



SEROJA INVESTMENTS LIMITED

(Company Registration Number: 198300847M)

Unaudited Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30 June 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 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			Group		
	3 months ended 30/06/2010 US\$'000	3 months ended 30/06/2009 US\$'000	Increase/ (Decrease) %	6 months ended 30/06/2010 US\$'000	6 months ended 30/06/2009 US\$'000	Increase/ (Decrease) %
Revenue	10,637	9,616	10.6	19,407	15,898	22.1
Cost of services	(6,420)	(5,521)	16.3	(13,048)	(9,607)	35.8
Gross profit	4,217	4,095	3.0	6,359	6,291	1.1
Other gains	41	765	(94.6)	107	704	(84.8)
Expenses						
- Administrative	(943)	(599)	57.4	(1,708)	(1,159)	47.4
- Finance	(1,291)	(1,620)	(20.3)	(2,581)	(3,640)	(29.1)
Profit before income tax	2,024	2,641	(23.4)	2,177	2,196	(0.9)
Income tax expense	(107)	(103)	3.9	(199)	(166)	19.9
Net profit	1,917	2,538	(24.5)	1,978	2,030	(2.6)
Attributable to:						
Equity holders of the Company	967	1,217	(20.5)	892	972	(8.2)
Non-controlling interests	950	1,321	(28.1)	1,086	1,058	2.6
	1,917	2,538	(24.5)	1,978	2,030	(2.6)
Statement of comprehensive income						
Net profit	1,917	2,538	(24.5)	1,978	2,030	(2.6)
Currency translation gain	-	-	n.m.	72	-	n.m.
Total comprehensive income for the period	1,917	2,538	(24.5)	2,050	2,030	1.0
Attributable to:						
Equity holders of the Company	967	1,217	(20.5)	964	972	(0.8)
Non-controlling interests	950	1,321	(28.1)	1,086	1,058	2.6
	1,917	2,538	(24.5)	2,050	2,030	1.0

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 30/06/2010 US\$'000	3 months ended 30/06/2009 US\$'000	Increase/ (Decrease) %	6 months ended 30/06/2010 US\$'000	6 months ended 30/06/2009 US\$'000	Increase/ (Decrease) %
Profit before income tax is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment,	2,125	1,640	29.6	4,068	3,039	33.9
(Gain)/Loss on foreign exchange	22	(725)	n.m.	(35)	(640)	(94.6)
Interest expense	1,291	1,620	(20.3)	2,581	3,640	(29.1)
Interest income	(1)	(35)	(96.0)	(2)	(63)	(96.5)

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	
	30/06/2010 US\$'000	31/12/2009 US\$'000	30/06/2010 US\$'000	31/12/2009 US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	3,237	21,883	686	16,095
Trade and other receivables	8,351	7,280	18,689	4,207
Inventories	854	494	-	-
Other current assets	1,650	457	488	58
	<u>14,092</u>	<u>30,114</u>	<u>19,863</u>	<u>20,360</u>
Non-current assets				
Investment in subsidiaries	-	-	22,138	22,138
Property, plant and equipment	113,273	101,468	38	45
Other non-current assets	1,491	54	-	-
	<u>114,764</u>	<u>101,522</u>	<u>22,176</u>	<u>22,183</u>
Total assets	<u>128,856</u>	<u>131,636</u>	<u>42,039</u>	<u>42,543</u>
LIABILITIES				
Current liabilities				
Trade and other payables	4,252	2,939	266	412
Borrowings	14,986	13,400	-	-
	<u>19,238</u>	<u>16,339</u>	<u>266</u>	<u>412</u>
Non-current liabilities				
Borrowings	64,446	72,146	-	-
Deferred income tax liabilities	512	535	-	-
Provision for post employment benefits	89	95	-	-
	<u>65,047</u>	<u>72,776</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>84,285</u>	<u>89,115</u>	<u>266</u>	<u>412</u>
NET ASSETS	<u>44,571</u>	<u>42,521</u>	<u>41,773</u>	<u>42,131</u>
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	18,642	18,642	43,792	43,792
Translation reserve	97	25	97	25
Retained earnings/(accumulated losses)	13,018	12,126	(2,116)	(1,686)
	<u>31,757</u>	<u>30,793</u>	<u>41,773</u>	<u>42,131</u>
Non-controlling interests	12,814	11,728	-	-
	<u>44,571</u>	<u>42,521</u>	<u>41,773</u>	<u>42,131</u>

