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Third Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information

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 *	Executive Director and CEO
Date & Time of Broadcast	03-Nov-2010 18:46:51
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2010
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Description	Please see attached.
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Attachments

 SerojaFY2010Q3Ann031110.pdf Total size = 314K (2048K size limit recommended)
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SEROJA INVESTMENTS LIMITED

(Company Registration Number: 198300847M)

Unaudited Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 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 30/09/2010 US\$'000	3 months ended 30/09/2009 US\$'000	Increase/ (Decrease) %	9 months ended 30/09/2010 US\$'000	9 months ended 30/09/2009 US\$'000	Increase/ (Decrease) %
Revenue	10,637	8,674	22.6	30,044	24,572	22.3
Cost of services	(7,139)	(5,978)	19.4	(20,187)	(15,585)	29.5
Gross profit	3,498	2,696	29.7	9,857	8,987	9.7
Other (losses)/gains	(1,214)	2,613	n.m.	(1,107)	3,317	n.m.
Expenses						
- Administrative	(1,016)	(937)	8.4	(2,724)	(2,096)	30.0
- Finance	(961)	(1,655)	(41.9)	(3,542)	(5,295)	(33.1)
Profit before income tax	307	2,717	(88.7)	2,484	4,913	(49.4)
Income tax expense	(100)	(91)	9.9	(299)	(257)	16.3
Net profit	207	2,626	(92.1)	2,185	4,656	(53.1)
Attributable to:						
Equity holders of the Company	66	2,634	(97.5)	958	3,606	(73.4)
Non-controlling interests	141	(8)	n.m.	1,227	1,050	16.9
	207	2,626	(92.1)	2,185	4,656	(53.1)
Statement of comprehensive income						
Net profit	207	2,626	(92.1)	2,185	4,656	(53.1)
Currency translation gain	1,228	190	546.3	1,300	190	584.2
Total comprehensive income for the period	1,435	2,816	(49.0)	3,485	4,846	(28.1)
Attributable to:						
Equity holders of the Company	1,294	2,824	(54.2)	2,258	3,796	(40.5)
Non-controlling interests	141	(8)	n.m.	1,227	1,050	16.9
	1,435	2,816	(49.0)	3,485	4,846	(28.1)

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 30/09/2010 US\$'000	3 months ended 30/09/2009 US\$'000	Increase/ (Decrease) %	9 months ended 30/09/2010 US\$'000	9 months ended 30/09/2009 US\$'000	Increase/ (Decrease) %
Profit before income tax is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment,	2,210	1,673	32.1	6,278	4,712	33.2
Loss/(Gain) on foreign exchange	1,197	259	362.3	1,162	(381)	n.m.
Interest expense	961	1,655	(42.0)	3,542	5,295	(33.1)
Interest income	(1)	(27)	(96.1)	(3)	(90)	(96.4)
Writeback of other payables	-	2,885	(100.0)	-	2,885	(100.0)

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	
	30/09/2010 US\$'000	31/12/2009 US\$'000	30/09/2010 US\$'000	31/12/2009 US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,628	21,883	289	16,095
Trade and other receivables	6,570	7,280	19,906	4,207
Inventories	676	494	-	-
Other current assets	1,734	457	540	58
	<u>13,608</u>	<u>30,114</u>	<u>20,735</u>	<u>20,360</u>
Non-current assets				
Investments in subsidiaries	-	-	22,138	22,138
Property, plant and equipment	111,022	101,468	36	45
Other non-current assets	1,362	54	-	-
	<u>112,384</u>	<u>101,522</u>	<u>22,174</u>	<u>22,183</u>
Total assets	<u>125,992</u>	<u>131,636</u>	<u>42,909</u>	<u>42,543</u>
LIABILITIES				
Current liabilities				
Trade and other payables	3,340	2,939	228	412
Borrowings	14,960	13,400	-	-
	<u>18,300</u>	<u>16,339</u>	<u>228</u>	<u>412</u>
Non-current liabilities				
Borrowings	61,096	72,146	-	-
Deferred income tax liabilities	501	535	-	-
Provision for post employment benefits	89	95	-	-
	<u>61,686</u>	<u>72,776</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>79,986</u>	<u>89,115</u>	<u>228</u>	<u>412</u>
NET ASSETS	<u>46,006</u>	<u>42,521</u>	<u>42,681</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	1,325	25	1,323	25
Retained earnings/(accumulated losses)	13,084	12,126	(2,434)	(1,686)
	<u>33,051</u>	<u>30,793</u>	<u>42,681</u>	<u>42,131</u>
Non-controlling interests	12,955	11,728	-	-
	<u>46,006</u>	<u>42,521</u>	<u>42,681</u>	<u>42,131</u>

