

# OLIVE TREE ESTATES LIMITED



(Incorporated in Singapore on 30 July 2007)  
(Registration Number: 200713878D)

## UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2018

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3rd quarter ended			9 months ended		
	30-09-18	30-09-17	Increase / (Decrease)	30-09-18	30-09-17	Increase / (Decrease)
	S\$'000 Unaudited	S\$'000 Unaudited	%	S\$'000 Unaudited	S\$'000 Unaudited	%
<b>Revenue</b>	276	-	N.M	820	7,522	(89.1%)
Cost of sales	-	-	N.M.	-	(5,644)	N.M.
Gross profit	276	-	N.M	820	1,878	(56.3%)
Selling and distribution expenses	-	(48)	N.M.	-	(291)	N.M.
Administrative expenses	(450)	(24)	1,749.4%	(1,500)	(105)	1,321.5%
Finance expenses	(124)	-	N.M.	(406)	-	N.M.
Other income	36	4	741.1%	198	10	1,869.9%
<b>(Loss)/profit before income tax</b>	<b>(262)</b>	<b>(68)</b>	285.2%	<b>(888)</b>	1,492	(159.6%)
Income tax expense	(15)	-	N.M.	(15)	(230)	(93.6%)
<b>Total comprehensive (loss)/income representing net (loss)/profit attributable to equity holders of the Company</b>	<b>(277)</b>	<b>(68)</b>	306.9%	<b>(903)</b>	1,262	(171.6%)
<b>(Loss)/earnings per share attributable to equity holders of the Company</b>						
- Basic and diluted (Cents)	(0.40)	(0.20)	101.6%	(1.31)	3.70	(135.5%)

N.M. – Not Meaningful

**(a)(ii) Notes to Consolidated Statement of Comprehensive Income**

The Group's profit / (loss) before tax is determined after charging / (crediting) the following:

	3 <sup>rd</sup> quarter ended			9 months ended		
	30-09-18	30-09-17	Change	30-09-18	30-09-17	Change
	S\$'000	S\$'000		S\$'000	S\$'000	
	Unaudited	Unaudited	%	Unaudited	Unaudited	%
Depreciation	151	-	N.M.	453	-	N.M.
Interest expense	124	-	N.M.	356	-	N.M.
Interest income	-	(4)	N.M.	-	(10)	N.M.

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

	Group		Company	
	30-09-18	31-12-17	30-09-18	31-12-17
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances	7,367	25,720	977	10,589
Trade and other receivables	950	370	415	4,514
Development properties	5,373	5,328	-	-
	<u>13,690</u>	<u>31,418</u>	<u>1,392</u>	<u>15,103</u>
<b>Non-current Assets</b>				
Investment in subsidiaries	-	-	20,219	20,219
Investment properties	11,714	12,166	-	-
Property, plant and equipment	6	-	6	-
	<u>11,720</u>	<u>12,166</u>	<u>20,225</u>	<u>20,219</u>
<b>Total Assets</b>	<u>25,410</u>	<u>43,584</u>	<u>21,617</u>	<u>35,322</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	1,141	17,945	14,333	27,708
Borrowings	600	600	-	-
Current income tax liabilities	42	509	-	-
	<u>1,783</u>	<u>19,054</u>	<u>14,333</u>	<u>27,708</u>
<b>Non-current Liabilities</b>				
Borrowings	13,970	13,970	-	-
	<u>13,970</u>	<u>13,970</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>15,753</u>	<u>33,024</u>	<u>14,333</u>	<u>27,708</u>
<b>NET ASSETS</b>	<u>9,657</u>	<u>10,560</u>	<u>7,284</u>	<u>7,614</u>
<b>EQUITY</b>				
Share capital	7,946	7,946	56,342	56,342
Treasury shares	-	-	(23)	(23)
Reverse acquisition reserve	(10,597)	(10,597)	-	-
Retained profits / (accumulated losses)	12,308	13,211	(49,035)	(48,705)
<b>TOTAL EQUITY</b>	<u>9,657</u>	<u>10,560</u>	<u>7,284</u>	<u>7,614</u>

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

**Amount repayable in one year or less, or on demand**

As at 30 September 2018		As at 31 December 2017	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
600	-	600	-

**Amount repayable after one year**

As at 30 September 2018		As at 31 December 2017	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
13,970	-	13,970	-

**Details of any collateral**

The loans and borrowings are secured by the following:

