\$3.4 million. Despite the negative working capital position, the Group continues to generate positive cashflow from operations of US\$3.7 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\$3.7 million which were partly offset by net cash used in investing activities and financing activities of US\$3.8 million and US\$5.4 million respectively. Cash used in investing activities was for deposit placed for one set of tugboat and barge as well as 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 decrease in cash and cash equivalents of US\$5.5 million from US\$9.6 million as at 31 December 2015 to US\$4.1 million as at 31 March 2016.

### **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.**

Average freight rate in current quarter is lower as compared to last quarter of FY2015 and is expected to remain weak under current economic conditions. Despite weak freight rate, the Group will continue to enhance operational efficiency and monitor operating expenses closely to ensure its vessel fleet is managed effectively and efficiently to achieve higher margin for its chartering services.

**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**

<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
Freight charter revenue from PT Adaro Indonesia	-	6,191

**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 2016 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 May 2016**