

**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 2022**

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

	Note	6 months ended 30 June 2022	6 months ended 30 June 2021	Increase/ Decrease
		Unaudited S\$'000	Unaudited S\$'000	%
Revenue	4	555	2,066	-73
Cost of sales	6	-	(1,222)	NM
Gross profit		555	844	-34
Other Income	5	16	36	-55
Selling and distribution expenses	6	-	(50)	NM
Administrative expenses	6	(1,067)	(1,058)	1
Finance expenses	8	(125)	(146)	-14
Other gains/(losses), net	9	148	(87)	270
Share of profit of associated companies		(75)	(15)	389
<b>Loss before income tax</b>		<b>(548)</b>	<b>(476)</b>	15
Income tax (expense)	10	(19)	(76)	-75
<b>Net loss</b>		<b>(567)</b>	<b>(552)</b>	-2
<b>Other comprehensive loss</b>				
Item may be classified subsequently to profit or loss:				
- Share of other comprehensive income of associated companies		16	60	-80
<b>Total comprehensive loss</b>		<b>(551)</b>	<b>(492)</b>	-13
<b>(Loss) / per share attributable to equity holders of the Company</b>				
- Basic and diluted (cents)	11	(0.82)	(0.80)	

*The accompanying notes form an integral part of condensed interim financial statement*

Condensed Interim Consolidated Statement of Financial Position

	Note	Group		Increase /decrease
		30 June 2022	31 December 2021	
		Unaudited	Audited	
		S\$'000	S\$'000	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances		1,639	2,628	-38
Trade and other receivables	12	225	207	9
		<b>1,864</b>	<b>2,835</b>	-34
<b>Non-current assets</b>				
Trade and other receivables	12	362	351	3
Investments in associated companies	14	4,894	4,955	-1
Investment properties	15	9,451	9,753	-3
Financial assets, at fair value through profit or loss ("FVPL")	16	2,745	2,605	5
		<b>17,452</b>	<b>17,664</b>	-1
<b>Total assets</b>		<b>19,316</b>	<b>20,499</b>	-6
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	17	1,654	1,760	-6
Borrowings	18	1,830	1,856	-1
Current income tax liabilities		86	80	8
		<b>3,570</b>	<b>3,696</b>	-3
<b>Non-current liabilities</b>				
Borrowings	18	10,306	10,812	-5
<b>Total Liabilities</b>		<b>13,876</b>	<b>14,508</b>	-4
<b>NET ASSETS</b>		<b>5,440</b>	<b>5,991</b>	-9
<b>EQUITY</b>				
Share capital	19	7,946	7,946	NM
Reverse acquisition reserve	20	(10,597)	(10,597)	NM
Currency translation reserve		25	9	155
Retained profits		8,066	8,633	-7
<b>TOTAL EQUITY</b>		<b>5,440</b>	<b>5,991</b>	-9
<b>NET ASSET VALUE PER SHARE (cents)</b>		7.90	8.70	

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

Condensed Interim Statements of Financial Position

	Note	Company		Increase/ decrease
		30 June 2022	31 December 2021	
		Unaudited S\$'000	Audited S\$'000	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances		41	178	-77
Trade and other receivables	12	118	100	18
		<b>159</b>	<b>278</b>	-43
<b>Non-current assets</b>				
Trade and other receivables	12	362	351	3
Investment in subsidiary corporations	13	3,798	3,798	NM
Investments in associated companies	14	4,919	4,919	NM
Financial assets, at fair value through profit or loss ("FVPL")	16	2,745	2,605	5
		<b>11,824</b>	<b>11,673</b>	1
<b>Total assets</b>		<b>11,983</b>	<b>11,951</b>	NM
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	17	6,175	5,714	8
		<b>6,175</b>	<b>5,714</b>	8
<b>NET ASSETS</b>		<b>5,808</b>	<b>6,237</b>	-7
<b>EQUITY</b>				
Share capital	19	56,342	56,342	NM
Treasury shares	19	(23)	(23)	NM
Accumulated losses		(50,511)	(50,082)	-1
<b>TOTAL EQUITY</b>		<b>5,808</b>	<b>6,237</b>	-7
<b>NET ASSET VALUE PER SHARE (cents)</b>		8.44	9.06	

