OLIVE TREE
ESTATES

A NEW BEGINNING

ANNUAL REPORT 2017

CONTENTS

JOINT MESSAGE FROM CHAIRMAN AND CEO

With the completion of the acquisitions of WBH Investments Pte. Ltd. and Chiu Teng 8 Pte. Ltd. (the "Acquisitions"), 2017 marked a watershed year for the Company. The Acquisitions formed part of the Company's plan to revive its fortunes by way of a reverse takeover exercise ("RTO"). Pursuant to the RTO, the Company successfully divested of its non-operating and loss-making subsidiaries in the People's Republic of China (the "Disposal"). As the Group had ceased production at all of its factories in the People's Republic of China ("PRC") due to persistently weak demand for its fertilizer products, the Disposal was critical to ensure the success of the RTO. The Company was deemed a cash shell by the Singapore Exchange and the Company's shares were suspended from trading on 17 April 2015. Following the completion of the RTO, the Company's shares were requoted for trading on 29 December 2017.

NEW STRATEGIC DIRECTION AND CORPORATE INITIATIVES

The Acquisitions constituted a very substantial transaction amounting to an RTO and upon the requisite regulatory and shareholder approvals having been obtained, the RTO was completed on 22 December 2017 and the Company's shares requoted for trading on the Singapore Exchange on 29 December 2017.

The RTO has transformed the Company into a property development and investment business backed by new and reputable substantial shareholder stakeholders. It is the intention of the Board of Directors ("Board") and management to grow the Company into a force for change in principally emerging markets through the provision of affordable and quality housing and support services to the masses.

ACKNOWLEDGMENTS AND IN APPRECIATION

On behalf of the Board, I would like to express my heartfelt appreciation to our loyal shareholders, stakeholders, advisors and service-providers for your continued support of the Group through the years. I would also like to record my gratitude to my fellow directors for standing with the Company through what has been a very challenging recent history.

I look forward to your continued support in the year ahead as we work together to grow the business and extend the influence that is Olive Tree Estates Limited.

The best is yet to be!

Daniel Cuthbert Ee Hock Huat
Independent Non-Executive Chairman

Daniel Long Chee Tim
Chief Executive Officer and Executive Director

29 March 2018

OPERATIONAL AND FINANCIAL REVIEW

BACKGROUND

Following the completion of the RTO, the Company's wholly-owned subsidiary, Chiu Teng 8 Pte Ltd ("CT8"), is regarded as the accounting acquirer and the Company as the accounting acquiree, for accounting purposes and in accordance with FRS 103 "Business Combination". As such, the consolidated financial statements have been prepared and presented as a continuation of CT8.

Accordingly, the consolidated financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows for the 12 months ended 31 December 2017 have been presented as a continuation of CT8's financial results and operations, in accordance with the following:

1. the assets and liabilities of the accounting acquirer, CT8, is recognised and measured in the consolidated statement of financial position at its pre-acquisition carrying amount;

2. the assets and liabilities of the accounting acquiree, the Company, are recognised and measured in accordance with their acquisition date at fair value;

3. the retained earnings and other equity balances recognised in the consolidated financial statements of the Group are the retained earnings and other equity balances of CT8 immediately before the RTO;

4. the amount recognised in the issued equity interest in the consolidated financial statements of the Group is computed by adding the issued equity of CT8 immediately before the RTO and the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the acquisition; and

5. the comparative figures presented in these consolidated financial statements of the Group are those of financial statements of CT8.

Following the completion of the RTO and the acquisition of WBH Investment Pte Ltd ("WBH"), the principal businesses of the Group are those of CT8 and WBH. The consolidated financial statements of the Group, for the acquisition of CT8 have been prepared using the reverse acquisition accounting as set out in FRS 103, but it does not result in the recognition of goodwill, as the Company was deemed a cash company under Rule 1017 of the Catalist Rules on 14 April 2015 and did not meet the definition of a business as set out in FRS 103. Instead, such transaction falls within the scope of FRS 102 "Share-based payments", which requires the shares deemed issued by the legal subsidiary (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets represents a service received by the legal subsidiary, CT8, which is recognised as an expense in the statement of comprehensive income. The acquisition of WBH has been accounted for using the acquisition method in accordance with FRS 103.

REVIEW OF COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2017

The Group's revenue for FY2017 decreased by S$4.23 million or 26.4% from S$16.01 million in FY2016 as compared to S$11.78 million in FY2017. The decrease is primarily due to fewer Tagore 8 units sold by CT8 in FY2017 as compared to FY2016. In FY2017, 6 Tagore 8 units amounting to 14,166 square feet were sold, as compared to 11 Tagore 8 units with a total square footage of 23,378 square feet sold in FY2016.

OPERATIONAL AND FINANCIAL REVIEW

The Group's cost of sales for FY2017 decreased by S$5.66 million or 40.4%, from S$14.01 million in FY2016 to S$8.35 million in FY2017. Similarly, the decrease corresponded to the decrease in sales in FY2017 as compared to FY2016.

The Group's gross profit for FY2017 increased by S$1.43 million or 71.5% from S$2.00 million in FY2016 to S$3.43 million in FY2017. The increase is primarily due higher average selling price for Tagore 8 units sold in FY2017 as compared to FY2016.

Other income in FY2017 amounting to S$0.01 million relates to interest income. There was no other income in FY2016.

Selling and distribution expenses for FY2017 decreased by S$0.24 million or 34.8%, from S$0.70 million in FY2016 to S$0.46 million in FY2017. The decrease was due to a decrease in sales commission of S$0.28 million, offset by an increase in show flat expenses of S$0.02 million and legal conveyancing fees of S$0.01 million.

General and administrative expenses for FY2017 decreased by S$0.22 million or 62.9%, from S$0.35 million in FY2016 to S$0.13 million in FY2017. The decrease was due to a decrease in professional fee of S$0.08 million, property tax of S$0.05 million, and maintenance fund for unsold units of S$0.05 million as a result of lesser unit unsold, offset by an increase in general expenses of S$0.05 million.

The finance expenses in FY2016 amounting to S$0.20 million relates to interest on shareholders' loan. There were no finance expenses in FY2017, as the shareholders' loans were repaid.

The Group also recognised a one-time non-operating gain of S$0.86 million arising from the acquisition of WBH and a one-time acquisition cost arising from the RTO of S$6.16 million.

In FY2017, the Group had a loss before income tax of S$2.44 million, as compared to a profit before income tax of S$0.75 million in FY2016. The loss before income tax for FY2017 arises primarily from the one-time non-operating expense of S$6.16 million arising from the acquisition cost for the reverse acquisition. For illustrative purposes, the profit before income tax without taking into account of the non-operating gains and losses for FY2017 and FY2016 would have been S$2.86 million and S$0.75 million respectively.

As a result of the above, net profit after tax decreased by S$3.52 million from a profit after tax of S$0.65 million in FY2016 to a loss after tax of S$2.87 million in FY2017. For illustrative purposes, if the non-operating expense of acquisition cost for the reverse acquisition of S$6.16 million and non-operating income of bargain purchase of S$0.86 million had not been included, the profit after tax would have been S$2.43 million for FY2017.

REVIEW OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2017

As at 31 December 2017, our total current assets consisted mainly of cash and cash equivalent, trade and other receivables, and development properties.

Trade and other receivables decreased by S$3.74 million from S$4.11 million as at 31 December 2016 to S$0.37 million as at 31 December 2017. This was due to the decrease in trade receivables amounting to S$4.11 million, offset by an increase in prepayments and deposits amounting to S$0.26 million arising pursuant to the acquisition of Kempas Land.

Development properties held for sale decreased by S$8.35 million from S$13.68 million as at 31 December 2016 to S$5.33 million as at 31 December 2017 due to the sale of development properties during FY2017.

Non-current assets as at 31 December 2017 amounted to S$12.17 million relating to investment properties arising from the acquisition of WBH. There was no non-current asset as at 31 December 2016.

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

Trade and other payables increased to S$17.95 million as at 31 December 2017 from S$1.06 million as at 31 December 2016. The increase of S$16.89 million was primarily due to deferred payment to vendors of CT8 and WBH amounting to SS15.18 million in relation to the reverse acquisition and acquisition of WBH, other payables to professional parties of S$1.25 million and accruals of S$0.73 million.

Current borrowings increased to S$0.60 million due to WBH's borrowings after the acquisition.

Provisions decreased by S$0.25 million due to the settlement of the provision for stamp duty, rebates and maintenance made as at 31 December 2016.

Provision for tax decreased by S$2.04 million due to payment of tax of S$2.55 million which was offset by FY 2017's provision for tax of S$0.43 million.

Non-current liabilities comprise bank borrowings amounting to S$13.97 million as at 31 December 2017, which are obtained to satisfy the deferred payment to vendors arising from the RTO and the Acquisitions. There was no non-current liabilities as at 31 December 2016.

Total shareholders' equity as at 31 December 2017 amounted to S$10.56 million and comprised mainly share capital of S$7.95 million, reverse acquisition reserve with a debit balance of S$10.60 million and retained profit of S$13.21 million.

Share capital increased by S$6.95 million from S$1.00 million as at 31 December 2016 to S$7.95 million as at 31 December 2017 due to the issuance of new shares to the vendors of CT8 and WBH.

The reverse acquisition reserve of $10.60 million arose as at 31 December 2017 from the reverse acquisition.

Retained profits declined by S$2.87 million from S$16.08 million as at 31 December 2016 to S$13.21 million as at 31 December 2017 due to the losses recorded in FY2017 arising mainly from the acquisition cost for the reverse acquisition amounting to S$6.16 million offset by bargain purchase of S$0.86 million for the acquisition of WBH and operating profit of S$2.43 million.

REVIEW OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2017

For FY2017, the Group's net cash flows provided by operating activities amounted to S$11.79 million arising mainly from sale of development properties of S$8.35 million, reduction in trade and other receivables of S$4.11 million, transaction cost from reverse acquisition of S$6.16 million and bargain purchase from acquisition of WBH of S$0.86 million offset by operating cash outflows from comprehensive loss of S$2.87 million and trade and other payables of S$1.23 million, provisions of S$0.25 million and tax payment of S$2.55 million.

For FY2017, the Group's cash inflow from investing activities amounted to S$0.24 million representing net cash received from the RTO.

For FY2017, the Group's net cash inflow from financing activities amounted to S$10.66 million, with proceeds from bank borrowings amounting to S$14.57 million, offset by repayment of borrowings of S$4.02 million

For FY2017, the Group had a net cash inflow of S$22.69 million.

BOARD OF DIRECTORS

DANIEL CUTHBERT EE HOCK HUAT

Independent Non-Executive Chairman

Daniel Ee was appointed as the Independent Non-Executive Chairman of the Company on 15 December 2017. Since 2015, Mr. Ee has been an independent director of Keppel Infrastructure Fund Management Pte Ltd, the trustee manager of Keppel Infrastructure Trust. He is also a director of the Singapore Mediation Centre. Since 1999, Mr. Ee has been on the boards of various companies as an independent director. He had served in various capacities in the public sector before moving to investment banking in 1985 where he held senior management positions. He was the Managing Director then Chief Executive of Standard Chartered Merchant Bank from 1994 to 1999. He and his wife, together with a priest from the Philippines, form the international leadership team for Worldwide Marriage Encounter, a non-profit Catholic Movement that conducts marriage enrichment programmes in more than 90 countries. Mr. Ee graduated with a Bachelor of Science (First Class Honours) from Bath University in the United Kingdom in 1975 and has a Master of Science (Industrial Engineering) from National University of Singapore. He was awarded the Public Service Medal in 2003.

Directorships in the last five years:

Singapore Institute of Directors
Citibank Singapore Limited
Surface Mount Technology (Holdings) Limited
CitySpring Infrastructure Management Pte Ltd (the Trustee-Manager of CitySpring Infrastructure Trust)

DANIEL LONG CHEE TIM

Chief Executive Officer and Executive Director

Daniel Long is our Chief Executive Officer and was appointed on 1 January 2018. He first joined our Group on 29 July 2015 as a Non-Executive, Non-Independent Director. He was subsequently tasked with transforming the company and restructuring our business and was re-designated as our Acting Chief Executive Officer on 3 February 2016. Daniel Long is a Corporate and Securities lawyer by training. Having obtained his Bachelor of Laws in the United Kingdom, he obtained his post-graduate qualifications from the National University of Singapore and subsequently joined a leading corporate practice. He later entered the employment of Standard Chartered Merchant Bank Asia ("SCMBA") and advised on initial public offerings, private-equity fund raisings, mergers and acquisitions etc. Mr Long was instrumental in the initial public offering of MMI Holdings Limited ("MMI") whilst he was at SCMBA and subsequently joined MMI to head its Technology and Strategic Investment division. During his time with MMI, he also established MMI TechnoVentures ("MMITV"), a joint venture private equity fund with Standard Chartered Private Equity ("SCPA"). In 2000, Mr Long joined an investee of MMITV, Ecquaria Technologies Pte Ltd ("Ecquaria") as Chief Financial Officer overseeing the company's finance, human resource, administration and MIS functions. He was subsequently promoted to Deputy CEO and Head of Sales and Marketing. Mr Long left Ecquaria in 2007 to co-found Providence Capital Management Pte Ltd ("PCM"), a registered fund management company regulated by the Monetary Authority of Singapore. PCM currently manages and advises a number of umbrella funds and multiple special purpose investment vehicles across a range of asset classes. PCM's clients and stakeholders include financial institutions, family trusts and high-net worth individuals.

