

**OLIVE TREE ESTATES LIMITED
AND ITS SUBSIDIARY CORPORATIONS**
(Incorporated in the Republic of Singapore)
(Company Registration No: 200713878D)

**Condensed interim financial statements
For the six months ended 30 June 2023**

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	6 months ended 30 June 2023	6 months ended 30 June 2022	Increase/ (Decrease)
		Unaudited	Unaudited	%
		S\$'000	S\$'000	
Revenue	4	600	555	8
Other Income	5	68	16	325
Administrative expenses	6	(1,040)	(1,067)	(3)
Finance expenses	8	(97)	(125)	(22)
Other gains, net	9	149	148	1
Share of losses of associated companies		(46)	(75)	(39)
Loss before income tax		(366)	(548)	
Income tax expense	10	(11)	(19)	(42)
Net loss		(377)	(567)	
Other comprehensive loss				
Item may be classified subsequently to profit or loss: - Share of other comprehensive income of associated companies		45	16	181
Total comprehensive loss		(332)	(551)	
Loss per share attributable to equity holders of the Company				
- Basic and diluted (cents)	11	(0.33)	(0.82)	

Condensed Interim Statements of Financial Position

	Note	Group		Increase/ (decrease) %
		30 June 2023	31 December 2022	
		Unaudited	Audited	
		S\$'000	S\$'000	
ASSETS				
Current assets				
Cash and bank balances		5,799	7,148	(19)
Trade and other receivables	12	258	147	76
		6,057	7,295	
Non-current assets				
Trade and other receivables	12	259	306	(15)
Investments in associated companies	14	4,808	4,809	NM
Investment properties	15	8,848	9,150	(3)
Financial assets, at fair value through profit or loss ("FVPL")	16	2,485	2,366	5
		16,400	16,631	
Total assets		22,457	23,926	
LIABILITIES				
Current liabilities				
Trade and other payables	17	658	853	(23)
Borrowings	18	2,072	2,040	2
Current income tax liabilities		99	150	(34)
		2,829	3,043	
Non-current liabilities				
Trade and other payables	17	885	762	16
Borrowings	18	7,980	9,026	(12)
Total Liabilities		11,694	12,831	
NET ASSETS		10,763	11,095	
EQUITY				
Share capital	19	63,223	63,223	NM
Treasury shares	19	(23)	(23)	NM
Currency translation reserve		(68)	(114)	(40)
Accumulated losses		(52,369)	(51,991)	1
TOTAL EQUITY		10,763	11,095	
NET ASSET VALUE PER SHARE (cents)		9.29	9.58	

The accompanying notes form an integral part of condensed interim financial statements

Condensed Interim Statements of Financial Position

	Note	Company		Increase/ (decrease) %
		30 June 2023	31 December 2022	
		Unaudited S\$'000	Audited S\$'000	
ASSETS				
Current assets				
Cash and bank balances		5,175	6,195	(16)
Trade and other receivables	12	157	164	(4)
		5,332	6,359	
Non-current assets				
Trade and other receivables	12	259	306	(15)
Investments in subsidiary corporations	13	2,798	2,798	NM
Investments in associated companies	14	4,919	4,919	NM
Financial assets, at fair value through profit or loss ("FVPL")	16	2,485	2,366	5
		10,461	10,389	
Total assets		15,793	16,748	
LIABILITIES				
Current liabilities				
Trade and other payables	17	3,740	4,366	(14)
Non-current liabilities				
Trade and other payables	17	885	762	16
Total liabilities		4,625	5,128	
NET ASSETS		11,168	11,620	
EQUITY				
Share capital	19	63,223	63,223	NM
Treasury shares	19	(23)	(23)	NM
Accumulated losses		(52,032)	(51,580)	1
TOTAL EQUITY		11,168	11,620	
NET ASSET VALUE PER SHARE (cents)		9.64	10.03	

The accompanying notes form an integral part of condensed interim financial statements

Condensed Interim Statements of Changes in Equity

Group Condensed Interim Statement of Changes in Equity

	Share capital	Treasury shares	Reserve acquisition reserve	Currency translation reserve	(Accumulated losses)/ Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2023						
Balance as at 1 January 2023	63,223	(23)	-	(114)	(51,991)	11,095
Total comprehensive loss for the financial period	-	-	-	46	(378)	(332)
Balance as at 30 June 2023	63,223	(23)	-	(68)	(52,369)	10,763
2022						
Balance as at 1 January 2022	7,946	-	(10,597)	9	8,633	5,991
Total comprehensive loss for the financial period	-	-	-	16	(567)	(551)
Balance as at 30 June 2022	7,946	-	(10,597)	25	8,066	5,440