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

**Condensed Interim Statements of Changes in Equity**

Group Condensed Interim Statements of Changes in Equity

	Share capital	Reserve acquisition reserve	Foreign currency translation	Retained profits*	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2022</b>					
<b>Balance at 1 January 2022</b>	7,946	(10,597)	9	8,633	5,991
Total comprehensive loss for the period	-	-	16	(567)	(551)
<b>Balance at 30 June 2022</b>	<b>7,946</b>	<b>(10,597)</b>	<b>25</b>	<b>8,066</b>	<b>5,440</b>
<b>2021</b>					
<b>Balance at 1 January 2021</b>	7,946	(10,597)	(81)	9,801	7,069
Total comprehensive loss for the period	-	-	60	(552)	(492)
<b>Balance at 30 June 2021</b>	<b>7,946</b>	<b>(10,597)</b>	<b>(21)</b>	<b>9,249</b>	<b>6,577</b>

\*Retained profits of the Group are fully distributable.

Company Interim Statements of Changes in Equity

	Share capital	Treasury shares	Retained profits*	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<b>2022</b>				
<b>Balance at 1 January 2022</b>	56,342	(23)	(50,082)	6,237
Total comprehensive loss for the period	-	-	(429)	(429)
<b>Balance at 30 June 2022</b>	<b>56,342</b>	<b>(23)</b>	<b>(50,511)</b>	<b>(5,808)</b>
<b>2021</b>				
<b>Balance at 1 January 2021</b>	56,342	(23)	(32,815)	23,504
Total comprehensive loss for the period	-	-	(16,594)	(16,594)
<b>Balance at 30 June 2021</b>	<b>56,342</b>	<b>(23)</b>	<b>(49,409)</b>	<b>6,910</b>

*The accompanying notes form an integral part of condensed interim financial statement*

**Condensed Interim Consolidated Statement of Cash Flows**

	Note	Group	
		6 months ended 30 June 2022	6 months ended 30 June 2021
		S\$'000	S\$'000
<b>Cash flows from operating activities</b>			
Net loss		(567)	(552)
Adjustments for:			
Depreciation of investment properties	6	302	301
Depreciation of plant and equipment	6	-	1
Fair value (gain) / loss on financial assets, at FVPL	9	(140)	86
Share of (profits) / loss of associated companies		75	15
Other expense written back	9	1	-
Unrealised exchange (gain)/ losses		(6)	(3)
Finance expense	8	125	146
Income tax expense / (credit)	10	19	76
Amortisation of interest income of non-current receivables	5	(5)	(4)
Subsequent payments effected in July 2022		(48)	
		(244)	66
<b>Changes in working capital</b>			
Trade and other receivables		29	(3)
Development properties		-	1,222
Trade and other payables		(106)	(596)
Cash generated from / (used in) operations		(321)	689
Income tax paid		(12)	(25)
<b>Net cash provided/(used in) by operating activities</b>		<b>(333)</b>	<b>664</b>
<b>Cash flows from investing activities</b>			
Additions to financial asset, at FVPL	16	-	(992)
<b>Net cash used by investing activities</b>		<b>-</b>	<b>(992)</b>
<b>Cash flows from financing activities</b>			
Loan from Director		-	(763)
Loan from Shareholder		-	(763)
Additional borrowing		-	5,000
Repayment of bank borrowings		(531)	(1,827)
Interest paid		(125)	(146)
<b>Net cash provided by financing activities</b>		<b>(656)</b>	<b>1,501</b>
<b>Net (decrease) / increase in cash and bank balances</b>		<b>(989)</b>	<b>1,173</b>
Beginning of financial period		2,628	1,781
<b>End of financial period</b>		<b>1,639</b>	<b>2,954</b>

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

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

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.

The registered office of the Company is at 3 Phillip Street, #16-02A Royal Group Building, Singapore 048693.

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 representation 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**

	<b>6 Months ended 30 June 2022 S\$'000</b>	<b><u>Group</u> 6 Months ended 30 June 2021 S\$'000</b>
Rental income	555	491
Sale of completed development properties	-	1,575
	<u>555</u>	<u>2,066</u>

All development properties units have been sold in 2021.