ALOYSIUS WEE MENG SENG

Independent Director

Aloysius Wee Meng Seng is our Independent Director and was appointed to our Group on 28 August 2009. Mr Wee is an advocate and solicitor of the Supreme Court of Singapore and is currently the managing partner of boutique law firm, AQUINAS LAW ALLIANCE LLP. Prior to this, he was the managing partner of Dacheng Wong Alliance LLP, a Singapore China joint venture law firm and before that he was partner at Central Chambers Law Corporation which he co-founded, serving as co-managing partner. Mr Wee's areas of practice are Intellectual Property Law, Corporate Law, Cross Border Commercial Transactions, and Real Estate Transactions. He has since 1997 advised on various development and investment projects for property developers, real estate players and hospitality companies in Singapore and the region. Mr Wee also advises on cross-border joint ventures and transactions and in the area of mergers and acquisitions of companies. He is the current chairperson of the ASEAN Legal Alliance, a network of 10 law firms in each of the 10 ASEAN countries. He also sits as a director in Tay Leck Teck Foundation and Verbum Dei Singapore Limited (a charity). Aloysius is also currently an independent director of JES Holdings Limited and Oriental Group Limited.

ALAN CHEONG MUN CHEONG

Independent Director

Alan Cheong Mun Cheong is our Independent Director and was appointed to our Group on 3 February 2016. With over twenty years of real estate and financial sector experience, Alan is presently Senior Director of Savills Research & Consultancy, covering the local and regional markets in areas of market research, financial studies and holding seminars. Alan began his career in real estate research in 1990 with the Urban Redevelopment Authority focusing on property market forecasts and government land supply policy. Subsequently, he joined UOB where he was involved with project financing for large real estate deals. Alan was also the acting head of equity research for Prudential Securities, covering regional real estate and infrastructure companies before moving to the OCBC Group where he raised capital for companies and REITs during their Initial Public Offering. Alan also has experience in big data analysis – consumer risk analytics and was the head of portfolio analytics at DBS Asset Management. Alan is a triple-degree holder; a good honours degree in Estate Management from National University of Singapore, a Bachelor of Science degree in Mathematics from the Open University (UK) and a Graduate Diploma in Statistics from the Royal Statistical Society (RSS) of which he is a Graduate Statistician. He is also an Honorary Advisor to the Real Estate Developers Association of Singapore's (Real Estate Consultancy sub-group).

KEY MANAGEMENT

Wee Liang Hiam
Chief Financial Officer

Wee Liang Hiam is our Chief Financial Officer. He joined our Group on 11 February 2016 and is responsible for the financial matters of our Group. Mr. Wee has more than 25 years of accounting and finance experience, having been involved at both operational and strategic levels. He has wide experience in corporate governance having served on the boards of other Singapore listed companies as independent director. Mr Wee has extensive management experience in various industries and business environments, having held top finance and operations positions in various public listed companies in Singapore. He has been involved in successful mergers and acquisitions from evaluation to the integration of the merged entities, leading companies to successful listings and reverse takeover on both the Main Board and Catalist board of the Singapore Exchange. Mr Wee holds a Bachelor of Business Administration (Honours) and a Diploma in Education from National University of Singapore, a Master of Business Administration (Accountancy) from Nanyang Technological University and a Post Graduate Diploma in Personnel Management from Singapore Institute of Management. He is a fellow of the Institute of Singapore Chartered Accountants, a member of Singapore Institute of Management and also a member of the Singapore Institute of Directors.

Wong Lien Feng
Chief Operating Officer

Wong Lien Feng was appointed as the COO of the Company on 1 January 2018. He was the senior development manager of Chiu Teng Enterprises Pte Ltd ("CTE"), a position that he has held since July 2008, where he is responsible for project acquisition and feasibility studies, development, management and coordination of leasing for investment properties. Mr. Wong graduated from Pace University in the United States in 2005 and from the Columbia Graduate School of Architecture, Planning and Preservation in the United States in 2008.

Nancy Ng
Project Manager

Nancy Ng was appointed as a project manager in the Company on 1 January 2018. Nancy has served as project and quality control manager at CTE and has helped to manage most of CTE's previous real estate development projects. She has close to 40 years of experience in the real estate industry. Through her career, she has been a quantity surveyor, main-contractor and project manager. Nancy has overseen the development of projects such as the Singapore General Hospital, Elizabeth Heights, Boon Teck Towers, Thomson Mansion, Standard Chartered Bank @ 6 Battery Road, GB Building, Sheraton Towers, Allsworth Park, Emerald Park, The Countryside, Tanglin View, Casablanca, conservation property at Jalan Sultan, Creek@Bukit and a number of other residential developments. Prior to joining CTE, she worked for amongst others, Indeco Pte Ltd, JDC Corporation and Far East Organisation.

Amanda Lim
Project Manager

Amanda Lim was appointed as project manager in the Company on 1 January 2018. She has been with CTE for almost 10 years and has been involved in the sale and marketing of CTE's various real estate developments and has been instrumental in directing teams of real estate agents for the purposes of marketing development properties and leasing investment properties.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Daniel Cuthbert Ee Hock Huat
(Independent Non-Executive Chairman)

Daniel Long Chee Tim
(Chief Executive Officer, Executive Director)

Aloysius Wee Meng Seng *(Independent Director)*

Alan Cheong Mun Cheong *(Independent Director)*

AUDIT COMMITTEE

Daniel Cuthbert Ee Hock Huat *(Chairman)*
Aloysius Wee Meng Seng
Alan Cheong Mun Cheong

NOMINATING COMMITTEE

Aloysius Wee Meng Seng *(Chairman)*
Daniel Cuthbert Ee Hock Huat
Alan Cheong Mun Cheong

REMUNERATION COMMITTEE

Alan Cheong Mun Cheong *(Chairman)*
Daniel Cuthbert Ee Hock Huat
Aloysius Wee Meng Seng

REGISTERED OFFICE

10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623

AUDITOR

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants
100 Beach Road
#30-00 Shaw Tower
Singapore 189702
Director-in-charge: Meriana Ang Mei Lin
(since financial year ended 31 December 2016)

COMPANY SECRETARY

Ng Joo Khin

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of the Company's shareholders ("**Shareholders**"). The Board works with the Management in achieving this objective and the Management is accountable to the Board. This report describes the Group's corporate governance practices and structures that were or would be put in place (during the financial year ended 31 December 2017 and following thereafter) with specific reference to the principles and guidelines of the Code of Corporate Governance issued by the Monetary Authority of Singapore on 2 May 2012 (the "**2012 Code**"), and where applicable, the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Catalist Listing Manual.

BOARD MATTERS

PRINCIPLE 1: BOARD'S CONDUCT OF ITS AFFAIRS

The Board is responsible for the overall performance of the Group. It sets the Company's values and standards and ensures that the necessary financial and human resources are in place for the Company to achieve its objectives by:

- approving policies, strategies and financial objectives of the Group and monitoring the performance of the Group, including the release of financial results and timely announcement of material transactions;

- approving annual budgets, key operational matters, major funding proposals, investment and divestment proposals, material acquisitions and disposals of assets, interested person transactions of a material nature and convening of shareholders' meetings;

- reviewing the processes for evaluating the adequacy of internal controls, risk management, including financial, operational and compliance risk areas identified by the Audit Committee that are required to be strengthened for assessment and its recommendation on actions to be taken to address and monitor the areas of concern;

- advising Management on major policy initiatives and significant issues and monitoring its performance against set goals;

- approving dividend payments or other returns to Shareholders;

- approving all Board appointments or re-appointments and appointments of key management personnel as well as reviewing their compensation packages; and

- overseeing the proper conduct of the Company's business and assuming responsibility for corporate governance.

CORPORATE GOVERNANCE REPORT

The Board objectively makes decisions in the interests of the Group and has delegated specific responsibilities to three Board committees, namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). The committees have the authority to examine particular issues and report to the Board with their recommendations. The composition and terms of reference of the AC, NC and RC are set out further in this report.

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Board conducts meetings on a quarterly basis to coincide with the announcement of the Group's quarterly and full year financial results, and as and when it deems necessary. The Constitution (previously referred to as the Memorandum & Articles of Association) of the Company provides for the Directors to attend Board meetings in person or by way of teleconferencing or videoconferencing.

The approval of the Board is required for any matters which are likely to have a material impact on the Group's operating units and/or financial position, including but not limited to, the appointment of new Directors to the Board, release of results announcements and major acquisitions and/or disposals.

The number of meetings of the Board and Board committees held in the financial year ended 31 December 2017 and the attendance of each Board member at these meetings are disclosed as follows:–

	BOARD			**AUDIT COMMITTEE**			**NOMINATING COMMITTEE**			**REMUNERATION COMMITTEE**		
		No. of meetings			**No. of meetings**			**No. of meetings**			**No. of meetings**	
Name	**Position**	**Held**	**Attended**	**Position**	**Held**	**Attended**	**Position**	**Held**	**Attended**	**Position**	**Held**	**Attended**
Mr Cai Jian Hua[1]	C	4	4	–	4	4	M	1	1	–	1	1
Mr Zhu Xue Cheng[1]	M	4	4	–	–	–	–	–	–	–	–	–
Mr Teo Moh Gin[1]	M	4	4	C	4	4	M	1	1	C	1	1
Mr Daniel Long Chee Tim[2]	M	4	4	M	4	4	–	–	–	M	1	1
Mr Aloysius Wee Meng Seng	M	4	4	M	4	4	C	1	1	M	1	1
Mr Alan Cheong Mun Cheong	M	4	4	M	4	4	–	–	–	M	1	1
Mr Daniel Cuthbert Ee Hock Huat[3]	C[3]	–	–	C[3]	–	–	M[3]	–	–	M[3]	–	–

Notes:

(1) Mr Cai Jian Hua, Mr Zhu Xue Cheng and Mr Teo Moh Gin ceased to be Directors and members of the Board committees following the completion of the acquisitions of WBH Investments Pte. Ltd. and Chiu Teng 8 Pte. Ltd. pursuant to the reverse takeover exercise on 22 December 2017.

(2) Mr Daniel Long Chee Tim was re-designated as the Chief Executive Officer and Executive Director of the Company.

(3) Mr Daniel Cuthbert Ee Hock Huat was only appointed as Director with effect from 22 December 2017 and accordingly had not participated in any of the Board and Board committee meetings.

(4) C = Chairman, M = Member. With effect from 22 December 2017, Mr Daniel Cuthbert Ee Hock Huat has been appointed as the Chairman of the Board and the Audit Committee, Mr Aloysius Wee Meng Seng as the Chairman of the Nominating Committee and Mr Alan Cheong Mun Cheong as the Chairman of the Remuneration Committee.

CORPORATE GOVERNANCE REPORT

Directors are briefed on their respective duties and obligations, in accordance with the terms of reference of the respective Board committees, upon their appointment to the Board and Board committees.

The Company regularly provides its Directors with background information on its history, mission, values, financials and operations. The Company encourages its Directors to undertake on-going training and education on Board processes and best practices and to keep themselves abreast of the latest developments in corporate governance practices. The Directors are provided opportunities to meet with Management to discuss pertinent issues relating to the Group from time to time. As the Group has ceased all production in the Group's PRC based factories and these factories were effectively no longer in operation, the Directors (other than Mr Zhu Xuecheng) had not visited the Group's operations in China. The Directors were briefed by the Management periodically concerning challenges faced by the Group, the Group's proposed disposal of the Group's PRC subsidiaries which held the defunct PRC factories as well as the direction, strategic plans and objectives of the Group going forward. To this end and as per the Company's announcement on 20 December 2017, the Group has, following the recommendation of the Board, diversified its business into real estate development and investment after disposing of the PRC subsidiaries by way of a public auction.