1. First legal mortgage over property at 1 Commonwealth Lane #01-07 / #01-08 / #01-09 / #01-10 / #01-11 / #01-12 / #01-13 / #01-14 / #01-15 / #01-17 / #01-18 / #01-19 / #01-20, Singapore 149544.
2. First Legal Mortgage over property at 421 Tagore Industrial Ave #01-02 / #01-09 / #01-10 / #01-12, Singapore 787805
3. First legal charge over rental proceeds account and operating account maintained with the bank.
4. First legal charge over debt service reserve account and operating account maintained with the bank.
5. Legal assignment of all rights, titles and interests in the contract, insurance, bonds, and sales proceeds in respect of the property.
6. Legal assignment of rental proceeds and rental deposits derived from the Property tenancy and all rights, titles and interests in the contract, insurance, bonds and 3-year rental support with respect to the borrower's (WBH Investment Pte Ltd) owned units at 1 Commonwealth Lane (at S\$6 psf provided by the Company's controlling shareholder).
7. Corporate guarantee from Olive Tree Estates Limited for 100% of the facilities.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 <sup>rd</sup> quarter ended		For the 9 months ended	
	30-09-18	30-09-17	30-09-18	30-09-17
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flows from operating activities</b>				
Net (loss)/profit	(277)	(68)	(903)	1,262
Adjustments for:				
Depreciation	151	-	453	-
Interest expense	124	-	356	-
Income tax expense	15	-	15	230
Interest income	-	(4)	-	(10)
Changes in working capital	13	(72)	(79)	1,482
Trade and other receivables	(525)	2,968	(580)	4,114
Development properties	-	-	(45)	5,643
Trade and other payables	276	(60)	(1,626)	(815)
<b>Cash (used in)/generated from operations</b>	<b>(236)</b>	<b>2,836</b>	<b>(2,330)</b>	<b>10,424</b>
Interest received	-	4	-	10
Income tax paid	(223)	(1,279)	(482)	(2,545)
<b>Net cash (used in)/provided by operating activities</b>	<b>(459)</b>	<b>1,561</b>	<b>(2,812)</b>	<b>7,889</b>
<b>Cash flows from investing activities</b>				
Payment of deferred cash consideration to vendors	-	-	(15,178)	(6,000)
Purchase of property, plant and equipment	(1)	-	(7)	-
<b>Net cash used in investing activities</b>	<b>(1)</b>	<b>-</b>	<b>(15,185)</b>	<b>(6,000)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(124)	-	(356)	-
<b>Net cash used in financing activities</b>	<b>(124)</b>	<b>-</b>	<b>(356)</b>	<b>-</b>
Net (decrease)/ increase in cash and bank balances	(584)	1,561	(18,353)	1,889
Cash and bank balances at beginning of financial period	7,951	3,472	25,720	3,144
<b>Cash and bank balances at end of financial period</b>	<b>7,367</b>	<b>5,033</b>	<b>7,367</b>	<b>5,033</b>

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.

	Share capital S\$'000	Reverse acquisition reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<b>Group 2018</b>				
As at 1 January 2018	7,946	(10,597)	13,211	10,560
Total comprehensive loss for the period	-	-	(295)	(295)
As at 31 March 2018	7,946	(10,597)	12,916	10,265
Total comprehensive loss for the period	-	-	(331)	(331)
As at 30 June 2018	7,946	(10,597)	12,585	9,934
Total comprehensive loss for the period	-	-	(277)	(277)
As at 30 September 2018	7,946	(10,597)	12,308	9,657

<b>Group 2017</b>				
As at 1 January 2017	1,000	-	16,083	17,083
Total comprehensive income for the period	-	-	780	780
As at 31 March 2017	1,000	-	16,863	17,863
Total comprehensive income for the period	-	-	550	550
As at 30 June 2017	1,000	-	17,413	18,413
Total comprehensive income for the period	-	-	(68)	(68)
As at 30 September 2017	1,000	-	17,345	18,345

	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>Company 2018</b>				
As at 1 January 2018	56,342	(23)	(48,705)	7,614
Total comprehensive loss for the period	-	-	(126)	(126)
As at 31 March 2018	56,342	(23)	(48,831)	7,488
Total comprehensive loss for the period	-	-	(171)	(171)
As at 30 June 2018	56,342	(23)	(49,002)	7,317
Total comprehensive loss for the period	-	-	(33)	(33)
As at 30 September 2018	56,342	(23)	(49,035)	7,284