Company Interim Statement of Changes in Equity

	Share capital	Treasury shares	Retained profits*	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
2023				
Balance as at 1 January 2023	63,223	(23)	(51,580)	11,620
Total comprehensive loss for the financial period	-	-	(452)	(452)
Balance at 30 June 2023	63,223	(23)	(52,032)	11,168
2022				
Balance as at 1 January 2022	56,342	(23)	(50,082)	6,237
Total comprehensive loss for the financial period	-	-	(429)	(429)
Balance as at 30 June 2022	56,342	(23)	(50,511)	(5,808)

The accompanying notes form an integral part of condensed interim financial statements

Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		6 months ended 30 June 2023	6 months ended 30 June 2022
		S\$'000	S\$'000
Cash flows from operating activities			
Net loss		(377)	(567)
Adjustments for:			
Depreciation of investment properties	6	302	302
Fair value gains on financial assets, at FVPL	9	(119)	(140)
Share of losses of associated companies		46	75
Unrealised exchange gains		(2)	(5)
Finance expenses	8	97	125
Income tax expense	10	11	19
Amortisation of interest income of loan to associated company	5	(5)	(5)
Subsequent payments effected in July 2022		-	(48)
		(47)	(244)
Changes in working capital			
Trade and other receivables		(57)	29
Trade and other payables		(72)	(106)
Cash used in operations		(176)	(321)
Income tax paid		(62)	(12)
Net cash used in by operating activities		(238)	(333)
Cash flows from investing activities			
Additions to financial asset, at FVPL	16	-	-
Net cash used by investing activities		-	-
Cash flows from financing activities			
Repayment of bank borrowings		(1,014)	(531)
Interest paid		(97)	(125)
Net cash used by financing activities		(1,111)	(656)
Net decrease in cash and bank balances		(1,349)	(989)
Beginning of financial period		7,148	2,628
End of financial period		5,799	1,639

The accompanying notes form an integral part of the condensed interim financial statements

Notes to the Condensed Full Year Consolidated Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying condensed interim financial statements.

1 General information

Olive Tree Estates Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 29 December 2017.

These condensed consolidated financial statements as at 30 June 2023 and half year ended 30 June 2023 comprise of the Company and its subsidiary corporations (collectively "the Group")

The registered office of the Company is at 111 Somerset Road, #08-01A Royal 111 Somerset, Singapore 238164.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiary corporations are disclosed in Note 13.

2 Significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$") and have been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Significant influence over associated companies

Judgement is required to determine when the Company establishes significant influence over an investee. Management reviews the classification of its investments in associated companies upon acquisition and at least annually or whenever there are any changes to the percentage of shareholding. The Company is presumed to not have significant influence if it holds, directly or indirectly, less than 20% of voting power of the investee unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

Pursuant to the sale and purchase agreements, the Company would be able to appoint a representative on the board of the respective associated companies to participate in the relevant activities of each entity through its representative on the board of Management and Supervisory Committee of the respective entity. Based on this, management concluded that the Company has significant influence over JMEI, NHO PM2, NHO BC, NHO TA2 and NHO HB2 and has accounted for its investments in these entities as associated companies.

3 Critical accounting estimates, assumptions and judgements (continued)

(b) Impairment of investment in associated companies

Investment in associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. In determining the recoverable value, an estimate of expected future cash flows from each asset or CGU and an appropriate discount rate is required to be made. An impairment exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Management has assessed that there is no objective evidence or indication that the carrying amounts of the Group's investment in associated companies may not be recoverable as at the reporting date and accordingly an impairment assessment is not required.

4 Revenue

	6 months ended 30 June 2023 S\$'000	<u>Group</u> 6 months ended 30 June 2022 S\$'000
Rental income	600	555

5 Other income

	6 months ended 30 June 2023 S\$'000	<u>Group</u> 6 months ended 30 June 2022 S\$'000
Interest income from fixed deposits	62	-
Amortisation of interest income of loan to associated company	5	5
Grant income	1	11
	68	16

6 Expenses by nature

	6 months ended 30 June 2023 S\$'000	<u>Group</u> 6 months ended 30 June 2022 S\$'000
Depreciation of investment properties (Note 15)	302	302
Directors' fee	73	73
Director's remuneration	96	96
Employee compensation (Note 7)	295	298
Fee on audit services paid /payable to:		
- Auditor of the Company	42	29
- Other auditors	11	26
Legal and professional fees	7	11
Maintenance and sinking fund	14	14
Property tax	53	53
Sponsorship fee	30	31
Others	117	134
Total administrative expenses	<u>1,040</u>	<u>1,067</u>

