

OLIVE TREE ESTATES LIMITED



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

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND THE FULL YEAR ENDED 31 DECEMBER 2019

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.

	4 th quarter ended			Financial year ended		
	31-12-19	31-12-18	Increase / (Decrease)	31-12-19	31-12-18	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
	Unaudited	Unaudited		Unaudited	Audited	
Revenue	233	2,753	-91.5%	1,128	3,573	-68.4%
Cost of sales	-	(1,567)	NM	-	(1,567)	NM
Gross profit	233	1,186	-80.4%	1,128	2,006	-43.8%
Selling and distribution expenses	-	(103)	NM	-	(104)	NM
Administrative expenses	(559)	(488)	14.5%	(2,066)	(1,987)	4.0%
Finance expenses	(107)	(113)	-5.3%	(436)	(519)	-16.0%
Other income	137	(25)	NM	169	172	-11.6%
Other losses	(30)	-	NM	(21)	-	NM
Share of profit of associated companies	79	-	NM	79	-	NM
(Loss) / profit before income tax	(247)	457	NM	(1,147)	(432)	NM
Income tax expense	(88)	(69)	27.5%	(102)	(83)	22.9%
Net (loss) / profit	(335)	388	NM	(1,249)	(515)	NM
Other comprehensive loss						
Item may be classified subsequently to profit or loss:						
- Currency translation differences arising from consolidation	(7)	-	NM	(7)	-	NM
Total comprehensive loss	(342)	388	NM	(1,256)	(515)	NM

**(Loss) / Earnings per share
attributable to equity holders of
the Company**

- Basic and diluted (Cents)	(0.49)	0.56	NM	(1.82)	(0.75)	NM
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NM – Not Meaningful

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

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

	4th quarter ended			Financial year ended		
	31-12-19 \$'000 Unaudited	31-12-18 \$'000 Unaudited	Change %	31-12-19 \$'000 Unaudited	31-12-18 \$'000 Audited	Change %
Interest income	-*	-	N.M.	9	-	N.M.
Interest expense	(105)	(110)	-4.5%	(432)	(466)	-7.3%
Depreciation	(151)	(151)	N.M.	(606)	(605)	N.M.

*Less than 1,000

(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	
	31-12-19 \$'000 Unaudited	31-12-18 \$'000 Audited	31-12-19 \$'000 Unaudited	31-12-18 \$'000 Audited
ASSETS				
Current Assets				
Cash and bank balances	2,546	7,021	1,114	776
Trade and other receivables	383	506	84	114
Development properties	3,761	3,761	-	-
	<u>6,690</u>	<u>11,288</u>	<u>1,198</u>	<u>890</u>
Non-current Assets				
Trade and other receivables	-	-	274	264
Investment in subsidiary companies	-	-	20,219	20,219
Investment in associated companies	3,824	-	3,752	-
Investment properties	10,960	11,563	-	-
Financial assets, at fair value through profit or loss ("FVPL")	1,035	-	1,035	-
Property, plant and equipment	4	6	4	6
	<u>15,823</u>	<u>11,569</u>	<u>25,284</u>	<u>20,489</u>
Total Assets	<u>22,513</u>	<u>22,857</u>	<u>26,482</u>	<u>21,379</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	1,790	848	1,423	14,206
Borrowings	1,184	3,325	-	-
Current income tax liabilities	89	119	-	-
	<u>3,063</u>	<u>4,292</u>	<u>1,423</u>	<u>14,206</u>
Non-current Liabilities				
Borrowings	10,661	8,520	-	-
	<u>10,661</u>	<u>8,520</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>13,724</u>	<u>12,812</u>	<u>1,423</u>	<u>14,206</u>
NET ASSETS	<u>8,789</u>	<u>10,045</u>	<u>25,059</u>	<u>7,173</u>
EQUITY				
Share capital	7,946	7,946	56,342	56,342
Treasury shares	-	-	(23)	(23)
Reverse acquisition reserve	(10,597)	(10,597)	-	-
Foreign currency translation reserve	(7)	-	-	-
Retained profits / (accumulated losses)	11,447	12,696	(31,260)	(49,146)
TOTAL EQUITY	<u>8,789</u>	<u>10,045</u>	<u>25,059</u>	<u>7,173</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 31 December 2019		As at 31 December 2018	
\$'000		\$'000	
Secured	Unsecured	Secured	Unsecured
1,184	-	3,325	-