<b>Company 2017</b>				
As at 1 January 2017	44,372	(23)	(48,879)	(4,530)
Total comprehensive loss for the period	-	-	(161)	(161)
As at 31 March 2017	44,372	(23)	(49,040)	(4,691)
Total comprehensive loss for the period	-	-	(223)	(223)
As at 30 June 2017	44,372	(23)	(49,263)	(4,914)
Total comprehensive loss for the period	-	-	(223)	(333)
As at 30 September 2017	44,372	(23)	(49,586)	(5,247)

**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, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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.**

	<b>Number of shares</b>	<b>Issued and paid-up share capital</b>
		<b>S\$</b>
Total issued share capital excluding treasury shares as at 30 September 2018 and 31 December 2017	68,847,711	56,342,018

The Company has no 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 are 2,500 shares held as treasury shares by 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 and no subsidiary holdings 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.

**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.**

	<b>As at 30 September 2018</b>	<b>As at 31 December 2017</b>
Total number of issued shares excluding treasury shares	68,847,711	68,847,711

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

There are no sales, transfers, cancellation and/or use of treasury shares as at 30 September 2018.

**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. The Company did not have subsidiary holdings during and as at 30 September 2018.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's independent auditor.

**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 had consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period as those applied for the most recently audited consolidated financial statements for the financial year ended 31 December 2017.

**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 December 2017, the Accounting Standards Council issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"), which comprises standards and interpretations that are equivalent to International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of the SFRS(I) framework as described above and the new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

- SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International);
- SFRS(I) 15 Revenue from Contracts with Customers; and
- SFRS(I) 9 Financial Instruments.

The application of the above standards did not have any significant impact on the Company's and the Group's financial statements.

**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 <sup>rd</sup> quarter ended		For the 9 months ended	
	30/09/2018	30/09/2017 <sup>(1)</sup>	30/09/2018	30/09/2017 <sup>(1)</sup>
	Unaudited	Unaudited	Unaudited	Unaudited
Net (loss)/profit attributable to equity holders of the Company (S\$'000)	(277)	(68)	(904)	1,262
Weighted average number of ordinary shares in issue	68,847,711	34,117,571	68,847,711	34,117,571
Basic and diluted (loss)/earnings per share ("EPS") (Cents)	(0.40)	(0.20)	(1.31)	3.70

**Notes:**

- (1) Due to the reverse takeover (“RTO”) in FY2017, the comparative (loss) / earnings per share has been restated and reflects the results of Chiu Teng 8 Pte. Ltd. (the accounting acquirer) during the 3<sup>rd</sup> quarter and 9 months ended 30 September 2017. The number of ordinary shares issued by the Company for the RTO is deemed to be the weighted average number of ordinary shares for the 3<sup>rd</sup> quarter and 9 months ended 30 September 2017.
- (2) (Loss) / earnings per share of the Group for the 3<sup>rd</sup> quarter and 9 months ended 30 September 2018 is calculated by dividing the Group’s net loss attributable to shareholders of approximately S\$277,000 and S\$904,000 respectively by the weighted average number of ordinary shares outstanding during the period of 68,847,711.

Loss and earnings per share of the Group for the 3<sup>rd</sup> quarter and 9 months ended 30 September 2017 is calculated by dividing the Group’s net loss attributable to shareholders of approximately S\$68,000 and the Group’s net profit attributable to shareholders of S\$1,262,000 respectively by the weighted average number of ordinary shares outstanding during the period of 34,117,571.

For the 3<sup>rd</sup> quarter and 9 months ended 30 September 2018, and 3<sup>rd</sup> quarter and 9 months ended 30 September 2017, the basic and diluted (loss)/earnings per share of the Group were the same as there were no potential dilutive ordinary shares outstanding as at 30 September 2018 and 30 September 2017.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and**  
**(b) Immediately preceding financial year.**

**Net asset value (“NAV”)**

	Group		Company	
	30-Sept-18	31-Dec-17	30-Sept-18	31-Dec-17
NAV per ordinary share <sup>(1)</sup> (Cents)	14.03	15.34	10.58	11.06

**Note:**

- (1) NAV per ordinary share as at 30 September 2018 and 31 December 2017 was calculated based on the number of ordinary shares excluding treasury shares as at the end of the financial year. As at 30 September 2018, the number of ordinary shares (excluding treasury shares) was 68,847,711 (As at 31 December 2017: 68,847,711). The shares were consolidated from 15 December 2017 onwards on the basis of 1 share for every 40 shares held.



