SEROJA INVESTMENTS LIMITED
(Company Registration Number: 198300847M)

Unaudited Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30 June 2011

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			Group		
	3 months ended 30/06/2011 US$'000	Restated 3 months ended 30/06/2010 US$'000	Increase/ (Decrease) %	6 months ended 30/06/2011 US$'000	Restated 6 months ended 30/06/2010 US$'000	Increase/ (Decrease) %
Revenue	13,573	10,637	27.6	23,630	19,407	21.8
Cost of services	(9,502)	(6,505)	46.1	(17,106)	(13,219)	29.4
Gross profit	4,071	4,132	(1.5)	6,524	6,188	5.4
Other gains/(losses)	(41)	41	n.m.	40	107	(62.6)
Expenses						
- Administrative	(1,123)	(943)	19.1	(1,980)	(1,708)	15.9
- Finance	(2,293)	(1,291)	77.6	(2,968)	(2,581)	15.0
Share of results of associates	109	-	n.m.	385	-	n.m.
Profit before income tax	723	1,939	(62.7)	2,001	2,006	(0.2)
Income tax expense	(136)	(107)	27.1	(230)	(199)	15.6
Net profit	587	1,832	(68.0)	1,771	1,807	(2.0)
Attributable to:						
Equity holders of the Company	655	926	(29.3)	1,672	809	106.7
Non-controlling interests	(68)	906	n.m.	99	998	(90.1)
	587	1,832	(68.0)	1,771	1,807	(2.0)
Statement of comprehensive income						
Net profit	587	1,832	(68.0)	1,771	1,807	(2.0)
Currency translation gain	-	-		3	72	(95.8)
Total comprehensive income for the period	587	1,832	(68.0)	1,774	1,879	(5.6)
Attributable to:						
Equity holders of the Company	655	926	(29.3)	1,675	881	90.1
Non-controlling interests	(68)	906	n.m.	99	998	(90.1)
	587	1,832	(68.0)	1,774	1,879	(5.6)

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 30/06/2011 US$'000	Restated 3 months ended 30/06/2010 US$'000	Increase/ (Decrease) %	6 months ended 30/06/2011 US$'000	Restated 6 months ended 30/06/2010 US$'000	Increase/ (Decrease) %
Profit before income tax is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	2,847	2,258	26.1	5,210	4,297	21.3
Loss/(Gain) on foreign exchange	64	22	192.6	24	(35)	n.m.
Interest expense	2,293	1,291	77.6	2,968	2,581	15.0
Interest income	(5)	(1)	256.2	(5)	(2)	126.7

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	
	30/06/2011	**31/12/2010**	**30/06/2011**	**31/12/2010**
	US$'000	**US$'000**	**US$'000**	**US$'000**
ASSETS				
Current assets				
Cash and cash equivalents	14,390	1,052	8,676	150
Trade and other receivables	8,919	6,416	23,176	18,667
Inventories	1,345	606	-	-
Other current assets	1,584	1,292	60	505
	26,238	9,366	31,912	19,322
Non-current assets				
Investments in subsidiaries	-	-	22,138	22,138
Investments in associates	2,590	-	-	-
Property, plant and equipment	126,467	113,569	23	30
	129,057	113,569	22,161	22,168
Total assets	155,295	122,935	54,073	41,490
LIABILITIES				
Current liabilities				
Trade and other payables	9,444	5,528	233	305
Borrowings	12,200	13,400	-	-
	21,644	18,928	233	305
Non-current liabilities				
Borrowings	72,480	57,746	-	-
Deferred income tax liabilities	467	490	-	-
Provision for post employment benefits	142	142	-	-
	73,089	58,378	-	-
Total liabilities	94,733	77,306	233	305
NET ASSETS	60,562	45,629	53,840	41,185
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	31,801	18,642	56,951	43,792
Translation reserve	3	-	-	-
Retained earnings/(accumulated losses)	15,921	14,249	(3,111)	(2,607)
	47,725	32,891	53,840	41,185
Non-controlling interests	12,837	12,738	-	-
	60,562	45,629	53,840	41,185

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

	Group	
	30/06/2011 US$'000	**31/12/2010 US$'000**
Amount repayable in one year or less, or on demand:		
Secured	12,200	13,400
Unsecured	-	-
	12,200	13,400
Amount repayable after one year:		
Secured	72,480	32,470
Unsecured	-	25,276
	72,480	57,746
Total borrowings	84,680	71,146

Details of any collateral

Bank borrowings of the Group are secured by the following:

- certain buildings and certain vessels;
- corporate guarantee by subsidiary and joint venture companies,
- 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;
- corporate guarantee by a shareholder, PT Saratoga Investama Sedaya; and
- personal guarantees by shareholders of joint venture companies.

