SEROJA INVESTMENTS LIMITED
(Company Registration Number: 198300847M)

Unaudited Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 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 30/09/2011 US$'000	Restated 3 months ended 30/09/2010 US$'000	Increase/ (Decrease) %	9 months ended 30/09/2011 US$'000	Restated 9 months ended 30/09/2010 US$'000	Increase/ (Decrease) %
Revenue	13,618	10,637	28.0	37,248	30,044	24.0
Cost of services	(10,783)	(7,223)	49.3	(27,889)	(20,442)	36.4
Gross profit	2,835	3,414	(17.0)	9,359	9,602	(2.5)
Other gains	100	111	(9.9)	140	218	(35.8)
Expenses						
- Administrative	(998)	(1,016)	(1.8)	(2,978)	(2,724)	9.3
- Finance	(674)	(961)	(29.9)	(3,642)	(3,542)	2.8
Share of results of associates	150	-	n.m.	535	-	n.m.
Profit before income tax	1,413	1,548	(8.7)	3,414	3,554	(3.9)
Income tax expense	(139)	(100)	39.0	(369)	(299)	23.4
Net profit	1,274	1,448	(12.0)	3,045	3,255	(6.5)
Attributable to:						
Equity holders of the Company	693	1,077	(35.7)	2,365	1,886	25.4
Non-controlling interests	581	371	56.6	680	1,369	(50.3)
	1,274	1,448	(12.0)	3,045	3,255	(6.5)
Statement of comprehensive income						
Net profit	1,274	1,448	(12.0)	3,045	3,255	(6.5)
Currency translation gain/(loss)	-	(97)	(100.0)	3	(25)	n.m.
Total comprehensive income for the period	1,274	1,351	(5.7)	3,048	3,230	(5.6)
Attributable to:						
Equity holders of the Company	693	980	(29.3)	2,368	1,861	27.2
Non-controlling interests	581	371	56.6	680	1,369	(50.3)
	1,274	1,351	(5.7)	3,048	3,230	(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 30/09/2011 US$'000	Restated 3 months ended 30/09/2010 US$'000	Increase/ (Decrease) %	9 months ended 30/09/2011 US$'000	Restated 9 months ended 30/09/2010 US$'000	Increase/ (Decrease) %
Profit before income tax is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	2,503	2,307	8.5	7,713	6,604	16.8
Gain on foreign exchange	(122)	(126)	(2.8)	(98)	(161)	(39.0)
Interest expense	674	961	(29.8)	3,642	3,542	2.8
Interest income	(10)	(1)	875.7	(15)	(3)	364.3

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	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010
	US$'000	US$'000	US$'000	US$'000
ASSETS				
Current assets				
Cash and cash equivalents	14,229	1,052	8,489	150
Trade and other receivables	9,429	6,416	23,176	18,667
Inventories	1,397	606	-	-
Other current assets	2,127	1,292	59	505
	27,182	9,366	31,724	19,322
Non-current assets				
Investments in subsidiaries	-	-	22,138	22,138
Investments in associates	2,740	-	-	-
Property, plant and equipment	124,195	113,569	19	30
	126,935	113,569	22,157	22,168
Total assets	154,117	122,935	53,881	41,490
LIABILITIES				
Current liabilities				
Trade and other payables	4,551	5,528	256	305
Borrowings	12,200	13,400	-	-
	16,751	18,928	256	305
Non-current liabilities				
Borrowings	69,430	57,746	-	-
Deferred income tax liabilities	456	490	-	-
Provision for post employment benefits	142	142	-	-
	70,028	58,378	-	-
Total liabilities	86,779	77,306	256	305
NET ASSETS	67,338	45,629	53,625	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)	16,614	14,249	(3,326)	(2,607)
	48,418	32,891	53,625	41,185
Non-controlling interests	18,920	12,738	-	-
	67,338	45,629	53,625	41,185

