

**SEROJA INVESTMENTS LIMITED**

(Company Registration Number: 198300847M)

**Unaudited Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2018**
**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 30/09/2018 US\$'000	3 months ended 30/09/2017 US\$'000	Increase/ (Decrease) %	9 months ended 30/09/2018 US\$'000	9 months ended 30/09/2017 US\$'000	Increase/ (Decrease) %
<b>Revenue</b>	9,928	9,422	5.4	27,389	25,654	6.8
Cost of services	(7,752)	(7,881)	(1.6)	(23,078)	(22,793)	1.3
Gross profit	2,176	1,541	41.2	4,311	2,861	50.7
Other (losses)/gains	(308)	18	n.m.	(626)	59	n.m.
Expenses						
- Administrative	(778)	(798)	(2.5)	(2,404)	(2,437)	(1.4)
- Finance	(158)	(147)	7.5	(509)	(675)	(24.6)
Share of results of associated companies	(1)	-	n.m.	(3)	(53)	(94.3)
Profit/(Loss) before income tax	931	614	51.6	769	(245)	n.m.
Income tax expense	(109)	(103)	5.8	(299)	(278)	7.6
<b>Net profit/(loss)</b>	822	511	60.9	470	(523)	n.m.
Foreign currency translation	(77)	(26)	196.2	(207)	(9)	2200.0
<b>Total comprehensive income/(loss) for the period</b>	745	485	53.6	263	(532)	n.m.
<b>Net profit/(loss) attributable to:</b>						
Equity holders of the Company	308	203	51.7	(84)	(465)	(81.9)
Non-controlling interests	514	308	66.9	554	(58)	n.m.
	822	511	60.9	470	(523)	n.m.
<b>Total comprehensive income/(loss) Attributable to:</b>						
Equity holders of the Company	271	191	41.9	(183)	(469)	(61.0)
Non-controlling interests	474	294	61.2	446	(63)	n.m.
	745	485	53.6	263	(532)	n.m.

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 30/09/2018 US\$'000	3 months ended 30/09/2017 US\$'000	Increase/ (Decrease) %	9 months ended 30/09/2018 US\$'000	9 months ended 30/09/2017 US\$'000	Increase/ (Decrease) %
Profit/(Loss) before income tax is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	2,752	3,039	(9.4)	9,480	8,979	5.6
Loss on foreign exchange	313	66	374.2	648	37	1,651.4
Loss/(gain) on disposal of property, plant equipment	6	(76)	n.m.	6	(76)	n.m.
Interest expense	158	147	7.5	509	675	(24.6)
Interest income	(11)	(8)	37.5	(28)	(20)	40.0

**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	
	30/09/2018 US\$'000	31/12/2017 US\$'000	30/09/2018 US\$'000	31/12/2017 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	3,402	3,643	889	1,570
Financial assets at fair value through profit or loss	75	-	75	-
Trade and other receivables	8,857	8,385	6,908	6,906
Inventories	3,062	2,163	-	-
Other current assets	834	3,033	52	45
	<u>16,230</u>	<u>17,224</u>	<u>7,924</u>	<u>8,521</u>
<b>Non-current assets</b>				
Investments in subsidiary corporations	-	-	22,305	22,305
Investments in associated companies	310	313	-	-
Property, plant and equipment	57,317	62,308	-	2
	<u>57,627</u>	<u>62,621</u>	<u>22,305</u>	<u>22,307</u>
<b>Total assets</b>	<u>73,857</u>	<u>79,845</u>	<u>30,229</u>	<u>30,828</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	3,125	4,300	179	183
Finance lease liabilities	547	501	-	-
Borrowings	6,936	5,938	-	-
	<u>10,608</u>	<u>10,739</u>	<u>179</u>	<u>183</u>
<b>Non-current liabilities</b>				
Finance lease liabilities	204	632	-	-
Borrowings	-	5,646	-	-
Deferred income tax liabilities	140	174	-	-
Post employment benefits	701	713	-	-
	<u>1,045</u>	<u>7,165</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>11,653</u>	<u>17,904</u>	<u>179</u>	<u>183</u>
<b>NET ASSETS</b>	<u>62,204</u>	<u>61,941</u>	<u>30,050</u>	<u>30,645</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
Currency translation reserves	(608)	(509)	-	-
Other reserves	(305)	(305)	-	-
Accumulated losses	(3,448)	(3,364)	(26,901)	(26,306)
	<u>27,440</u>	<u>27,623</u>	<u>30,050</u>	<u>30,645</u>
Non-controlling interests	34,764	34,318	-	-
	<u>62,204</u>	<u>61,941</u>	<u>30,050</u>	<u>30,645</u>