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

	Group	
	30/06/2010 US\$'000	31/12/2009 US\$'000
<u>Amount repayable in one year or less, or on demand:</u>		
Secured	13,400	13,400
Unsecured	1,586	-
	14,986	13,400
<u>Amount repayable after one year:</u>		
Secured	39,170	46,870
Unsecured	25,276	25,276
	64,446	72,146
Total borrowings	79,432	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		Group	
	For the 3 months ended		For the 6 months ended	
	30 June		30 June	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Cash Flows from Operating Activities				
Profit before income tax	2,024	2,641	2,177	2,196
Adjustments for:				
Depreciation of property, plant and equipment	2,125	1,640	4,068	3,039
Negative goodwill	(53)	-	(53)	-
Interest expense	1,291	1,620	2,581	3,640
Interest income	(1)	(35)	(2)	(63)
Operating cash flow before working capital changes	5,386	5,866	8,771	8,812
Changes in working capital:				
Inventories	(423)	7	(360)	50
Trade and other receivables	38	(1,970)	(1,070)	(2,109)
Other current assets	(1,622)	(611)	(2,475)	(1,136)
Trade and other payables	(162)	818	(160)	672
Post employment benefits	-	-	(6)	-
Cash generated from operating activities	3,217	4,110	4,700	6,289
Income tax paid	(118)	(116)	(221)	(191)
Interest received	1	35	2	63
Net cash provided by operating activities	3,100	4,029	4,481	6,161
Cash Flows from Investing Activities				
Acquisition of subsidiary	(553)	-	(553)	-
Purchase of property, plant and equipment	(9,917)	(55)	(13,822)	(68)
Net cash used in investing activities	(10,470)	(55)	(14,375)	(68)
Cash Flows from Financing Activities				
Proceeds from borrowings	1,586	-	1,586	-
Repayment of borrowings	(3,350)	(3,345)	(7,700)	(6,690)
Interest paid	(1,300)	(1,620)	(2,638)	(3,209)
Net cash used in financing activities	(3,064)	(4,965)	(8,752)	(9,899)
Net increase in cash and cash equivalents	(10,434)	(991)	(18,646)	(3,806)
Cash and cash equivalents at the beginning of the financial period	13,671	7,087	21,883	9,902
Cash and cash equivalents at the end of the financial period	3,237	6,096	3,237	6,096
Represented by:				
Fixed Deposits	-	1,174	-	1,174
Cash and bank balances	3,237	4,922	3,237	4,922
	3,237	6,096	3,237	6,096

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 April 2009	1,013	-	8,507	10,330	19,850
Total comprehensive income for the period	-	-	1,217	1,321	2,538
Balance as at 30 June 2009	1,013	-	9,724	11,651	22,388
Balance as at 1 April 2010	18,642	97	12,051	11,864	42,654
Total comprehensive income for the period	-	-	967	950	1,917
Balance as at 30 June 2010	18,642	97	13,018	12,814	44,571

Company

	Share capital US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 April 2009	119,080	-	(181,271)	(62,191)
Total comprehensive income for the period	-	-	(3)	(3)
Balance as at 30 June 2009	119,080	-	(181,274)	(62,194)
Balance as at 1 April 2010	43,792	97	(1,885)	42,004
Total comprehensive income for the period	-	-	(231)	(231)
Balance as at 30 June 2010	43,792	97	(2,116)	41,773

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 April 2010 to 30 June 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 30 June 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 30 June 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	
	6 months ended 30/06/2010 US cents	6 months ended 30/06/2009 US cents
(a) Basic	0.27	0.61
(b) Fully diluted basis	0.27	0.61

Note:

The earnings per ordinary share of the Group for the financial period ended 30 June 2010 has been computed based on 325,388,110 ordinary shares. The earnings per ordinary share of the Group for the financial year ended 30 June 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)	9.76	9.46	12.84	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 30 June 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 FY2010Q2 and FY2009Q2 are summarized in the table below:-

	FY2010Q2		FY2009Q2	
	US\$'000	%	US\$'000	%
Freight charter	10,021	94.2	6,856	71.3
Time charter	616	5.8	2,760	28.7
Total revenue	10,637	100.0	9,616	100.0

Revenue increased by 10.6% or US\$1.0 million from US\$9.6 million in FY2009Q2 to US\$10.6 million in FY2010Q2. This was due to higher freight charter revenue which was offset by decrease in time charter revenue. Freight charter revenue increased by US\$3.2 million from US\$6.8 million in FY2009Q2 to US\$10.0 million in FY2010Q2. This was mainly due to shipments for new customers generating revenue of approximately US\$1.6million as well as increase in contractual freight rate adjustment to existing customers in line with increase in fuel price. Time charter revenue decreased by US\$2.1 million from US\$2.7 million in FY2009Q2 to US\$0.6 million in FY2010Q2 due to cancelled contracts from 2 overseas customers.