7 Employee compensation

	6 months ended 30 June 2023 S\$'000	<u>Group</u> 6 months ended 30 June 2022 S\$'000
Salaries	277	277
Employer's contribution to defined contribution plans including Central Provident Fund	17	17
Other short-term benefits	1	4
	<u>295</u>	<u>298</u>

8 Finance expenses

	6 months ended 30 June 2023 S\$'000	<u>Group</u> 6 months ended 30 June 2022 S\$'000
Interest expense on bank borrowings	<u>97</u>	<u>125</u>
	<u>97</u>	<u>125</u>

9 Other gains, net

	6 months ended 30 June 2023 S\$'000	<u>Group</u> 6 months ended 30 June 2022 S\$'000
Currency exchange gains – net	3	8
Fair value gains on financial assets, at FVPL (Note 16)	119	140
Reversal of loss allowance	27	-
	<u>149</u>	<u>148</u>

10 Income taxes

	6 months ended 30 June 2023 S\$'000	<u>Group</u> 6 months ended 30 June 2022 S\$'000
Tax expense attributable to profit or loss is made up of:		
Loss for the financial period - Current income tax	(61)	(40)
Over provision of current income tax in prior financial periods	50	21
	<u>(11)</u>	<u>(19)</u>

11 Loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the 6 months period ended 30 June 2023 and 30 June 2022:

	6 months ended 30 June 2023	<u>Group</u> 6 months ended 30 June 2022
Net loss for the financial period attributable to equity holders of the Company (S\$'000)	<u>(377)</u>	<u>(567)</u>
Weighted average number of ordinary shares outstanding for basic and diluted loss per share computation	<u>115,848</u>	<u>68,848</u>
Basic and diluted loss per share (cents)	<u>(0.33)</u>	<u>(0.82)</u>

12 Trade and other receivables

	30 June 2023 S\$'000	<u>Group</u> 31 December 2022 S\$'000
Current		
Trade receivables - non-related parties	108	-
Other receivables		
- Controlling shareholder	108	107
- Loss allowance for other receivables (Controlling shareholder)	-	(27)
- Non-related parties	-	32
GST receivables	-	2
Grant receivables	-	5
Deposits	13	13
Prepayments	29	15
	<u>258</u>	<u>147</u>
Non-current		
Other receivables - Controlling shareholder	69	123
Loan to associated company	190	183
	<u>259</u>	<u>306</u>

	30 June 2023 S\$'000	<u>Company</u> 31 December 2022 S\$'000
Other receivables:		
- Non-related parties	-	32
- Controlling shareholder	108	107
	108	139
Less: loss allowance	-	(27)
	<u>108</u>	<u>112</u>
GST receivables	8	20
Grant receivables	-	5
Prepayments	28	12
Deposits	13	15
	<u>157</u>	<u>164</u>
Non-current		
Other receivables		
- Loan to associated company	190	183
- Controlling shareholder	69	123
	<u>259</u>	<u>306</u>

Current

Other receivables from controlling shareholder are non-trade, unsecured, interest-free and receivable on demand and specifically relate to rental support arrangements provided by the controlling shareholder.

12 Trade and other receivables (continued)

Non-current

Other receivables from controlling shareholder are non-trade, unsecured and interest free. The amounts are not repayable within the next 12 months and will be subject to an annual review on the terms and conditions of the payment plan.

Loan to associated company is non-trade, unsecured and interest free. The amounts are for a period of 4 years and the associated company has the option to extend for another year upon expiry of the term.

13. Investments in subsidiary corporations

	30 June 2023 S\$'000	<u>Company</u> 31 December 2022 S\$'000
Equity investments at cost		
Beginning of the financial year	2,798	20,219
Strike off	-	(17,421)
Equity investments net of strike off	<u>2,798</u>	<u>2,798</u>

As all the development property units in Chiu Teng 8 Pte Ltd have been sold and there are no plans for new cash generating business to be created, the company has ceased operations in September 2022 and has received first gazette of notification from ACRA on 9 January 2023 and completed its strike off process on 9 March 2023.

Accordingly, an impairment loss of S\$16,421,000 was recognised by the Company in the financial year ended 31 December 2022.

The Company has the following subsidiary corporations as at 30 June 2023 and 31 December 2022.

<u>Name of subsidiary corporations</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	Proportion of ordinary shares held by the Company	
			2023	2022
			%	%
<u>Held by the Company</u>				
Chiu Teng 8 Pte Ltd ("CT8") ^(b)	Property development	Singapore	-	100
WBH Investments Pte Ltd ^(a)	Investment properties holdings and rental	Singapore	100	100

(a) Audited by CLA Global TS Public Accounting Corporation.