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

	Group	
	30/9/2018 US\$'000	31/12/2017 US\$'000
<b><u>Amount repayable in one year or less, or on demand:</u></b>		
Secured	7,483	6,439
Unsecured	-	-
	7,483	6,439
<b><u>Amount repayable after one year:</u></b>		
Secured	204	6,278
Unsecured	-	-
	204	6,278
<b>Total borrowings</b>	<b>7,687</b>	<b>12,717</b>

**Details of any collateral**

Borrowings of the Group are secured by the following:

- mortgage over certain vessels of subsidiary corporations;
- 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 corporation, 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 certain directors of related parties.

**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 30 September 2018 US\$'000	2017 US\$'000	For the 9 months ended 30 September 2018 US\$'000	2017 US\$'000
<b>Cash Flows from Operating Activities</b>				
Profit/(Loss) before income tax	931	614	769	(245)
Adjustments for:				
Depreciation of property, plant and equipment	2,752	3,039	9,480	8,979
Loss/(Gain) on disposal of property, plant and equipment	6	(76)	6	(76)
Interest expense	158	147	509	675
Interest income	(11)	(8)	(28)	(20)
Share of results of associated companies	1	-	3	53
Unrealised currency translation gain	(466)	(15)	(552)	(42)
Operating profit before working capital changes	3,371	3,701	10,187	9,324
Changes in working capital:				
Inventories	104	(179)	(899)	(651)
Financial assets at fair value through profit or loss	(75)	-	(75)	-
Trade and other receivables	776	1,135	(472)	545
Other current assets	861	(9)	199	211
Trade and other payables	(2,635)	(1,418)	(1,141)	157
Post employment benefits	-	-	(12)	-
<b>Cash generated from operating activities</b>	2,402	3,230	7,787	9,586
Income tax paid	(120)	(115)	(332)	(312)
Interest received	11	8	28	20
<b>Net cash provided by operating activities</b>	2,293	3,123	7,483	9,294
<b>Cash Flows from Investing Activities</b>				
Payment to non-controlling interests from capital reduction	-	-	-	(280)
Purchase of property, plant and equipment	(40)	(479)	(2,324)	(3,775)
Proceeds from disposal of property, plant and equipment	174	76	174	76
<b>Net cash provided by/(used in) investing activities</b>	134	(403)	(2,150)	(3,979)
<b>Cash Flows from Financing Activities</b>				
Repayment of borrowings	(1,563)	(1,800)	(4,688)	(6,100)
Repayment of finance lease	(138)	(151)	(381)	(901)
Restricted cash	250	(5)	288	93
Interest paid	(160)	(84)	(504)	(664)
<b>Net cash used in financing activities</b>	(1,611)	(2,040)	(5,285)	(7,572)
<b>Net increase/(decrease) in cash and cash equivalents</b>	816	680	48	(2,257)
<b>Cash and cash equivalents at the beginning of the financial period</b>	2,334	1,971	3,102	4,908
<b>Cash and cash equivalents at the end of the financial period</b>	3,150	2,651	3,150	2,651
<b>Represented by:</b>				
Restricted cash	252	512	252	512
Short-term bank deposits	895	1,615	895	1,615
Cash and bank balances	2,255	1,036	2,255	1,036
	3,402	3,163	3,402	3,163