Amount repayable after one year

As at 31 December 2019		As at 31 December 2018	
\$'000		\$'000	
Secured	Unsecured	Secured	Unsecured
10,661	-	8,520	-

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 #01-09 / #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 \$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.

	4th quarter ended		For the year ended	
	31-12-19	31-12-18	31-12-19	31-12-18
	\$'000	\$'000	\$'000	\$'000
	Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities				
Net (loss) / profit	(335)	388	(1,249)	(515)
Adjustments for:				
Depreciation	151	151	606	605
Interest expense	105	110	432	466
Income tax expense	88	69	102	83
Interest income	-	-	(9)	-
Fair value loss on financial assets, at FVPL	27	-	27	-
Share of profits of associated companies	(79)	-	(79)	-
	<u>(43)</u>	<u>718</u>	<u>(170)</u>	<u>639</u>
Changes in working capital				
Trade and other receivables	10	444	123	(136)
Development properties	-	1,612	-	1,567
Trade and other payables	558	(293)	942	(1,919)
	<u>525</u>	<u>2,481</u>	<u>895</u>	<u>151</u>
Cash generated from / (used in) operations				
Interest received	-	-	9	-
Income tax refund / (paid)	-	8	(132)	(473)
	<u>-</u>	<u>8</u>	<u>(132)</u>	<u>(473)</u>
Net cash provided by / (used in) operating activities	<u>525</u>	<u>2,489</u>	<u>772</u>	<u>(322)</u>
Cash flows from investing activities				
Payment of deferred cash consideration to vendors	-	-	-	(15,178)
Purchase of property, plant and equipment	-	(1)	(1)	(8)
Investment in associated companies	-	-	(3,752)	-
Financial asset, at FVPL	-	-	(1,062)	-
	<u>-</u>	<u>(1)</u>	<u>(4,815)</u>	<u>(15,186)</u>
Net cash used in investing activities	<u>-</u>	<u>(1)</u>	<u>(4,815)</u>	<u>(15,186)</u>
Cash flows from financing activities				
Repayment of bank borrowings	-	(2,725)	-	(2,725)
Interest paid	(105)	(110)	(432)	(466)
	<u>(105)</u>	<u>(2,835)</u>	<u>(432)</u>	<u>(3,191)</u>
Net cash used in financing activities	<u>(105)</u>	<u>(2,835)</u>	<u>(432)</u>	<u>(3,191)</u>
Net increase / (decrease) in cash and bank balances	420	(347)	(4,475)	(18,699)
Cash and bank balances at beginning of financial period / year	2,126	7,368	7,021	25,720
	<u>2,546</u>	<u>7,021</u>	<u>2,546</u>	<u>7,021</u>
Cash and bank balances at end of financial period / year	<u>2,546</u>	<u>7,021</u>	<u>2,546</u>	<u>7,021</u>

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 \$'000	Reverse acquisition reserve \$'000	Foreign currency translation reserve \$'000	Retained profits \$'000	Total equity \$'000
Group 2019					
As at 1 January 2019	7,946	(10,597)	-	12,696	10,045
Total comprehensive loss for the period	-	-	-	(266)	(266)
As at 31 March 2019	7,946	(10,597)	-	12,430	9,779
Total comprehensive loss for the period	-	-	-	(341)	(341)
As at 30 June 2019	7,946	(10,597)	-	12,089	9,438
Total comprehensive loss for the period	-	-	-	(307)	(307)
As at 30 September 2019	7,946	(10,597)	-	11,782	9,131
Total comprehensive loss for the period	-	-	(7)	(335)	(342)
As at 31 December 2019	7,946	(10,597)	(7)	11,447	8,789