**5 Other income**

	<b>6 Months ended 30 June 2022 S\$'000</b>	<b><u>Group</u> 6 Months ended 30 June 2021 S\$'000</b>
Amortised interest income from loan to associated company	5	4
Grant income	11	32
	<u>16</u>	<u>36</u>

**6 Expenses by nature**

	<b>6 Months ended 30 June 2022 S\$'000</b>	<b><u>Group</u> 6 Months ended 30 June 2021 S\$'000</b>
Cost of development properties sold	-	1,222
Depreciation of investment properties (Note 15)	302	301
Depreciation of plant and equipment	-	1
Directors' fee	73	73
Director's remuneration	96	96
Employee compensation (Note 7)	298	297
Fee on audit services paid /payable to:		
- Auditor of the Company	29	42
- Other auditors	26	9
Legal and professional fees	11	7
Maintenance and sinking fund	14	14
Property tax	53	54
Selling and marketing	-	50
Sponsorship fee	31	30
Others	134	134
Total cost of sales, selling and distribution and administrative expenses	<u>1,067</u>	<u>2,330</u>

**7 Employee compensation**

	<b>6 Months ended 30 June 2022 S\$'000</b>	<b><u>Group</u> 6 Months ended 30 June 2021 S\$'000</b>
Salaries	277	274
Employer's contribution to defined contribution plans including Central Provident Fund	17	17
Other short-term benefits	4	6
	<u>298</u>	<u>297</u>

**8 Finance expenses**

	<b>6 Months ended 30 June 2022 S\$'000</b>	<b><u>Group</u> 6 Months ended 30 June 2021 S\$'000</b>
Interest expense on bank borrowings	125	140
Interest expense on loan from a director	-	3
Interest expense on loan from a shareholder	-	3
	<u>125</u>	<u>146</u>

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The director and shareholder loans were repaid to the respective parties in February 2021.

**9 Other gains/(losses), net**

	<b>6 Months ended 30 June 2022 S\$'000</b>	<b><u>Group</u> 6 Months ended 30 June 2021 S\$'000</b>
Currency exchange gains / ( losses ) – net	7	(1)
Fair value (losses)/ gains on financial assets, at FVPL ( Note 16 )	140	(86)
Other expense written back	1	-
	<u>148</u>	<u>(87)</u>

**10 Income taxes**

	<b>6 Months ended 30 June 2022 S\$'000</b>	<b><u>Group</u> 6 Months ended 30 June 2021 S\$'000</b>
Tax expense attributable to profit or loss is made up of:		
Profit for the financial year - Current income tax	(40)	(16)
Over provision of current income tax in prior financial years	21	-
	<u>(19)</u>	<u>(16)</u>
Deferred income tax	-	(60)
	<u>(19)</u>	<u>(76)</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 2022 and 30 June 2021:

	<b>6 Months ended 30 June 2022</b>	<b><u>Group</u> 6 Months ended 30 June 2021</b>
Net loss for the financial year attributable to equity holders of the Company (S\$'000)	<u>(567)</u>	<u>(552)</u>
Weighted average number of ordinary shares outstanding for basic and diluted loss per share computation (S\$'000)	<u>68,848</u>	<u>68,848</u>
Basic and diluted loss per share (cents)	<u>(0.82)</u>	<u>(0.80)</u>

12 Trade and other receivables

	30 June 2022 S\$'000	<u>Group</u> 31 December 2021 S\$'000
<b>Current</b>		
Trade receivables - Non-related parties	122	105
Other receivables		
- Controlling shareholder	54	54
GST receivables	-	7
Grant receivables	7	18
Deposits	12	12
Prepayments	30	11
	<u>225</u>	<u>207</u>
<b>Non-current</b>		
Other receivables - Controlling shareholder	185	176
Loan to associated company	177	175
	<u>362</u>	<u>351</u>

	30 June 2022 S\$'000	<u>Company</u> 31 December 2021 S\$'000
Other receivables:		
- Non-related parties	-	-
- Controlling shareholder	54	54
- Subsidiary corporations	16	-
	70	54
GST receivable	-	7
Grant receivables	7	18
Prepayments	12	11
Deposits	29	10
	<u>118</u>	<u>100</u>
<b>Non-current</b>		
Other receivables		
- Loan to associated company	185	176
- Controlling shareholder	177	175
	<u>362</u>	<u>351</u>

**Current**

Other receivables from controlling shareholder and subsidiary corporations are non-trade, unsecured, interest-free and receivable on demand.

