

OLIVE TREE ESTATES LIMITED



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

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND THE FULL YEAR ENDED 31 DECEMBER 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	4 th quarter ended			Financial year ended		
	31-12-18	31-12-17	Increase / (Decrease)	31-12-18	31-12-17	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
	Unaudited	Unaudited		Unaudited	Audited	
Revenue	2,753	4,255	-35.3%	3,573	11,777	-69.7%
Cost of sales	(1,567)	(2,704)	-42.0%	(1,567)	(8,348)	-81.2%
Gross profit	1,186	1,551	-23.5%	2,006	3,430	-41.5%
Selling and distribution expenses	(103)	(121)	14.9%	(104)	(455)	-77.1%
Administrative expenses	(488)	(65)	NM	(1,987)	(128)	NM
Finance expenses	(113)	-	NM	(519)	-	NM
Other Income	(25)	-	NM	172	10	NM
Other gain / (loss)						
- Acquisition cost arising from reverse acquisition	-	(6,155)	NM	-	(6,155)	NM
- Bargain purchase	-	856	NM	-	856	NM
Profit / (loss) before income tax	457	(3,934)	NM	(432)	(2,442)	-82.3%
Income tax expense	(69)	(200)	-65.5%	(83)	(430)	-80.7%
Total comprehensive income / (loss) representing net profit / (loss) attributable to equity holders of the Company	388	(4,134)	NM	(515)	(2,872)	-82.1%
Earnings / (loss) per share attributable to equity holders of the Company						
- Basic and diluted (Cents)	0.56	(11.82)	NM	(0.75)	(8.21)	-90.9%

NM – Not Meaningful

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

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

	4th quarter ended		Change %	Financial year ended		Change %
	31-12-18	31-12-17		31-12-18	31-12-17	
	\$'000	\$'000		\$'000	\$'000	
Interest income	-	-	N.M.	-	10	N.M.
Acquisition costs arising from reverse acquisition	-	(6,155)	N.M.	-	(6,155)	N.M.
Bargain purchase on acquisition of subsidiary	-	856	N.M.	-	856	N.M.
Interest expense	(110)	-	N.M.	(466)	-	N.M.
Depreciation	(151)	-	N.M.	(605)	-	N.M.

(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31-12-18	31-12-17	31-12-18	31-12-17
	\$'000	\$'000	\$'000	\$'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current Assets				
Cash and bank balances	7,021	25,720	776	10,589
Trade and other receivables	506	370	114	4,514
Development properties	3,761	5,328	-	-
	<u>11,288</u>	<u>31,418</u>	<u>890</u>	<u>15,103</u>
Non-current Assets				
Investment in subsidiaries	-	-	20,219	20,219
Investment properties	11,563	12,166	-	-
Amount due from subsidiaries	-	-	264	-
Property, plant and equipment	6	-	6	-
	<u>11,569</u>	<u>12,166</u>	<u>20,489</u>	<u>20,219</u>
Total Assets	<u>22,857</u>	<u>43,584</u>	<u>21,379</u>	<u>35,322</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	848	17,945	14,206	27,708
Borrowings	3,325	600	-	-
Current income tax liabilities	119	509	-	-
	<u>4,292</u>	<u>19,054</u>	<u>14,206</u>	<u>27,708</u>
Non-current Liabilities				
Borrowings	8,520	13,970	-	-
	<u>8,520</u>	<u>13,970</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>12,812</u>	<u>33,024</u>	<u>14,206</u>	<u>27,708</u>
NET ASSETS/(LIABILITIES)	<u>10,045</u>	<u>10,560</u>	<u>7,173</u>	<u>7,614</u>
EQUITY				
Share capital	7,946	7,946	56,342	56,342
Treasury shares	-	-	(23)	(23)
Reverse acquisition reserve	(10,597)	(10,597)	-	-
Retained profits / (accumulated losses)	12,696	13,211	(49,146)	(48,705)
TOTAL EQUITY	<u>10,045</u>	<u>10,560</u>	<u>7,173</u>	<u>7,614</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 December 2018		As at 31 December 2017	
\$'000		\$'000	
Secured	Unsecured	Secured	Unsecured
3,325	-	600	-

Amount repayable after one year

As at 31 December 2018		As at 31 December 2017	
\$'000		\$'000	
Secured	Unsecured	Secured	Unsecured
8,520	-	13,970	-

Details of any collateral

The loans and borrowings are secured by the following:

