

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 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.

| | 3rd quarter ended | | | 9 months ended | | |
|---|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| | 30-09-19 | 30-09-18 | Increase / (Decrease) | 30-09-19 | 30-09-18 | Increase / (Decrease) |
| | S\$'000 Unaudited | S\$'000 Unaudited | % | S\$'000 Unaudited | S\$'000 Unaudited | % |
| Revenue | 298 | 276 | 8.0 | 895 | 820 | 9.1% |
| Cost of sales | - | - | N.M. | - | - | N.M. |
| Gross profit | 298 | 276 | 8.0 | 895 | 820 | 9.1% |
| Administrative expenses | (489) | (450) | 8.6% | (1,508) | (1,500) | 0.5% |
| Finance expenses | (111) | (124) | (10.5%) | (329) | (406) | (19.0%) |
| Other income | -* | 36 | (100%) | 41 | 198 | (79.3%) |
| Loss before income tax | (302) | (262) | 15.2% | (901) | (888) | 1.5% |
| Income tax expense | (5) | (15) | (66.7%) | (13) | (15) | (13.3%) |
| Total comprehensive loss representing net loss attributable to equity holders of the Company | (307) | (277) | 10.8% | (914) | (903) | 1.2% |
| Loss per share attributable to equity holders of the Company - Basic and diluted (Cents) | (0.45) | (0.40) | 12.5% | (1.33) | (1.31) | 1.5% |

N.M. – Not Meaningful

* Less than \$1,000

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

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

| | 3 rd quarter ended | | | 9 months ended | | |
|------------------|-------------------------------|-----------|---------|----------------|-----------|--------|
| | 30-09-19 | 30-09-18 | Change | 30-09-19 | 30-09-18 | Change |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| | Unaudited | Unaudited | % | Unaudited | Unaudited | % |
| Depreciation | 153 | 151 | 1.3% | 455 | 453 | 0.4% |
| Interest expense | 111 | 124 | (10.5%) | 327 | 356 | (8.1%) |
| Interest income | - | - | N.M. | 9 | - | 100% |

(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 | |
|---|---------------|---------------|---------------|---------------|
| | 30-09-19 | 31-12-18 | 30-09-19 | 31-12-18 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | Unaudited | Audited | Unaudited | Audited |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and bank balances | 2,126 | 7,021 | 638 | 776 |
| Trade and other receivables | 392 | 506 | 22 | 114 |
| Development properties | 3,761 | 3,761 | - | - |
| | <u>6,279</u> | <u>11,288</u> | <u>660</u> | <u>890</u> |
| Non-current Assets | | | | |
| Trade and other receivables | - | - | 267 | 264 |
| Investment in subsidiary corporations | - | - | 20,219 | 20,219 |
| Investment properties | 11,110 | 11,563 | - | - |
| Investments | 4,814 | - | 4,814 | - |
| Property, plant and equipment | 5 | 6 | 5 | 6 |
| | <u>15,929</u> | <u>11,569</u> | <u>25,305</u> | <u>20,489</u> |
| Total Assets | <u>22,208</u> | <u>22,857</u> | <u>25,965</u> | <u>21,379</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Trade and other payables | 1,231 | 848 | 788 | 14,206 |
| Borrowings | 3,325 | 3,325 | - | - |
| Current income tax liabilities | 1 | 119 | - | - |
| | <u>4,557</u> | <u>4,292</u> | <u>788</u> | <u>14,206</u> |
| Non-current Liabilities | | | | |
| Borrowings | 8,520 | 8,520 | - | - |
| | <u>8,520</u> | <u>8,520</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>13,077</u> | <u>12,812</u> | <u>788</u> | <u>14,206</u> |
| NET ASSETS | <u>9,131</u> | <u>10,045</u> | <u>25,177</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) | - | - |
| Retained profits / (accumulated losses) | 11,782 | 12,696 | (31,142) | (49,146) |
| TOTAL EQUITY | <u>9,131</u> | <u>10,045</u> | <u>25,177</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 30 September 2019 | | As at 31 December 2018 | |
|-------------------------|-----------|------------------------|-----------|
| S\$'000 | | S\$'000 | |
| Secured | Unsecured | Secured | Unsecured |
| 3,325 | - | 3,325 | - |