**Non-current**

Other receivables from a controlling shareholder is non-trade, unsecured and interest-free. The amounts are not repayable within the next 12 months and will be subject to an annual review.

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**12 Trade and other receivables** (continued)

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**

	<b>30 June 2022 S\$'000</b>	<b>Company 31 December 2021 S\$'000</b>
Equity investments at cost	20,219	20,219
Less : Accumulated impairment loss	<u>(16,421)</u>	<u>(16,421)</u>
Equity investments net of impairment	<u>3,798</u>	<u>3,798</u>

As all the development property units in Chiu Teng 8 Pte Ltd have been sold and there are no plans for new CGU to be created, the company has provided an impairment of S\$16,421,000 on the investment in this subsidiary.

The Company has the following subsidiary corporations as at 30 June 2022 and 31 December 2021.

<b><u>Name of subsidiary corporations</u></b>	<b><u>Principal activities</u></b>	<b><u>Country of business/ incorporation</u></b>	<b>Proportion of ordinary shares held by the Company</b>	
			<b><u>2022</u></b> %	<b><u>2021</u></b> %
<u>Held by the Company</u>				
Chiu Teng 8 Pte Ltd ("CT8") <sup>(a)</sup>	Property development	Singapore	100	100
WBH Investments Pte Ltd <sup>(a)</sup>	Investment properties holdings and rental	Singapore	100	100
Tree Top Realty Sdn Bhd <sup>(b)</sup>	Property development	Malaysia	100	100

<sup>(a)</sup> Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.

<sup>(b)</sup> Tree Top Realty Sdn Bhd has been de-registered in May 2022.

**14 Investment in associated companies**

	<u>Group</u>	
	30 June 2022 S\$'000	31 December 2021 S\$'000
Equity investments, at cost	4,894	4,955
	<u>Company</u>	
	30 June 2022 S\$'000	31 December 2021 S\$'000
Equity investments, at cost	4,919	4,919

The Company has the following associated companies as at 30 June 2022 and 31 December 2021:

<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>	
			2022 %	2021 %
JME Investment Pte Ltd ("JMEI") <sup>(a)</sup>	Property development	Singapore	13.33	13.33
Bai Chay National Housing Organization Joint Stock Company ("NHO BC") <sup>(b)</sup>	Property development	Vietnam	8.17	8.17
National Housing Organization – Phu My 2 Joint Stock Company ("NHO PM2") <sup>(b)</sup>	Property development	Vietnam	8.17	8.17
Thuan Ann 2 National Housing Organization Joint Stock Company ("NHO TA2") <sup>(b)</sup>	Property development	Vietnam	8.17	8.17
Hong Bang 2 National Housing Organization Joint Stock Company ("NHO HB2") <sup>(b)</sup>	Property development	Vietnam	8.14	8.14

<sup>(a)</sup> Audited by Nexia TS Public Accounting Corporation, Singapore.

<sup>(b)</sup> 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**

	<b>30 June 2022 S\$'000</b>	<b><u>Group</u> 31 December 2021 S\$'000</b>
<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	2,413	1,810
Depreciation charge (Note 6)	<u>302</u>	<u>603</u>
End of financial period / year	<u>2,715</u>	<u>2,413</u>
<b>Net book value</b>		
<b>End of financial period / year</b>	<u>9,451</u>	<u>9,753</u>
<b>Fair value</b>		
<b>End of financial period / year</b>	<u>11,035</u>	<u>11,035</u>

The investment properties are pledged as security for the Group's bank borrowings (Note 18) of S\$7,535,000 as at 30 June 2022 (31 December 2021: S\$7,668,000).