(b) Completed its strike off process on 9 March 2023

14 Investments in associated companies

	<u>Group</u>	
	30 June 2023 S\$'000	31 December 2022 S\$'000
Equity investments, using equity accounting	4,808	4,809
	<u>Company</u>	
	30 June 2023 S\$'000	31 December 2022 S\$'000
Equity investments, at cost	4,919	4,919

The Company has the following associated companies as at 30 June 2023 and 31 December 2022:

<u>Name of associated companies</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion of ordinary shares held by the Company</u>	
			2023 %	2022 %
JME Investment Pte Ltd ("JMEI") ^(a)	Property development	Singapore	13.33	13.33
Bai Chay National Housing Organization Joint Stock Company ("NHO BC") ^(b)	Property development	Vietnam	8.17	8.17
National Housing Organization – Phu My 2 Joint Stock Company ("NHO PM2") ^(b)	Property development	Vietnam	8.17	8.17
Thuan Ann 2 National Housing Organization Joint Stock Company ("NHO TA2") ^(b)	Property development	Vietnam	8.17	8.17
Hong Bang 2 National Housing Organization Joint Stock Company ("NHO HB2") ^(b)	Property development	Vietnam	8.14	8.14

^(a) Audited by CLA Global TS Public Accounting Corporation.

^(b) Audited by BDO Vietnam.

The Group has significant influence over these entities.

There are no contingent liabilities relating to the Group's interest in the associated companies.

15. Investment properties

	30 June 2023 S\$'000	<u>Group</u> 31 December 2022 S\$'000
<i>Cost</i>		
Beginning and end of financial period/year	<u>12,166</u>	<u>12,166</u>
<i>Accumulated depreciation</i>		
Beginning of financial period/year	3,016	2,413
Depreciation charge (Note 6)	<u>302</u>	<u>603</u>
End of financial period/year	<u>3,318</u>	<u>3,016</u>
Net book value		
End of financial period/year	<u>8,848</u>	<u>9,150</u>
Fair value		
End of financial period/year	<u>10,500</u>	<u>10,500</u>

The investment properties are pledged as security for the Group's bank borrowings (Note 18) of S\$6,663,860 as at 30 June 2023 (31 December 2022: S\$7,067,575).

At the reporting date, the details of the Group's investment properties are as follows:

<u>Location</u>	<u>Description</u>	<u>Tenure</u>
1 Commonwealth Lane, Units #01-07 to #01-15 and #01-17 to #01-20, Singapore	Industrial units	30 years from 1 March 2008

The following amounts are recognised in profit or loss for the 6 months ended 30 June 2023 and 2022:

	6 months ended 30 June 2023 S\$'000	<u>Group</u> 6 months ended 30 June 2022 S\$'000
Rental income (Note 4)	600	555
Direct operating expenses arising from rental generating investment properties	<u>69</u>	<u>68</u>

16 Financial assets, at fair value through profit or loss ("FVPL")

	<u>Group and Company</u>	
	30 June 2023 S\$'000	31 December 2022 S\$'000
Beginning of financial period/year	2,366	2,605
Fair value gains/(losses) (Note 9)	119	(239)
End of financial period/year	2,485	2,366
 <u>Non-current</u>		
Non-listed debt instrument		
- Convertible loans	2,485	2,366

The convertible loans were designated as financial assets, at FVPL upon initial recognition.

17. Trade and other payables

	30 June 2023 S\$'000	<u>Group</u> 31 December 2022 S\$'000
Current		
Accrued operating expenses	86	130
Other payables		
- Non-related parties	351	354
Unutilised sponsorship	110	269
GST payables	11	-
Advance rental received	100	100
	658	853
Non-current		
Unutilised sponsorship	885	762
	30 June 2023 S\$'000	<u>Company</u> 31 December 2022 S\$'000
Current		
Other payables		
- Non-related parties	177	44
- Subsidiary corporations	3,381	3,944
Unutilised sponsorship	110	269
Accrued operating expenses	72	109
GST payables	-	-
	3,740	4,366
Non-current		
Unutilised sponsorship	885	762
	885	762

Other payables to subsidiary corporations are non-trade, unsecured, bearing interest at 0.5% per annum over the applicable 3-months Singapore Overnight Rate Average and payable on demand.

18. Borrowings

	30 June 2023 S\$'000	<u>Group</u> 31 December 2022 S\$'000
<i>Bank borrowings</i>		
- Current	2,072	2,040
- Non-current	7,980	9,026
Total borrowings	<u>10,052</u>	<u>11,066</u>

The borrowings of the Group are at fixed interest rates with terms of 2 years and 5 years respectively. Therefore, there is no impact on interest rate changes and contractual re-pricing on the loans for the next twelve months.