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 30 June		Group For the 6 months ended 30 June	
	2011 US$'000	2010 US$'000 Restated	2011 US$'000	2010 US$'000 Restated
Cash Flows from Operating Activities				
Profit before income tax	723	1,939	2,001	2,006
Adjustments for:				
Depreciation of property, plant and equipment	2,847	2,258	5,210	4,297
Negative goodwill on acquisition	-	(53)		(53)
Interest expense	2,293	1,291	2,968	2,581
Interest income	(5)	(1)	(5)	(2)
Share of results of associates	(109)	-	(385)	-
Operating cash flow before working capital changes	5,749	5,434	9,789	8,829
Changes in working capital:				
Inventories	(467)	(423)	(739)	(360)
Trade and other receivables	(2,723)	38	(2,503)	(1,070)
Other current assets	(259)	(1,832)	(292)	(2,533)
Trade and other payables	(3,449)	(162)	(467)	(160)
Post employment benefits	-	-	-	(6)
Cash generated from/(used in) operating activities	(1,149)	3,055	5,788	4,700
Income tax paid	(147)	(118)	(252)	(221)
Interest received	5	1	5	2
Net cash generated from/(used in) operating activities	(1,291)	2,938	5,541	4,481
Cash Flows from Investing Activities				
Acqusition of subsidiary	-	(553)	-	(553)
Investments in associates	(405)	-	(2,205)	-
Purchase of property, plant and equipment	(10,144)	(9,755)	(18,108)	(13,822)
Net cash used in investing activities	(10,549)	(10,308)	(20,313)	(14,375)
Cash Flows from Financing Activities				
Proceeds from issue of shares - net	-	-	13,159	-
Advance payment from non-controlling interests	5,200	-	5,200	-
Proceeds from borrowings	79,680	1,586	84,680	1,586
Repayment of borrowings	(67,796)	(3,350)	(71,146)	(7,700)
Interest paid	(3,041)	(1,300)	(3,783)	(2,638)
Net cash generated from/(used in) financing activities	14,043	(3,064)	28,110	(8,752)
Net increase/(decrease) in cash and cash equivalents	2,203	(10,434)	13,338	(18,646)
Cash and cash equivalents at the beginning of the financial period	12,187	13,671	1,052	21,883
Cash and cash equivalents at the end of the financial period	14,390	3,237	14,390	3,237
Represented by:				
Short-term bank deposits	8,093	-	8,093	-
Cash and bank balances	6,297	3,237	6,297	3,237
	14,390	3,237	14,390	3,237

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 January 2010 - previously reported	18,642	25	12,126	11,728	42,521
Effect of change in accounting policy	-	-	266	289	555
Balance as at 1 January 2010 - restated	18,642	25	12,392	12,017	43,076
Total comprehensive income for the period as previously reported	-	72	892	1,086	2,050
Effect of change in accounting policy	-	-	(83)	(88)	(171)
Balance as at 30 June 2010 - restated	18,642	97	13,201	13,015	44,955
Balance as at 1 January 2011	18,642	-	14,249	12,738	45,629
Total comprehensive income for the period	-	3	1,672	99	1,774
Issue of shares	13,393	-	-	-	13,393
Shares issue expenses	(234)	-	-	-	(234)
Balance as at 30 June 2011	31,801	3	15,921	12,837	60,562

Company

	Share capital US$'000	Translation reserve US$'000	Retained earnings US$'000	Total US$'000
Balance as at 1 January 2010	43,792	25	(1,686)	42,131
Total comprehensive income/(loss) for the period	-	72	(430)	(358)
Balance as at 30 June 2010	43,792	97	(2,116)	41,773
Balance as at 1 January 2011	43,792	-	(2,607)	41,185
Total comprehensive loss for the period	-	-	(504)	(504)
Issue of shares	13,393	-	-	13,393
Shares issue expenses	(234)	-	-	(234)
Balance as at 30 June 2011	56,951	-	(3,111)	53,840

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 financial period from 1 April 2011 to 30 June 2011.