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	Factory units	30 years from 1 March 2008

The following amounts are recognised in profit or loss for the 6 months ended 30 June 2022 and 2021:

	<b>6 Months ended 30 June 2022 S\$'000</b>	<b><u>Group</u> 6 Months ended 30 June 2021 S\$'000</b>
Rental income (Note 4)	555	491
Direct operating expenses arising from rental generating investment properties	<u>68</u>	<u>84</u>

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

	<b>Group and Company</b>	
	<b>30 June 2022 S\$'000</b>	<b>31 December 2021 S\$'000</b>
Beginning of financial period/ year	2,605	1,555
Addition	-	992
Fair value gains/(losses) (Note 9)	140	58
End of financial period / year	<u>2,745</u>	<u>2,605</u>
<b><u>Non-current</u></b>		
Non-listed debt instrument		
- Convertible loans	<u>2,745</u>	<u>2,605</u>

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

**17. Trade and other payables**

	<b>Group</b>	
	<b>30 June 2022 S\$'000</b>	<b>31 December 2021 S\$'000</b>
Trade payables	10	-
Accrued operating expenses	114	146
Other payables		
- Non-related parties	345	352
Unutilised sponsorship	1,074	1,146
GST payables	11	18
Advance rental receipt	100	98
	<u>1,654</u>	<u>1,760</u>
<b><u>Company</u></b>		
Other payables		
- Non-related parties	46	49
- Subsidiary corporations	4,979	4,410
	5,025	4,459
Unutilised sponsorship	1,074	1,146
Accrued operating expenses	82	109
GST payables	(6)	-
	<u>6,175</u>	<u>5,714</u>

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**

	<b>30 June 2022 S\$'000</b>	<b>Group 31 December 2021 S\$'000</b>
<i>Bank borrowings</i>		
- Current	1,830	1,856
- Non-current	10,306	10,812
Total borrowings	<u>12,136</u>	<u>12,668</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\$7,535,000 as at 30 June 2022 (31 December 2021: S\$7,668,000) 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 property; and
- (iv) A legal assignment of all rights, titles and interests resulting from the sale and purchase agreement(s).

Bank borrowings amounting to S\$4,601,000 as at 30 June 2022 ( 31 December 2021: S\$5,000,000) were secured by a corporate guarantee from the Company.

**19 Share capital and treasury shares**

	<b>No. of ordinary shares</b>		<b>Amount</b>	
	<b>Issued share capital '000</b>	<b>Treasury shares '000</b>	<b>Issued share capital S\$'000</b>	<b>Treasury shares S\$'000</b>
<b>Group</b>				
<b>30 June 2022</b>				
Beginning and end of financial period	<u>68,848</u>	<u>-</u>	<u>7,946</u>	<u>-</u>
<b>31 December 2021</b>				
Beginning and end of financial year	<u>68,848</u>	<u>-</u>	<u>7,946</u>	<u>-</u>

**19 Share capital and treasury shares (continued)**

**Company**

**30 June 2022**

Beginning and end of financial period	<u>68,848</u>	<u>(3)</u>	<u>56,342</u>	<u>(23)</u>
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**31 December 2021**

Beginning and end of financial year	<u>68,848</u>	<u>(3)</u>	<u>56,342</u>	<u>(23)</u>
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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.

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.

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 statement are a continuation of CT8 financial statement in conjunction with reverse acquisition, the cash consideration cannot form part of the consideration transferred by acquirer as the Company is the accounting acquiree.

**21 Segment information**

Management has determined the operating segments based on the reports reviewed by the Directors, who are also the chief operating decision maker and uses 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.

**21 Segment information (continued)**

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

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

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

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

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>	
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b><u>6 months ended</u></b>					
<b><u>30 June 2021</u></b>					
Revenue from external parties	1,575	491	-	-	2,066
Cost of sales from external parties	(1,222)	-	-	-	(1,222)
Gross profit	<u>353</u>	<u>491</u>	<u>-</u>	<u>-</u>	<u>844</u>
Other income	-	-	36	-	36
Other losses, net	-	-	(87)	-	(87)
Selling and distribution expenses	(50)	-	-	-	(50)
Administrative expenses	(21)	(416)	(621)	-	(1,058)
Finance expenses	(5)	(136)	(5)	-	(146)
Share of profit of associated companies	-	-	-	(15)	(15)
(Loss)/Profit before income tax	277	(61)	(677)	(15)	(476)
Income tax expense	(60)	(16)	-	-	(76)
Net (loss)/profit for the financial year	<u>217</u>	<u>(77)</u>	<u>(677)</u>	<u>(15)</u>	<u>(552)</u>
Segment assets	<u>1,129</u>	<u>11,858</u>	<u>8,015</u>	<u>-</u>	<u>21,002</u>
Segment liabilities	<u>10</u>	<u>13,134</u>	<u>1,281</u>	<u>-</u>	<u>14,425</u>

(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 has operation in this area. The operations in this area are principally the development and sale of properties.