1. First legal mortgage over property at 1 Commonwealth Lane #01-07 / #01-08 / #01-09 / #01-10 / #01-11 / #01-12 / #01-13 / #01-14 / #01-15 / #01-17 / #01-18 / #01-19 / #01-20, Singapore 149544.
2. First Legal Mortgage over property at 421 Tagore Industrial Ave #01-09 / #01-10 / #01-12, Singapore 787805.
3. First legal charge over rental proceeds account and operating account maintained with the bank.
4. First legal charge over debt service reserve account and operating account maintained with the bank.
5. Legal assignment of all rights, titles and interests in the contract, insurance, bonds, and sales proceeds in respect of the property.
6. Legal assignment of rental proceeds and rental deposits derived from the Property tenancy and all rights, titles and interests in the contract, insurance, bonds and 3-year rental support with respect to the borrower's (WBH Investment Pte Ltd) owned units at 1 Commonwealth Lane (at \$6 psf provided by the Company's controlling shareholder).
7. Corporate guarantee from Olive Tree Estates Limited for 100% of the facilities.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	4th quarter ended		For the year ended	
	31-12-18	31-12-17	31-12-18	31-12-17
	\$'000	\$'000	\$'000	\$'000
	Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities				
Net profit / (loss)	388	(4,134)	(515)	(2,872)
Adjustments for:				
Depreciation	151	-	605	-
Interest expense	110	-	466	-
Income tax expense	69	200	83	430
Interest income	-	-	-	(10)
Acquisition cost arising from reverse acquisition	-	6,155	-	6,155
Bargain purchase on acquisition of subsidiary	-	(856)	-	(856)
	718	1,365	639	2,847
Changes in working capital				
Trade and other receivables	444	(370)	(136)	4,105
Development properties	1,612	2,705	1,567	8,349
Provisions	-	-	-	249
Trade and other payables	(293)	119	(1,919)	(1,228)
Cash generated from / (used in) operations	2,481	3,819	151	14,322
Interest received	-	-	-	10
Income tax refund / (paid)	8	79	(473)	(2,545)
Net cash provided by / (used in) operating activities	2,489	3,898	(322)	11,787
Cash flows from investing activities				
Payment of deferred cash consideration to vendors	-	-	(15,178)	-
Purchase of property, plant and equipment	(1)	-	(8)	-
Net cash received from reverse takeover	-	243	-	243
Net cash (used in) / provided by investing activities	(1)	243	(15,186)	243
Cash flows from financing activities				
Drawdown of restricted cash	-	-	-	113
Proceeds from bank borrowings	-	14,570	-	14,570
Repayment of bank borrowings	(2,725)	(4,024)	(2,725)	(4,024)
Interest paid	(110)	-	(466)	-
Net cash (used in) / provided by financing activities	(2,835)	10,546	(3,191)	10,659
Net (decrease) / increase in cash and bank balances	(347)	14,687	(18,699)	22,689
Cash and bank balances at beginning of financial period / year	7,368	11,033	25,720	3,031
Cash and bank balances at end of financial period / year	7,021	25,720	7,021	25,720

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital \$'000	Reverse acquisition reserve \$'000	Retained profits \$'000	Total equity \$'000
Group 2018				
As at 1 January 2018	7,946	(10,597)	13,211	10,560
Total comprehensive income for the period	-	-	(295)	(295)
As at 31 March 2018	7,946	(10,597)	12,916	10,265
Total comprehensive income for the period	-	-	(331)	(331)
As at 30 June 2018	7,946	(10,597)	12,585	9,934
Total comprehensive loss for the period	-	-	(277)	(277)
As at 30 September 2018	7,946	(10,597)	12,308	9,657
Total comprehensive loss for the period	-	-	388	388
As at 31 December 2018	7,946	(10,597)	12,696	10,045

Group 2017

As at 1 January 2017	1,000	-	16,083	17,083
Total comprehensive income for the period	-	-	780	780
As at 31 March 2017	1,000	-	16,863	17,863
Total comprehensive income for the period	-	-	550	550
As at 30 June 2017	1,000	-	17,413	18,413
Total comprehensive loss for the period	-	-	(68)	(68)
As at 30 September 2017	1,000	-	17,345	18,345
Total comprehensive loss for the period	6,946	-	(4,134)	2,812
Issuance of shares pursuant to the RTO	-	(10,597)	-	(10,597)
As at 31 December 2017	7,946	(10,597)	13,211	10,560