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

	Group	
	30/09/2011 **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	69,430	32,470
Unsecured	-	25,276
	69,430	57,746
Total borrowings	81,630	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;
- 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 September		Group For the 9 months ended 30 September	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
		Restated		Restated
Cash Flows from Operating Activities				
Profit before income tax	1,413	1,548	3,414	3,554
Adjustments for:				
Depreciation of property, plant and equipment	2,503	2,307	7,713	6,604
Negative goodwill on acquisition	-	-		(53)
Interest expense	674	961	3,642	3,542
Interest income	(10)	(1)	(15)	(3)
Share of results of associates	(150)	-	(535)	
Operating cash flow before working capital changes	4,430	4,815	14,219	13,644
Changes in working capital:				
Inventories	(52)	177	(791)	(183)
Trade and other receivables	(510)	1,781	(3,013)	711
Other current assets	(543)	103	(835)	(2,430)
Trade and other payables	236	(966)	(231)	(1,100)
Post employment benefits	-	-	-	(6)
Cash generated from operating activities	3,561	5,910	9,349	10,636
Income tax paid	(151)	(112)	(403)	(333)
Interest received	10	1	15	3
Net cash generated from operating activities	3,420	5,799	8,961	10,306
Cash Flows from Investing Activities				
Acqusition of subsidiary	-	-	-	(553)
Investments in associates	-	-	(2,205)	-
Purchase of property, plant and equipment	(230)	(28)	(18,338)	(13,850)
Net cash used in investing activities	(230)	(28)	(20,543)	(14,403)
Cash Flows from Financing Activities				
Proceeds from issue of shares - net	-	-	13,159	-
Capital injection from non-controlling interests	302	-	5,502	-
Proceeds from borrowings	-	-	84,930	1,560
Repayment of borrowings	(3,050)	(3,350)	(74,446)	(11,050)
Interest paid	(603)	(1,030)	(4,386)	(3,668)
Net cash generated from/(used in) financing activities	(3,351)	(4,380)	24,759	(13,158)
Net increase/(decrease) in cash and cash equivalents	(161)	1,391	13,177	(17,255)
Cash and cash equivalents at the beginning of the financial period	14,390	3,237	1,052	21,883
Cash and cash equivalents at the end of the financial period	14,229	4,628	14,229	4,628
Represented by:				
Short-term bank deposits	7,931	1,500	7,931	1,500
Cash and bank balances	6,298	3,128	6,298	3,128
	14,229	4,628	14,229	4,628

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 (loss)/income for the period as previously reported	-	(25)	2,009	1,501	3,485
Effect of change in accounting policy	-	-	(123)	(132)	(255)
Balance as at 30 September 2010 - restated	18,642	-	14,278	13,386	46,306
Balance as at 1 January 2011	18,642	-	14,249	12,738	45,629
Total comprehensive income for the period	-	3	2,365	680	3,048
Capital injection by non-controlling interests in subsidiary	-	-	-	5,502	5,502
Issue of shares	13,393	-	-	-	13,393
Shares issue expenses	(234)	-	-	-	(234)
Balance as at 30 September 2011	31,801	3	16,614	18,920	67,338

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	(748)	(676)
Balance as at 30 September 2010	43,792	97	(2,434)	41,455
Balance as at 1 January 2011	43,792	-	(2,607)	41,185
Total comprehensive loss for the period	-	-	(719)	(719)
Issue of shares	13,393	-	-	13,393
Shares issue expenses	(234)	-	-	(234)
Balance as at 30 September 2011	56,951	-	(3,326)	53,625

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 July 2011 to 30 September 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 September 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 nine months ended 30 September 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.

On 1 January 2011, 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. Consequential amendments were also made to various standards as a result of these new or revised standards.

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

1) Amendments to FRS 24 - Related Party Disclosures

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	
	9 months ended 30/09/2011 US cents	**9 months ended 30/09/2010 US cents (Restated)**
(a) Basic	0.64	0.58
(b) Fully diluted basis	0.64	0.58

Note 1:

The earnings per ordinary share of the Group for the three months ended 30 September 2011 has been computed based on weighted average of 370,864,300 ordinary shares. (30 September 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	
	30/09/11	**31/12/10**	**30/09/11**	**31/12/10**
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	12.40	10.11	13.74	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 September 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 FY2011Q3 and FY2010Q3 are summarised in the table below:-

	FY2011Q3		FY2010Q3	
	US$'000	%	US$'000	%
Freight charter	10,220	75.0	8,470	79.6
Time charter	3,398	25.0	2,167	20.4
Total revenue	13,618	100.0	10,637	100.0

Revenue

Total revenue increased by 28.0% or US$3.0 million from US$10.6 million in FY2010Q3 to US$13.6 million in FY2011Q3. Freight charter revenue increased by US$1.8 million from US$8.4 million in FY2010Q3 to US$10.2 million in FY2011Q3 due to more cargo shipped for existing customers as well as shipments made for new customers during the period under review. Time charter revenue increased by US$1.2 million from US$2.2 million in FY2010Q3 to US$3.4 million in FY2011Q3. This was mainly due to contribution from 2 new customers secured.

Gross Profit

Gross profit decreased by US$0.6 million from US$3.4 million in FY2010Q3 to US$2.8 million in FY2011Q3 mainly because the Capesize vessel was placed under maintenance for 16 days period. There was no revenue generated during the maintenance period and the Group bore 50% of its share of repair and maintenance costs amounting to about US$0.3 million. Gross profit margin decreased from 32.1% in FY2010Q3 to 20.8% in FY2011Q3 due mainly to maintenance cost of Capesize vessel as well as more transshipments in FY2011Q3 as compared to FY2010Q3. Such transshipments generally generate lower margins due to shorter distances travelled.