	<b>30 June</b>	<b>Group</b>
	<b>2022</b>	<b>31 December</b>
	<b>S\$'000</b>	<b>2021</b>
		<b>S\$'000</b>
<u>Non-current assets</u>		
Singapore		
- Investment properties	9,451	9,753
- Trade and other receivables	362	351
- Plant and equipment	-	-
Vietnam		
- Investment in associated companies	4,894	4,955
- Financial assets, at FVPL	2,745	2,605
	<u>17,452</u>	<u>17,664</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 2022 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 2022 (“1H2022”) was lower than that of the previous corresponding period (“1H2021”) by S\$1.5 million due to the sale of the remaining unit of development properties in Tagore 8 during 1H2021. There was no sale of development properties during 1H2022. There was full rental occupancy of the investment property units in 1H2022 and 1H2021.

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

Cost of sales for 1H2021 consists of the cost of the development property sold.

The gross profit for 1H2021 consisted of profit from the sale of development properties and rental income. Gross profit for 1H2022 consisted solely of rental income as there was no sale of development properties.

##### **Selling and distribution expenses**

Selling and distribution expenses for 1H2021 consisted of sales commission incurred for the sale of the remaining unit of development property at Tagore 8. There were no such costs for 1H2022.

##### **Administrative expenses**

Administrative expenses for 1H2022 was higher than that of 1H2021 by S\$0.01 million due mainly to an increase in other audit fees.

##### **Finance expenses**

Finance expenses for 1H2022 was lower than that of 1H2021 by S\$0.21 million due to mainly to the lower fixed interest rate and loan principal from the commencement of loan repayments in 2022.

## **24 Review of the performance of the Group (continued)**

### **Other income**

Other income for 1H2022 was lower than that of 1H2021 by S\$0.02 million due to the cessation of rental support as well as a reduction in grants received from COVID support schemes.

### **Other gains/losses, net**

1H2022 showed other net gain S\$0.15 million against the \$0.09 million loss in 1H2021. This was mainly due to fair value gain of S\$0.14 million from the valuation of financial assets held at FVPL.

### **Share of (losses) from associated companies**

Share of losses from associated companies of S\$0.08 million consist 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 1H2022 compared to 1H2021 was due mainly to the over provision of income tax assessed for prior year.

### **Net loss**

As a result of the above, the Group's net loss in 1H2022 was S\$0.57 million as compared to the net loss of S\$0.55 million in 1H2021.

## **Consolidated Statements of Financial Position**

### **Current assets**

Current assets as at 30 June 2022 consisted mainly of cash and bank balances and trade and other receivables.

Trade and other receivables increased by S\$0.02 million from S\$0.21 million as at 31 December 2021 to S\$0.23 million as at 30 June 2022 due to an increase of S\$0.04 million in prepayments and non-related party receivables offset by a decrease of S\$0.02 million in other receivables.

### **Non-current assets**

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

Other receivables of S\$0.36 million consist 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\$9.8 million as at 31 December 2021 to S\$9.5 million as at 30 June 2022 due to depreciation charged for 1H2022.

Investments in associated companies decreased by S\$0.06 million from S\$4.96 million as at 31 December 2021 to S\$4.89 million as at 30 June 2022 based on the share of results and foreign currency translation reserve.

Financial assets at FVPL increased by S\$0.14 million from S\$2.60 million as at 30 December 2021 to S\$2.75 million as at 30 June 2022 due to fair value gains.

**24 Review of the performance of the Group (continued)**

**Current liabilities**

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

Trade and other payables decreased by S\$0.11 million from S\$1.76 million as at 31 December 2021 to S\$1.65 million as at 30 June 2022. The decrease of S\$0.11 million was due mainly to utilization of S\$0.07 million of the sponsorship balance and S\$0.04 million of accrued operating expenses.

