



**SEROJA INVESTMENTS LIMITED**

(Company Registration Number: 198300847M)

**Unaudited First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 March 2010**

**PART I: Information required for announcements of Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Results**

On 13 August 2009, the Company completed the acquisition of the entire issued and paid-up share capital of Trans LK Marine Ltd ("TLK") through a reverse takeover ("RTO") exercise. Consequent to the completion of the RTO, the principal activity of the Group has changed to provision of marine transportation of dry bulk freight, mainly thermal coal, sand and other quarry materials. Accordingly, the Company changed its name to Seroja Investments Limited with effect from 11 August 2009.

The acquisition has been accounted for as a RTO. TLK, the legal subsidiary, is treated as an acquirer for accounting purpose. Accordingly, the consolidated financial statements have been prepared and presented as a continuation of TLK's financial results and operations. For the purpose of this announcement, the results of the Group for the three-month financial period ended 31 March 2009 has been prepared on the assumption that the Group structure following the completion of the RTO exercise has been in place since 1 January 2009.

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 31/03/2010 US\$'000	3 months ended 31/03/2009 US\$'000	Increase/ (Decrease) %
<b>Revenue</b>	8,770	6,282	39.6
Cost of services	(6,628)	(4,086)	62.2
Gross profit	2,142	2,196	(2.5)
Other gains/(losses)	66	(61)	n.m.
Expenses			
- Administrative	(765)	(560)	36.6
- Finance	(1,290)	(2,020)	(36.1)
Profit/(loss) before income tax	153	(445)	n.m.
Income tax expense	(92)	(63)	46.0
<b>Net profit/(loss)</b>	61	(508)	n.m.
<b>Attributable to:</b>			
Equity holders of the Company	(75)	(245)	(69.4)
Minority interests	136	(263)	n.m.
	61	(508)	n.m.
<b>Statement of comprehensive income</b>			
<b>Net profit/(loss)</b>	61	(508)	n.m.
Currency translation gain	72	-	n.m.
<b>Total comprehensive income for the period</b>	133	(508)	n.m.
<b>Attributable to:</b>			
Equity holders of the Company	(3)	(245)	(98.8)
Minority interests	136	(263)	n.m.
	133	(508)	n.m.

n.m. – not meaningful

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

<b>Group</b>			
	<b>3 months ended 31/03/2010 US\$'000</b>	<b>3 months ended 31/03/2009 US\$'000</b>	<b>Increase/ (Decrease) %</b>
Profit/(loss) before income tax is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment,	1,943	1,399	38.9
(Gain)/Loss on foreign exchange	(57)	85	n.m.
Interest expense	1,290	2,020	(36.1)
Interest income	(1)	(28)	(97.1)

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.**

	<b>Group</b>		<b>Company</b>	
	<b>31/03/2010</b>	<b>31/12/2009</b>	<b>31/03/2010</b>	<b>31/12/2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	13,671	21,883	11,588	16,095
Trade and other receivables	8,389	7,280	8,105	4,207
Inventories	431	494	-	-
Other current assets	1,310	457	507	58
	<u>23,801</u>	<u>30,114</u>	<u>20,200</u>	<u>20,360</u>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	22,138	22,138
Property, plant and equipment	103,431	101,468	41	45
Other non-current assets	54	54	-	-
	<u>103,485</u>	<u>101,522</u>	<u>22,179</u>	<u>22,183</u>
<b>Total assets</b>	<u>127,286</u>	<u>131,636</u>	<u>42,379</u>	<u>42,543</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	2,823	2,939	375	412
Borrowings	13,400	13,400	-	-
	<u>16,223</u>	<u>16,339</u>	<u>375</u>	<u>412</u>
<b>Non-current liabilities</b>				
Borrowings	67,796	72,146	-	-
Deferred income tax liabilities	524	535	-	-
Provision for post employment benefits	89	95	-	-
	<u>68,409</u>	<u>72,776</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>84,632</u>	<u>89,115</u>	<u>375</u>	<u>412</u>
<b>NET ASSETS</b>	<u>42,654</u>	<u>42,521</u>	<u>42,004</u>	<u>42,131</u>
<b>EQUITY</b>				
<b>Capital and reserve attributable to equity holders of the Company</b>				
Share capital	18,642	18,642	43,792	43,792
Translation reserve	97	25	97	25
Retained earnings/(accumulated losses)	12,051	12,126	(1,885)	(1,686)
	<u>30,790</u>	<u>30,793</u>	<u>42,004</u>	<u>42,131</u>
Minority interests	11,864	11,728	-	-
	<u>42,654</u>	<u>42,521</u>	<u>42,004</u>	<u>42,131</u>

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

	Group	
	31/03/2010 US\$'000	31/12/2009 US\$'000
<b><u>Amount repayable in one year or less, or on demand:</u></b>		
Secured	13,400	13,400
Unsecured	-	-
	13,400	13,400
<b><u>Amount repayable after one year:</u></b>		
Secured	42,520	46,870
Unsecured	25,276	25,276
	67,796	72,146
<b>Total borrowings</b>	81,196	85,546

**Details of any collateral**

Bank borrowings of the Group are secured by the following:

- certain buildings and certain barges and tug boats;
- corporate guarantee by subsidiary, PT Pulau Seroja Jaya Pratama;
- pledge of the Company's shares by certain shareholders of the Company;
- an assignment of all moneys and rights to receive money in respect of any of the pledged vessels, and their respective insurances;
- an assignment of all rights in respect of certain coal barging contracts; and
- corporate guarantee by a shareholder.