The Company was transferred from the Mainboard of the SGX-ST to the Catalist board on 22 December 2017. Following which, the Company successfully resumed trading of its shares on the Catalist board of the SGX-ST on 29 December 2017, following the completion of the acquisitions of the Group's two wholly-owned subsidiaries, WBH Investments Pte. Ltd. and Chiu Teng 8 Pte. Ltd. pursuant to the RTO on 22 December 2017. The Group's core business now comprises solely of real estate development and investment.

Please refer to the Company's announcements released via the SGXNET, in particular, the announcements issued between 27 July 2017 and 26 December 2017 for further information.

PRINCIPLE 2: BOARD COMPOSITION AND BALANCE

The Board had, for most part of the financial year ended 31 December 2017 (i.e., until 22 December 2017), comprised of six Directors, three of whom were Executive Directors, and three were Independent Non-Executive Directors. The Executive Directors were Mr Cai Jian Hua, Mr Zhu Xue Cheng and Mr Daniel Long Chee Tim. The Independent Non-Executive Directors were Mr Teo Moh Gin, Mr Alan Cheong Mun Cheong and Mr Aloysius Wee Meng Seng. The criterion for independence is determined based on the definition provided in the 2012 Code. The Board considers an "independent" Director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment.

On 22 December 2017, Mr Cai Jian Hua, Mr Zhu Xue Cheng and Mr Teo Moh Gin ceased to be Directors. On the same day, Mr Daniel Cuthbert Ee Hock Huat was appointed as an Independent and Non-Executive Director, joining the remaining three members of the Board (i.e., Mr Daniel Long Chee Tim (who was re-designated as Chief Executive Officer and Executive Director), Mr Alan Cheong Mun Cheong and Mr Aloysius Wee Meng Seng) to form the current Board. The Directors bring with them a wealth of expertise and experience in such areas as accounting, finance, investment banking, law, business and management, industry knowledge and strategic planning. The profiles of the Directors currently on the Board are set out in the "Board of Directors" section of this Annual Report. The Board is of the view that its present composition is appropriate to facilitate effective decision making, taking into account the size, nature and scope of the Group's operations. As three quarters of the Board is independent, the Board has a substantial independent element to ensure that objective judgment is exercised on corporate and governance affairs.

CORPORATE GOVERNANCE REPORT

The Independent Non-Executive Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The Independent Non-Executive Directors provide confirmations annually of their independence to the Board. They also meet regularly, when required, without the presence of Management.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is responsible for the workings of the Board and, together with the AC, ensuring the integrity and effectiveness of the governance process of the Board.

The role of the Chairman is separate from that of the Chief Executive Officer ("CEO"). In addition, the Independent and Non-Executive Directors exercise objective and important judgment on corporate matters, thus ensuring a balance of power and authority. Major decisions on significant matters are made in consultation with the entire Board. To ensure that there is no concentration of power and authority vested in one individual, Mr Daniel Cuthbert Ee Hock Huat, as Independent and Non-Executive Director, has been appointed as the Chairman of the Board. As Chairman who is non-executive and independent from the Management, Mr Ee will be available to the Shareholders where they have concerns which cannot be resolved through the normal channels of the CEO or other members of the Management, or where such contact is not possible or inappropriate.

The Chairman leads the Board to ensure its effectiveness on all aspects of its role, ensures effective communication with Shareholders, and encourages constructive relations between the Board and Management, as well as between Board members. He is also expected to take a lead role in promoting good corporate governance standards.

PRINCIPLE 4: BOARD MEMBERSHIP

With effect from 22 December 2017, the members of the NC are as follows:

Mr Aloysius Wee Meng Seng (Chairman)
Mr Daniel Cuthbert Ee Hock Huat
Mr Alan Cheong Mun Cheong

The NC is responsible for the following matters:

(i) the review of Board succession plans for Directors, in particular, the Chairman and CEO;

(ii) the development of a process for evaluation of the performance of the Board, its Board committees and Directors;

(iii) the review of training and professional development programs for the Board;

(iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable); and

(v) determining the independence of Directors.

CORPORATE GOVERNANCE REPORT

When appointing new Directors, the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, management skills, relevant experience and qualifications.

The NC notes the requirement under the 2012 Code for companies to fix the maximum number of listed company board representations that their Directors may hold and to disclose this in their annual report. The NC will deliberate on this and details of such directorships and other principal commitments of the Directors have been disclosed from pages 6 to 7 of this Annual Report. As time requirements are subjective, the NC recognises that its assessment of each Director's ability to discharge his duties adequately should not be confined to the sole criterion of the number of his board representations. Thus, it will also take into account contributions by Directors during Board and Board Committee meetings and their attendance at such meetings, in addition to each of their principal commitments.

The NC is also responsible for recommending a framework for the evaluation of the Board's and each individual Director's performance for the approval of the Board, the results of which will be taken into consideration during the process of re-appointment of Directors to the Board. Relevant considerations in the evaluation may include attendance at the meetings of the Board and Board Committees, active participation during these meetings and the quality of his contributions. Each member of the NC will abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination. There are currently no alternative directors on the Board.

The Company's Constitution requires not less than one-third of the Directors to retire from office by rotation at every annual general meeting ("**AGM**") and each Director to retire from office at least once every three years. The retiring Directors are eligible for re-election at the meeting at which they retire. In addition, any new Director appointed by the Board during the year will have to retire at the AGM following his appointment but will be eligible for re-election if he so desires.

The NC has recommended to the Board that Mr Daniel Long Chee Tim (retiring pursuant to Article 97 of the Constitution) and Mr Daniel Cuthbert Ee Hock Huat (retiring pursuant to Article 97 of the Constitution) be nominated for re-appointment at the forthcoming AGM and the Board has accepted the NC's recommendation.

PRINCIPLE 5: BOARD PERFORMANCE

The fiduciary responsibilities of the Board include the following:

- to conduct itself with proper due diligence and care;
- to act in good faith;
- to comply with applicable laws; and
- to act in the best interests of the Company and its Shareholders at all times.

CORPORATE GOVERNANCE REPORT

In addition, the Board is charged with the key responsibilities of leading the Group and setting strategic directions.

The Company is of the belief that the Group's performance and that of the Board are directly related. The Company assesses the Board's performance based on its ability to steer the Group in the right direction and the support it renders to the Management. For the purpose of evaluating each individual Directors' performance, the NC takes into consideration a number of factors including the Director's attendance, participation and contributions at the meetings of the Board and Board committees, and other Company activities.

The NC has adopted a formal system of assessing the performance and effectiveness of the Board as a whole and the various sub-committees. The evaluation of the Board is conducted annually. The performance criteria for the Board evaluation covers, amongst others, size and composition of the Board, the Board's access to information, Board processes and accountability, Board performance in relation to discharging the Board's principal responsibilities and standards of conduct of the Board members.

As part of the process, all Directors will be asked to complete a board evaluation questionnaire which is then collated and presented to the NC together with comparatives from the previous years' results. The evaluation exercise provides feedback from each Director, his view on the Board, procedures, processes and effectiveness of the Board as a whole.

For the financial year ended 31 December 2017, such evaluation exercise was not undertaken in light of the significant change in the composition of the Board following the recent completion of the RTO and the Company's diversification into a new business. The NC is of the view that it would be more appropriate to evaluate the performance of the Board after the Board (with its current composition) has had a year or so of overseeing the new and diversified business and accordingly, has recommended that the Board performance evaluation be deferred for at least six to nine months. Upon the completion of the performance evaluation, the NC will discuss the results with Board members with the view of determining the areas that could be improved further.

PRINCIPLE 6: ACCESS TO INFORMATION

In order to ensure that the Board is able to fulfil its responsibilities, Management is required to regularly provide the Board with information about the Group. Board papers are prepared for each meeting of the Board and are circulated in advance of each meeting. The Board papers include sufficient information from management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings.

The members of the Board, in their individual capacity, also have access to all relevant information on a timely basis in the form and quality reasonably necessary for the discharge of their duties and responsibilities.

All Directors have separate and independent access to Management and the Company Secretary. The Company Secretary attends all Board and Board committee meetings and assists in ensuring compliance with the requirements of the Companies Act and those of the Listing Manual. The appointment and the renewal of the Company Secretary is a matter for the Board as a whole.

CORPORATE GOVERNANCE REPORT

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

REMUNERATION MATTERS

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

With effect from 22 December 2017, the members of the RC are as follows:

Mr Alan Cheong Mun Cheong (Chairman)
Mr Daniel Cuthbert Ee Hock Huat
Mr Aloysius Wee Meng Seng

The RC is responsible for recommending to the Board a framework of remuneration for the Directors and Management, and for employees related to the Executive Directors and controlling shareholders of the Group. The RC also determines specific remuneration packages for each Executive Director and selected executives (namely, the senior members of Management), after taking into consideration internal expert advice. The recommendations of the RC on the remuneration of Directors and key executives will be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind. The RC reviews the Company's obligations in the event of termination of Directors and key executives, to ensure that such contracts of service do not include termination clauses which are overly generous. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration or remuneration package.

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

The remuneration for an Executive Director is to comprise both a fixed and a variable component. The fixed component includes a base salary and benefits, while the variable component is in the form of a performance-based bonus, to be approved by the Board. The Company does not have contractual provisions to allow the reclamation of incentive components of remuneration as there are no prescribed incentives tied to the performance of the Group. In determining the remuneration packages of an Executive Director, the Company also takes into account the performance of the Group and that of the Executive Director. No performance-based bonus is payable to the CEO and the (former) Executive Directors in respect of the financial ended 31 December 2017 in view of the fact that the Group had ceased operations during the relevant period and was undergoing a corporate restructuring.

As a matter of principle, Executive and Independent Non-Executive Directors receive directors' fees that are commensurate with their individual responsibilities. Such fees comprise of a basic retainer fee as director and additional fees for serving on Board committees and are subject to approval by the Shareholders at the AGM.

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary, while the variable component is in the form of a variable bonus that is linked to the Group's and the individual's performance.

The Company has adopted the Olive Tree Performance Share Plan as part of its long term incentive plans for Directors and employees of the Company.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

1. Directors' Remuneration

The remuneration of the Directors of the Group (to the nearest thousand dollars) for the financial year ended 31 December 2017 is as follows:

	Salary/ Directors' fees	Bonus	Benefits in kind	Share options	Share-based incentives	Other long-term incentives	Total compensation
	%	%	%	%	%	%	(S$'000)
Executive Directors							
Mr Cai Jian Hua(1)	100	–	–	–	–	–	–
Mr Zhu Xue Cheng(1)	100	–	–	–	–	–	–
Mr Daniel Long Chee Tim(2)	100	–	–	–	–	–	180

Notes:

(1) Mr Cai Jian Hua and Mr Zhu Xue Cheng ceased to be Directors and members of the Board committees following the completion of the acquisitions of WBH Investments Pte. Ltd. and Chiu Teng 8 Pte. Ltd. pursuant to the RTO on 22 December 2017. They have also waived their director's fees and other remuneration for the year ending with their termination on 22 December 2017.

(2) Mr Daniel Long will be compensated by way of a director's fee instead of salary for the financial year ended 31 December 2017.

	Salary/ Directors' fees	Bonus	Benefits in kind	Share options	Share-based incentives	Other long-term incentives	Total compensation
	%	%	%	%	%	%	(S$'000)
Independent Non-Executive Directors							
Mr Teo Moh Gin(1)	100	–	–	–	–	–	53
Mr Alan Cheong Mun Cheong	100	–	–	–	–	–	45
Mr Aloysius Wee Meng Seng	100	–	–	–	–	–	45
Mr Daniel Cuthbert Ee Hock Huat(2)	100	–	–	–	–	–	2

Notes:

(1) Mr Teo Moh Gin ceased to be a Director and member of the Board committees following the completion of the acquisitions of WBH Investments Pte. Ltd. and Chiu Teng 8 Pte. Ltd. pursuant to the reverse takeover exercise on 22 December 2017. Accordingly, his entitlement to director's fee and other remuneration are pro-rated.

(2) Mr Daniel Cuthbert Ee Hock Huat was appointed as Director only with effect from 22 December 2017 and his entitlement to the Director's fee is pro-rated. Accordingly, his entitlement to director's fee and other remuneration are pro-rated.