Borrowings decreased by S\$0.53 million from S\$12.67 million from 31 December 2021 to S\$12.14 million as at 30 June 2022. 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 2022 amounted to S\$5.44 million and comprised mainly share capital of S\$7.95 million, reverse acquisition reserve with a debit balance of S\$10.60 million, foreign currency translation reserve of S\$0.02 million and retained profits of S\$8.07 million.

Share capital remained unchanged at S\$7.95 million for both 30 June 2022 and 31 December 2021.

The reverse acquisition reserve remained unchanged with a debit balance of S\$10.60 million for both 30 June 2022 and 31 December 2021.

Retained profits reduced by S\$0.57 million from S\$8.63 million as at 31 December 2021 to S\$8.08 million as at 30 June 2022 due to a net loss for 1H2022.

**Consolidated Statements of Cash Flows**

For 1H2022, the Group's net cash outflow from operating activities amounted to S\$0.33 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 1H2022.

The Group's net cash outflow from financing activities amounted to S\$0.66 million due mainly to the interest expense and repayment of principal amounts for both the secured term loan and Enterprise Singapore Support Scheme ("ESG") loan.

For 1H2022, the Group had a net cash outflow of S\$0.99 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**

During COVID-19 pandemic, significant fiscal and monetary stimulus from governments and central banks in major economies have stabilized financial markets. Consequently, business and consumer sentiment as well as economic activity have recovered steadily.

However, financial markets have repriced to the downside in 2022 in the face of increasingly uncertain economic and geo-political concerns. Russia's unabated military operations in Ukraine and its exacting toll on lives and livelihoods weigh on sentiment, disruptions in important supply chains have adversely affected input prices with excess liquidity fueling inflation globally and central banks



**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)**

are now moving quickly to tamp down inflation through interest rate hikes. Consequently, analysts have highlighted the risk to growth and corporate profitability as a result of stagflationary pressures and a dampening of consumer sentiment. The COVID-19 situation remains fluid and volatile with the emergence of new Omicron variants. Infection rates have increased significantly as countries open their borders and social engagements have resumed. For these reasons, 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 6.42%<sup>1</sup> in the first half of 2022, with the Asia Development Bank expecting the country to register year-on-year growth of 6.5%<sup>2</sup> in 2022. With the national vaccination rate having climbed to above 80% (from single digit figures in Aug 2021) and manufacturing activity having resumed forcefully, Vietnam's economy has turned around very strongly. Vietnam remains one of the top-performing economies globally.

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 Company has sold out on its Phase 1 townhouses and has successfully launched sales for its apartment units at the Ha Long Project 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. The Company's accounting policy stipulates 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.

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<sup>1</sup> Vietnam General Statistics Office

<sup>2</sup> ADB Outlook Supplement July 2022

**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)**

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.

The Company will remain nimble and continues to actively assess opportunities originated by our stakeholders and network of business associates to principally offer 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 we look forward to the imminent launch of our second partner kindergarten and early childhood education care point.

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 ample liquidity in the markets and significant support for businesses and jobs from the Singapore government, real estate valuations in Singapore have not been adversely affected by the ongoing pandemic. The Board will perform an impairment assessment on property, plant and equipment at the end of each financial year and will make such adjustments as may be necessary from time to time.

**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 2022 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 ("IPT").

The aggregate value of interested person transactions entered into during the six months

<b>Name of interested person</b>	<b>Nature of relationship</b>	<b>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</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
Chiu Teng @ Kallang Pte Ltd	Landlord (company owned by the controlling shareholder)	Rental expenses of S\$24,329 (as per the contractual terms applicable during 1H2022)	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 Disclosures required pursuant to Rule 706A of the Catalist Rules**

Striking off of Tree Top Realty Sdn. Bhd. ("Tree Top"), wholly-owned subsidiary in Malaysia

As announced on 6 May 2022, the Company has received final confirmation from the Malaysian tax agent that the income tax file of Tree Top, which has ceased operations since 28 September 2020, has been cancelled and by extension, Tree Top has been voluntarily struck off on 10 February 2022.

**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 2022 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  
12 August 2022

*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").*

*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 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com*