Securities granted

Secured bank borrowings amounting to S\$6,663,860 as at 30 June 2023 (31 December 2022: S\$7,067,575) were secured by the followings:

- (i) Corporate guarantee from the Company;
- (ii) A first legal mortgage to be executed over the investment properties (Note 15);
- (iii) Legal assignment of rental proceeds/charge over rental account of all current and future rental income from the investment properties (Note 15); and
- (iv) A legal assignment of all rights, titles and interests resulting from the sale and purchase agreement(s).

Bank borrowings amounting to S\$3,388,479 as at 30 June 2023 (31 December 2022: S\$3,998,702) were secured by a corporate guarantee from the Company.

19 Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
	'000	'000	S\$'000	S\$'000
<u>Group</u>				
2023				
Beginning and end of financial period	115,848	(3)	63,223	(23)
2022				
Beginning of financial year	68,848	-	7,946	-
Derecognition pursuant to strike-off of a subsidiary corporation	-	(3)	48,396	(23)
Issuance of shares under placement	47,000	-	7,050	-
Share issue expenses	-	-	(169)	-
End of financial year	<u>115,848</u>	<u>(3)</u>	<u>63,223</u>	<u>(23)</u>

19 Share capital and treasury shares (continued)

	No. of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Issued share capital S\$'000	Treasury shares S\$'000
<u>Company</u>				
2023				
Beginning and end of financial period	115,848	(3)	63,223	(23)
2022				
Beginning of financial year	68,848	(3)	56,342	(23)
Issuance of shares under placement	47,000	-	7,050	-
Share issue expenses	-	-	(169)	-
End of financial year	<u>115,848</u>	<u>(3)</u>	<u>63,223</u>	<u>(23)</u>

The equity structure (i.e. the number and type of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition.

The amount of the Group's share capital differs from that of the Company as a result of reverse acquisition accounting on 11 December 2017. As at 31 December 2022, The Group is in the process of striking off its subsidiary, Chiu Teng 8 Pte. Ltd. ("CT8"). As a result of this, the reverse acquisition effect of CT8 on the share capital of the Group of S\$48,396,000, treasury shares of S\$23,000 and the accumulated losses of the Group of S\$58,970,000 were derecognised. At the same time, reverse acquisition reserve of \$10,597,000 were also derecognised.

On 28 December 2022, the Company allotted and issued 47,000,000 new ordinary shares at S\$0.15 per share to the subscribers pursuant placement exercise for a consideration of S\$7,050,000.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The newly issued shares rank pari passu in all respects with the previously issued shares. The professional fee related to the share placement of S\$169,000 has been used to offset against the share placement proceed.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Treasury shares

The Company acquired 2,500 of its shares in the open market in financial year 2010. The total amount paid to acquire the shares was S\$23,000 and this was presented as a component within shareholders' equity.

20 Reverse acquisition reserve

Reverse acquisition reserve is the cash consideration paid/payable for the acquisition of CT8 which was accounted for as cash distribution from consolidated group to CT8's shareholders. In view that the consolidated financial statements are a continuation of CT8's financial statements in conjunction with reverse acquisition, the cash consideration cannot form part of the consideration transferred by acquirer as the Company is the accounting acquiree.

This reserve is non-distributable.

21 Segment information

Management has determined the operating segments based on the reports reviewed by the Directors, who are also the chief operating decision makers and use the reports to make strategic decisions.

Management considers the business from both a geographical and business segment perspective. The Group has 3 reportable operating segments: investment, property development and property rental, which currently operate only in Singapore.

The following summary describes the operations in each of the Group's reportable segments:

- (a) Investment: Investment holding
- (b) Property development: Development and sale of light industrial buildings
- (c) Property rental: Property management

The segment information provided to management for the reportable segments and reconciliation to consolidated statement of comprehensive income are as follows:

<u>Group</u>	← Singapore →			Vietnam	
	<u>Property development</u>	<u>Property rental</u>	<u>Investment</u>	<u>Property development</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>6 months ended</u> <u>30 June 2023</u>					
Revenue from external parties	-	600	-	-	600
Other income	-	72	(4)	-	68
Other gains, net	-	-	149	-	149
Administrative expenses	-	(443)	(597)	-	(1,040)
Finance expenses	-	(97)	-	-	(97)
Share of loss of associated companies	-	-	-	(46)	(46)
Profit/(loss) before income tax	-	132	(452)	(46)	(366)
Income tax expense	-	(11)	-	-	(11)
Net profit/(loss) for the financial period	-	121	(452)	(46)	(377)
Segment assets	-	13,097	9,360	-	22,457
Segment liabilities	-	10,593	1,101	-	11,694