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:-**
- 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
  - 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 income statement of the Group for the 3 months ended 30 September 2018 ("3Q2018") as compared to the 3 months ended 30 September 2017 (3Q2017") and for the 9 months ended 30 September 2018 ("9M2018") as compared to the 9 months ended 30 September 2017 ("9M2017").**

#### **Revenue**

The Group's revenue for 3Q2018 increased by S\$0.28 million as compared to 3Q2017 in the absence of sales of development properties in 3Q2017. The revenue for 3Q2018 amounting to S\$0.28 million arises from the rental income from our property investment holding segment, which was acquired in December 2017.

The Group's revenue for 9M2018 decreased by S\$6.70 million or 89.1% from S\$7.52 million in 9M2017 as compared to S\$0.82 million in 9M2018. The decrease is primarily due to the absence of sales of development properties in 9M2018. The revenue for 9M2018 amounting to S\$0.82 million arises from the rental income from our property investment holding segment.

#### **Cost of sales, gross profit**

There was no cost of sales incurred in 3Q2018 nor 3Q2017 due to the absence of sales of development properties in 3Q2018 and 3Q2017.

There was no cost of sales incurred in 9M2018 as compared to S\$5.64 million in 9M2017 due to the absence of sales of development properties in 9M2018.

The Group's gross profit for 3Q2018 increased by S\$0.28 million as compared to 3Q2017 in the absence of sales of development properties in 3Q2017. The increase of S\$0.28 million in 3Q2018 is primarily due to the rental income from our property investment holding segment.

The Group's gross profit for 9M2018 decreased by S\$1.06 million or 56.3% from S\$1.88 million in 9M2017 to S\$0.82 million in 9M2018. Similarly, the decrease is primarily due to the absence of sales for development properties in 9M2018.

#### **Other income**

The Group's other income for 3Q2018 increased by S\$32,000 to S\$36,000 from S\$4,000 in 3Q2017. The increase was due to rental support income from the Company's controlling shareholder pursuant to the rental support agreement for 3 years from the date of the reverse takeover in December 2017 amounting to S\$36,000.

The Group's other income for 9M2018 increased by S\$188,000 to S\$198,000 from S\$10,000 in 9M2017. Other income of S\$10,000 for HY2017 relates to interest income. Other income for 9M2018 amounting S\$198,000 comprises:

- Rental support income from the Company's controlling shareholder pursuant to the rental support agreement for 3 years from the date of the reverse takeover in December 2017 amounting to S\$94,000.
- Discounts received from various professional parties amounting to S\$25,000.
- Reversal of development costs over-provided amounting to S\$45,000.
- Forfeiture of rental deposit amounting to S\$27,000 and miscellaneous income of S\$7,000.

### **Selling and distribution expenses**

There were no selling and distribution expenses for 3Q2018 as there was no sales of development properties. The selling and distribution expenses amounting to S\$48,000 for 3Q2017 relates to sales office expenses of S\$42,000 and legal conveyancing fee of S\$6,000.

There were no selling and distribution expenses for 9M2018 as there was no sales of development properties. The selling and distribution expenses amounting to S\$291,000 for 9M2017 relates to sales commission of S\$145,000, sales office expenses of S\$127,000 and legal conveyancing fee of S\$19,000.

### **Administrative expenses**

Administrative expenses for 3Q2018 and 9M2018 increased due to the consolidation of the financial statements of Chiu Teng 8 Pte Ltd ("CT8"), Olive Tree Estates Limited ("OT") and WBH Investments Pte Ltd ("WBH"). For 3Q2017 and 9MY2017, administrative expenses related solely to CT8's administrative expenses.

Administrative expenses for 3Q2018 increased by S\$0.43 million, from S\$24,000 in 3Q2017 to S\$0.45 million in 3Q2018. The increase was due to the following:

- Staff costs and related expenses increased by S\$0.20 million
- Depreciation increased by S\$0.15 million
- Compliance related costs increased by S\$41,000
- Property taxes increased by S\$25,000
- Management Corporation Strata Title ("MCST") expenses increased by S\$14,000

Administrative expenses for 9M2018 increased by S\$1.40 million, from S\$105,000 in 9M2017 to S\$1.50 million in 9M2018. The increase was due to the following:

- Staff costs and related expenses increased by S\$0.54 million
- Depreciation increased by S\$0.45 million
- Compliance related costs increased by S\$0.27 million
- Property taxes increased by S\$66,000
- Legal and professional fee increased by S\$31,000
- MCST expenses increased by S\$41,000

### **Finance expenses**

There were no finance expenses in 3Q2017 or 9M2017.

