

**SEROJA INVESTMENTS LIMITED**

(Company Registration Number: 198300847M)

**Unaudited Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2016**
**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 30/09/2016 US\$'000	3 months ended 30/09/2015 US\$'000 Restated	Increase/ (Decrease) %	9 months ended 30/09/2016 US\$'000	9 months ended 30/09/2015 US\$'000 Restated	Increase/ (Decrease) %
<b>Revenue</b>	7,780	10,849	(28.3)	26,766	34,609	(22.7)
Cost of services	(7,226)	(8,441)	(14.4)	(23,092)	(28,220)	(18.2)
Gross profit	554	2,408	(77.0)	3,674	6,389	(42.5)
Other gains/(losses)	117	(10,029)	n.m.	601	(10,282)	n.m.
Expenses						
- Administrative	(620)	(949)	(34.7)	(2,146)	(2,640)	(18.7)
- Finance	(354)	(680)	(47.9)	(1,537)	(1,747)	(12.0)
Share of results of associates	(4,331)	229	n.m.	(4,052)	618	n.m.
Loss before income tax	(4,634)	(9,021)	(48.6)	(3,460)	(7,662)	(54.8)
Income tax expense	(83)	(118)	(29.7)	(291)	(373)	(22.0)
<b>Net loss</b>	(4,717)	(9,139)	(48.4)	(3,751)	(8,035)	(53.3)
Foreign currency translation	28	(162)	n.m.	109	(284)	n.m.
<b>Total comprehensive loss for the period</b>	(4,689)	(9,301)	(49.6)	(3,642)	(8,319)	(56.2)
<b>Net loss attributable to:</b>						
Equity holders of the Company	(2,443)	(10,015)	(75.6)	(2,163)	(10,054)	(78.5)
Non-controlling interests	(2,274)	876	n.m.	(1,588)	2,019	n.m.
	(4,717)	(9,139)	(48.4)	(3,751)	(8,035)	(53.3)
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(2,429)	(10,093)	(75.9)	(2,112)	(10,191)	(79.3)
Non-controlling interests	(2,260)	792	n.m.	(1,530)	1,872	n.m.
	(4,689)	(9,301)	(49.6)	(3,642)	(8,319)	(56.2)

n.m. – not meaningful

Note 1:- Restatement was made to restate exchange loss under "Other gains/(losses)" to translation loss under "Foreign currency translation" of US\$162k and US\$284k for the 3 months and 9 months ended FY2015Q3 respectively.

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

	Group			Group		
	3 months ended 30/09/2016 US\$'000	3 months ended 30/09/2015 US\$'000 Restated	Increase/ (Decrease) %	9 months ended 30/09/2016 US\$'000	9 months ended 30/09/2015 US\$'000 Restated	Increase/ (Decrease) %
Loss before income tax is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment,	2,854	2,826	1.0	8,624	8,948	(3.6)
Loss/(Gain) on foreign exchange	(110)	(288)	(61.8)	(587)	(27)	2,074.1
Loss on disposal of property, plant equipment,	-	10,320	(100.0)	-	10,320	(100.0)
Interest expense	354	680	(47.9)	1,537	1,747	(12.0)
Interest income	(7)	(2)	250.0	(14)	(10)	40.0