Group 2018

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
Total comprehensive profit for the period	-	-	-	388	388
As at 31 December 2018	7,946	(10,597)	-	12,696	10,045

	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Total equity \$'000
Company 2019				
As at 1 January 2019	56,342	(23)	(49,146)	7,173
Total comprehensive loss for the period	-	-	(133)	(133)
As at 31 March 2019	56,342	(23)	(49,279)	7,040
Total comprehensive profit for the period	-	-	18,299	18,299
As at 30 June 2019	56,342	(23)	(30,980)	25,339
Total comprehensive loss for the period	-	-	(162)	(162)
As at 30 September 2019	56,342	(23)	(31,142)	25,177
Total comprehensive loss for the period	-	-	(118)	(118)
As at 31 December 2019	56,342	(23)	(31,260)	25,059
Company 2018				
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
Total comprehensive loss for the period	-	-	(111)	(111)
As at 31 December 2018	56,342	(23)	(49,146)	7,173

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

	Number of shares	Issued and paid-up share capital
		\$
Total issued share capital excluding treasury shares as at 31 December 2019 and 31 December 2018	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.

	As at 31 December 2019	As at 31 December 2018
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 end of 31 December 2019.

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 the end of the current financial year ended 31 December 2019.

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 modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 statement for the current financial period as those applied for the most recently audited consolidated financial statements for the financial year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect, of the change.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretation ("SFRS(I) INT") that are mandatory for application for the financial year.

The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in substantial changes to the Group's accounting policies and had no material effect on the amount reported for current or prior financial period.

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.

	4th quarter ended		For the year ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Unaudited	Unaudited	Unaudited	Audited
Net (loss)/ profit attributable to equity holders of the Company (\$'000)	(335)	388	(1,249)	(515)
Weighted average number of ordinary shares in issue	68,847,711	68,847,711	68,847,711	68,847,711
Basic and diluted loss / earnings per share (cents)	(0.49)	0.56	(1.81)	(0.75)

Note:

As there were no outstanding potentially dilutive ordinary shares, the diluted loss / earnings per ordinary share were accordingly the same as the basic loss / earnings per ordinary share for the respective financial period.

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	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
NAV per ordinary share ⁽¹⁾ (Cents)	12.77	14.59	36.40	10.42

Note:

- (1) NAV per ordinary share as at 31 December 2019 and 31 December 2018 was calculated based on the number of ordinary shares excluding treasury shares as at the end of the financial year. As at 31 December 2019, the number of ordinary shares (excluding treasury shares) was 68,847,711. (As at 31/12/2018: 68,847,711)

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 31 December 2019 (“4Q2019”) as compared to the 3 months ended 31 December 2018 (“4Q2018”) and for the financial year ended 31 December 2019 (“FY2019”) as compared to the financial year ended 31 December 2018 (“FY2018”).

Revenue

The Group’s revenue for 4Q2019 decreased by S\$2.52 million or 91.5% as compared to 4Q2018 as there were no sales of development properties for 4Q2019. In 4Q2018, 1 unit with a total floor area of 2,713 square feet was sold. The revenue for 4Q2019 arises solely from the rental income from our property investment holding segment.

The Group’s revenue for FY2019 decreased by \$2.44 million or 68.4% as compared to FY2018 as there were no sales of development properties for FY2019. In FY2018, 1 unit with a total floor area of 2,713 square feet was sold. The revenue for FY2019 arises solely from the rental income from our property investment holding segment.

Cost of sales, gross profit

There was no cost of sales for 4Q2019 as there were no sales in the property development segment.

There was also no cost of sales for FY2019 as there were no sales in the property development segment.

The Group’s gross profit for 4Q2019 decreased by \$953,000 or 80.4% from \$1.19 million in 4Q2018 to \$0.233 million in 4Q2019. The decrease is due to the absence of sales in the property development segment in 4Q2019.