	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Total equity \$'000
Company 2018				
As at 1 January 2018	56,342	(23)	(48,705)	7,614
Total comprehensive loss for the period	-	-	(126)	(126)
As at 31 March 2018	56,342	(23)	(48,831)	7,488
Total comprehensive loss for the period	-	-	(171)	(171)
As at 30 June 2018	56,342	(23)	(49,002)	7,317
Total comprehensive loss for the period	-	-	(33)	(33)
As at 30 September 2018	56,342	(23)	(49,035)	7,284
Total comprehensive income for the period	-	-	(111)	(111)
As at 31 December 2018	56,342	(23)	(49,146)	7,173
Company 2017				
As at 1 January 2017	44,372	(23)	(48,879)	(4,530)
Total comprehensive loss for the period	-	-	(161)	(161)
As at 31 March 2017	44,372	(23)	(49,040)	(4,691)
Total comprehensive loss for the period	-	-	(223)	(223)
As at 30 June 2017	44,372	(23)	(49,263)	(4,914)
Total comprehensive loss for the period	-	-	(333)	(333)
As at 30 September 2017	44,372	(23)	(49,596)	(5,247)
Total comprehensive income for the period	-	-	891	891
Issuance of shares pursuant to the RTO and the Acquisition shares issued for settlement of professional fees incurred for the RTO	11,970	-	-	11,970
As at 31 December 2017	56,342	(23)	(48,705)	7,614

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Issued and paid-up share capital \$
Total issued share capital excluding treasury shares as at 31 December 2018 and 31 December 2017	68,847,711	56,342,018

The Company has no outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. There are 2,500 shares held as treasury shares by the Company as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year and no subsidiary holdings as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2018	As at 31 December 2017
Total number of issued shares excluding treasury shares	68,847,711	68,847,711

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no sales, transfers, cancellation and/or use of treasury shares as at end of 31 December 2018.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company did not have subsidiary holdings during and as at the end of the current financial year ended 31 December 2018.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had consistently applied the same accounting policies and methods of computation in the Group's financial statement for the current financial period as those applied for the most recently audited consolidated financial statements for the financial year ended 31 December 2017.

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

In December 2017, the Accounting Standards Council issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"), which comprises standards and interpretations that are equivalent to International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of the SFRS(I) framework as described above and the new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

- SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International);
- SFRS(I) 15 Revenue from Contracts with Customers; and
- SFRS(I) 9 Financial Instruments.

The application of the above standards did not have any significant impact on the Company's and the Group's financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	4th quarter ended		For the year ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	Unaudited	Unaudited	Unaudited	Audited
Net profit/ (loss) attributable to equity holders of the Company (\$'000)	388	(4,134)	(515)	(2,872)
Weighted average number of ordinary shares in issue	68,847,711	34,973,930	68,847,711	34,973,930
Basic earnings/(loss) per share ("EPS")/ ("LPS") (\$ cents)	0.56	(11.82)	(0.75)	(8.21)
Fully dilutive EPS/(LPS) (\$ cents) basis	0.56	(11.82)	(0.75)	(8.21)

Notes:

- (1) As a result of the reverse takeover accounting, the weighted average number of ordinary shares for the 4th quarter and financial year ended 31 December 2017 is calculated using the number of ordinary shares from the beginning of the financial year to the completion of the reverse acquisition which is deemed to be the number of ordinary shares issued by the Company to the owners of the CT8.
- (2) For the 4th quarter and 12 months ended 31 December 2018, and 4th quarter and 12 months ended 31 December 2017, the basic and diluted (loss)/earnings per share of the Group were the same as there were no potential dilutive ordinary shares outstanding as at 31 December 2018 and 31 December 2017.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

Net asset value (“NAV”)

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
NAV per ordinary share ⁽¹⁾ (Cents)	14.59	15.34	10.42	11.06

Note:

- (1) NAV per ordinary share as at 31 December 2018 and 31 December 2017 was calculated based on the number of ordinary shares excluding treasury shares as at the end of the financial year. As at 31 December 2018, the number of ordinary shares (excluding treasury shares) was 68,847,711. (As at 31/12/2017: 68,847,711).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-**
 - any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of income statement of the Group for the 3 months ended 31 December 2018 (“4Q2018”) as compared to the 3 months ended 31 December 2017 (“4Q2017”) and for the financial year ended 31 December 2018 (“FY2018”) as compared to the financial year ended 31 December 2017 (“FY2017”).