CORPORATE GOVERNANCE REPORT

2. Key Executives' Remuneration

The remuneration bands of the top five key management personnel of the Group (who are not Directors or the CEO) for the financial year ended 31 December 2017 is as follows:

	Salary	Bonus	Benefits in kind	Share options	Share-based incentives	Other long-term incentives
	%	%	%	%	%	%
Below S$250,000						
Mr Wee Liang Hiam – Chief Financial officer (appointed on 11 February 2016)	100	–	–	–	–	–

The aggregate total remuneration paid and payable to the top five key management personnel (who are not Directors or the CEO) for the financial year ended 31 December 2017 was S$180,000

There are no termination, retirement and post-employment benefits that may be granted to the CEO, the Directors and the top five key management personnel (who are not Directors or the CEO). No share option schemes were in place for the financial year ended 31 December 2017.

For the year ended 31 December 2017, no employee is an immediate family member of a Director or the Chief Executive Officer.

The Company currently does not have any share option scheme in place.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: ACCOUNTABILITY

In presenting the annual financial statements and quarterly financial statement announcements to Shareholders, it is the aim of the Board to provide the Shareholders with a balanced and comprehensible assessment of the Group's position and prospects.

The Management currently provides the Board with appropriately detailed operation reviews of the Group's performance, position and prospects on a regular basis. The Board will update the Shareholders on the operations and financial position of the Company through quarterly and full year results announcements, as well as timely announcements of other matters as prescribed by the relevant rules and regulations.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board determines the Company's levels of risk tolerance and risk policies, and the AC oversees the Company's risk management framework and policies. The Board is responsible for ensuring that the Management maintains a sound system of internal controls and complies with them. During the financial year being reported on, as the Group's production activities were halted and there were no operations, no

CORPORATE GOVERNANCE REPORT

internal audit was conducted to assess the adequacy and effectiveness of Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems. However, Management had endeavoured to have adequate internal controls in place for the limited level of operations. In the current financial year, the processes will be reviewed and, if necessary, enhanced to meet the needs of the new business focus of the Group. Pursuant to the RTO exercise, an internal audit review was commissioned to assess the operating and internal control protocols of WBH Investments Pte. Ltd. and Chiu Teng 8 Pte. Ltd. The afore-mentioned review was conducted by BDO LLP and completed in accordance with the objectives as outlined in the latter's engagement letter. The external auditors, during the course of their audit, also reported on matters relating to internal controls. Any material non-compliance and recommendation for improvement had in the past been and will in future be reported to the AC. Nonetheless, the system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Based on external auditors' reports, the actions taken by the Management, the on-going review and continuing efforts in improving internal controls and processes, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls that has been maintained by the Management throughout the financial year being reported on is adequate and effective to meet the needs of the Group taking into consideration the limited scope of operations, and addresses the financial, operational and compliance risks.

In line with the 2012 Code, the AC, with the concurrence of the Board, has also adopted a management assurance confirmation statement ("Management Assurance Statement") confirming that the financial records of the Company have been properly maintained, that the Company's financial statements give a true and fair view of the Group's operations and finances, and that an effective risk management system and internal control system has been put in place. The Management Assurance Statement will be signed by the CEO and the Chief Financial Officer and tabled at each quarterly Board meeting. For the financial year ended 31 December 2017, the Board has obtained a duly signed Management Assurance Statement.

PRINCIPLE 12: AUDIT COMMITTEE

With effect from 22 December 2017, the members of the AC are as follows:

Mr Daniel Cuthbert Ee Hock Huat (Chairman)
Mr Alan Cheong Mun Cheong
Mr Aloysius Wee Meng Seng

The AC is responsible for assisting the Board in discharging its responsibilities to safeguard the assets, maintain adequate accounting records and develop and maintain an effective system of internal controls, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group.

CORPORATE GOVERNANCE REPORT

The AC meets periodically to perform the following functions:

(i) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(ii) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;

(iii) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;

(iv) making recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(v) meeting with the external auditors and internal auditors, in each case without the presence of the management, at least annually;

(vi) reviewing the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;

(vii) reviewing the audit plans and reports of the Company's internal and external independent auditors;

(viii) reviewing the financial statements and external auditors' report before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

(ix) reviewing the internal control and procedures, and ensuring co-ordination between the external auditors and the management, reviewing the assistance given by the management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which auditors may wish to discuss (in the absence of the management where necessary);

(x) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Company's operating results or financial position;

(xi) reviewing and approving interested person transactions, if any, falling within the scope of Chapter 9 of the SGX-ST Catalist Listing Manual;

CORPORATE GOVERNANCE REPORT

(xii) reviewing any potential conflicts of interest and ensuring that procedures for resolving such conflicts are sufficient and strictly adhered to by the Company;

(xiii) reviewing the adequacy of the Company's business risk management process;

(xiv) undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(xv) generally undertaking such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time.

The AC have explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC has met with the external auditors (and will meet in future with the internal auditors as well) without the presence of the Management, at least once a year.

The Group's external auditors, Nexia TS Public Accounting Corporation, is an accounting firm registered with the Accounting and Corporate Regulatory Authority. The aggregate amount of fees paid and payable to the external auditors for the financial year ended 31 December 2017 was S$78,000. Other than performing the non-audit service of a reporting accountant for the RTO exercise which was recently carried out by the Company, whereby an aggregate fee of S$90,000 was paid, no non-audit services were provided by the external auditors for the same period. The AC reviewed the independence of the external auditors through the review of the materiality of the non-audit services and also the confirmation that there were no former partner or director of the Company's external audit firm being a member of the AC or the Board.

The Board of Directors and the AC, having reviewed the adequacy of the resources and experience of Nexia TS Public Accounting Corporation, the audit engagement partner assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, are satisfied that the Group has complied with Rules 712 and 715 of the SGX-ST Catalist Listing Manual.

The AC has also reviewed and recommended a whistle blowing policy which provides for the mechanisms by which employees may, in confidence, raise concerns about any possible corporate improprieties in matters of financial reporting and other matters, as well as to decide on any appropriate courses of action. The set of guidelines, which was reviewed by the AC and approved by the Board, will be made available to all employees. Any changes to accounting standards and issues which have a direct impact on financial statements will be highlighted to the AC from time to time by the external auditors.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 13: INTERNAL AUDIT

The AC has the responsibility to establish an independent internal audit function, review the internal audit program and ensure co-ordination between internal auditors, external auditors and the Management, and ensure that the internal auditor meets or exceeds the standards set by nationally or internationally recognized professional bodies.

During the financial year being reported on, as the Group's production activities were halted and there were no operations, no internal audit was conducted. The Company has reviewed BDO LLP's internal control report on WBH Investments Pte. Ltd. and Chiu Teng 8 Pte. Ltd. and plans to progressively implement the former's recommendations to strengthen the Group's processes and protocols.

The Company intends to outsource the internal audit function to a professional firm. The internal auditor is to report directly to the AC Chairman on internal audit matters and to the Management on administrative matters. To ensure the adequacy of the internal audit function, the AC will review and approve, on an annual basis, the internal audit plans and the resources required to adequately perform this function.

PRINCIPLES 14 TO 16: SHAREHOLDER RIGHTS, COMMUNICATION WITH SHAREHOLDERS AND CONDUCT AT SHAREHOLDER MEETINGS

It is the policy of the Company to ensure that all Shareholders are informed of all major developments that impact the Group in a timely manner. Pertinent information is communicated to Shareholders on a regular and timely basis through the following means:

(i) results and annual reports announced or issued within the mandatory period;

(ii) material information disclosed in a timely manner via SGXNET and the news release; and

(iii) annual general meetings ("**AGMs**").

Shareholders can vote for resolutions or appoint up to two proxies to attend and vote at all general meetings on his behalf using a proxy form sent with the annual report. In line with the amendments to the Companies Act, Chapter 50, relevant intermediaries which provide nominee or custodial services to third parties are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to different shares held by members. All resolutions are put to vote by poll. The Company does not allow abstention voting and does not employ electronic voting. The participation of Shareholders at AGMs, which is also attended by the Directors and the external auditors, is encouraged as it is the principal forum for dialogue with Shareholders. During each AGM, there will be an open question and answer session at which Shareholders may raise questions or share their views regarding the proposed resolutions and the Company's businesses and affairs. Resolutions are proposed separately at general meetings for each separate issue.

CORPORATE GOVERNANCE REPORT

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management. Such minutes are available to Shareholders upon their written request.

The Company does not have a fixed dividend policy. The form, frequency and/or amount of dividends will depend on the Company's cash, earnings, gearings, financial performance and position, project capital expenditure, future investment plans, funding requirements and any other factors that the Directors consider relevant. For the financial year ended 31 December 2017, the Directors have not recommended the declaration and payment of dividends to Shareholders in light of the losses suffered by the Group in financial year ended 31 December 2017 and the preceding years, and due to the negligible cash position of the Group.

The Company currently does not have an investor relations policy.

DEALINGS IN SECURITIES

In compliance with Rule 1207(19) of the SGX-ST Catalist Listing Manual, the Group has adopted an internal compliance code for securities transactions by undertaken by all Directors and employees.

All Directors and employees must refrain from dealing in the Company's securities on short-term considerations and when they are in possession of unpublished material price sensitive information in relation to the Company and/or its subsidiaries or associated companies. Directors and employees are also not to deal in the Company's securities during the period beginning one month before the date of the announcement of the full year and two weeks before the date of the announcement of each of the quarterly results. Directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

MATERIAL CONTRACTS

Save as disclosed in the financial statements, there were no material contracts entered into by the Company or its subsidiaries in which the CEO, any Director, or controlling shareholder had an interest.

INTERESTED PERSON TRANSACTIONS

The Group has in place procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and will refrain from exercising any influence over other members of the Board. For the financial year reported on, Mr. Daniel Long Chee Tim, our CEO and Executive Director and Mr. Ng Chee Beng, our substantial shareholder, provided advances of S$500,000 and S$1,500,000 respectively to the Company. The Group does not have a general mandate from Shareholders in relation to interested person transactions.

Our sponsor, RHT Capital Pte. Ltd. provided non-sponsor services (acting as the financial advisor for the Company for the RTO) amounting to S$850,000 for the financial year ended 31 December 2017.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2017 and the statement of financial position of the Company as at 31 December 2017.

In the opinion of the directors,

(i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 33 to 79 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Long Chee Tim, Daniel
Daniel Cuthbert Ee Hock Huat (Appointed on 22 December 2017)
Cheong Mun Cheong Alan
Wee Meng Seng Aloysius

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
Company	**At 31.12.2017**	**At 1.1.2017**	**At 31.12.2017**	**At 1.1.2017**
(No. of ordinary shares)				
Long Chee Tim, Daniel	2,500,000	–	–	–

The directors' interests in the ordinary shares of the Company as at 21 January 2018 were the same as those as at 31 December 2017.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Daniel Cuthbert Ee Hock Huat (Chairman, Independent Director)
Cheong Mun Cheong Alan
Wee Meng Seng Aloysius

All members of the Audit Committee were non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

- the assistance given by the Company's management to the independent auditor;

- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2017 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the statement of financial position of the Company and the consolidated financial statements of the Group;

- interested person transactions as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual to ensure that they are on normal commercial terms and not prejudicial to the interest of the Company or its shareholders;

- the independence and objectivity of the independent auditor; and

- make recommendation to the Board of Directors on the appointment, re-appointment and removal of independent auditor, and approve the remunerations and terms of engagement of the independent auditor.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDITOR

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Long Chee Tim, Daniel
Director

Daniel Cuthbert Ee Hock Huat
Director

29 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Olive Tree Estates Limited (formerly known as Changjiang Fertilizers Holdings Limited, the "Company") and its subsidiary corporations (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 33 to 79.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The consolidated financial statements of the Group for the financial year ended 31 December 2016 ("comparative numbers") are that of Chui Teng 8 Pte. Ltd. ("CT8") and were audited by another independent auditor who expressed an unmodified opinion on those comparative numbers dated 5 May 2017.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Accounting for reverse acquisition
Refer to Note 2 and Note 29(a) to the financial statements.

Area of Focus

On 22 December 2017, the Company completed its acquisition of the entire share capital of CT8 via the issuance of 34,117,570 new ordinary shares at S$0.20 (after share consolidation) in the Company to the shareholders of CT8 and deferred cash consideration of S$10,597,277.

The acquisition of CT8 was treated as a reverse takeover or reserve acquisition for accounting purposes as the shareholders of CT8 became the controlling shareholder of the Company upon completion of the acquisition. Accordingly, CT8 is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree. CT8 is deemed to have issued equity shares as purchase consideration for the assets and liabilities of the Company using the accounting principles of FRS 102 *Share-based Payment*, as the Company's operations (i.e. a cash company) did not constitute a business under FRS 103 Business Combination.