The Group’s gross profit for FY2019 decreased by \$878,000 or 43.8% from \$2.01 million in FY2018 to \$1.13 million in FY2019. The decrease is due to the absence sales in the property development segment in FY2019.

Other income

The Group's other income for 4Q2019 increased by \$162,000 as compared to FY2018 due mainly to reversal of long outstanding payables of \$87,000 and the 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 \$73,000.

Selling and distribution expenses

There was no selling and distribution expenses for 4Q2019 and FY2019 as there were no sales in the property development segment. Selling and distribution expenses for 4Q2018 and FY2018 consist mainly sales commission and legal fees for the 1 unit of development property sold in 4Q2018.

General and administrative expenses

Administrative expenses increased by \$71,000 from \$488,000 in 4Q2018 to \$559,000 in 4Q2019. This is mainly due to lower administrative expenses for 4Q2019 that arose from the adjustment of over provision of 2018 audit fees amounting to \$82,000 in 4Q2019.

Administrative expenses increased by \$80,000 from \$1,987,000 in FY2018 to \$2,066,000 in FY2019. This is mainly due to adjustment of over provision of previous years audit fees amounting to \$103,000, increase in staff cost of \$52,000 due to increase in headcount, offset by lower legal and professional costs of \$56,000.

Other Losses

Other losses of \$30,000 consist of fair value losses from the valuation of the financial assets, at FVPL and foreign exchange losses.

Finance expenses

Finance expenses decreased by \$6,000 from \$113,000 in 4Q2018 to \$107,000 in 4Q2019 mainly due to the reduction in interest expenses as the Group made partial repayment of the term loan following the sale of the development property in the second half of FY2018.

Finance expenses decreased by \$83,000 from \$519,000 in FY2018 to \$436,000 in FY2019 mainly due to the reduction in interest expenses of \$34,000 and the absence of bank facility fee of \$50,000, which was incurred in FY2018 for the drawdown of the term loan.

Share of Profits from Associated companies

Share of profit from associated companies of \$79,000 consist mainly share of profit from Bai Chay National Housing Organization Joint Stock Company Group from the sales of Townhouses in phase 1 of the project during the financial year.

Profit/(loss) before income tax

In 4Q2019, the Group recorded a loss before income tax of \$247,000, as compared to a profit before income tax of \$457,000 in 4Q2018. The loss before income tax for 4Q2019 arises due to the absence of sales of development properties for 4Q2019.

In FY2019, the Group recorded a loss before income tax of \$1,147,000, as compared to a loss before income tax of \$432,000 in FY2018. The higher loss before income tax for FY2019 was due to the absence of sales of development properties.

Income tax expense

Income tax expense increased by \$19,000 from \$69,000 in 4Q2018 to \$88,000 in 4Q2019 due mainly due to provision for income tax for the property rental segment.

Income tax expense increased by \$19,000 from \$83,000 in FY2018 to \$102,000 in FY 2019 due mainly to under-provision of income tax for FY2018 and FY2017 respectively.

Net profit/(loss)

As a result of the above, the Group's net loss in 4Q2019 was S\$335,000 as compared to net profit of S\$388,000 in 4Q2018.

As a result of the above, the Group's net loss in FY2019 was S\$1,249,000 as compared to S\$515,000 in FY2019.

Review of financial position of the Group as at 31 December 2019

Current assets

As at 31 December 2019, our total current assets consisted mainly of cash and bank balances, trade and other receivables, and development properties.

Trade and other receivables decreased by \$123,000 from \$506,000 as at 31 December 2018 to \$383,000 as at 31 December 2019. This was due to the decrease in trade receivables amounting to \$127,000, offset by an increase in prepayments and deposits amounting to \$4,000.

There is no change in development properties held for sale as at 31 December 2018 and 31 December 2019.

Non-current assets

Non-current assets refer to investment properties, property, plant and equipment, investment in associated companies and financial assets, at FVPL.