**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**

	<b>Share capital US\$'000</b>	<b>Translation reserve US\$'000</b>	<b>Other reserve US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Non-controlling interests US\$'000</b>	<b>Total US\$'000</b>
<b>Balance as at 1 July 2017</b>	31,801	(492)	(305)	(5,087)	32,181	58,098
Net profit for the period	-	-	-	203	308	511
Other comprehensive loss for the period	-	(12)	-	-	(14)	(26)
<b>Balance as at 30 September 2017</b>	<b>31,801</b>	<b>(504)</b>	<b>(305)</b>	<b>(4,884)</b>	<b>32,475</b>	<b>58,583</b>
<b>Balance as at 1 July 2018</b>	31,801	(571)	(305)	(3,756)	34,290	61,459
Net profit for the period	-	-	-	308	514	822
Other comprehensive loss for the period	-	(37)	-	-	(40)	(77)
<b>Balance as at 30 September 2018</b>	<b>31,801</b>	<b>(608)</b>	<b>(305)</b>	<b>(3,448)</b>	<b>34,764</b>	<b>62,204</b>

**Company**

	<b>Share capital US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total US\$'000</b>
<b>Balance as at 1 July 2017</b>	56,951	(25,707)	31,244
Total comprehensive loss for the period	-	(82)	(82)
<b>Balance as at 30 September 2017</b>	<u>56,951</u>	<u>(25,789)</u>	<u>31,162</u>
<b>Balance as at 1 July 2018</b>	56,951	(26,734)	30,217
Total comprehensive loss for the period	-	(167)	(167)
<b>Balance as at 30 September 2018</b>	<u>56,951</u>	<u>(26,901)</u>	<u>30,050</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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 3 months ended 30 September 2018.

The Company does not have any outstanding convertible securities, treasury shares and subsidiary holdings as at 30 September 2018 and 30 September 2017.

**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 2018 is 390,388,110. (31 December 2017: 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.**

Not applicable.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

**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 three months ended 30 September 2018 as compared with those for the audited consolidated financial statements ended 31 December 2017 except the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2018. The adoption of SFRS(I) has no significant impact on the Group's financial statements.

**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. Profit/(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.**

	<b>3 months ended 30/09/2018 US cents</b>	<b>3 months ended 30/09/2017 US cents</b>	<b>9 months ended 30/09/2018 US cents</b>	<b>9 months ended 30/09/2017 US cents</b>
<b>(a) Basic</b>	0.08	0.05	(0.02)	(0.12)
<b>(b) Fully diluted basis</b>	0.08	0.05	(0.02)	(0.12)

Note 1:

The profit/(loss) per ordinary share of the Group for the financial period ended 30 September 2018 has been computed based on 390,388,110 ordinary shares. (30 September 2017: 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.**

	<b>Group</b>		<b>Company</b>	
	<b>30/09/18</b>	<b>31/12/17</b>	<b>30/09/18</b>	<b>31/12/17</b>
Net asset value per ordinary share based on issued share capital as at the end of the period (US cents)	7.03	7.08	7.70	7.85

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 2018 of 390,388,110 shares (31 December 2017: 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 FY2018Q3 and FY2017Q3 are summarised in the table below:-

	FY2018Q3		FY2017Q3	
	US\$'000	%	US\$'000	%
Freight charter	9,684	97.5	9,242	98.1
Time charter	244	2.5	180	1.9
Total revenue	9,928	100.0	9,422	100.0

#### Revenue

Revenue increased by 5.4% or US\$0.5 million from US\$9.4 million in FY2017Q3 to US\$9.9 million in FY2018Q3 due to higher freight charter revenue as well as higher time charter revenue for the period under review. Freight charter revenue increased by US\$0.4 million from US\$9.2 million in FY2017Q3 to US\$9.6 million in FY2018Q3 due mainly to higher cargo volume delivered for major customers for the period under review. Time charter revenue increased by US\$0.1 million from US\$0.2 million in FY2017Q3 to US\$0.3 million in FY2018Q3 due to chartering one set of tugboat and barge to an existing customer in the current quarter compared to no such charter in the corresponding previous quarter.