21 Segment information (continued)

<u>Group</u>	← Singapore →			Vietnam	<u>Total</u>
	<u>Property development</u>	<u>Property rental</u>	<u>Investment</u>	<u>Property development</u>	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>6 months ended</u>					
<u>30 June 2022</u>					
Revenue from external parties	-	555	-	-	555
Other income	-	-	16	-	16
Other gains, net	-	-	148	-	148
Administrative expenses	(11)	(385)	(671)	-	(1,067)
Finance expenses	-	(125)	-	-	(125)
Share of losses of associated companies	-	-	-	(75)	(75)
Profit/(loss) before income tax	(11)	45	(507)	(75)	(548)
Income tax expense	-	(19)	-	-	(19)
Net profit/(loss) for the financial period	(11)	26	(507)	(75)	(567)
Segment assets	71	11,085	8,160	-	19,316
Segment liabilities	6	12,674	1,196	-	13,876

(a) Revenue from major products and services

Revenue from external customers is derived mainly from the sale of development properties and rental income in Singapore. The breakdown of the Group's revenue is disclosed in Note 4.

21 Segment information (continued)

(b) *Geographical information*

The Group's three business segments operate mainly in Singapore and Vietnam.

Singapore – The Company is headquartered. The operations in this area are principally the development and sale of properties and property rental.

Vietnam – The Company's associated companies have operations in this region. The operations in this region are principally the development and sale of properties.

	30 June	Group
	2023	31 December
	S\$'000	2022
		S\$'000
<u>Non-current assets</u>		
Singapore		
- Investment properties	8,848	9,150
- Trade and other receivables	259	306
Vietnam		
- Investments in associated companies	4,808	4,809
- Financial assets, at FVPL	2,485	2,366
	<u>16,400</u>	<u>16,631</u>

Other Information Required by Appendix 7C of the Catalyst Rules

22 Review

The condensed interim consolidated statement of financial position of Olive Tree Estates Limited (the “Company”, together with its subsidiaries, the “Group”) as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

23A 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.

24 Review of the performance of the Group

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

The Group revenue for the period ended 30 June 2023 (“1H2023”) was higher than that of the previous corresponding period (“1H2022”) by S\$0.05 million due to the rent-free transition period between an incoming and outgoing tenant in 1H2022. There was full rental occupancy of the investment property units in 1H2023 and 1H2022.

Administrative expenses

Administrative expenses for 1H2023 was lower than that of 1H2022 by S\$0.02 million due to one-off expenses incurred in 1H2022 such as ad-hoc tax agent services and renewal of loans.

Finance expenses

Finance expenses for 1H2023 was lower than that of 1H2022 by S\$0.03 million due to the reduced interest on outstanding bank loans as the principal loan amounts have been repaid.

Other income

Other income for 1H2023 was higher than that of 1H2022 by S\$0.05 million due to interest income earned on fixed deposits placements.

Other gains, net

1H2023 other net gain of S\$0.15 million was due to fair value of financial assets (FVPL).

Share of losses from associated companies

Share of losses from associated companies of S\$0.05 million in 1H2023 consisted mainly of operating costs as the development properties are still under construction. The losses also included the deemed interest on amortisation of the convertible loans.

Income tax expense

Lower income tax expense in 1H2023 compared to 1H2022 was due mainly to the over-provision of income tax assessed for prior year.

24 Review of the performance of the Group (continued)

Net loss

As a result of the above, the Group's net loss in 1H2023 was S\$0.38 million as compared to the net loss of S\$0.57 million in 1H2022.

Statements of Financial Position

Current assets

Current assets as at 30 June 2023 consisted mainly of cash and bank balances and trade and other receivables.

Trade and other receivables increased by S\$0.11 million from S\$0.15 million as at 31 December 2022 to S\$0.26 million as at 30 June 2023 mainly due to an increase of S\$0.11 million in trade receivables from non-related parties.

Non-current assets

Non-current assets consisted mainly of trade and other receivables, investment properties, investments in associated companies and financial assets at FVPL.

Trade and other receivables of S\$0.26 million consisted of non-current rental support receivables from the Company's controlling shareholder and loan to associated company.

Investment properties decreased by S\$0.30 million from S\$9.15 million as at 31 December 2022 to S\$8.85 million as at 30 June 2023 due to depreciation charged for 1H2023.