Investment properties decreased from \$11.56 million as at 31 December 2018 to \$10.96 million as at 31 December 2019 due to depreciation charged for the financial year.

Investments in associated companies amounted to \$3.82 million as at 31 December 2019 relate to the Group's investments in projects in Vietnam whereby the Group had invested in various property development projects via different entities.

Financial assets, at FVPL of \$1.03 million consist of the two convertible loans to the associates for corporate funding purposes and expansion of business.

Current liabilities

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

Trade and other payables increased to \$1,790,000 as at 31 December 2019 from \$848,000 as at 31 December 2018. The increase of \$942,000 was primarily due to sponsorship amounting to \$1,200,000, offset by decreases in GST output tax amounting to \$164,000, other payables amounting to \$70,000, rental deposits amounting to \$65,000 and advance rental receipts amounting to \$35,000. The sponsorship was made by an unrelated company to support the social impact initiatives of the Group.

Borrowings decreased to \$1,184,000 as at 31 December 2019 from \$3,325,000 as at 31 December 2018. The decrease of \$2,141,000 was due to the reclassification of loan payable more than 1 year to non-current liabilities.

Current income tax liabilities decreased by \$30,000 from \$119,000 as at 31 December 2018 to \$89,000 as at 31 December 2019 due to tax paid during the financial year and partly offset with the provision for taxation of \$86,000 for the property rental segment.

Non-current liabilities

Non-current liabilities comprising borrowings from a bank amounted to \$10.66 million as at 31 December 2019. The increase in borrowing of \$2.14 million from \$8.52 million as at 31 December 2018 was due to a reclassification of loan payable more than 1 year from current liabilities.

Total shareholders' equity

Total shareholders' equity as at 31 December 2019 amounted to \$8.79 million and comprised mainly share capital of \$7.95 million, reverse acquisition reserve with a debit balance of \$10.60 million, foreign currency translation reserve of \$7,000 and retained profits of \$11.45 million.

Share capital remained unchanged at \$7.95 million for both 31 December 2019 and 31 December 2018.

The reverse acquisition reserve remained unchanged with a debit balance of \$10.60 million for both 31 December 2019 and 31 December 2018.

Retained profits reduced by \$1.25 million from \$12.70 million as at 31 December 2018 to \$11.45 million as at 31 December 2019 due to net loss for the year.

Review of cash flow statement for FY2019

For 4Q2019, the Group's net cash inflow from operating activities amounted to \$525,000 arising from trade and other payables of \$558,000 and offset by net loss of \$338,000.

For 4Q2019, the Group's net cash outflow from financing activities amounted to \$105,000 arising from interest paid for bank borrowings.

For 4Q2019, the Group had a net cash inflow of \$420,000.

For FY2019, the Group's net cash outflow from operating activities amounted to \$290,000 arising mainly from trade and other payable of \$942,000, offset by payment of income tax of \$132,000 and payment for financial assets, at FVPL of \$1,062,000.

For FY2019, the Group's net cash outflow from investing activities amounted to \$3.8 million arising from investment in associated companies.

For FY2019, the Group's net cash outflow from financing activities amounted to \$432,000 arising from interest paid for bank borrowings.

For FY2019, the Group had a net cash outflow of \$4.48 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 continues to face uncertainty amidst the spectre of trade tensions between the US and China, concerns over the impact of Brexit and regional sociopolitical issues. Business and consumer sentiment as well as economic activity have also been weighed down as a result of COVID-19.

Even so, population growth, rapid urbanisation and steadily growing affluence in emerging markets are expected to support long-term demand for residential real estate in general. Despite the trend of government intervention in the form of property cooling measures and restrictions on speculation, there is still underlying demand for affordable and quality residential property from both end-user buyers and investors. In this regard and undergirded by robust economic growth and foreign direct investment flows in Vietnam, the Company remains optimistic about its foray into the affordable housing market in the country.