Given the significant judgement involved in identifying the accounting acquiree and acquirer, the materiality of the transaction and the complexity of the accounting and disclosure, we have focused on this transaction in the following areas:

- Recognition of the acquisition cost of S$6,155,487 in profit or loss, and quantification of the deemed consideration deemed paid to the Company's shareholders by CT8 of S$4,479,500; and

- Disclosure of reverse acquisition in financial statements is not common. The equity disclosure and comparative numbers in the consolidated financial statements are that of CT8 while the legal shareholding relates to the Company.

How Our Audit Addressed the Area of Focus

As part of our audit procedures on the accounting for the RTO, we have obtained the signed contract and reviewed the significant contract terms to obtain an understanding of the transaction.

We assessed management's basis to treat the transaction as a reverse acquisition based on the applicable standards, which includes the identification of the accounting acquiree and acquirer, the determination of fair value of the deemed consideration and the treatment of the acquisition cost.

We have evaluated the methodology and checked the accuracy of the calculation of the acquisition cost and the fair value of deemed consideration deemed paid to the Company's shareholders. We have also compared the underlying inputs for the calculation of the deemed consideration to market data.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

We also reviewed the adequacy and reasonableness of the disclosures relating to the reverse acquisition in the financial statements.

Acquisition of a subsidiary corporation
Refer to Note 29(b) to the financial statements.

Area of Focus

On 22 December 2017, the Company completed its acquisition of WBH Investment Pte. Ltd. ("WBH") via an issuance of 12,333,660 new ordinary shares at S$0.20 (after share consolidation) in the Company to the shareholders of WBH and deferred cash consideration of S$4,581,074. WBH has become the wholly-owned subsidiary corporation of the Company and was accounted for using acquisition method in accordance to FRS 103 which resulted in the recognition of bargain purchase of S$856,395.

Management has performed the purchase price allocation ("PPA") exercise for the acquisition. Significant judgement and assumptions were made in the PPA exercise for the identification and valuation of the acquired intangible assets, tangible assets and liabilities of WBH and valuation of share consideration as at the acquisition date.

Given the significant management judgement and assumptions involved in the PPA exercise to derive the bargain purchase, we have determined the acquisition of a subsidiary corporation to be a key audit focus.

How Our Audit Addressed the Area of Focus

In auditing the accounting treatment for the acquisition of WBH, we have obtained the signed contract and read the significant contract terms relevant to the accounting and disclosures in the financial statements.

We have engaged our internal experts to review the PPA exercise performed by management, including assessing the appropriateness of the significant judgement and assumptions made in identification and valuation of the intangible assets, tangible assets and liabilities of WBH.

Together with the internal experts, we discussed with management and review the appropriateness of the valuation methodologies and reasonableness of the key assumptions used by management in the measurement of the fair value of acquired assets and liabilities and share consideration.

We assessed the competency, objectivity and capabilities of the external valuation experts engaged by the Company for the valuation of the investment properties and reviewed the reasonableness of the underlying key assumptions used by the external valuation experts.

We also reviewed the adequacy of the disclosures relating to the acquisition of WBH in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
29 March 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S$'000	2016 S$'000
Revenue	5	**11,777**	16,008
Cost of sales		**(8,347)**	(14,007)
Gross profit		**3,430**	2,001
Other income	6	**10**	–
Selling and distribution expenses		**(455)**	(698)
Administrative expenses		**(128)**	(349)
Finance expenses	9	**–**	(203)
Other losses	10	**(5,299)**	–
(Loss)/Profit before income tax		**(2,442)**	751
Income tax expense	11	**(430)**	(98)
Total comprehensive (losses)/income representing net (loss)/profit attributable to equity holders of the Company		**(2,872)**	653
(Loss)/earnings per share attributable to equity holders of the Company			
– Basic and diluted (S$)	12	**(0.08)**	0.02

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

		Group		Company		
	Note	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 1 January 2016 S$'000
					Restated	Restated
ASSETS						
Current Assets						
Cash and bank balances	13	**25,720**	3,144	**10,589**	1	*
Trade and other receivables	14	**370**	4,114	**4,514**	–	–
Development properties	15	**5,328**	13,676	**–**	–	–
		31,418	20,934	**15,103**	1	*
Non-current Assets						
Investment in subsidiary corporations	16	**–**	–	**20,219**	–	–
Investment properties	17	**12,166**	–	**–**	–	–
		12,166	–	**20,219**	–	–
Total Assets		**43,584**	20,934	**35,322**	1	*
LIABILITIES						
Current Liabilities						
Trade and other payables	18	**17,945**	1,057	**27,708**	4,531	3,049
Borrowings	19	**600**	–	**–**	–	–
Provisions	20	**–**	249	**–**	–	–
Current income tax liabilities		**509**	2,545	**–**	–	–
		19,054	3,851	**27,708**	4,531	3,049
Non-current Liabilities						
Borrowings	19	**13,970**	–	**–**	–	–
Total liabilities		**33,024**	3,851	**27,708**	4,531	3,049
NET ASSETS/(LIABILITIES)		**10,560**	17,083	**7,614**	(4,530)	(3,049)
EQUITY						
Share capital	21	**7,946**	1,000	**56,342**	44,372	44,372
Treasury shares	21	**–**	–	**(23)**	(23)	(23)
Reverse acquisition reserve	22	**(10,597)**	–	**–**	–	–
Retained profits/ (accumulated losses)		**13,211**	16,083	**(48,705)**	(48,879)	(47,398)
TOTAL EQUITY		**10,560**	17,083	**7,614**	(4,530)	(3,049)

* Less than S$1,000.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Share capital S$'000	Reverse acquisition reserve S$'000	Retained profits/ (Accumulated losses) S$'000	Total equity S$'000
2017				
Beginning of financial year	**1,000**	**–**	**16,083**	**17,083**
Total comprehensive loss for the financial year	**–**	**–**	**(2,872)**	**(2,872)**
Issuance of shares pursuant to the reverse acquisition (Note 21)	**4,479**	**(10,597)**	**–**	**(6,118)**
Issuance of shares for the acquisition of subsidiary corporation (Note 21)	**2,467**	**–**	**–**	**2,467**
End of financial year	**7,946**	**(10,597)**	**13,211**	**10,560**
2016				
Beginning of financial year	1,000	–	20,430	21,430
Total comprehensive income for the financial year	–	–	653	653
Dividend paid (Note 23)	–	–	(5,000)	(5,000)
End of financial year	1,000	–	16,083	17,083

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S$'000	2016 S$'000
Cash flows from operating activities			
Net (loss)/profit		**(2,872)**	653
Adjustments for:			
– Income tax expense	11	**430**	98
– Interest expense	9	**–**	203
– Interest income	6	**(10)**	–
– Acquisition cost arising from reverse acquisition	10	**6,155**	–
– Gain from bargain purchase	10	**(856)**	–
		2,847	954
Changes in working capital, net of effect from acquisition of subsidiary corporations:			
– Trade and other receivables		**4,105**	11,453
– Development properties		**8,349**	13,866
– Provisions		**249**	154
– Trade and other payables		**(1,228)**	(827)
Cash generated from operations		**14,322**	25,600
Interest received		**10**	–
Income tax paid		**(2,545)**	(1,602)
Net cash provided by operating activities		**11,787**	23,998
Cash flows from investing activities			
Net cash received from acquisition of subsidiary corporation	29(b)	**200**	–
Net cash received from reverse acquisition	29(a)	**43**	–
Net cash provided by investing activities		**243**	–
Cash flows from financing activities			
Drawdown of restricted cash	13	**113**	–
Dividends paid	23	**–**	(5,000)
Proceeds from bank borrowings		**14,570**	–
Repayment of bank borrowings		**(4,024)**	(20,000)
Interest paid		**–**	(203)
Net cash provided/(used) by financing activities		**10,659**	(25,203)
Net increase/(decrease) in cash and bank balances		**22,689**	(1,205)
Beginning of financial year		**3,031**	4,236
End of financial year	13	**25,720**	3,031

Reconciliation of liabilities arising from financing activities

	As at 1 January 2017 S$'000	Cash flows S$'000	Non-cash changes Acquisition S$'000	As at 31 December 2017 S$'000
Bank borrowings	–	10,546	4,024	**14,570**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

1 GENERAL INFORMATION

Olive Tree Estates Limited (formerly known as Changjiang Fertilizer Holdings 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 is at 10 Collyer Quay, #27-00 Ocean Financial Centre, Singapore 049315.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiary corporations are disclosed in Note 16.

2. REVERSE ACQUISITION

The Company completed its acquisition of the entire share capital of Chiu Teng 8 Pte Ltd ("CT8") on 22 December 2017 via the issuance of 34,117,570 new ordinary shares at S$0.20 in the Company and the deferred payment consideration of S$10,597,277 to the shareholders of CT8. The transaction is treated as a reverse acquisition for accounting purposes as the shareholders of CT8 became the controlling shareholder of the Company on completion of the transaction. Accordingly, CT8 (being the legal subsidiary) in the transaction is regarded as the accounting acquirer and the Company (being the legal parent) as the accounting acquiree.

The consolidated financial statements represent a continuation of the financial position, performance and cash flows of CT8. Accordingly, the consolidated financial statements are prepared on the following basis:

(a) the assets and liabilities of CT8 are recognised and measured in the consolidated statement of financial position at its pre-acquisition carrying amount;

(b) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition date fair value;

(c) the retained profits and other equity balances recognised in the consolidated financial statements are the retained profits and other equity balances of CT8 immediately before the reverse acquisition,

(d) the amount recognised as issued equity interest in the consolidated financial statements of the Group is determined by adding the issued equity of CT8 immediately before the reverse acquisition and the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) reflect the equity structure of the Company (legal parent), including the equity instruments issued by the Company to effect the reverse acquisition;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. REVERSE ACQUISITION (CONTINUED)

(e) the consolidated statement of comprehensive income for the financial year ended 31 December 2017 reflects the full year results of CT8 together with the post-acquisition results of the Company; and

(f) the comparative figures presented in these consolidated financial statements of the Group are those of financial statements of CT8.

The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the financial year ended 31 December 2017 refers to the Group which includes the results of CT8 from 1 January 2017 to 31 December 2017 and the post-acquisition results of the Company from the date of completion of the reverse acquisition to 31 December 2017 and the results of WBH Investments Pte Ltd ("WBH") from the date of completion of the acquisition to 31 December 2017 (Note 29(b)). The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the financial year ended 31 December 2016 refers to the results of CT8 from 1 January 2016 to 31 December 2016.

The consolidated statement of financial position of the Group as at 31 December 2017 refers to the statement of financial position of CT8, the Company and WBH as at 31 December 2017. The consolidated statement of financial position of the Group as at 31 December 2016 refers to the statement of financial position of CT8.

Separate financial statements of the Company

In connection with the reverse acquisition, the Company has changed its presentation currency from Chinese Renminbi ("RMB") to Singapore Dollar ("S$"). The change in presentation currency has been applied retrospectively as disclosed in Note 3.1 to the financial statements.

In the Company's separate financial statements, investments in the legal subsidiary corporations (including CT8), are accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.

The statements of financial position of the Company as at 31 December 2017 and 31 December 2016 refer to the statement of financial position of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

3.1 **Basis of preparation** (Continued)

The preparation of financial statements in conformity with FRS 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 4.

Interpretations and amendments to published standards effective in 2017

On 1 January 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in the consolidated statement of cash flows to the financial statements.

Change in presentation currency

With effect from 1 January 2017, the Company enacted to change its presentation currency from Chinese Renminbi ("RMB") to Singapore Dollar ("S$") in conjunction with the reverse acquisition as disclosed in Note 2 to the financial statements.

The change in presentation currency has been applied retrospectively. The comparative numbers of the Company in these financial statements have been represented in Singapore Dollars in order to provide meaningful comparable information. The change has also aligned the presentation currency with the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable and rendering services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of development properties under construction

Where development property is under construction and agreement has been reached to sell such property when construction is complete, the management considers whether the contract comprise a contract to construct a property. When the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer, generally upon completion of the construction of the property. Properties are considered complete upon the issuance of the Temporary Occupation Permits ("TOP") by Building Construction Authority ("BCA").

Sale of development properties under construction in respect of sale and purchase agreement which are entered into prior to completion of construction will be deferred and presented as deferred income within "Trade and other payables" on the statement of financial position (Note 18) and will be recognised as revenue upon the issuance of TOP.

(b) Rental income

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

(c) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Group accounting – subsidiary corporations

(a) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct activities of the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(b) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Group accounting – subsidiary corporations (Continued)

(b) Acquisitions (continued)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the identifiable net assets acquired is recorded as goodwill.