Investments in associated companies remained the same at S\$4.81 million as at 31 December 2022 and 30 June 2023 based on the share of results and foreign currency translation reserve.

Financial assets at FVPL increased by S\$0.12 million from S\$2.37 million as at 31 December 2022 to S\$2.49 million as at 30 June 2023 due to fair value gains.

Current and non-current liabilities

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

Trade and other payables decreased by S\$0.19 million from S\$0.85 million as at 31 December 2022 to S\$0.66 million as at 30 June 2023. The decrease of S\$0.19 million was due mainly to utilisation of S\$0.04 million of the sponsorship balance and S\$0.04 million of accrued operating expenses.

Total current and non-current borrowings decreased by S\$1.01 million from S\$11.01 million from 31 December 2022 to S\$10.0 million as at 30 June 2023. This was mainly due to the repayment of the principal amounts on both the secured term loan and Enterprise Singapore Support Scheme ("ESG") loan commencing in 1H2022.

Equity

Shareholders' equity as at 30 June 2023 amounted to S\$10.76 million and comprised mainly share capital of S\$63.22 million, currency translation reserve of S\$0.07 million and accumulated losses of S\$52.37 million.

Share capital remained unchanged at S\$63.22 million as at 30 June 2023 and 31 December 2022.

Accumulated losses increased by S\$0.38 million from S\$51.99 million as at 31 December 2022 to S\$52.37 million as at 30 June 2023 due to the net loss incurred for 1H2023.

24 Review of the performance of the Group (continued)

Consolidated Statements of Cash Flows

For 1H2023, the Group's net cash outflow from operating activities amounted to S\$0.24 million arising mainly from the repayment of trade and payables balances which have resulted in a net balance decrease.

There were no cash inflows or outflows from investing activities for the Group during 1H2023.

The Group's net cash outflow from financing activities amounted to S\$1.11 million due mainly to the repayments of the interest expense and the principal amounts for both the secured term loan and ESG loan.

For 1H2023, the Group had a net cash outflow of S\$1.35 million.

25 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

26 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 operating period and the next 12 months

Significant fiscal and monetary stimulus from governments and central banks in major economies have stabilized financial markets during the COVID-19 pandemic. Consequently, business and consumer sentiment as well as economic activity have recovered steadily with financial markets broadly repricing to the upside in the first half of 2023.

However, significant economic and geo-political headwinds remain a source of concern. Russia's continued military operations in Ukraine weigh on sentiment, excess liquidity has fuelled inflation globally and central banks have moved aggressively to tamp down inflation through repeated interest rate hikes. Consequently, growth and corporate profitability have been adversely affected as a result of stagflationary pressures and a dampening of consumer demand. On a positive note, the COVID-19 pandemic appears to be well under control and countries have opened their borders with social engagements and discretionary travel returning to almost pre-pandemic levels of activity. Critically, China's pivot from a 'dynamic zero-COVID' policy has excited analysts and is a cause for optimism. Even so, global inflation remains stubbornly high and a sustained broad-based recovery in global consumer, business and economic activity cannot be taken for granted.

Over the long-term, it is still our belief that population growth, rapid urbanisation and steadily growing affluence in regional emerging markets will support demand for residential real estate in general, with strong underlying demand for affordable and quality residential property from both end-user buyers and investors. In this regard and undergirded by an increasingly robust and resilient economy and foreign direct investment flows in Vietnam, the Company remains cautiously optimistic about its foray into the affordable housing market in the country. Vietnam posted gross domestic product growth of 8.02% ⁽¹⁾ in 2022, with The World Bank expecting the country to register year-on-year growth of 6% ⁽²⁾ in 2023. Vietnam remains one of the top-performing economies globally and is expected to be one of the fastest growing economies in Asia in 2023.

26 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 operating period and the next 12 months (continued)

On 6 February 2020, the Company announced that it had entered into various definitive investment agreements with National Housing Organization Joint Stock Company (“NHO”) and Emerging Markets Affordable Housing Fund Pte Ltd (“EMAHF”) for the purposes of acquiring 1.3 hectares of land in Binh Duong province, Vietnam to build circa 1,100 affordable housing units. On 2 June 2020, the Company announced that further to the Covenant Partnership Agreement entered into by the Company on 18 March 2019, the Company, a special-purpose investment vehicle of NHO and EMAHF had entered into various definitive investment agreements for the purposes of acquiring 2.2 hectares of land in Hai Phong province, Vietnam to build circa 1,300 affordable housing units (“Hai Phong Project”). The Company has thus far invested a total of US\$5.8 million in the 1.3ha Binh Duong Project, the Hai Phong Project and 3 earlier projects, namely, the Dao Tri Project, the Binh Duong Project and the Ha Long Project.