Amount repayable after one year

| As at 30 September 2019 | | As at 31 December 2018 | |
|-------------------------|-----------|------------------------|-----------|
| S\$'000 | | S\$'000 | |
| Secured | Unsecured | Secured | Unsecured |
| 8,520 | - | 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 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 rd quarter ended | | For the 9 months ended | |
|---|-------------------------------|--------------|------------------------|-----------------|
| | 30-09-19 | 30-09-18 | 30-09-19 | 30-09-18 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Cash flows from operating activities | | | | |
| Net loss | (307) | (277) | (914) | (903) |
| Adjustments for: | | | | |
| Depreciation | 153 | 151 | 455 | 453 |
| Interest expense | 111 | 124 | 327 | 356 |
| Income tax expense | 5 | 15 | 13 | 15 |
| Interest income | - | - | (9) | - |
| Operating cash flows before changes in working capital | (38) | 13 | (128) | (79) |
| Changes in working capital: | | | | |
| Trade and other receivables | (30) | (525) | 114 | (580) |
| Development properties | - | - | - | (45) |
| Trade and other payables | (66) | 276 | 383 | (1,626) |
| Cash (used in)/generated from operations | (134) | (236) | 369 | (2,330) |
| Interest received | - | - | 9 | - |
| Income tax paid | (31) | (223) | (131) | (482) |
| Net cash (used in)/provided by operating activities | (165) | (459) | 247 | (2,812) |
| Cash flows from investing activities | | | | |
| Payment of deferred cash consideration to vendors | - | - | - | (15,178) |
| Investments | - | - | (4,814) | - |
| Purchase of property, plant and equipment | (1) | (1) | (1) | (7) |
| Net cash used in investing activities | (1) | (1) | (4,815) | (15,185) |
| Cash flows from financing activities | | | | |
| Interest paid | (111) | (124) | (327) | (356) |
| Net cash used in financing activities | (111) | (124) | (327) | (356) |
| Net decrease in cash and bank balances | (277) | (584) | (4,895) | (18,353) |
| Cash and bank balances at beginning of financial period | 2,403 | 7,951 | 7,021 | 25,720 |
| Cash and bank balances at end of financial period | 2,126 | 7,367 | 2,126 | 7,367 |

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 |
|---|--------------------------|--|-----------------------------|-------------------------|
| 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 |

Group 2018

| | | | | |
|---|-------|----------|--------|--------|
| As at 1 January 2018 | 7,946 | (10,597) | 13,211 | 10,560 |
| Total comprehensive income for the period | - | - | (295) | (295) |
| As at 31 March 2018 | 7,946 | (10,597) | 12,916 | 10,265 |
| Total comprehensive income for the period | - | - | (331) | (331) |
| As at 30 June 2018 | 7,946 | (10,597) | 12,585 | 9,934 |
| Total comprehensive income for the period | - | - | (277) | (277) |
| As at 30 September 2018 | 7,946 | (10,597) | 12,308 | 9,657 |

| | Share capital S\$'000 | Treasury shares S\$'000 | Accumulated losses S\$'000 | Total equity S\$'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 loss 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 |

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 |

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.

| | Number of shares | Issued and paid-up share capital |
|---|-------------------------|---|
| | | S\$ |
| Total issued share capital excluding treasury shares as at 30 September 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 30 September 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 30 September 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 30 September 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 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 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.**

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 rd quarter ended | | For the 9 months ended | |
|--|-------------------------------|------------|------------------------|------------|
| | 30-09-2019 | 30-09-2018 | 30-09-2019 | 30-09-2018 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Net loss attributable to equity holders of the Company (S\$'000) | (307) | (277) | (914) | (903) |
| Weighted average number of ordinary shares in issue | 68,847,711 | 68,847,711 | 68,847,711 | 68,847,711 |
| Basic and diluted loss per share ("LPS") (Cents) | (0.45) | (0.40) | (1.33) | (1.31) |

Note:

As there were no outstanding potentially dilutive ordinary shares, the diluted loss per ordinary share were accordingly the same as the loss 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 | |
|--|----------|----------|----------|----------|
| | 30-09-19 | 31-12-18 | 30-09-19 | 31-12-18 |
| NAV per ordinary share ⁽¹⁾ (Cents) | 13.26 | 14.59 | 36.57 | 10.42 |

Note:

- (1) NAV per ordinary share as at 30 September 2019 and 31 December 2018 was calculated based on the number of ordinary shares excluding treasury shares as at the end of the financial period/year. As at 30 September 2019, the number of ordinary shares (excluding treasury shares) was 68,847,711 (As at 31 December 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 30 September 2019 (“3Q2019”) as compared to the 3 months ended 30 September 2018 (3Q2018”) and for the 9 months ended 30 September 2019 (“9M2019”) as compared to the 9 months ended 30 September 2018 (“9M2018”).