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

	Group	
	30/09/2010 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	1,560	-
	14,960	13,400
<u>Amount repayable after one year:</u>		
Secured	35,820	46,870
Unsecured	25,276	25,276
	61,096	72,146
Total borrowings	76,056	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 9 months ended	
	30 September		30 September	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Cash Flows from Operating Activities				
Profit before income tax	307	2,717	2,484	4,913
Adjustments for:				
Depreciation of property, plant and equipment	2,210	1,673	6,278	4,712
Writeback of other payables		(2,885)		(2,885)
Negative goodwill on acquisition	-	-	(53)	-
Interest expense	961	1,655	3,542	5,295
Interest income	(1)	(27)	(3)	(90)
Unrealised currency translation losses	1,364	190	1,317	190
Operating cash flow before working capital changes	4,841	3,323	13,565	12,135
Changes in working capital:				
Inventories	177	(46)	(183)	4
Trade and other receivables	1,781	1,819	711	(290)
Other current assets	45	(583)	(2,430)	(1,719)
Trade and other payables	(1,084)	250	(1,218)	922
Post employment benefits	-	-	(6)	-
Cash generated from operating activities	5,760	4,763	10,439	11,052
Income tax paid	(112)	(104)	(333)	(295)
Interest received	1	27	3	90
Net cash provided by operating activities	5,649	4,686	10,109	10,847
Cash Flows from Investing Activities				
Acquisition of subsidiary	-	-	(553)	-
Purchase of property, plant and equipment	(4)	(81)	(13,779)	(149)
Net cash used in investing activities	(4)	(81)	(14,332)	(149)
Cash Flows from Financing Activities				
Proceeds from issue of shares - net		5,535		5,535
Proceeds from borrowings	-	-	1,560	-
Repayment of borrowings	(3,350)	(5,114)	(11,050)	(11,804)
Interest paid	(884)	(2,029)	(3,522)	(5,238)
Net cash used in financing activities	(4,234)	(1,608)	(13,012)	(11,507)
Net increase(decrease) in cash and cash equivalents	1,411	2,997	(17,235)	(809)
Cash and cash equivalents at the beginning of the financial period	3,237	6,096	21,883	9,902
Effects of currency translation on cash and cash equivalents	(20)	-	(20)	-
Cash and cash equivalents at the end of the financial period	4,628	9,093	4,628	9,093
Represented by:				
Short-term bank deposits	1,500	-	1,500	-
Cash and bank balances	3,128	9,093	3,128	9,093
	4,628	9,093	4,628	9,093

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	Minority Interests US\$'000	Total US\$'000
Balance as at 1 January 2009	1,013	-	8,752	10,593	20,358
Total comprehensive income for the period	-	190	3,606	1,050	4,846
Decrease in value of shares issued as part of the reverse acquisition	(3,172)	-	-	-	(3,172)
RTO expenses	(1,924)	-	-	-	(1,924)
Issue of shares pursuant to Compliance placement	7,751	-	-	-	7,751
Share issue expenses	(292)	-	-	-	(292)
Balance as at 30 September 2009	<u>3,376</u>	<u>190</u>	<u>12,358</u>	<u>11,643</u>	<u>27,567</u>
Balance as at 1 January 2010	18,642	25	12,126	11,728	42,521
Total comprehensive income for the period	-	1,300	958	1,227	3,485
Balance as at 30 September 2010	<u>18,642</u>	<u>1,325</u>	<u>13,084</u>	<u>12,955</u>	<u>46,006</u>

Company	Share capital US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2009	119,080	-	(181,226)	(62,146)
Total comprehensive income for the period	-	190	2,645	2,835
Issue of shares pursuant to Scheme of Arrangement	58,974	-	-	58,974
Capital Reduction	(177,201)	-	177,201	-
Issue of shares pursuant to RTO of TLK Group	22,138	-	-	22,138
RTO expenses	(1,924)	-	-	(1,924)
Issue of shares pursuant to Compliance placement	7,751	-	-	7,751
Share issue expenses	(292)	-	-	(292)
Balance as at 30 September 2009	<u>28,526</u>	<u>190</u>	<u>(1,380)</u>	<u>27,336</u>
Balance as at 1 January 2010	43,792	25	(1,686)	42,131
Total comprehensive income for the period	-	1,298	(748)	550
Balance as at 30 September 2010	<u>43,792</u>	<u>1,323</u>	<u>(2,434)</u>	<u>42,681</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 9 months ended 30 September 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 September 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
Amendment to FRS 7 Cash Flow Statements

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	
	9 months ended 30/09/2010 US cents	9 months ended 30/09/2009 US cents
(a) Basic	0.29	2.25
(b) Fully diluted basis	0.29	2.25

Note:

The earnings per ordinary share of the Group for the financial period ended 30 September 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 September 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	
	30/09/10	31/12/09	30/09/10	31/12/09
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	10.16	9.46	13.12	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 September 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 FY2010Q3 and FY2009Q3 are summarized in the table below:-

	FY2010Q3		FY2009Q3	
	US\$'000	%	US\$'000	%
Freight charter	8,470	79.6	6,817	78.6
Time charter	2,167	20.4	1,857	21.4
Total revenue	10,637	100.0	8,674	100.0

Revenue increased by 22.6% or US\$1.9 million from US\$8.7 million in FY2009Q3 to US\$10.6 million in FY2010Q3. This was due mainly to higher freight charter revenue as well as time charter revenue. Freight charter revenue increased by US\$1.7 million from US\$6.8 million in FY2009Q3 to US\$8.5 million in FY2010Q3. This was mainly due to increase in shipments for our major customer for coal transportation. Time charter revenue increased by US\$0.2 million from US\$1.9 million in FY2009Q3 to US\$2.1 million in FY2010Q3 mainly due to contribution from our joint venture with Zhushui Energy Resource Group Co. Ltd as well as from 2 new Indonesian customers.

Gross profit increased by US\$0.8 million from US\$2.7 million in FY2009Q3 to US\$3.5 million in FY2010Q3. Gross profit margin increased from 31.1% in FY2009Q3 to 32.9% in FY2010Q3 due mainly to higher margin from our time charter contract under our joint venture company as well as increase in contractual freight rate adjustment. The higher margin was partly offset by increase in fuel price as well as higher depreciation expenses as our vessels increased from 26 sets of tugboats and barges in FY2009Q3 to 30 tugboats and 29 barges in FY2010Q3.

Other losses in FY2010Q3 was mainly due to unrealized exchange loss from foreign currency fluctuations between the US\$ and S\$ as compared to other gain in FY2009Q3 arising mainly from writeback of other payables of US\$2.9 million which was partly offset by exchange loss of US\$0.3 million.

The increase in administrative expenses of US\$0.1 million from US\$0.9 million in FY2009Q3 to US\$1.0 million in FY2010Q3 was mainly due to increase in salaries expenses from the increase in administrative staff strength to support the increase in business activities. The decrease in finance cost by US\$0.8 million from US\$1.6 million in FY2009Q3 to US\$0.8 million in FY2010Q3 was mainly due to lower average borrowings as a result of repayment of bank loan for the period under review as well as decrease in interest rate charged for related party loan.

Arising from the above, net profit attributable to shareholders was US\$0.1 million compared to US\$2.6 million in FY2009Q3. There was a writeback of other payables amounting to US\$2.9 million in FY2009Q3. Comprehensive income attributable to shareholders was a gain of US\$1.4 million in FY2010Q3 due mainly to translation gain as compared to US\$2.8 million in FY2009Q3.

Review of the Group's Financial Position as at 30 September 2010 as compared to the Group's Financial Position as at 31 December 2009

The decrease in trade and other receivables of US\$0.7 million was due to prompt collection from major customers. Inventories increased by US\$0.2 million mainly due to higher purchases for fuel restocking. The increase in other current assets of US\$1.3 million was mainly due to a deposit of US\$0.5 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\$9.5 million from US\$101.5 million in December 2009 to US\$111.0 million in September 2010 was mainly due to acquisition of a Capesize vessel together with our joint venture partner which was partly offset by depreciation expense during the period under review. The increase in other non-current assets of US\$1.3 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\$9.5 million was due to partial repayment of bank loan for the period under review.

Net cash generated by operating activities amounted to US\$5.6 million which was offset by net cash used in investing activities and financing activities of US\$4k and US\$4.2 million respectively. Cash used in investing activities was mainly to fund minor capital expenditures and cash used in financing activities was for interest and bank loan repayments. Arising from the above, the Group generated a net increase in cash and cash equivalents of US\$1.4 million from US\$3.2 million as at 30 June 2010 to US\$4.6 million as at 30 September 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 strong demand for coal as the main source of energy in Indonesia will continue to drive the demand for our vessel fleet and the capacity utilization of our fleet. Our joint venture with Zhushui Energy Resource Group Co. Ltd has produced stable revenue and profits and will continue to contribute positively to our Group's results in the next 12 months.

We will continue to strengthen our relationship with existing customers and to source for new customers for expansion. 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	-	6,633
Interest expenses on term loan from Regente Holdings Ltd	-	146

CONFIRMATION BY THE BOARD ON FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

To the best of my knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Third Quarter Financial Results of the Group for the financial period ended 30 September 2010 to be false or misleading in any material aspect.

On Behalf of The Board of Directors

**Husni Heron
CEO**

03 November 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.