Revenue

The Group’s revenue for 4Q2018 reduced by \$1.50 million or 35.3% to \$2.75 million from \$4.26 million in 4Q2017 mainly due to lesser units sold for our development properties in 4Q2018 as compared to 4Q2017. In 4Q2018, there was 1 unit with a total 2,713 square feet sold, as compared to 2 units with a total of 4,747 square feet sold in 4Q2017. The Group’s revenue for rental of its investment properties for 4Q2018 increased by \$282,000 due to the inclusion of this segment in FY2018.

The Group’s revenue for FY2018 decreased by \$8.20 million or 69.7% from \$11.78 million in FY2017 as compared to \$3.57 million in FY2018. The decrease is primarily due to lesser units of our development properties being sold in FY2018 as compared to FY2017. In FY2018, there was 1 unit with a total 2,713 square feet being sold, as compared to 6 units with a total of 14,166 square feet being sold in FY2017. The Group’s revenue for rental of its investment properties in FY2018 increased by \$1.10 million due to the inclusion of this segment in FY2018.

Cost of sales, gross profit

The Group’s cost of sales for 4Q2018 reduced by \$1.14 million or 42.0%, from \$2.70 million in 4Q2017 to \$1.57 million in 4Q2018. The decrease corresponded to the reduction in sales in 4Q2018 as compared to 4Q2017.

The Group’s cost of sales for FY2018 decreased by \$6.78 million or 81.2%, from \$8.35 million in FY2017 to \$1.57 million in FY2018. Similarly, the decrease corresponded to the reduction in sales in FY2018 as compared to FY2017.

The Group's gross profit for 4Q2018 decreased by \$365,000 or 23.5% from \$1.55 million in 4Q2017 to \$1.19 million in 4Q2018. The decrease is primarily due to lesser units of our development properties sold in 4Q2018 as compared to 4Q2017.

The Group's gross profit for FY2018 decreased by \$1.42 million or 41.5% from \$3.43 million in FY2017 to \$2.01 million in FY2018. The decrease is primarily due to lesser units of our development properties sold in FY2018 as compared to FY2017.

Other income

The Group's other income for FY2018 increased by \$162,000 to \$172,000 from \$10,000 in FY2017. Other income of \$10,000 for FY2017 relates to interest income. Other income for FY2018 amounting to \$172,000 comprises:

- Rental support income from the Company's controlling shareholder pursuant to the rental support agreement for 3 years from the date of the reverse takeover in December 2017 amounting to \$118,000.
- Forfeiture of rental deposit amounting to \$29,000.
- Discounts received from various professional parties amounting to \$25,000.

Selling and distribution expenses

Selling and distribution expenses for 4Q2018 decreased by \$18,000 or 14.9%, from \$121,000 in 4Q2017 to \$104,000 in 4Q2018. The decrease was due to a decrease in sales office expenses with the decommissioning of the sales office of our development properties segment in FY2018.

Selling and distribution expenses for FY2018 decreased by \$351,000 or 77.1%, from \$455,000 in FY2017 to \$104,000 in FY2018. The decrease was due to a decrease in sales commission of \$132,000 and legal fees of \$22,000 due to lesser units for our development properties being sold in FY2018 as compared to FY2017 and sales office expenses of \$147,000 in FY2017. There was no sales office in FY2018.

General and administrative expenses

Administrative expenses for 4Q2018 increased by \$423,000 from \$65,000 in 4Q2017 to \$488,000 in 4Q2018. The increase was due to the consolidation of the financial statements of Chiu Teng 8 Pte Ltd ("CT8"), Olive Tree Estates Limited ("OT") and WBH Investments Pte Ltd ("WBH"). For 4Q2017 and FY2017, administrative expenses related solely to CT8's administrative expenses. The increase was due to the following:

- Staff costs and related expenses increased by \$171,000
- Depreciation increased by \$151,000
- Compliance related costs increased by \$45,000
- Property taxes increased by \$25,000
- Transport and travelling increased by \$14,000
- Management Corporation Strata Title ("MCST") expenses increased by \$12,000

Administrative expenses for FY2018 increased by \$1.86 million, from \$128,000 in FY2017 to \$1.99 million in FY2018. The increase was due to the following:

- Staff costs and related expenses increased by \$720,000
- Depreciation increased by \$605,000
- Compliance related costs increased by \$311,000
- Property taxes increased by \$91,000
- Legal and professional fee increased by \$84,000
- Transport and travelling increased by \$45,000

Finance expenses

The finance expenses in 4Q2018 amounting to \$113,000 relates to bank interest on borrowings obtained by the Group during FY2018. There were no finance expenses in 4Q2017.