Revenue

The Group’s revenue for 3Q2019 increased by S\$22,000 as compared to 3Q2018 due to higher rental rates charged for some of the units from the property investment holding segment as compared to 3Q2018. The revenue for 3Q2019 arises solely from the rental income from our property investment holding segment. There were no sales of development properties for both 3Q2019 and 3Q2018.

The Group’s revenue for 9M2019 increased by S\$75,000 as compared to 9M2018 due to higher rental rates charged for some units and full rental of all units in the property investment holding segment as compared to 9M2018. The revenue for 9M2019 arises solely from the rental income from the property investment holding segment. There were no sales of development properties for both 9M2019 and 9M2018.

Cost of sales, gross profit

There was no cost of sales for 3Q2019 or 3Q2018 as there were no sales in the property development segment.

There was also no cost of sales for 9M2019 or 9M2018 as there were no sales in the property development segment.

The Group's gross profit for 3Q2019 increased by \$22,000 or 8.0% from \$276,000 in 3Q2018 to \$298,000 in 3Q2019. The increase is primarily due to increase in rental rate for some units and full rental of all units in the property investment holding segment.

The Group's gross profit for 9M2019 increased by \$75,000 or 9.1% from \$820,000 in 9M2018 to \$895,000 in 9M2019. Similarly, the increase is primarily due to increase in rental rate for some units and full rental of all units in our property investment holding segment.

Other income

As a result of higher rental income, no rental support was required from the Company's controlling shareholder. Consequently, the Group's other income for 3Q2019 decreased by \$36,000.

The Group's other income for 9M2019 decreased by \$157,000 to \$41,000 from \$198,000 in 9M2018. Other income of \$41,000 for 9M2019 relates to interest income of \$9,000, reversal of long outstanding payables of \$23,000 and currency gain of \$9,000. Other income for 9M2018 amounting \$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 \$94,000.
- Discounts received from various professional parties amounting to \$25,000.
- Reversal of development costs over-provided amounting to \$45,000.
- Forfeiture of rental deposit amounting to \$27,000 and miscellaneous income of \$7,000.

Administrative expenses

Administrative expenses increased by \$39,000 from \$450,000 in 3Q2018 to \$489,000 in 3Q2019. This is mainly due to lower administrative expenses for 3Q2018 that arose from the adjustment of over provision of 2017 audit fees amounting to \$47,000 in 3Q2018. The higher 3Q2019 administrative expenses is offset by reduction in legal and professional costs of \$13,000.

Administrative expenses increased by \$8,000 from \$1,500,000 in 9M2018 to \$1,508,000 in 9M2019. The increase arose mainly from staff cost of \$51,000 due to increase in headcounts, offset by reduction in legal and professional costs of \$38,000.

Finance expenses

Finance expenses decreased by \$13,000 from \$124,000 in 3Q2018 to \$111,000 in 3Q2019 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 \$77,000 from \$406,000 in 9M2018 to \$329,000 in 9M2019 mainly due to the reduction in interest expenses of \$28,000 and the absence of bank charges of \$49,000, which was incurred in 9M2018 for the drawdown of the term loan.

Profit/(Loss) before income tax

In 3Q2019, the Group recorded a loss before income tax of \$302,000, as compared to a loss before income tax of \$262,000 in 3Q2018. The higher loss before income tax for 3Q2019 arises primarily from the higher administrative expenses in 3Q2019.

In 9M2019, the Group recorded a loss before income tax of \$901,000, as compared to a loss before income tax of \$888,000 in 9M2018. The higher loss before income tax for 9M2019 was due to lower other income.

Income tax expense

There was an income tax expense in 3Q2019 amounted to \$5,000 as compared to \$15,000 in 3Q2018 and both are in relation to under-provision of income tax for FY2018 and FY2017 respectively.

There was an income tax expense in 9M2019 amounted to \$13,000 as compared to \$15,000 in 9M2018 and both are in relation to under-provision of income tax FY2018 and FY2017 respectively.

(Loss)/Profit after tax

As a result of the above, the Group's net loss in 3Q2019 was S\$307,000 as compared to S\$277,000 in 3Q2018.