The finance expenses in 3Q2018 amounting to S\$124,000 relates to bank interest.

The finance expenses in 9M2018 amounting to S\$406,000 relates to bank charges for the drawdown of bank facilities amounting to S\$50,000 and bank interest of S\$356,000.

### **Profit / (Loss) before income tax**

In 3Q2018, the Group recorded a loss before income tax of S\$0.26 million, as compared to a loss before income tax of S\$68,000 in 3Q2017. The loss before income tax for 3Q2018 arises primarily from the lower revenue and the consolidation of expenses for the Group in 3Q2018.

In 9M2018, the Group recorded a loss before income tax of S\$0.89 million, as compared to a profit before income tax of S\$1.49 million in 9M2017. The loss before income tax for 9M2018 arises primarily from the lower revenue and the consolidation of expenses for the Group in 9M2018.

### **Income tax expense**

There was an income tax expense in 3Q2018 amounting to S\$15,000 due to under-provision of income tax in the previous financial year. There was no income tax expense in 3Q2017 due to operating loss in 3Q2017.

There was an income tax expense in 9M2018 amounting to S\$15,000 as compared to an income tax expense of S\$230,000 in 9M2017. The income tax expense in 9M2018 was due to under-provision of income tax in the previous financial year.

### **(Loss)/Profit after tax**

As a result of the above, the Group's net loss in 3Q2017 of S\$68,000 has increased to a net loss of S\$0.28 million in 9M2018.

As a result of the above, the Group's net profit in 9M2017 of S\$1.26 million became a net loss of S\$0.90 million in 9M2018.

### **Review of financial position of the Group as at 30 September 2018**

#### **Current assets**

As at 30 September 2018, our total current assets consisted mainly of cash and bank balances, trade and other receivables, and development properties.

Trade and other receivables increased by S\$0.58 million from S\$0.37 million as at 31 December 2017 to S\$0.95 million as at 30 September 2018. This was due to the increase in trade receivables amounting to S\$560,000, GST input tax and prepayments and deposits amounting to S\$20,000.

Development properties held for sale increased by S\$45,000 from S\$5.33 million as at 31 December 2017 to S\$5.37 million as at 30 September 2018 due to the reversal of over-accruals of capitalised expenses.

#### **Non-current assets**

Non-current assets refer to investment properties and property, plant and equipment. Investment properties decreased from S\$12.17 million as at 31 December 2017 to S\$11.71 million as at 30 September 2018 due to depreciation charged for the period. Property, plant and equipment comprising computer and software was S\$6,000 as at 30 September 2018 arising from the purchases during 9M2018.

#### **Current liabilities**

Our current liabilities comprised trade and other payables, borrowings, and income tax payable.

Trade and other payables decreased to S\$1.14 million as at 30 September 2018 from S\$17.95 million as at 31 December 2017. The decrease of S\$16.81 million was primarily due to payment to vendors of CT8 and WBH amounting to S\$15.18 million in relation to the reverse acquisition of CT8 and acquisition of WBH, other payables due to professional parties of S\$1.11 million, amounts owing to directors and employees of S\$12,000, and accruals for other expenses of S\$0.48 million.

Borrowings as at 30 September 2018 remained the same as at 31 December 2017 at S\$600,000.

Current income tax liabilities decreased by S\$0.47 million from S\$0.51 million as at 31 December 2017 to S\$42,000 as at 30 September 2018 due to payment of tax during the period.

### **Non-current liabilities**

Non-current liabilities comprise bank borrowings amounting to S\$13.97 million as at 30 September 2018 and 31 December 2017.

### **Total shareholders' equity**

Total shareholders' equity as at 30 September 2018 amounted to S\$9.66 million and comprised mainly share capital of S\$7.95 million, reverse acquisition reserve with a debit balance of S\$10.60 million and retained profits of S\$12.31 million.

Share capital remained the same at S\$7.95 million for 31 December 2018 and 30 September 2018.

The reverse acquisition reserve with a debit balance of S\$10.60 million arose from the reverse acquisition in December 2017, and remained the same for 31 December 2017 and 30 September 2018.