Underpinned by Vietnam’s positive long-term macro-economic fundamentals and growth profile, a growing middle-class, political stability, extremely low supply of quality affordable housing units and strong underlying demand for the same, the Company expects these investments to make a favourable contribution to the growth of the Company going forward.

The 1.3ha Binh Duong Project, the Hai Phong Project, the Dao Tri Project, the Binh Duong Project and the Ha Long Project are expected to yield approximately 6,100 affordable homes and more than 250 commercial units in purpose-built mixed-developments across Vietnam (“OTENHO Mixed Developments”).

The Phase 1 townhouses and approximately 70% of its apartment units at the Ha Long Project have been sold at increasingly higher average selling prices. Barring unforeseen circumstances, the Company plans to launch sales at the Hai Phong Project shortly. We expect demand to be resilient with the average selling price of our apartments meaningfully higher than what we modelled in our feasibility studies at the point of investment.

It is currently anticipated that the OTENHO Mixed Developments will have an estimated aggregate gross development value of approximately US\$500 million and the Parties, the Company, NHO and EMAHF intend for the OTENHO Mixed Developments to showcase and deploy the Company’s integrated social impact solution, comprising quality affordable homes and a suite of accessible and customised community development assets and family support services.

Accounting standards stipulate that revenue for development properties is recognized upon completion and handover of the same and as such, there will be a lag effect between when sales of housing units are effected and when the Company is permitted to recognise revenue and by extension the level of profitability for these sales.

The Company will remain nimble and continues to actively assess opportunities originated by our stakeholders and network of business associates to principally offer, in the longer term, social and affordable housing solutions in other emerging markets such as Indonesia, Cambodia and Thailand to transform lives and deliver positive impact to local communities. In Vietnam, the Company continues to work very actively with NHO and other potential stakeholder partners to assess the suitability of land parcels with a view of extending our affordable housing 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). 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. In this respect, we are pleased to announce that the Company and its stakeholder partners have established our third family resource centre and successfully launched our second partner kindergarten and early childhood education care point.

26 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 operating period and the next 12 months (continued)

With the Company's focus on the provision of mass-market affordable housing in fast-growing emerging markets, the Company will continue to rationalize its remaining real estate portfolio in Singapore. At the moment, with significant support for businesses and jobs from the Singapore government and resilient rental demand, real estate valuations in Singapore have thus far not been adversely affected by the COVID-19 pandemic and interest rate hikes. The Board had performed an impairment assessment on property, plant, equipment and investments in associates at the end of the previous financial year and will repeat this exercise for the current financial year. The Company had engaged professional property valuers as part of the share placement exercise in December 2022.

Notes ⁽¹⁾ and ⁽²⁾ source is World Bank

27 Dividend information

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period.

(b) Corresponding period of the immediately preceding financial year

No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.

Not applicable.

28 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 financial period ended 30 June 2023 as the Company intends to reserve its cash resources for investments in its target markets.

29 Interested person transactions

The Company has not obtained a general mandate from shareholders for interested person transactions. The aggregate value of interested person transactions entered into during the six months:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Affluence Resource Pte Ltd	Landlord (company invested by a controlling shareholder)	Rental expenses of S\$24,804 (as per the contractual terms applicable during 1H2023)	Not applicable

30 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company has procured undertaking from all its directors and executive officers in the required format.

31 Use of Proceeds

The Company raised net proceeds of approximately S\$6,881,000 from the placement exercise effected by the Company on 23 December 2022 (the "Placement"). As at the date of this announcement, the net proceeds have been utilized as follows:

	Allocation of net proceeds	Amount utilized	Balance
	S\$'000	S\$'000	S\$'000
Debt Servicing Requirements ⁽¹⁾	4,781	1,113	3,668
General Working Capital	2,100	245	1,855
Total	6,881	1,358	5,523

Note:

(1) The debt servicing is based on monthly principal amortization of the Company's bank loans as well as the applicable interest expense.

The above utilisation of the net proceeds from the Placement is consistent with the intended use as disclosed in the Company's announcement dated 25 August 2022 in relation to the Placement.

Olive Tree Estates Limited
(Company Registration No: 200713878D)

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months period ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Daniel Cuthbert Ee Hock Huat
Non-Executive Independent Chairman

Daniel Long Chee Tim
Chief Executive Officer and Executive Director

Singapore
10 August 2023

*This announcement has been prepared by the Company and its contents have 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 contact person for the Sponsor is Ms Bao Qing, Registered Professional, RHT Capital Pte. Ltd. at 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com