#### Gross profit

Gross profit increased by 41.2% or US\$0.6 million from US\$1.5 million in FY2017Q3 to US\$2.1 million in FY2018Q3 due mainly to higher revenue and lower operating expenses incurred for the period under review. Gross profit margin increased from 16.4% in FY2017Q3 to 21.9% in FY2018Q3. This was mainly attributed to higher revenue and lower depreciation charges which were partly offset by higher fuel costs for the current period under review.

#### Other (losses)/gains

Other losses of US\$0.3 million for FY2018Q3 is mainly from exchange losses from foreign currency fluctuations arising from US dollar appreciating against Indonesian rupiah as compared to other gains of US\$18k in FY2017Q3.

#### Expenses

There was no significant variance for administrative expenses and finance expenses for the period under review.

#### Share of results of associates

There was no significant share of results of associated companies for FY2018Q3 and FY2017Q3 as such associated companies are currently dormant.

### **Net income/Total comprehensive income**

Arising from the above, net profit and total comprehensive income attributable to equity holders of the Company increased by US\$0.1 million from US\$0.2 million in FY2017Q3 to US\$0.3 million in FY2018Q3.

### **Review of the Group's Financial Position as at 30 September 2018 as compared to the Group's Financial Position as at 31 December 2017**

Trade and other receivables increased by US\$0.5 million from US\$8.4 million as at 31 December 2017 to US\$8.9 million as at 30 September 2018 due to higher revenue generated during the last 2 months for the current quarter ended 30 September 2018. Financial assets of USD75k as at 30 September 2018 pertain to an investment in a local listed company compared to no such investment as at 31 December 2017. Inventories increased by US\$0.9 million from US\$2.2 million as at 31 December 2017 to US\$3.1 million as at 30 September 2018 was mainly due to more vessel spare parts and supplies purchased for its vessel fleet in Indonesia for operations and maintenance. Other current assets decreased by US\$2.2 million was mainly due to downpayment transferred to fixed asset upon completion of construction of two tugboats.

The decrease in property, plant and equipment of US\$5.0 million from US\$62.3 million as at 31 December 2017 to US\$57.3 million as at 30 September 2018 was mainly due to depreciation charges during the period under review which was partly offset by drydocking costs capitalized and addition of two tugboats and one barge.

Trade and other payables decreased from US\$4.3 million as at 31 December 2017 to US\$3.1 million as at 30 September 2018 was due to payments made to three major vendors for fuel and drydocking services provided. Total borrowings (current and non-current) decreased by US\$5.0 million from US\$12.7 million as at 31 December 2017 to US\$7.7 million as at 30 September 2018 due to instalment repayments of bank loans and finance lease obligations during the period under review.

Net cash provided by operating activities and investing activities amounted to US\$2.3 million and US\$0.1 million respectively which was partly offset by net cash used in financing activities of US\$1.6 million. Cash provided by investing activities arose from proceeds received from scrapping a barge which was partly offset by payments made for drydocking expenditures incurred for the vessel fleet in Indonesia. Cash used in financing activities was for repayments of bank loan, finance lease obligations and interest. Arising from the above, the Group generated a net increase in cash and cash equivalents of US\$0.8 million from US\$2.3 million as at 30 June 2018 to US\$3.1 million as at 30 September 2018.

### **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.**

Despite the weak freight rate, the Group has managed to reverse from losses incurred in FY2018Q1 and FY2018Q2 to a profitable position in the current quarter under review. 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. Maritim Barito Perkasa	-	4,314

## 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 2018 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  
Director  
13 November 2018**