Retained profits reduced by S\$0.90 million from S\$13.21 million as at 31 December 2017 to S\$12.31 million as at 30 September 2018 due to the net loss for the period.

### **Review of cash flow statement for 3Q2018 and 9M2018**

For 3Q2018, the Group's net cash outflow from operating activities amounted to S\$0.46 million arising mainly from cash used for working capital of S\$0.25 million, payment of income tax of S\$0.22 million and adjusted operating profit of S\$13,000.

For 3Q2018, the Group's net cash outflow from investing activities amounted to S\$1,000 arising from purchases of office equipment.

For 3Q2018, the Group's net cash outflow from financing activities amounted to S\$0.12 million arising from interest paid for bank borrowings.

For 3Q2018, the Group had a net cash outflow of S\$0.58 million.

For 9M2018, the Group's net cash outflow from operating activities amounted to S\$2.81 million arising mainly from cash used for working capital of \$2.25 million, payment of income tax of S\$0.48 million, and adjusted operating loss of S\$80,000.

For 9M2018, the Group's cash outflow from investing activities amounted to S\$15.18 million related mainly to the payment of deferred cash consideration to the vendors of CT8 and WBH amounted to S\$15.18 million in relation to the reverse acquisition of CT8 and acquisition of WBH.

For 9M2018, the Group's net cash outflow from financing activities amounted to S\$0.36 million arising from interest paid for bank borrowings.

For 9M2018, the Group had a net cash outflow of S\$18.35 million.

### **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 global macroeconomic environment faces some uncertainty amidst the spectre of further interest rate hikes in the United States, well publicised socio-political concerns and contagion risks relating to increasingly aggressive US trade policy towards China.

However, population growth, rapid urbanisation and growing affluence in emerging markets are expected to drive demand for residential real estate. Despite the general trend of government intervention in the form of property cooling measures and restrictions on speculation, there is still strong underlying demand for affordable and quality residential property from both end-user buyers and investors alike. The lack of quality affordable housing is a social issue which plagues not just developing but developed countries as well. In our view, this segment of the residential housing market is defensive and offers consistent and sustainable returns to committed developers with strong execution capabilities.

The Company continues to vigorously assess opportunities originated by its stakeholders and network of business contacts to principally offer quality affordable housing solutions and complementary support services such as healthcare and education in emerging markets which maximise positive impact to local communities by increasing social equity and promoting social capital. To this end, the Company has been actively sourcing potential development projects in countries such as Vietnam, Indonesia, Cambodia and Thailand, amongst others, to add to its project development pipeline.

On 2 October 2018, the Company announced that it had signed a memorandum of understanding with National Housing Organization (“NHO”) Joint Stock Company to build circa 4000 homes and 500 commercial units in 4 purpose-built mixed developments across Vietnam (“OTNHO Mixed Developments”). The Company and NHO intend for the OTNHO Mixed Developments to showcase and deploy the Company’s integrated social impact solution, comprising affordable homes and a suite of accessible and customized community services. Apart from the OTNHO Mixed Developments, the Company and NHO are actively sourcing for other suitable development projects in Vietnam for the purposes of principally residential real estate development.

The Company will continue to expand its footprint through joint ventures and/or strategic alliances with reputable and like-minded local partners and domain specialists whose competencies and unique skill sets are able to enhance the Company’s integrated real estate and social impact solutions.

**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 or recommended for the 3<sup>rd</sup> quarter and 9 months ended 30 September 2018.

**13. Interested person transactions**

There were no interested person transactions of more than S\$100,000 entered for 3Q2018 and 9M2018 and 3Q2017 and 9M2017. The Group is not required to have a general mandate from shareholders for IPTs under Rule 920(1)(a)(ii).

**14. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual**

We, Daniel Ee Hock Huat and Daniel Long Chee Tim, being two Directors of Olive Tree Estates Limited hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the 3<sup>rd</sup> quarter and 9 months ended 30 September 2018 to be false or misleading in any material respect.

**15. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Listing Manual.

**BY ORDER OF THE BOARD**  
**Olive Tree Estates Limited**

Daniel Cuthbert Ee Hock Huat  
Non-Executive Independent Chairman

Daniel Long Chee Tim  
Chief Executive Officer and Executive Director

13 November 2018

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are: -

Name: Mr. Mah How Soon (Registered Professional, RHT Capital Pte. Ltd.)  
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619  
Tel: 6381 6757