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	
	2010	2009
	US\$'000	US\$'000
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) before income tax	153	(445)
Adjustments for:		
Depreciation of property, plant and equipment	1,943	1,399
Interest expense	1,290	2,020
Interest income	(1)	(28)
Operating cash flow before working capital changes	3,385	2,946
Changes in working capital:		
Inventories	63	43
Trade and other receivables	(1,108)	(139)
Other current assets	(853)	(525)
Trade and other payables	2	(146)
Post employment benefits	(6)	-
<b>Cash generated from operating activities</b>	1,483	2,179
Income tax paid	(103)	(75)
Interest received	1	28
<b>Net cash provided by operating activities</b>	1,381	2,132
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(3,905)	(13)
<b>Net cash used in investing activities</b>	(3,905)	(13)
<b>Cash Flows from Financing Activities</b>		
Repayment of borrowings	(4,350)	(3,345)
Interest paid	(1,338)	(1,589)
<b>Net cash used in financing activities</b>	(5,688)	(4,934)
<b>Net decrease in cash and cash equivalents</b>	(8,212)	(2,815)
<b>Cash and cash equivalents at the beginning of the financial period</b>	21,883	9,902
<b>Cash and cash equivalents at the end of the financial period</b>	13,671	7,087
<b>Represented by:</b>		
Fixed Deposits	-	864
Cash and bank balances	13,671	6,223
	13,671	7,087

**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**

	<b>Share capital US\$'000</b>	<b>Translation reserve US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Minority Interests US\$'000</b>	<b>Total US\$'000</b>
<b>Balance as at 1 Jan 2009</b>	1,013	-	8,752	10,593	20,358
Total comprehensive income for the period	-	-	(245)	(263)	(508)
<b>Balance as at 31 March 2009</b>	<u>1,013</u>	<u>-</u>	<u>8,507</u>	<u>10,330</u>	<u>19,850</u>
<b>Balance as at 1 Jan 2010</b>	18,642	25	12,126	11,728	42,521
Total comprehensive income for the period	-	72	(75)	136	133
<b>Balance as at 31 March 2010</b>	<u>18,642</u>	<u>97</u>	<u>12,051</u>	<u>11,864</u>	<u>42,654</u>

**Company**

	<b>Share capital US\$'000</b>	<b>Translation reserve US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Total US\$'000</b>
<b>Balance as at 1 Jan 2009</b>	119,080	-	(181,226)	(62,146)
Total comprehensive income for the period	-	-	(45)	(45)
<b>Balance as at 31 March 2009</b>	<u>119,080</u>	<u>-</u>	<u>(181,271)</u>	<u>(62,191)</u>
<b>Balance as at 1 Jan 2010</b>	43,792	25	(1,686)	42,131
Total comprehensive income for the period	-	72	(199)	(127)
<b>Balance as at 31 March 2010</b>	<u>43,792</u>	<u>97</u>	<u>(1,885)</u>	<u>42,004</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 period from 1 January 2010 to 31 March 2010.

**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 2010 is 325,388,110. (31 December 2009: 325,388,110 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 financial period ended 31 March 2010 as compared with those for the audited consolidated financial statements as at 31 December 2009.

**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.**

In the current year, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2010. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 27 (Revised) Consolidated and Separate Financial Statements  
FRS 103 (Revised) Business Combinations

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.



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 31/03/2010 US cents	3 months ended 31/03/2009 US cents
<b>(a) Basic</b>	(0.02)	(0.15)
<b>(b) Fully diluted basis</b>	(0.02)	(0.15)

Note:

The loss per ordinary share of the Group for the financial period ended 31 March 2010 has been computed based on 325,388,110 ordinary shares. The loss per ordinary share of the Group for the financial year ended 31 March 2009 has been computed based on 160,164,000 ordinary shares issued pursuant to the reverse acquisition.

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	
	31/03/10	31/12/09	31/03/10	31/12/09
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	9.46	9.46	12.91	12.95

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 2010 of 325,388,110 shares (31 December 2009: 325,388,110 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 into freight charter revenue and time charter revenue for FY2010Q1 and FY2009Q1 are summarized in the table below:-

	FY2010Q1		FY2009Q1	
	US\$'000	%	US\$'000	%
Freight charter	8,265	94.2	4,754	75.7
Time charter	505	5.8	1,528	24.3
Total revenue	8,770	100.0	6,282	100.0

Our Group's revenue increased by 39.6% or US\$2.5 million from US\$6.3 million in FY2009Q1 to US\$8.8 million in FY2010Q1. This was due to higher freight charter revenue which is offset by decrease in time charter revenue. Freight charter revenue increased by US\$3.5 million from US\$4.8 million in FY2009Q1 to US\$8.3 million in FY2010Q1. This was mainly due to the better climatic condition in FY2010Q1 and increase in contractual freight rate adjustment in line with increase in fuel price. The monsoon season which caused delays to shipments lasted up to March 2009 in FY2009Q1 as compared to February 2010 in FY2010Q1. Time charter revenue decreased by US\$1.0 million from US\$1.5 million in FY2009Q1 to US\$0.5 million in FY2010Q1 mainly due to cancellation of a contract from a customer.