If these amounts are less than the fair value of the identifiable net assets of the subsidiary corporation acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

(c) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

3.4 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the development of properties. This includes those costs on borrowings acquired specifically for the development of properties as well as those in relation to general borrowings used to finance the development properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the properties under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Investment properties

Investment properties include those portions of leasehold factory units that are held for long-term rental yield and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 20 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

3.6 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation. Development properties are held as inventories and are stated at lower of cost and the estimated net realisable value. Net realisable value of development properties is the estimated selling price in the ordinary course of business based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, write-down is made for development properties when it is anticipated that the net realisable value has fallen below cost.

The cost of properties under development includes cost of land and construction costs, related overhead expenditure, and financing charges and other net costs incurred during the period of development. Borrowing costs payable on loans funding the development properties are also capitalised, on a specific identification basis as part of the cost of the development properties until the completion of development. When it is probable that the cost of development properties will exceed the sale proceeds of the development properties, the expected loss is recognised as an expense immediately. The development properties in progress have operating cycles longer than one year. Revenue recognition on properties under development is described in Note 3.2(a) to the financial statements. The costs of development properties are recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Development properties (Continued)

Expenses incurred in selling of the property will be deferred and presented as deferred expenses within "Trade receivables" on the statement of financial position (Note 14) until the issuance of TOP.

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction costs, related overhead expenditure, and financing charges and other net costs incurred during the period of development. A write-down is made for development properties is made when it is anticipated that the net realisable value has fallen below cost. Revenue recognition on completed properties held for sale is described in Note 3.2(a) to the financial statements.

3.7 Investment in subsidiary corporations

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

3.8 Impairment of non-financial assets

Investments in subsidiary corporations
Investment properties

Investments in subsidiary corporations and investment properties are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of non-financial assets (Continued)

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

3.9 Financial assets

(a) *Classification*

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 14) and "cash and cash equivalents" (Note 13) on the statement of financial position.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial assets (Continued)

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(e) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.11 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporation fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

3.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

3.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

3.14 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases

Lessee – Operating leases

When the Group is the lessor:

The Group leases offices under operating leases from non-related parties.

Lease of investment properties where the Group retains substantially all risks and rewards incidental to ownership is classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as an expense in profit or loss when incurred.

3.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Income taxes (Continued)

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

3.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

3.19 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) *Transaction and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other gains and losses".

(c) *Translation of Group entities financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

3.19 Currency translation (Continued)

(c) Translation of Group entities financial statements (Continued)

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

3.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

3.22 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company or any entity within the Group purchases the Company’s ordinary shares (“treasury shares”), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company’s equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Share capital and treasury shares (Continued)

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

3.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

4 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.

Estimation of net realisable value for development properties

Development properties are stated at the lower of cost and net realisable value.

The Group assesses at each reporting date the net realisable value of development properties by reference to sales price of comparable properties, timing of sales launches, location of property, expected net selling prices and development expenditures. Market conditions may, however, change which may affect the future selling prices on the remaining unsold units of the development properties and accordingly, the carrying amount of development properties for sale may have to be written down in future periods.

Management has assessed that no write down in the carrying amount of the development properties is required to be made in the financial statements for the financial year ended 31 December 2017.

The carrying amount of the development properties is disclosed in Note 15 to the financial statements.

5 REVENUE

	Group	
	2017	**2016**
	S$'000	**S$'000**
Sale of development properties	**11,777**	16,008

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6 OTHER INCOME

	Group	
	2017	**2016**
	S$'000	**S$'000**
Interest income on bank balances	**10**	–

7 EXPENSES BY NATURE

	Group	
	2017	**2016**
	S$'000	**S$'000**
Accounting fee	**29**	30
Cost of development properties sold	**8,347**	14,007
Employee compensation (Note 8)	**–**	36
Management fee	**11**	12
Property tax	**24**	69
Selling and marketing	**307**	633
Rental expense for sales office on operating lease	**147**	169
Others	**65**	98
Total cost of sales, selling and distribution and administrative expense	**8,930**	15,054

8 EMPLOYEE COMPENSATION

	Group	
	2017	**2016**
	S$'000	**S$'000**
Salaries	**–**	30
Employer's contribution to defined contribution plans including Central Provident Fund	**–**	5
Others	**–**	*
	–	36

* Less than S$1,000.

9 FINANCE EXPENSES

	Group	
	2017	**2016**
	S$'000	**S$'000**
Interest expense on loan from shareholders	–	203

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10 OTHER LOSSES

	Group	
	2017	**2016**
	S$'000	**S$'000**
Acquisition cost arising from reverse acquisition (Note 29(a))	**(6,155)**	–
Gain from bargain purchase (Note 29(b))	**856**	–
	(5,299)	–

11 INCOME TAXES

	Group	
	2017	**2016**
	S$'000	**S$'000**
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
– Current income tax	**430**	96
Under provision of current income tax in prior financial years	**–**	2
	430	98

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
(Loss)/profit before income tax	**(2,442)**	751
Tax calculated at tax rate of 17% (2016: 17%)	**(415)**	128
Effects of:		
– expenses not deductible for tax purposes	**1,046**	–
– income not subject to tax	**(146)**	–
– corporate income tax rebate	**(10)**	(25)
– statutory tax exemption	**(25)**	(26)
– others	**(20)**	19
	430	96

12 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The basic and diluted (loss)/earnings per share for the financial years ended 31 December 2017 and 31 December 2016 are the same as there were no potential dilutive ordinary shares in existence for the financial years ended 31 December 2017 and 31 December 2016.

In connection with the reverse acquisition, the number of ordinary shares outstanding from the beginning of the financial year to the completion date of the reverse acquisition for purpose of calculating the weighted average number of ordinary shares is deemed to be the number of ordinary shares issued by the Company to the owners of the CT8. The number of ordinary shares outstanding from the completion date to the end of the year is the weighted average number of ordinary shares of the Company outstanding during the period.

The following table reflects the (loss)/profit and share data used in the computation of basic and diluted (loss)/earnings per share for the financial year ended 31 December 2017:

	Group	
	2017	**2016**
(Loss)/profit for the financial year attributable to owners of the Company (S$'000)	**(2,872)**	653
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation ('000)	**34,974**	34,118
Basic and diluted (loss)/earnings per share (S$ per share)	**(0.08)**	0.02

13 CASH AND CASH EQUIVALENTS

	Group		**Company**	
	As at 31 December 2017 S$'000	**As at 31 December 2016 S$'000**	**As at 31 December 2017 S$'000**	**As at 31 December 2016 S$'000**
				Restated
Bank balances	**25,720**	3,026	**10,589**	1
Bank balances – project account	**–**	5	**–**	–
Restricted cash	**–**	113	**–**	–
	25,720	3,144	**10,589**	1

As at 31 December 2016, the Group holds a bank account which is reserved for the purpose of funding maintenance expenses of the properties at 421 Tagore Industrial Avenue. The bank balance was classified as restricted cash as the Group did not have access to the funds (Note 18). The restricted cash was drawndown for maintenance during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13 CASH AND CASH EQUIVALENTS (CONTINUED)

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Cash and bank balances (as above)	**25,720**	3,144
Less: restricted cash	**–**	(113)
Cash and cash equivalents as per consolidated statement of cash flows	**25,720**	3,031

14 TRADE AND OTHER RECEIVABLES

	Group		Company	
	As at 31 December 2017	**As at 31 December 2016**	**As at 31 December 2017**	**As at 31 December 2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Trade receivables:				
– Non-related parties	**96**	–	**–**	–
– Unbilled receivables (Non-related parties)	**–**	4,114	**–**	–
	96	4,114	**–**	–
Amount due from subsidiary corporations	**–**	–	**4,514**	–
Other receivables – Non-related parties	**10**	–	**–**	–
Deposits	**264**	–	**–**	–
	370	4,114	**4,514**	–

The amount due from subsidiary corporations is non-trade, unsecured, interest-free and receivable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

15 DEVELOPMENT PROPERTIES

	Group		Company	
	As at 31 December 2017 S$'000	**As at 31 December 2016 S$'000**	**As at 31 December 2017 S$'000**	**As at 31 December 2016 S$'000**
Properties held for sale	**5,328**	13,676	**–**	–

At 31 December 2017, the development properties held by the Group is as follows:

Location	**Description**	**Tenure**	**Issuance date of Temporary Occupation Permit ("TOP")**	**Issuance date of Certificate of Statutory Completion ("CSC")**	**Site area (sq. m)**	**Gross floor area (sq.m)**
421 Tagore Industry Avenue	4 storey multi user industry building	Freehold	17 June 2015	02 September 2015	13,314	26,628

The development properties are pledged as security for the Group's bank borrowings (Note 19) of $5,450,000 as at 31 December 2017.

16 INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	As at 31 December 2017 S$'000	**As at 31 December 2016 S$'000**
Equity investments, at cost	**20,219**	–

The Group had disposed of all its People Republic of China ("PRC") subsidiary corporations which had been fully impaired during the year for a consideration of less than S$1 in connection with the Reverse Acquisition.

On 22 December 2017, the Company acquired 100% equity interests of CT8 and WBH, for purchase consideration of S$17,420,791 and S$7,047,806 respectively as described in Note 29. Upon completion of the acquisition, CT8 and WBH became wholly owned subsidiary corporations of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Group has the following subsidiary corporations as at 31 December 2017 and 31 December 2016:

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company 2017 %	2016 %
Held by the Company				
Chiu Teng 8 Pte Ltd[a]	Property development	Singapore	**100**	–
WBH Investments Pte Ltd[a]	Investment properties holdings and rental	Singapore	**100**	–
Tree Top Realty Sdn Bhd[e]	Property development	Malaysia	**100**	–
Tangjia Electric Technology (Shenzhen) Co., Ltd[d]	Investment holdings	PRC	**–**	100
Changjiang Huafei (Hunan) Co., Ltd[d]	Trading and manufacturing of nitrogenous fertilizer, ammonia and methanol	PRC	**–**	100
Held by Tangjia Electric Technology (Shenzhen) Co., Ltd				
Miluo Jincheng Shiye Co., Ltd[b] [d]	Trading and manufacturing of nitrogenous fertilizer, ammonia and methanol	PRC	**–**	100
Held by Changjiang Huafei (Hunan) Co., Ltd				
Hunan Changjiang Huafei Hanshou Co., Ltd[b] [c] [d]	Trading and manufacturing of nitrogenous fertilizer, ammonia and methanol	PRC	**–**	100

(a) Audited by Nexia TS Public Accounting Corporation, Singapore

(b) The government had notified the plants to halt their operations of factories located in urban areas of the cities due to redevelopment plans.

(c) Cessation of operations due to weak demand of traditional fertilizer

(d) The Company has disposed off its investments in its PRC subsidiary corporations in conjunction with reverse acquisition exercise.

(e) Incorporated on 12 September 2017 and management is in the midst of appointing the auditor before the Company's first Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17 INVESTMENT PROPERTIES

	Group	
	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000
Beginning of financial year	**–**	–
Acquisition of subsidiary corporation (Note 29(b))	**12,166**	–
End of financial year	**12,166**	–
Accumulated depreciation		
Beginning and end of financial year	**–**	–
Net book value		
End of financial year	**12,166**	–
Fair value		
End of financial year	**12,166**	–

The investment properties are pledged as security for the Group's bank borrowings (Note 19) of S$9,120,000 as at 31 December 2017.

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

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

Fair value hierarchy

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000
31 December 2017			
– Factory and office units in Singapore	**–**	**12,166**	**–**
31 December 2016			
– Factory and office units in Singapore	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17 INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been derived using the Market Comparison method. Market prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation method is market price per square metre.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year based on the properties' highest and best use. As at 31 December 2017, the fair value of the investment properties have been determined by Dennis Wee Realty Pte Ltd.

18 TRADE AND OTHER PAYABLES

	Group		Company	
	As at 31 December 2017 S$'000	**As at 31 December 2016 S$'000**	**As at 31 December 2017 S$'000**	**As at 31 December 2016 S$'000**
				Restated
Trade payables				
– Non-related parties	**–**	56	**–**	–
– Related parties	**–**	21	**–**	–
– Retention payables – Related parties	**–**	72	**–**	–
	–	149	**–**	–
Loan from shareholders	**–**	–	**–**	1,254
Accrued operating expenses	**1,074**	235	**723**	1,518
Other payables – Non-related parties	**16,859**	560	**16,427**	1,312
Amount due to subsidiary corporations	**–**	–	**10,546**	–
Other payables – director	**12**	–	**12**	447
Reserve fund for maintenance expenses (Note 13)	**–**	113	**–**	–
	17,945	1,057	**27,708**	4,531

Included in the other payables to non-related parties are the deferred cash consideration for the acquisition of CT8 and WBH amounting to S$10,597,277 and S$4,581,074 respectively which have been settled subsequently in January 2018.