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 2011 is 390,388,110. (31 December 2010: 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 six months ended 30 June 2011 as compared with those for the audited consolidated financial statements as at 31 December 2010.

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.

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 Jan 2011. Consequential amendments were also made to various standards as a result of these new or revised standards.

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

(1) Amendments to FRS 24 - Related Party Disclosures
(2) Amendments to FRS 32 Financial Instruments: Presentation - Classification of Rights Issues
(3) Amendments to INT FRS 114 - Prepayments of a Minimum Funding Requirement
(4) INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new or revised FRS and INT FRS does not result in any changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

6. Earnings 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 30/06/2011 US cents	**6 months ended 30/06/2010 US cents (Restated)**
(a) Basic	0.50	0.25
(b) Fully diluted basis	0.50	0.25

Note 1:

The earnings per ordinary share of the Group for the three months ended 30 June 2011 has been computed based on weighted average of 360,581,480 ordinary shares. (30 June 2010: 325,388,110 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	
	30/06/11	**31/12/10**	**30/06/11**	**31/12/10**
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	12.23	10.11	13.79	12.66

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 2011 of 390,388,110 shares (31 December 2010: 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 for FY2011Q2 and FY2010Q2 are summarised in the table below:-

	FY2011Q2		FY2010Q2	
	US$'000	%	US$'000	%
Freight charter	10,050	74.0	10,021	94.2
Time charter	3,523	26.0	616	5.8
Total revenue	13,573	100.0	10,637	100.0

Revenue

Revenue increased by 27.6% or US$2.9 million from US$10.6 million in FY2010Q2 to US$13.6 million in FY2011Q2 mainly due to higher time charter revenue. Time charter revenue increased significantly by US$2.9 million from US$0.6 million in FY2010Q2 to US$3.5 million in FY2011Q2. This was mainly due to an addition of 5 new customers as well as contribution from our joint venture with Zhushui Energy Resource Group Co. Ltd which commenced only in June 2010. Freight charter revenue increased marginally by approximately US$29,000 to US$10.1 million in FY2011Q2 despite an increase in volume shipped. The increase in volume shipped relates to transshipments which were charged at lower rates due mainly to shorter distances travelled.

Gross Profit

Gross profit decreased marginally by approximately US$61,000 to US$4.1 million in FY2011Q2. Gross profit margin decreased by 8.9% from 38.9% in FY2010Q2 to 30.0% in FY2011Q2 as a result of more transshipments in FY2011Q2 which generally generated lower margins, as compared to FY2010Q2.

Other gains/(losses)

Other losses in FY2011Q2 related mainly due to exchange losses whereas other gains in FY2010Q2 related mainly to negative goodwill arising from acquisition of a subsidiary, PT Bintang Pertama Line in May 2010.

Expenses

The increase in administrative expenses of US$0.2 million from US$0.9 million in FY2010Q2 to US$1.1 million in FY2011Q2 was mainly due to legal fees incurred for loan refinancing and setting up of a joint venture company, PT Seroja LD Maritim. The increase in finance expenses of US$1.0 million from US$1.3 million in FY2010Q2 to US$2.3 million in FY2011Q2 was mainly due to a one-off upfront fee of approximately US$1.2 million for loan refinancing. Excluding the one-off upfront fee, finance expenses would have decreased by US$0.2 million in FY2011Q2, mainly due to a waiver of interest charges on our related party loan for the period under review which was fully repaid with the proceeds from loan refinancing in April 2011. The decrease in finance expenses was partly offset by higher interest expenses from the increase in bank borrowings under the loan refinancing in April 2011.

Net Profit

Arising from the above, net profit attributable to shareholders decreased by US$0.2 million from US$0.9 million in FY2010Q2 to US$0.7 million in FY2011Q2. If the one-off upfront fee on the loan refinancing was excluded, net profit attributable to shareholders would have been US$1.2 million in FY2011Q2 which represented an increase of 33% or US$0.3 million compared to US$0.9 million in FY2010Q2. Similarly, for the six months comparison, if the one-off upfront fee on the loan refinancing was excluded, net profit attributable to shareholders would have increased by 175% or US$1.4 million from US$0.8 million in FY2010H1 to US$2.2 million in FY2011H1.