The finance expenses in FY2018 amounting to \$519,000 relates to bank interest on borrowings obtained by the Group during FY2018. There were no finance expenses in FY2017.

Other gains and losses

There were no other gains or losses in 4Q2018 or FY2018.

The Group recognized a one-time non-operating expense of \$6.16 million in 4Q2017 and FY2017 in relation to the acquisition cost arising from the reverse acquisition.

The Group also recognized a one-time non-operating gain of \$856,000 in relation to the bargain purchase on acquisition of WBH Investments Pte. Ltd.

Profit/(loss) before income tax

In 4Q2018, the Group had a profit before income tax of \$457,000, as compared to a loss before income tax of \$3.93 million in 4Q2017. The profit before income tax of \$457,000 for 4Q2018 is primarily due to the sale of development unit. The loss before income tax for 4Q2017 arises primarily from the one-time non-operating expense of \$6.16 million arising from the acquisition cost for the reverse acquisition.

In FY2018, the Group had a loss before income tax of \$432,000, as compared to a loss before income tax of \$2.44 million in FY2017. The loss before tax for FY2017 arises primarily from the one-time non-operating expense of \$6.16 million arising from the acquisition cost for the reverse acquisition.

Income tax expense

Income tax expense decreased by \$131,000, for 4Q2018 from \$200,000 in 4Q2017 to \$69,000 in 4Q2018 due to lower operating profit in 4Q2018.

Income tax expense decreased by \$347,000, for FY2018 from \$430,000 in FY2017 to \$83,000 in FY2018 due to lower operating profit in FY2018.

Profit/(loss) after tax

As a result of the above, net profit after tax increased by \$4.52 million from a net loss after tax of \$4.13 million in 4Q2017 to a net profit after tax of \$388,000 in 4Q2018.

As a result of the above, net loss after tax decreased by \$2.36 million from a loss after tax of \$2.87 million in FY2017 to a loss after tax of \$515,000 in FY2018.

Review of financial position of the Group as at 31 December 2018

Current assets

As at 31 December 2018, our total current assets consisted mainly of cash and cash equivalent, trade and other receivables, and development properties.

Trade and other receivables increased by \$136,000 from \$370,000 as at 31 December 2017 to \$506,000 as at 31 December 2018. This was due to the increase in trade receivables amounting to \$119,000, increase in prepayments and GST input tax amounting to \$17,000.

Development properties held for sale decreased by \$1.57 million from \$5.33 million as at 31 December 2017 to \$3.76 million as at 31 December 2018 due to the sale of development properties during FY2018.

Non-current assets

Non-current assets refer to investment properties of \$11.56 million as at 31 December 2018 which had reduced by \$603,000 from \$12.17 million as at 31 December 2017 due to depreciation.

Current liabilities

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

Trade and other payables decreased to \$848,000 as at 31 December 2018 from \$17.95 million as at 31 December 2017. The decrease of \$17.10 million was primarily due to the payment of deferred payment to vendors of CT8 amounting to \$15.18 million in relation to the reverse acquisition and acquisition of WBH, other payables to professional parties of \$1.35 million and accruals of \$571,000.

Borrowings increased by \$2.73 million from \$600,000 as at 31 December 2017 to \$3.33 million as at 31 December 2018. This was due to repayment of bank borrowing of WBH amounting to \$600,000 during the financial year. The bank borrowing of CT8 amounting to \$3.33 million was classified as current portion as it will be fully repaid in financial year ended 31 December 2019.

Provision for tax decreased by \$390,000 from \$509,000 in FY2017 to \$119,000 in FY2018 due to payment of tax.

Non-current liabilities

Non-current liabilities comprising borrowings from bank amounted to \$8.52 million as at 31 December 2018. The decrease in borrowing of \$5.45 million from \$13.97 million as at 31 December 2017 was due to repayment of the bank borrowing amounting to \$2.12 million during the financial year as one unit of the pledged development properties was sold and reclassification of \$3.33 million to current portion.