Amount due to subsidiary corporations and other payables to director are non-trade, unsecured, interest-free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

19 BORROWINGS

	Group		Company	
	As at 31 December 2017 S$'000	**As at 31 December 2016 S$'000**	**As at 31 December 2017 S$'000**	**As at 31 December 2016 S$'000**
Bank borrowings				
– Current	**600**	–	**–**	–
– Non-current	**13,970**	–	**–**	–
Total borrowings	**14,570**	–	**–**	–

The exposure of the borrowings of the Company to interest rate changes and the contractual re-pricing dates at the reporting dates are as follows:

	Group		Company	
	As at 31 December 2017 S$'000	**As at 31 December 2016 S$'000**	**As at 31 December 2017 S$'000**	**As at 31 December 2016 S$'000**
Within one year	**600**	–	**–**	–
Between one year to three years	**13,970**	–	**–**	–
	14,570	–	**–**	–

(a) Securities granted

Secured bank borrowings amounting to $14,570,000 as at 31 December 2017 were secured by the following:

(i) Corporate guarantee from the Company;

(ii) A first legal mortgage to be executed over the development properties and investment properties;

(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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

19 BORROWINGS (CONTINUED)

(b) Fair value of non-current borrowings

	Group		Company	
	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000
Bank borrowings	13,262	–	–	–

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the reporting date which the directors expect to be available to the Group as follows:

	Group		Company	
	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000
Bank borrowings	5.28%	–	–	–

The fair values are within Level 2 of the fair value hierarchy.

20 PROVISIONS

	Group		Company	
	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000
Renovation rebates	–	249	–	–

20 PROVISIONS (CONTINUED)

Renovation rebates have been granted to purchasers of the development properties at 421 Tagore Industrial Avenue upon the signing of the option to purchase ("OTP"). The provisions were based on the amount stated in the OTP. Provisions are recognised at the reporting date for expected amounts of rebates payable to purchasers based on management's past experience and likelihood of the fulfillment of the conditions. Movement in the provision of renovation rebates is as follows:

	Group		Company	
	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000
Beginning of financial year	**249**	88	**–**	–
Provisions made	**258**	249	**–**	–
Provisions utilised	**(507)**	(88)	**–**	–
End of financial year	**–**	249	**–**	–

21 SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Issued share capital S$'000	Treasury shares S$'000
<u>**Group**</u>				
2017				
Beginning of financial year	**360,000**	**(100)**	**1,000**	**–**
Issuance of shares for professional adviser[(a)]	**136,000**	**–**	**–**	**–**
Issuance of repayment shares[(b)]	**400,000**	**–**	**–**	**–**
Share consolidation[(c)]	**(873,604)**	**95**	**–**	**–**
Share issued pursuant to the reverse acquisition[(e)]	**34,118**	**–**	**4,479**	**–**
Issuance of share for the acquisition of subsidiary corporation[(f)]	**12,334**	**–**	**2,467**	**–**
End of financial year	**68,848**	**(5)**	**7,946**	**–**
2016				
Beginning and end of financial year	**360,000**	–	**1,000**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21 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**
Company				
2017				
Beginning of financial year	**360,000**	**(100)**	**44,372**	**(23)**
Issuance of shares for professional adviser[(a)]	**136,000**	**–**	**680**	**–**
Issuance of repayment shares[(b)]	**400,000**	**–**	**2,000**	**–**
Shares consolidation[(c)]	**(873,604)**	**95**	**–**	**–**
Shares issued pursuant to the reverse acquisition[(d)]	**34,118**	**–**	**6,824**	**–**
Issuance of shares for the acquisition of subsidiary corporation[(f)]	**12,334**	**–**	**2,466**	**–**
End of financial year	**68,848**	**(5)**	**56,342**	**(23)**
2016 – Restated				
Beginning and end of financial year	**360,000**	**(100)**	**44,372**	**(23)**

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 as described in Note 2. The amount recognised as issued equity instruments in the consolidated financial statements includes the issued equity of CT8 immediately before the reverse acquisition and the costs of reverse acquisition.

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.

(a) On 15 December 2017, the Company obtained approval from the shareholder during the Extraordinary General Meeting (“EGM”) to allot and issue the professional advisers’ shares and repayment of shares. The professional advisers’ shares is to pay a part of the financial advisers’ and the legal advisers’ fees for services rendered in connection with the reverse acquisition.

21 SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(b) This represents repayment shares issued and allotted as repayment of S$0.5 million and S$1.5 million which the Company owed to the Director, Daniel Long, and the shareholder, Ng Chee Beng. The Company had obtained approval from the shareholders during the EGM for allotment and issuance of repayment shares.

(c) On 22 December 2017, the shares of the Company were consolidated on the basis of one consolidated share for every forty ordinary shares held by the shareholders ("Share Consolidation"). The number of consolidation shares to which shareholders are entitled arising from the Share Consolidation were rounded down to the nearest whole Consolidated Share, and any fractions of consolidation arising from the Share Consolidation were disregarded.

(d) This represents the purchase consideration for the Company's acquisition of CT8 which was satisfied by the allotment and issuance of 34,117,571 ordinary shares at S$0.20 per share in the capital of the Company on 22 December 2017.

(e) This represents the fair value of the consideration transferred in relation to the reverse acquisition. As CT8 is a private entity, the quoted market price of the Company's shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the share in the CT8. The consideration transferred is determined using the fair value of the issued equity of the Company before acquisition, being 22,396,480 shares at $0.20 per share, which represents the fair value of the Company being the quoted and traded price of the shares at on the date of completion of the reverse acquisition.

(f) This represents the purchase price consideration for the acquisition of WBH which was satisfied by the allotment and issuance of 12,333,661 ordinary shares at S$0.20 per share on 22 December 2017 (Note 29(b)).

Treasury shares

The Company acquired 2,500 (pre-consolidation: 100,000) of its shares in the open market in financial year 2010. The total amount paid to acquire the shares was S$22,500 and this was presented as a component within shareholders' equity.

22 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

23 DIVIDENDS

	Group	
	2017	**2016**
	S$'000	**S$'000**
Ordinary dividends		
One-tier exempt interim dividends of S$5.00 per share	–	5,000

During the financial year ended 31 December 2016, one-tier exempt interim dividend amounting to S$5,000,000 was paid to the CT8's shareholder in respect of the financial year ended 31 December 2015.

24 CONTINGENT LIABILITIES

The Company has issued corporate guarantees amounting to S$14,570,000 to banks for borrowings of certain subsidiary corporations. The bank borrowings of these subsidiary corporations amounted to S$14,570,000 as at 31 December 2017 (2016: Nil).

The Company has evaluated the fair values of the corporate guarantees and is of the view that both the consequential liabilities derived from its guarantees to the banks with regard to certain subsidiary corporations and the fair value of the corporate guarantee are minimal. The subsidiary corporations for which the guarantees were provided are in favourable equity positions, with no default in the payment of borrowings and credit facilities.

25 OPERATING LEASE COMMITMENT

The Group leases out retail space to non-related parties under non-cancellable operating leases. The leases have varying terms and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Not later than one year	**1,013**	–
Between one and five years	**640**	–
	1,653	–

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. As at 31 December 2017, the Group does not hold or issue derivative instrument for trading purposes.

Risk management is integral to the whole business of the Group. Financial risk management is carried out by the Board of Directors. The Group has a system of controls in place to create an acceptable balance between the cost of risk occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk

(i) Currency risk

The Group and the Company do not have significant exposure to currency risk as it operates only in Singapore. Revenue and expenses are predominantly denominated in Singapore Dollar.

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from non-current borrowings and loans to subsidiaries at variable rates. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group's borrowings at variable rates are denominated mainly in SGD. If the SGD interest rates had increased/decreased by 1% with all other variables including tax rate being held constant, the impact to profit after tax as a result of higher/lower interest expenses on these borrowings are not significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Executive Directors based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the Directors.

Cash and bank balances are placed with banks and financial institutions with high credit-ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record.

As at 31 December 2017 and 31 December 2016, the trade receivables are corporate companies and comprise of 2 debtors and 1 debtor that individually represent 23% – 29% and 100% of trade receivables in the respective financial year ended.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position except as follows:

	Company	
	As at 31 December 2017 S$'000	**As at 31 December 2016 S$'000**
Corporate guarantees provided to banks on subsidiary corporation's loans	**14,570**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

None of the Group's and the Company's financial assets are past due and/or impaired.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, assets held by the Group for managing liquidity risk included cash and bank balances.

The Group's policy in managing liquidity risk is to maintain sufficient cash and bank balances and adequate amount of committed credit facilities to enable the Group to meet its operating commitments.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity Company based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year S$'000	**Between 1 to 5 years S$'000**	**Total S$'000**
Group			
At 31 December 2017			
Trade and other payables	**17,945**	**–**	**17,945**
Borrowings	**600**	**15,148**	**15,748**
	18,545	**15,148**	**33,693**
At 31 December 2016			
Trade and other payables	944	–	944
Company			
At 31 December 2017			
Trade and other payables	**27,708**	**–**	**27,708**
Financial guarantee contract	**14,570**	**–**	**14,570**
	42,278	**–**	**42,278**
At 31 December 2016			
Restated			
Trade and other payables	4,531	–	4,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group's strategy is to maintain a gearing ratio not higher than 1. In compliance with the bank covenants, the subsidiary corporations need to maintain debt service coverage ratio of 1.25 times at all times for the financial year ended 31 December 2017.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and bank balances. Total capital is calculated as net debt plus equity.

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
				Restated
Net debt	**7,304**	707	**17,119**	4,530
Total equity	**10,560**	17,083	**7,614**	(4,530)
Total capital	**17,864**	17,790	**24,733**	–
Gearing ratio (times)	**0.41**	0.04	**0.69**	Not meaningful

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 2017.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position, except for the following:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Loans and receivables	**26,090**	7,145	**15,103**	1
Financial liabilities at amortised cost	**32,155**	944	**27,708**	4,531

NOTES TO THE FINANCIAL STATEMENTS

27 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Company	
	2017	**2016**
	S$'000	**S$'000**
		Restated
Consultancy fee paid/payable to a key management personnel	**180**	173

(b) Key management personnel compensation

There are no compensation made to key management personnel of the Group during the financial year ended 31 December 2017.

The key management personnel compensation for the Company is as follows:

	Company	
	2017	**2016**
	S$'000	**S$'000**
		Restated
Wages and salaries	**–**	377
Consultancy fee paid/payable to a key management personnel	**180**	–
Directors' fees	**180**	325
	360	702

Included in the above is the total compensation to directors of the Company amounting to S$180,000 (2016: S$702,000).

28 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Directors, who are also the chief operating decision maker that are used 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 as the Group's property development in Malaysia has not commenced.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

28 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

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

Group	Singapore			Malaysia	
	Property development S$'000	Property rental S$'000	Investment S$'000	Property development S$'000	Total S$'000
2017					
Revenue from external parties	11,777	–	–	–	11,777
Cost of sales from external parties	(8,347)	–	–	–	(8,347)
Gross profit	3,430	–	–	–	3,430
Other income	10	–	–	–	10
Other losses	–	856	(6,155)	–	(5,299)
Selling and Distribution expenses	(455)	–	–	–	(455)
Administrative expenses	(128)	–	–	–	(128)
Profit/(Loss) before income tax	2,857	856	(6,155)	–	(2,442)
Income tax expense	(430)	–	–	–	(430)
Net profit/(loss) for the financial year	2,427	856	(6,155)	–	(2,872)
Segment assets	20,268	12,463	10,589	264	43,584
Segment liabilities	(6,207)	(9,655)	(17,162)	–	(33,024)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

28 SEGMENT INFORMATION (CONTINUED)

(a) Revenue from major products and services

Revenue from external customers is derived mainly from the sale of development properties.

(b) Geographical information

The Group's three business segments operate in two main geographical areas:

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

	Group	
	2017	**2016**
	S$'000	**S$'000**
Non-current assets		
Singapore – Investment properties	**12,166**	–

As at 31 December 2016, the management considers that the entire Group's operations constitute a single segment which was in the business of property development in Singapore. Management assessed the performance of the Group's operations based on the profit before income tax, total assets and total liabilities which are measured in a manner consistent with that of the consolidated financial statements.