n.m. – not meaningful

Please refer to Note 1 on page 1 above on the restatement.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>30/09/2016</b>	<b>31/12/2015</b>	<b>30/09/2016</b>	<b>31/12/2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	6,353	9,557	1,994	2,537
Trade and other receivables	10,556	9,103	24,278	24,265
Inventories	973	949	-	-
Other current assets	4,073	512	52	52
	<u>21,955</u>	<u>20,121</u>	<u>26,324</u>	<u>26,854</u>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	23,440	23,440
Investments in associates	1,395	5,446	-	-
Property, plant and equipment	73,543	79,933	5	46
	<u>74,938</u>	<u>85,379</u>	<u>23,445</u>	<u>23,486</u>
<b>Total assets</b>	<u>96,893</u>	<u>105,500</u>	<u>49,769</u>	<u>50,340</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	4,719	4,717	141	174
Finance lease liabilities	183	2,496	-	-
Borrowings	8,863	20,271	-	-
	<u>13,765</u>	<u>27,484</u>	<u>141</u>	<u>174</u>
<b>Non-current liabilities</b>				
Borrowings	12,387	3,600	-	-
Deferred income tax liabilities	231	264	-	-
Provision for post employment benefits	450	450	-	-
	<u>13,068</u>	<u>4,314</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>26,833</u>	<u>31,798</u>	<u>141</u>	<u>174</u>
<b>NET ASSETS</b>	<u>70,060</u>	<u>73,702</u>	<u>49,628</u>	<u>50,166</u>
<b>EQUITY</b>				
<b>Capital and reserve attributable to equity holders of the Company</b>				
Share capital	31,801	31,801	56,951	56,951
Translation reserve	(468)	(519)	-	-
Other reserve	(305)	(305)	-	-
Retained earnings/(accumulated losses)	767	2,930	(7,323)	(6,785)
	<u>31,795</u>	<u>33,907</u>	<u>49,628</u>	<u>50,166</u>
Non-controlling interests	38,265	39,795	-	-
	<u>70,060</u>	<u>73,702</u>	<u>49,628</u>	<u>50,166</u>

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

	Group	
	30/09/2016 US\$'000	31/12/2015 US\$'000
<b><u>Amount repayable in one year or less, or on demand:</u></b>		
Secured	9,046	22,767
Unsecured	-	-
	9,046	22,767
<b><u>Amount repayable after one year:</u></b>		
Secured	12,387	3,600
Unsecured	-	-
	12,387	3,600
<b>Total borrowings</b>	<b>21,433</b>	<b>26,367</b>

**Details of any collateral**

Bank borrowings of the Group are secured by the following:

- mortgage over certain vessels of subsidiaries;
- an assignment of all rights in respect of certain coal barging contracts;
- an assignment of all moneys and rights to receive money in respect of any of the pledged vessels and their respective insurances;
- pledge of the shares of subsidiary, PT Pulau Seroja Jaya ("PT PSJ") by certain shareholders of PT PSJ;
- a charge on the cash, receivables and inventories of PT PSJ; and
- corporate guarantees by related parties of certain directors.

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	
	2016	2015	2016	2015
US\$'000	US\$'000	US\$'000	US\$'000	
	Restated		Restated	
<b>Cash Flows from Operating Activities</b>				
Loss before income tax	(4,634)	(9,021)	(3,460)	(7,662)
Adjustments for:				
Depreciation of property, plant and equipment	2,854	2,826	8,624	8,948
Loss on disposal of property, plant and equipment	-	10,320	-	10,320
Interest expense	354	680	1,537	1,747
Interest income	(7)	(2)	(14)	(10)
Share of results of associates	4,331	(229)	4,052	(618)
Unrealised currency translation loss/(gain)	59	(162)	45	(284)
Operating cash flow before working capital changes	2,957	4,412	10,784	12,441
Changes in working capital:				
Inventories	63	32	(25)	648
Trade and other receivables	(900)	836	(1,453)	9
Other current assets	(144)	232	(475)	242
Trade and other payables	545	(921)	(21)	(949)
<b>Cash generated from operating activities</b>	<b>2,521</b>	<b>4,591</b>	<b>8,810</b>	<b>12,391</b>
Income tax paid	(95)	(129)	(325)	(406)
Interest received	7	2	14	10
<b>Net cash generated from operating activities</b>	<b>2,433</b>	<b>4,464</b>	<b>8,499</b>	<b>11,995</b>
<b>Cash Flows from Investing Activities</b>				
Deposits for purchase of property, plant and equipment	-	-	(3,086)	-
Purchase of property, plant and equipment	(1,243)	(970)	(2,170)	(2,121)
Proceeds from disposal of property, plant and equipment	-	13,002	-	13,002
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,243)</b>	<b>12,032</b>	<b>(5,256)</b>	<b>10,881</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from borrowings	-	6,650	17,588	7,750
Repayment of borrowings	(1,739)	(13,611)	(20,209)	(21,382)
Payment of finance lease	(752)	(1,003)	(2,257)	(2,257)
Interest paid	(174)	(607)	(1,569)	(1,543)
<b>Net cash used in financing activities</b>	<b>(2,665)</b>	<b>(8,571)</b>	<b>(6,447)</b>	<b>(17,432)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,475)</b>	<b>7,925</b>	<b>(3,204)</b>	<b>5,444</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>7,828</b>	<b>4,030</b>	<b>9,557</b>	<b>6,511</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>6,353</b>	<b>11,955</b>	<b>6,353</b>	<b>11,955</b>
<b>Represented by:</b>				
Short-term bank deposits	2,802	2,300	2,802	2,300
Cash and bank balances	3,551	9,655	3,551	9,655
	<b>6,353</b>	<b>11,955</b>	<b>6,353</b>	<b>11,955</b>

Please refer to Note 1 on page 1 above on the restatement.