The Company will remain nimble and continues to actively assess opportunities originated by our stakeholders and network of business associates to principally offer affordable housing solutions in emerging markets which transform lives and deliver positive impact to local communities. To this end, the Company continues to work with its local joint-venture partner in Vietnam to source potential development projects. On 6 February 2020, the Company announced that it had entered into various definitive investment agreements with National Housing Organization Joint Stock Company and Emerging Markets Affordable Housing Fund Pte Ltd for the purposes of acquiring 1.3 hectares of land in Binh Duong province, Vietnam to build circa 1,100 affordable housing units. The Company also continues to evaluate opportunities to provide quality social and affordable housing in Indonesia, Cambodia and Thailand to add to its project development pipeline in the longer term.

The Company is also seeking to expand its business, influence and impact by entering into joint ventures and/or strategic alliances with reputable and like-minded local partners and domain specialists (in such areas as early childhood education, healthcare and social services). The Company hopes to leverage on their competencies to enhance its ability to be a positive force for change through the provision of affordable quality housing as the bedrock of its social impact solutions by embedding localised, customized and contextualized community development elements and amenities.

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 and the reason(s) for the decision.

No dividend has been declared or recommended for the fourth quarter ended 31 December 2019, as the Company intends to reserve its available cash for the purposes of further investments in its target markets.

13. Interested person transactions

There were no interested person transactions of more than S\$100,000 in 4Q2019 and FY2019. In 4Q2018 and FY2018, there was an interested person transaction involving Mr Ng Chee Beng amounting to \$118,240 pursuant to a rental support deed signed on 14 November 2017 as detailed in the Company's circular to shareholders on 15 November 2017 in relation to the Reverse Takeover. The Group is not required to have a general mandate from shareholders for IPTs under Rule 920(1)(a)(ii).

14. 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Group

<u>2019 (Unaudited)</u>	<u>Property</u>	<u>Property</u>	<u>Others</u>	<u>Total</u>
<u>Revenue</u>	<u>Development</u>	<u>Rental</u>		
Total revenue for reportable segments	-	1,128	-	1,128
Consolidated revenue	-	1,128	-	1,128
<u>Profit / (loss)</u>				
Total Profit / (loss) for reportable segments	(189)	54	(1,012)	(1,147)
Consolidated loss before income tax	-	-	-	(1,147)
<u>Assets</u>				
Total assets for reportable segments	4,299	11,887	26,750	42,936
Elimination of inter-segment assets				(20,423)
Consolidated total assets				22,513
<u>Liabilities</u>				
Total liabilities for reportable segments	3,357	8,939	1,705	14,001
Elimination of inter-segment liabilities				(277)
Consolidated total liabilities				13,724

The Group

<u>2018 (Audited)</u>	<u>Property</u>	<u>Property</u>	<u>Others</u>	<u>Total</u>
<u>Revenue</u>	<u>Development</u>	<u>Rental</u>		
Total revenue for reportable segments	2,471	1,102	-	3,573
Consolidated revenue	2,471	1,102	-	3,573
<u>Profit / (loss)</u>				
Total Profit / (loss) for reportable segments	53	(44)	(441)	(432)
Unallocated net (expenses)/income	-	-	-	-
Consolidated loss before income tax				(432)
<u>Assets</u>				
Total assets for reportable segments	23,079	12,617	21,645	57,341
Elimination of inter-segment assets				(34,484)
Consolidated total assets				22,857
<u>Liabilities</u>				
Total liabilities for reportable segments	3,503	9,069	14,578	27,150
Elimination of inter-segment liabilities				(14,338)
Consolidated total liabilities				12,812

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to note 8 for factors leading to material changes in turnover and earnings by business segments.

17. A breakdown of sales

	Group		
	FY2019	FY2018	Increase/ (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	597	543	9.9
(b) Operating loss after tax before deducting minority interests reported for first half year	(607)	(626)	(3.0)
(c) Sales reported for second half year	531	3,030	(82.5)
(d) Operating (loss) profit after tax before deducting minority interests reported for second half year	(642)	111	678.4

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Nil

**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

28 February 2020

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:

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