29 BUSINESS COMBINATION

(a) Reverse acquisition

As disclosed in Note 2, on 22 December 2017, the Company completed its acquisition of the entire share capital of CT8 via the issuance of 34,117,571 new ordinary shares at $0.20 in the Company and the deferred payment consideration of S$10,597,277 to the shareholders of CT8. The transaction is treated as a reverse acquisition for accounting purposes as the shareholders of the CT8 became the controlling shareholders of the Company upon completion of the transaction. The CT8 is deemed to have issued equity shares as purchase consideration for the assets and liabilities of the Company using the accounting principles in FRS 102, as the Company's operations did not constitute a business under FRS 103 at the time of completion of the reverse acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

29 BUSINESS COMBINATION (CONTINUED)

(a) Reverse acquisition (Continued)

In the consolidated financial statements, the acquisition cost arising from the reverse acquisition was determined using the fair value of the issued equity of the Company before the acquisition, being 22,396,480 shares at S$0.20 per share, which represents the market value of the Company based on the quoted and traded price of the shares as at 29 December 2017 (date of completion of the reverse acquisition).

The identifiable assets of the Company were as follows:

	2017 S$'000
Cash and cash equivalents	43
Other receivables	265
Total assets	308
Other payables, representing total liabilities	(1,983)
Total identifiable net liabilities	(1,675)
Fair value of consideration transferred	(4,480)
Acquisition cost arising from reverse acquisition (Note 10)	(6,155)

The difference between the purchase consideration and identifiable net liabilities of the Company, amounting to S$6,155,487 has been recognised in the consolidated statement of comprehensive income as acquisition costs arising from the reverse acquisition incurred by the CT8 in accordance with FRS 102.

The deferred cash consideration of S$10,597,277 is recognised as a distribution from the consolidated group to CT8's shareholders in view that the consolidated financial statements are a continuation of CT8's financial statements (Note 22).

(b) Acquisition of subsidiary corporation

On 22 December 2017, the Group completed the 100% acquisition of the equity interest in WBH Investments Pte Ltd ("WBH"). The principal activities of WBH are that of investment holding and rental of properties. As a result of the acquisition, the Group is expected to expand its business activities to investment holding and rental of investment properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

29 BUSINESS COMBINATION (CONTINUED)

(b) Acquisition of subsidiary corporation (Continued)

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Purchase consideration

	2017 S$'000
Cash payable	4,581
Issue of new ordinary shares as consideration for acquisition (Note 21)	2,467
Total purchase consideration	7,048
Less: cash payable in lieu of assignment of shareholder loan	(4,250)
	2,798

(ii) Effect on cash flows of the Group

	2017 S$'000
Cash payable (as above)	4,581
Less: cash and cash equivalents in subsidiary corporation acquired	(200)
Less: other payables – deferred consideration	(4,581)
Cash inflow on acquisition	(200)

(iii) Identifiable assets acquired and liabilities assumed

	2017 S$'000
Cash and cash equivalents	200
Investment properties (Note 17)	12,166
Trade and other receivables	96
Total assets	12,462
Trade and other payables	454
Borrowings	8,275
Current tax liabilities	79
Total liabilities	8,808
Total identifiable net assets	3,654
Less: Bargain purchase (Note 10)	(856)
Consideration transferred for the business	2,798

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2018 and which the Group has not early adopted:

(a) FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)

FRS 109 replaces FRS 39 Financial instruments: Recognition and Measurement and its relevant interpretations.

FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

Under FRS 109, there were no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair changes arising from changes in own credit risk. For liabilities designed at fair value through profit or loss, such changes are recognised in OCI.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

There is also now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 31). The new accounting framework has similar requirements of FRS 109 and there is no impact expected on the adoption of the equivalent FRS 109 to the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

(b) FRS 115 Revenue from *Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018)

FRS 115 replaces FRS 11 Construction Contracts, FRS 18 Revenue, and related interpretations.

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 31). The new accounting framework has similar requirements of FRS 115 and there is no impact expected on adoption of the equivalent FRS 115 is disclosed to the Group's financial statements.

(c) FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

(c) FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019) (Continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. The Group is required to adopt a new accounting framework from 1 January 2018 (Note 31). The new accounting framework has similar requirements of FRS 116.

The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

31 ADOPTION OF SFRS(I)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore IFRS-identical Financial Reporting Standards' ("SFRS(I)") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and will be issuing its first set of financial information prepared under SFRS(I) for the quarter ending 31 March 2018 in April 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS. The Group will also concurrently apply new major SFRS(I) equivalents of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The estimated impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) equivalent of IFRS 1

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under IFRS 1. The Group plan to elect an optional exemption in regards to the event-driven fair value of the investment properties as their deemed cost at the date of the event occur, i.e. the acquisition date of WBH (Note 29(b))

Management does not expect significant adjustment to the Group's financial statements prepared under SFRS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

31 ADOPTION OF SFRS(I) (CONTINUED)

(b) Adoption of SFRS(I) equivalent of IFRS 9

The Group plans to elect to apply the short-term exemption under IFRS 1 to adopt SFRS(I) equivalent of IFRS 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

(i) *Classification and measurement*

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) equivalent of IFRS 9. As a result of the assessment, management does not expect significant adjustments to the Group's statement of financial position line items.

(ii) *Impairment of financial assets*

The following financial assets will be subject to the expected credit loss impairment model under SFRS(I) equivalent of IFRS 9:

– trade receivables and contract assets recognised under SFRS(I) equivalent of IFRS 15; and

– loans to related parties and other receivables at amortised cost.

Management does not expect significant adjustments to the Group's statement of financial position line items from the application of the expected credit loss impairment model.

(c) Adoption of SFRS(I) equivalent of IFRS 15

The Group had assessed the revenue recognition in accordance to the requirement of SFRS(I) equivalent of IFRS 15 and management does not expect any significant adjustments to the Group's financial statements.

32 AUTHORISATION OF FINANCIAL STATEMENT

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Olive Tree Estates Limited on 29 March 2018.

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2018

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	813	57.25	4,459	0.01
100 – 1,000	371	26.13	167,243	0.24
1,001 – 10,000	179	12.61	518,470	0.75
10,001 – 1,000,000	45	3.17	4,995,231	7.26
1,000,001 AND ABOVE	12	0.84	63,162,308	91.74
TOTAL	**1,420**	**100.00**	**68,847,711**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CHIU TENG ENTERPRISES PTE LTD	34,911,777	50.71
2	FONG KIM CHIT	3,750,000	5.45
3	KOH TONG HO	3,750,000	5.45
4	WANG & LEE INVESTMENTS PTE. LTD.	3,700,098	5.37
5	LEE TEE ENG	2,613,118	3.80
6	ONG & ONG ENTERPRISE PTE. LTD.	2,613,118	3.80
7	SERENA LEE CHOOI LI	2,613,118	3.80
8	LONG CHEE TIM DANIEL	2,500,000	3.63
9	RHT CAPITAL PTE. LTD.	2,000,000	2.90
10	JINCHEN INVESTMENT HOLDINGS PTE. LTD.	1,772,000	2.57
11	CAI JIAN HUA	1,684,000	2.45
12	PHILLIP SECURITIES PTE LTD	1,255,079	1.82
13	EQUINOX INVESTMENT GROUP LTD	972,000	1.41
14	MAYBANK KIM ENG SECURITIES PTE. LTD.	697,115	1.01
15	RAMESH S/O PRITAMDAS CHANDIRAMANI	689,400	1.00
16	CHINA HUI XIN INVESTMENT MANAGEMENT LTD	416,666	0.61
17	CITIBANK NOMINEES SINGAPORE PTE LTD	391,087	0.57
18	TAN HONG BOON	300,000	0.44
19	XU NAIQUN	259,200	0.38
20	HO CHEE KIN	250,000	0.36
	TOTAL	**67,137,776**	**97.53**

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2018

SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 16 MARCH 2018

	No. of Shares (excluding treasury shares)			
Name	**Direct Interest**	**%**	**Deemed Interest**	**%**
CHIU TENG ENTERPRISES PTE LTD	34,911,777	50.71	–	–
FONG KIM CHIT	3,750,000	5.45		
KOH TONG HO	3,750,000	5.45		
WANG & LEE INVESTMENTS PTE LTD	3,700,098	5.37		
LONG CHEE TIM DANIEL	2,500,000	3.63		

TREASURY SHARES

	No. of Shares	**%**
Treasury Share	2,500	N.M.

N.M.: Not Meaningful

RULE 723 OF SGX-ST

Based on the above information and to the best knowledge of the Directors and Substantial Shareholders of the Company, 29.39% of the issued shares of the Company are held by the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 114 Lavender Street #18-01 CT Hub 2 Singapore 338729 on 30 April 2018 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

To consider and, if deemed fit, to pass the following Resolutions, as Ordinary Resolutions with or without modifications

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To re-elect Mr Daniel Long Chee Tim being a Director who retires pursuant to Regulation 97 of the Company's Constitution. **(Resolution 2)**

3. To re-elect Mr Daniel Cuthbert Ee Hock Huat being a Director who retires pursuant to Regulation 97 of the Company's Constitution. **(Resolution 3)**

4. To approve the payment of Directors' Fees of S$325,000 for the financial year ended 31 December 2017.
   [2016: S$355,000] **(Resolution 4)**

5. To approve the payment of Directors' Fees of S$145,000 for the financial year ending 31 December 2018, such Directors' Fees to be payable on a quarterly basis in arrears. **(Resolution 5)**

6. To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if deemed fit, to pass the following Resolutions, as Ordinary Resolutions with or without modifications:–

7. **SHARE ISSUE MANDATE**

   THAT pursuant to Section 161 of the Companies Act, Chapter 50 (the "Companies Act") and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:–

   I. (a) issue and allot shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

NOTICE OF ANNUAL GENERAL MEETING

(b) make or grant offers, agreements or options (collectively, "Instruments") that may or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and;

II. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:–

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued share capital of the Company (excluding treasury shares and subsidiary holdngs) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings)(as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued share capital shall be calculated based on the issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:–

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidated or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company (the "AGM") or the date by which the next AGM of the Company is required by law to be held or the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest.
[Explanatory Note 1]. **(Resolution 7)**

8. To transact any other business that may properly be transacted at an Annual General Meeting.

By Order of the Board

Ng Joo Khin
Company Secretary

Singapore, 5 April 2018

Explanatory Notes:

(1) Resolution 7 – If passed, this Resolution will empower the Directors, effective until (i) the conclusion of the next Annual General Meeting of the Company; (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time this Resolution is passed, after adjusting for:–

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 7, provided the options or awards were granted in compliance with Part VIII or Chapter 8 of the Catalist Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

i. A proxy need not be a member of the Company.

ii. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his stead.

iii. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

NOTICE OF ANNUAL GENERAL MEETING

iv. A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at this meeting, but each proxy must be appointed to exercise the rights attached to a different shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

v. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

vi. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the Annual General Meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.

vii. The instrument appointing a proxy must be deposited at the office of our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time for holding the Annual General Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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OLIVE TREE ESTATES LIMITED

(Incorporated in the Republic of Singapore)
(Reg. No. 200713878D)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT

1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

I/We, ______________________________ (full name in capital letters)

NRIC No./Passport No./Company No. ______________________________

of ______________________________
(full address) being a member/members of Olive Tree Estates Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 10:00 a.m. on 30 April 2018 at 114 Lavender Street #18-01 CT Hub 2 Singapore 338729 and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matters arising at the Annual General Meeting and at any adjournment thereof.)

	ORDINARY BUSINESS (Ordinary Resolutions)	**For**	**Against**
Resolution 1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon.		
Resolution 2	To re-elect Mr Daniel Long Chee Tim a Director retiring pursuant to Regulation 97 of the Company's Constitution		
Resolution 3	To re-elect Mr Daniel Cuthbert Ee Hock Huat, a director retiring pursuant to Regulation 97 of the Company's Constitution.		
Resolution 4	To approve payment of Directors' Fees for financial year ended 31 December 2017.		
Resolution 5	To approve payment of Directors' Fees for financial year ending 31 December 2018.		
Resolution 6	To re-appoint Auditors.		
	SPECIAL BUSINESS (Ordinary Resolution)		
Resolution 7	To approve and adopt the Share Issue Mandate.		

Dated this ________ day of ________________ 2018

Total Number of Shares Held in:	
CDP Register	
Register of Members	

____
Signature(s) of members(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES
Notes to the Proxy Form

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act") a member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

4. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediaries is entitled to appoint more than two proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the office our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time appointed for the Meeting.

8. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

11. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

Personal data privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2018.

OLIVE TREE ESTATES LIMITED

114 Lavender Street, CT Hub 2,
#06-01, Singapore 338729.