**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	Other reserve US\$'000	Retained earnings US\$'000	Non-controlling Interests US\$'000	Total US\$'000
<b>Balance as at 1 July 2015 (restated)</b>	31,801	(491)	(305)	11,358	37,052	79,415
Net (loss)/gain for the period (restated)	-	-	-	(10,015)	876	(9,139)
Other comprehensive loss for the period (restated)	-	(78)	-	-	(84)	(162)
<b>Balance as at 30 September 2015 (restated)</b>	<u>31,801</u>	<u>(569)</u>	<u>(305)</u>	<u>1,343</u>	<u>37,844</u>	<u>70,114</u>
<b>Balance as at 1 July 2016</b>	31,801	(482)	(305)	3,210	40,525	74,749
Net loss for the period	-	-	-	(2,443)	(2,274)	(4,717)
Other comprehensive income for the period	-	14	-	-	14	28
<b>Balance as at 30 September 2016</b>	<u>31,801</u>	<u>(468)</u>	<u>(305)</u>	<u>767</u>	<u>38,265</u>	<u>70,060</u>

Please refer to Note 1 on page 1 above on the restatement.

**Company**

	<b>Share capital US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total US\$'000</b>
<b>Balance as at 1 July 2015</b>	56,951	(6,426)	50,525
Total comprehensive loss for the period	-	(247)	(247)
<b>Balance as at 30 September 2015</b>	<u>56,951</u>	<u>(6,673)</u>	<u>50,278</u>
<b>Balance as at 1 July 2016</b>	56,951	(7,145)	49,806
Total comprehensive loss for the period	-	(178)	(178)
<b>Balance as at 30 September 2016</b>	<u>56,951</u>	<u>(7,323)</u>	<u>49,628</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 financial period from 1 July 2016 to 30 September 2016.

**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 2016 is 390,388,110. (31 December 2015: 390,388,110 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the nine months ended 30 September 2016 as compared with those for the audited consolidated financial statements as at 31 December 2015.

**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.**

Not applicable.



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.

	3 months ended 30/09/2016 US cents	3 months ended 30/09/2015 US cents Restated	9 months ended 30/06/2016 US cents	9 months ended 30/06/2015 US cents Restated
<b>(a) Basic</b>	(0.63)	(2.57)	(0.55)	(2.58)
<b>(b) Fully diluted basis</b>	(0.63)	(2.57)	(0.55)	(2.58)

Note 1:

The (loss)/earnings per ordinary share of the Group for the three months and nine months ended 30 September 2016 has been computed based on weighted average of 390,388,110 ordinary shares. (30 September 2015: 390,388,110 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	
	30/09/16	31/12/15	30/09/16	31/12/15
Net asset value per ordinary share (US cents)	8.14	8.69	12.71	12.85

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 2016 of 390,388,110 shares (31 December 2015: 390,388,110 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 FY2016Q3 and FY2015Q3 are summarised in the table below:-

	FY2016Q3		FY2015Q3	
	US\$'000	%	US\$'000	%
Freight charter	7,780	100.0	10,664	98.3
Time charter	-	-	185	1.7
Total revenue	7,780	100.0	10,849	100.0

### **Revenue**

Revenue decreased by 28.3% or US\$3.0 million from US\$10.8 million in FY2015Q3 to US\$7.8 million in FY2016Q3 due to lower freight charter revenue and no time charter revenue for the period under review. Freight charter revenue decreased by US\$2.8 million from US\$10.6 million in FY2015Q3 to US\$7.8 million in FY2016Q3 due mainly to lower average freight rate for the period under review. There was no time charter revenue for the current period under review as compared to US\$0.2 million in FY2015Q3 due to no contribution from one panamax vessel which was disposed on 1 September 2015.