As a result of the above, the Group's net loss in 9M2019 was S\$914,000 as compared to S\$903,000 in 9M2018.

Review of financial position of the Group as at 30 September 2019

Current assets

As at 30 September 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 \$114,000 from \$506,000 as at 31 December 2018 to \$392,000 as at 30 September 2019. This was due to the decrease in trade receivables amounting to \$129,000, offset by an increase in prepayments and deposits amounting to \$15,000.

There is no change in development properties held for sale as at 31 December 2018 and 30 September 2019.

Non-current assets

Non-current assets refer to investment properties, property, plant and equipment and Investments. Investment properties decreased from \$11.6 million as at 31 December 2018 to \$11.1 million as at 30 September 2019 due to depreciation charged for the period. Investments amounting to \$4.8 million as at 30 September 2019 relate to the Group's investments in Vietnam projects whereby the Group had invested in various property development projects via different entities.

Current liabilities

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

Trade and other payables increased to \$1.2 million as at 30 September 2019 from \$848,000 as at 31 December 2018. The increase of \$384,000 was primarily due to sponsorship amounting to \$638,000, offset by decreases in GST output tax amounting to \$160,000, other payables amounting to \$21,000, advance rental receipts amounting to \$21,000 and accruals amounting to \$51,000. The sponsorship was made by an unrelated company to support the social impact initiatives of the Group.

Borrowings as at 30 September 2019 remained the same as at 31 December 2018 at \$3.3 million.

Current income tax liabilities decreased by \$118,000 from \$119,000 as at 31 December 2018 to \$1,000 as at 30 September 2019 due to payment of tax during the period.

Non-current liabilities

Non-current liabilities comprise bank borrowings amounting to \$8.5 million as at 30 September 2019 and 31 December 2018.

Total shareholders' equity

Total shareholders' equity as at 30 September 2019 amounted to \$9.1 million and comprised mainly share capital of \$7.9 million, reverse acquisition reserve with a debit balance of \$10.6 million and retained profits of \$11.8 million.

Share capital remained the same at \$7.9 million for 31 December 2018 and 30 September 2019.

The reverse acquisition reserve with a debit balance of \$10.6 million arose from the reverse acquisition in December 2017, and remained the same for 31 December 2018 and 30 September 2019.

Retained profits reduced by \$0.9 million from \$12.7 million as at 31 December 2018 to \$11.8 million as at 30 September 2019 due to the net loss for the period.

Review of cash flow statement for 3Q2019 and 9M2019

For 3Q2019, the Group's net cash outflow from operating activities amounted to \$165,000 arising from cash used in operations of \$134,000 and payment of income tax of \$31,000.

For 3Q2019, the Group's net cash outflow from financing activities amounted to \$111,000 arising from interest paid for bank borrowings.

For 3Q2019, the Group had a net cash outflow of \$277,000.

For 9M2019, the Group's net cash inflow from operating activities amounted to \$247,000 arising mainly from changes in working capital of \$497,000 and interest received of \$9,000, offset by payment of income tax of \$131,000 and adjusted operating loss of \$128,000.

For 9M2019, the Group's net cash outflow from investing activities amounted to \$4.8 million arising from investment in Vietnam property development projects.

For 9M2019, the Group's net cash outflow from financing activities amounted to \$327,000 arising from interest paid for bank borrowings.

For 9M2019, the Group had a net cash outflow of \$4.9 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 remains weak and is likely to be uncertain as a result of the ongoing trade tensions between the US and China. Concerns over Brexit and regional socio-political issues also continue to weigh on sentiment.

Even so, population growth, rapid urbanisation and steadily growing affluence in emerging markets are expected to support 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 that geography.

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 our local joint-venture partner in Vietnam to source potential development projects. We also continue to evaluate opportunities in Indonesia, Cambodia and Thailand to add to our project development pipeline.

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). We hope to leverage on their competencies to enhance the Company's ability to be a positive force for change through the provision of affordable quality housing as the bedrock of our social impact solution by embedding localized, 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 3rd quarter and 9 months ended 30 September 2019, as the Company intends to reserve its cash for its investment.

13. Interested person transactions

There were no interested person transactions of more than S\$100,000 entered for 3Q2019 and 9M2019 and 3Q2018 and 9M2018. 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 3rd quarter and 9 months ended 30 September 2019 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

1 November 2019

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.)
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