Gross profit decreased marginally by US\$0.1 million from US\$2.2 million in FY2009Q1 to US\$2.1 million in FY2010Q1. However, gross profit margin decreased from 35.0% in FY2009Q1 to 24.4% in FY2010Q1 due mainly to provision of more transshipment services which generated lower margin. The lower gross profit margin was also contributed by higher fuel expenses from increase in fuel price as well as higher depreciation expenses from more vessels acquired. As at 31 March 2010, the Group had 29 sets of vessels as compared to 24 sets of vessels as at 31 March 2009.

Other gains in FY2010Q1 was mainly due to exchange gain from foreign currency fluctuations between the US\$ and Indonesian rupiah as compared to exchange loss in FY2009Q1.

The increase in administrative expenses of US\$0.2 million from US\$0.6 million in FY2009Q1 to US\$0.8 million in FY2010Q1 was mainly due to the increase in professional fees and administrative expenses incurred by Singapore office. The decrease in finance cost by US\$0.7 million from US\$2.0 million in FY2009Q1 to US\$1.3 million in FY2010Q1 was mainly due to lower average borrowings as a result of repayment of bank loan from April 2009 to March 2010.

Income tax expense increased from US\$63k in FY2009Q1 to US\$92k in FY2010Q1 which is in line with the increase in revenue as income tax is a direct tax levied on revenue based on a tax rate of 1.2%.

Arising from the above, net loss attributable to shareholders decreased by 69.4% from a loss of US\$245,000 in FY2009Q1 to a loss of US\$75,000 in FY2010Q1. Due to a translation gain, comprehensive income attributable to shareholders was a loss of US\$3,000 in FY2010Q1 as compared to a loss of US\$245,000 in FY2009Q1.

## **Review of the Group's Financial Position as at 31 March 2010 as compared to the Group's Financial Position as at 31 December 2009**

The increase in trade and other receivables of US\$1.1 million was in line with the increase in revenue for the period under review particularly from higher revenue generated from our major customers in March 2010. Inventories remained low at less than US\$0.5 million as at 31 March 2010 as there is no requirement to increase fuel or other stock supplies. The increase in other current assets of US\$0.9 million was mainly due to increase in deposit of US\$0.4 million placed to secure a banker's guarantee and deferred expenses to be incurred for drydocking 6 vessels for maintenance in current financial year 2010.

The increase in property, plant and equipment of US\$2.0 million from US\$101.4 million in December 2009 to US\$103.4 million in March 2010 was mainly due to acquisition of 2 tugboats amounting to US\$3.9 million which is partly offset by depreciation expense during the period under review.

The decrease in trade and other payables of US\$0.1 million was mainly due to no significant purchases of fuel or other stock supplies as at 31 March 2010. The decrease in borrowings of US\$4.4 million in aggregate was due to partial repayment of bank loan for the period under review.

Net cash provided by operating activities amounted to US\$1.4 million which was offset by net cash used in investing activities and financing activities of US\$3.9 million and US\$5.7 million respectively. Cash used in investing activities was to fund the purchase of tugboats as above-mentioned whereas cash used in financing activities was for interest and bank loan repayments. Arising from the above, the Group generated a net decrease in cash and cash equivalents of US\$8.2 million from US\$21.9 million as at 31 December 2009 to US\$13.7 million as at 31 March 2010.

### **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 global economy is recovering but not all countries are recovering at the same rate. The economies in Asia where the Group mainly operates in are projected to grow strongly.

For the current quarter, we added another 2 tugboats to our existing vessel fleet to cater to the demand for dry bulk transportation from our existing customers. With the expanded fleet, we will also look out for new customers and opportunities to maximize our fleet utilization.

We will leverage on our established relationship with existing major customers and continue to focus on keeping our fleet fully deployed and operating efficiently. Barring unforeseen circumstances, the Group is confident of higher revenue in FY2010 with more vessels deployed from our expanded fleet size.

## 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.

Not applicable.

## 13. Interested Person Transactions

<b>Name of Interested Persons</b>	<b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$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 year under review under shareholders' mandate (excluding transactions less than \$100,000) pursuant to Rule 920</b>
	US\$ '000	US\$ '000
Freight charter revenue from PT Adaro Indonesia	-	6,154
Interest expenses on term loan from Regente Holdings Ltd	-	389
Professional fees to Ng Chong & Hue LLC	5	-

**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 2010 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**

**05 May 2010**

Collins Stewart Pte. Limited was the financial adviser ("**Financial Adviser**") to the Company in relation to the reverse takeover of the Group. The Financial Adviser assumes no responsibility for the contents of this announcement, including the correctness of any statements or opinions made or reports contained in this announcement.