### **Gross Profit**

Gross profit decreased by 77.0% or US\$1.8 million from US\$2.4 million in FY2015Q3 to US\$0.6 million in FY2016Q3 mainly due to lower revenue generated. Gross profit margin decreased from 22.2% in FY2015Q3 to 7.1% in FY2016Q3. This was mainly attributed to the lower average freight rate which is partly offset by lower fuel expenses as a result of lower fuel price.

### **Other gains/(losses)**

Other gains of US\$0.1 million in FY2016Q3 was due to exchange gains whereas other losses of US\$10.0 million in FY2015Q3 was due to loss on disposal of a panamax vessel amounting to US\$10.3 million which was partly offset by exchange gains of US\$0.3 million from foreign currency fluctuations.

### **Expenses**

Administrative expenses decreased by 34.7% or US\$0.3 million from US\$0.9 million in FY2015Q3 to US\$0.6 million in FY2016Q3. The decrease was mainly due to lower office supplies, transport, salaries and related costs incurred which was in line with the lower business activities. The decrease in finance cost by US\$0.3 million from US\$0.7 million in FY2015Q3 to US\$0.4 million in FY2016Q3 was mainly due to lower bank borrowings as a result of repayments made.

### **Share of results of associates**

The share of results of associates reversed from gains of US\$0.2 million in FY2015Q3 to losses of US\$4.3 million in FY2016Q3 due to loss on disposal of the FSO vessel for the period under review.

### **Net Loss / Total comprehensive loss**

Arising from the above, net loss attributable to shareholders decreased from US\$10.0 million in FY2015Q3 to US\$2.4 million in FY2016Q3 and total comprehensive loss also decreased from US\$10.1 million in FY2015Q3 to US\$2.4 million in FY2016Q3.

### **Review of the Group's Financial Position as at 30 September 2016 as compared to the Group's Financial Position as at 31 December 2015**

Trade and other receivables increased by US\$1.5 million from US\$9.1 million as at 31 December 2015 to US\$10.6 million as at 30 September 2016. The increase was mainly due to longer credit period given to existing customers as well as higher revenue generated during the last 2 months of current quarter which remained outstanding as at 30 September 2016. Other current assets increased by US\$3.6 million was mainly due to deposit placed for one set of tugboat and barge of approximately US\$3.1 million as well as increase in prepaid insurance expense of approximately US\$0.5 million for our vessel fleet in Indonesia.

Investments in associates decreased by US\$4.0 million due to the share of losses arising from disposal of FSO vessel during the period under review. The decrease in property, plant and equipment of US\$6.4 million from US\$79.9 million as at 31 December 2015 to US\$73.5 million as at 30 September 2016 was mainly due to depreciation charges during the period under review which was partly offset by drydocking costs capitalized.

Total borrowings (current and non-current) decreased by US\$5.0 million from US\$26.4 million as at 31 December 2015 to US\$21.4 million as at 30 September 2016. The decrease was mainly due to instalment repayments of finance lease liabilities and repayment of a bank loan through refinancing.

Net cash generated from operating activities amounted to US\$2.4 million which were partly offset by net cash used in investing activities and financing activities of US\$1.2 million and US\$2.7 million respectively. Cash used in investing activities was mainly for drydocking expenditures incurred for the vessel fleet in Indonesia. Cash used in financing activities was for repaying bank loans, finance lease liabilities and interest. Arising from the above, the Group generated a net decrease in cash and cash equivalents of US\$1.5 million from US\$7.8 million as at 30 June 2016 to US\$6.3 million as at 30 September 2016.

### **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.**

Due to weak economic conditions, average freight rate will continue to remain low for the remaining of current financial year. The Group will continue to enhance operational efficiency and monitor operating expenses closely to ensure its vessel fleet is managed and utilized efficiently.

## 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

<b>Name of Interested Persons</b>	<b>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)</b>	<b>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</b>
	US\$ '000	US\$ '000
Freight charter revenue from PT Adaro Indonesia	-	86
Freight charter revenue from PT Maritim Barito Perkasa	-	3,521

## 14. Confirmation of procurement of Undertakings from all Directors and Executive Officers

The Company confirmed that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**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 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Andreas Tjahjadi  
Director

Masdjani  
Director

**By Order of The Board**

**Andreas Tjahjadi  
Executive Director**

**10 November 2016**