Gross profit increased by US\$0.1 million from US\$4.1 million in FY2009Q2 to US\$4.2 million in FY2010Q2. However, gross profit margin decreased from 42.6% in FY2009Q2 to 39.6% in FY2010Q2 due mainly to provision of more transshipment services which generated lower margin as well as higher depreciation expenses as our vessels increased from 26 sets in FY2009Q2 to 29 sets in FY2010Q2.

Other gains in FY2010Q2 was mainly due to negative goodwill arising from acquisition of a subsidiary which is partly offset by unrealized exchange loss from foreign currency fluctuations between the US\$ and S\$.

The increase in administrative expenses of US\$0.3 million from US\$0.6 million in FY2009Q2 to US\$0.9 million in FY2010Q2 was mainly due to the increase in professional fees and administrative expenses incurred by Singapore office compared to no such significant expenses incurred in FY2009Q2. The decrease in finance cost by US\$0.3 million from US\$1.6 million in FY2009Q2 to US\$1.3 million in FY2010Q2 was mainly due to lower average borrowings as a result of repayment of bank loan for the period under review.

Arising from the above, net profit/comprehensive income attributable to shareholders decreased by 20.5% from US\$1.2 million in FY2009Q2 to US\$1.0 million in FY2010Q2.

Review of the Group's Financial Position as at 30 June 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. Inventories increased by US\$0.4 million mainly due to stocking of fuel to be used in the following month. The increase in other current assets of US\$1.2 million was mainly due to increase in deposit of US\$0.4 million placed to secure a banker's guarantee and prepaid insurance expenses of US\$0.8 million for our fleet of vessels.

The increase in property, plant and equipment of US\$11.8 million from US\$101.5 million in December 2009 to US\$113.3 million in June 2010 was mainly due to acquisition of a Capesize vessel together with our joint venture partner as well as addition of a tugboat through our newly acquired subsidiary, PT Bintang Pertama Line. The increase is partly offset by depreciation expense during the period under review. The increase in other non-current assets of US\$1.4 million pertain to deferred expenses incurred for drydocking our fleet of vessels for maintenance.

The increase in trade and other payables was in line with the increase in business activities for the period under review. The decrease in net borrowings of US\$6.1 million was due to partial repayment of bank loan for the period under review.

Net cash provided by operating activities amounted to US\$3.1 million which was offset by net cash used in investing activities and financing activities of US\$10.5 million and US\$3.0 million respectively. Cash used in investing activities was mainly to fund the purchase of a Capesize vessel as above-mentioned and 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\$10.4 million from US\$13.6 million as at 31 March 2010 to US\$3.2 million as at 30 June 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.

On 4 May 2010, the Group acquired a 99.8% stake in PT Bintang Pertama Line, an Indonesian registered company, for cash consideration of US\$0.6 million. The Group had been chartering the vessel from PT BPL since 2009. With the acquisition, the Group can manage PT Bintang Pertama Line and its vessel more efficiently and hence realize significant cost savings

On 11 June 2010, the Group entered into a joint venture with a China company, Zhushui Energy Resource Group Co. Ltd to deliver coal from Indonesia and Australia to China under a time charter agreement for 2 years. This is our maiden venture into dry bulk shipping in China and will contribute positively to our results in FY2010 as well as in FY2011.

We will continue to build on our relationship with existing customers and to source for new customers to drive growth to our revenue and bottomline. Barring unforeseen circumstances, the Group is confident of higher revenue in FY2010 with more vessels deployed from our expanded fleet size as well as from our joint ventures.

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

Name of Interested Persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$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 \$100,000) pursuant to Rule 920
	US\$ '000	US\$ '000
Freight charter revenue from PT Adaro Indonesia	-	6,521
Interest expenses on term loan from Regente Holdings Ltd	-	413

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 Second Quarter Results of the Group for the financial period ended 30 June 2010 to be false or misleading in any material aspect.

By Order of The Board

**Husni Heron
CEO**

11 August 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.