Other gains

Other gains comprised mainly of exchange gain from foreign currency transactions. There is no significant variance in other gains between the 2 periods under review.

Expenses

There is no material variance in administrative expenses which decreased marginally by US$18k in FY2011Q3. The decrease in finance expenses of US$0.3 million from US$1.0 million in FY2010Q3 to US$0.7 million in FY2011Q3 was mainly due to lower interest rate charged on the new loan as well as no interest expenses on related party loan in FY2011Q3 as compared to US$146k interest expenses in FY2010Q3.

Share of results of associates

The share of results of associates in FY2011Q3 arose from the acquisition of a 30% stake in 2 Indonesian companies, namely PT Pelayaran Antarbuwana Pertala (“PAP”) and PT Sinar Mentari Prima (“SMP”) which owns a Floating Storage and Offtake (“FSO”) vessel for time charter.

Net Profit

Arising from the above, net profit attributable to shareholders decreased by US$0.4 million from US$1.1 million in FY2010Q3 to US$0.7 million in FY2011Q3.

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

Trade and other receivables increased by US$3.0 million from US$6.4 million as at 31 December 2010 to US$9.4 million as at 30 September 2011. The increase was mainly due to higher revenue generated during the last 2 months of current quarter which remained outstanding as at 30 September 2011. Inventories increased by US$0.8 million mainly due to increase in fuel, spare parts and supplies purchase, in line with increase in utilization of vessel fleet. The increase in other current assets of US$0.8 million was mainly due to insurance prepaid for fleet of vessel and advances paid to suppliers of fuel and other vessel supplies.

Property, plant and equipment increased by US$10.6 million from US$113.6 million as at 31 December 2010 to US$124.2 million as at 30 September 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.

Trade and other payables decreased by US$1.0 million from US$5.5 million as at 31 December 2010 to US$4.5 million as at 30 September 2011, mainly due to the recognition of advance payment from a customer of US$1.6 million to revenue upon completion of the contract. Excluding the advance payment, trade and other payables would have instead increased from US$5.5 million as at 31 December 2010 to US$6.1 million as at 30 September 2011 which is in line with the increase in our business activities. Our total borrowings (current and non-current) increased by US$10.5 million from US$71.1 million as at 31 December 2010 to US$81.6 million as at 30 September 2011. The increase was due to proportionate share in joint venture’s borrowings of US$14.9 million and net borrowings from loan refinancing of US$24.2 million which is partly offset by full repayment of a related party loan of US$25.3 million and partial repayment of bank loans amounting to US$3.3 million during the period under review. The joint venture’s borrowings relates to the borrowings to fund the progressive payments for the 2 new Panamax vessels under the joint venture with Zhushui Energy Resource Group Co. Ltd.

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

For the 3 months ended 30 September 2011, net cash generated from operating activities amounted to US$3.4 million which was partly offset by net cash used in investing activities and financing activities of US$0.2 million and US$3.4 million respectively. Cash used in investing activities was mainly to fund capital and drydock expenditures. Cash used in financing activities was for interest and bank loan repayments, which is partly offset by cash injection from non-controlling shareholders for a capital call in a subsidiary. Arising from the above, the Group generated a net decrease in cash and cash equivalents of US$0.2 million from US$14.4 million as at 30 June 2011 to US$14.2 million as at 30 September 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 demand for our vessel fleet is anticipated to be supported by the strong demand for coal as the main source of energy in Indonesia where marine transportation of coal from coal mines to power plants between Indonesian islands is required. In addition, with the full implementation of cabotage law which requires Indonesian flagged vessels to transport goods within the country's territorial waters, this will further drive the demand for our vessels which are all Indonesian flagged.

Our venture into servicing the offshore oil and gas industry through the acquisition of 2 associated companies has contributed significantly to the Group's profits for the nine months of FY2011. Barring unforeseen circumstances, the FSO vessel will continue to generate stable returns over the course of its charter contract.

Our established relationships with existing major customers has provided us with a sustained cargo volume to ship. The expected increase in coal production volume from such customers arising from the strong demand for coal will drive the demand for our vessels. New customers secured in the first nine months of FY2011 have contributed substantially to our revenue and profits and we will build on the momentum to secure more cargo shipments from them. We will continue to work towards more efficient and effective deployment of our vessels to generate more returns or savings for each vessel deployed. Barring unforeseen circumstances, the Group is optimistic that both revenue and net profit attributable to shareholders of the Company will be higher in FY2011 as compared to FY2010.

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

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	-	6,774
Professional fees to Ng Chong & Hue LLC [(1)]	4	-

Note:-

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

14. 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 Third Quarter Results of the Group for the financial period ended 30 September 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Husni Heron
Director

Masdjan
Director

By Order of The Board

Husni Heron
CEO

09 November 2011