Review of the Group's Financial Position as at 30 June 2011 as compared to the Group's Financial Position as at 31 December 2010

Trade and other receivables increased by US$2.5 million from US$6.4 million as at 31 December 2010 to US$8.9 million as at 30 June 2011. The increase was mainly due to higher revenue generated during the months of May 2011 and June 2011 which remained outstanding as at 30 June 2011. Inventories increased by US$0.7 million mainly due to increase in fuel purchases in line with increase in utilization of our vessel fleet. The increase in other current assets of US$0.3 million was mainly due to insurance prepaid for our fleet of vessel.

Our property, plant and equipment increased by US$12.9 million from US$113.6 million as at 31 December 2010 to US$126.5 million as at 30 June 2011. This was mainly due to construction in progress of 2 new Panamax vessels and capitalization of our drydocking costs, which were partly offset by depreciation charges during the period under review.

Our trade and other payables increased by US$3.9 million from US$5.5 million as at 31 December 2010 to US$9.4 million as at 30 June 2011, mainly due to an advance payment of US$5.2 million from non-controlling shareholders of our subsidiary, PT Pulau Seroja Jaya ("PT PSJ"). Such advance payment was for the intended purpose of increasing PT PSJ's paid up capital, which is subject to, *inter alia*, the approval of the Company's Board of Directors. Without such advance payment, our trade and other payables would have instead decreased from US$5.5 million as at 31 December 2010 to US$4.2 million as at 30 June 2011, mainly due to the recognition of advance contract payment from a customer of US$1.6 million as revenue, upon completion of the contract. Our total borrowings (current and non-current) increased by US$13.6 million from US$71.1 million as at 31 December 2010 to US$84.7 million as at 30 June 2011. The increase was due to proportionate share of joint venture's borrowings of US$14.7 million and net borrowings from loan refinancing of US$24.2 million recorded as at 30 June 2011, partly offset by full repayment of a related party loan of US$25.3 million during the period under review.

Our share capital increased from US$18.6 million as at 31 December 2010 to US$31.8 million as at 30 June 2011 as a result of the issuance of 65 million new shares pursuant to our share placement exercise completed in March 2011 which raised net proceeds of US$13.2 million.

For the 3 months ended 30 June 2011, net cash generated from financing activities amounted to US$14.0 million which was partly offset by net cash used in operating activities and investing activities of US$1.3 million and US$10.5 million respectively. Cash generated from financing activities for the 3 months ended 30 June 2011 was from net proceeds from loan refinancing, bank borrowings by our joint venture company and advance payment from non-controlling shareholders of our subsidiary, PT PSJ. This was partly offset by cash used for repayment of loan interests and full repayment of our related party loan. The deficit in cash from operating activities for the 3 months ended 30 June 2011 was due to changes in working capital from the higher trade receivables, inventories and other current assets balances as at 30 June 2011 as compared to 31 March 2011. In addition, the repayment of advance to our related party also contributed to the cash used in operating activities. Cash used in investing activities for the 3 months ended 30 June 2011 was in relation to the funding of 2 new Panamax vessels under construction as well as capital injection into associated companies for working capital purposes. Arising from the above, the Group generated a net increase in cash and cash equivalents of US$2.2 million from US$12.2 million as at 31 March 2011 to US$14.4 million as at 30 June 2011.

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. In addition, the full implementation of cabotage law in May 2011 which requires Indonesian flagged vessels to transport goods within the country's territorial waters will further drive the demand for our vessels which are all Indonesian flagged.

In April 2011, we had successfully refinanced our bank borrowings with more competitive interest rates. Our Group's gearing has since improved from 2.1 times as at 31 December 2010 to 1.5 times as at 30 June 2011 as a result of an increase in our shareholders' funds from the share placement exercise completed in March 2011 as well as repayment of loans under the loan refinancing.

We have secured more new customers in the second quarter of FY2011 as compared to the first quarter of FY2011, and we will build on the momentum to ship more cargo from our new customers. Our established relationship with existing major customers also provides us with a sustained cargo volume to ship. Barring unforeseen circumstances, the Group is optimistic of its performance in FY2011.

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 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	-	5,894
Professional fees to Ng Chong & Hue LLC [(1)]	28	-

Note:-

(1) Ng Chong & Hue LLC is wholly-owned by Mr Ng Soon Kai, an alternate director to Mr Edwin Soeryadjaya and the Company Secretary. Professional fees include corporate secretarial fees and legal fees for advisory works performed.

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 2011 to be false or misleading in any material aspect.

By Order of The Board

Husni Heron
CEO

12 August 2011

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.