Total shareholders' equity

Total shareholders' equity as at 31 December 2018 amounted to \$10.05 million and comprised mainly share capital of \$7.95 million, reverse acquisition reserve with a debit balance of \$10.60 million and retained profit of \$12.70 million.

Share capital remained unchanged at \$7.95 million for both 31 December 2018 and 31 December 2017.

The reverse acquisition reserve remained unchanged with a debit balance of \$10.60 million for both 31 December 2018 and 31 December 2017.

Retained profits reduced by \$515,000 from \$13.21 million as at 31 December 2017 to \$12.70 million as at 31 December 2018 due to the losses from comprehensive income.

Review of cash flow statement for FY2017

For 4Q2018, the Group's net cash inflow from operating activities amounted to \$2.49 million arising mainly from sale of development properties of \$1.61 million, trade and other receivables, \$444,000, and net profit of \$388,000.

For 4Q2018, the Group's cash outflow from investing activities amounted to \$1,000 due to purchase of laptops for new employees.

For 4Q2018, the Group's cash outflow from financing activities amounted to \$2.84 million due to the repayment of bank borrowings amounting to \$2.73 million, and payment of bank interest of \$110,000.

For 4Q2018, the Group had a net cash outflow of \$347,000.

For FY2018, the Group's net cash outflow from operating activities amounted to \$322,000 arising mainly from cash used for working capital of \$488,000, payment of income tax of \$473,000 and adjusted operating profit of \$639,000.

For FY2018, the Group's cash outflow from investing activities amounted to \$15.19 million related mainly to the repayment of deferred cash consideration to the vendors of CT8 and WBH amounted to \$15.18 million in relation to the reverse acquisition of CT8 and acquisition of WBH.

For FY2018, the Group's cash outflow from financing activities amounted to \$3.19 million due to the repayment of bank borrowings amounting to \$2.73 million, and payment of bank interest of \$466,000.

For FY2018, the Group had a net cash outflow of \$18.70 million.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The global macroeconomic environment continues to face uncertainty amidst the spectre of well publicised socio-political concerns and contagion risks relating to aggressive US trade policy.

However, population growth, rapid urbanisation and growing affluence in emerging markets are expected to drive demand for residential real estate. Despite the general trend of government intervention in the form of property cooling measures and restrictions on speculation, there is still underlying demand for affordable and quality residential property from both end-user buyers and investors alike. The lack of quality affordable housing is a social issue which plagues not just developing but developed countries as well. In our view, this segment of the residential housing market is defensive and offers consistent and sustainable returns to committed developers with strong execution capabilities.

The Company continues to vigorously assess opportunities originated by its stakeholders and network of business contacts to principally offer quality affordable housing solutions and complementary support services such as early childhood education and healthcare in emerging markets which maximize positive impact to local communities by increasing social equity and promoting social capital. To this end, the Company has been actively sourcing potential development projects in countries such as Vietnam, Indonesia, Cambodia and Thailand, amongst others, to add to its project development pipeline.

On 2 October 2018, the Company announced that it had signed a memorandum of understanding with National Housing Organization Joint Stock Company (“NHO”) to build approximately 4000 homes and 500 commercial units in 4 purpose-built mixed developments across Vietnam (“OTNHO Mixed Developments”). The Company and NHO intend for the OTNHO Mixed Developments to showcase and deploy the Company’s integrated social impact solution, comprising affordable homes and a suite of accessible and customized community services. Apart from the OTNHO Mixed Developments, the Company and NHO are actively sourcing for other suitable development projects in Vietnam for the purposes of principally residential real estate development.

The Company will continue to expand its footprint through joint ventures and/or strategic alliances with reputable and like-minded local partners and domain specialists whose competencies and unique skill sets are able to enhance the Company’s integrated real estate and social impact solutions.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the fourth quarter ended 31 December 2018. The Company did not declare any dividend because it needs to conserve its cash for investment in its future property development projects.

13. Interested person transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Ng Chee Beng ¹	\$118,240	

Note:

- The interested persons transaction was pursuant to the rental support deed signed on 14 November 2017 by Mr. Ng Chee Beng as detailed in the Company’s circular to shareholders on 15 November 2017 in relation to the Reverse Takeover.

14. Confirmation pursuant to Rule 720(1) of the Catalyst Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalyst Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

The Group

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

The Group

<u>2017 (Audited)</u>	<u>Property</u>	<u>Property</u>	<u>Others</u>	<u>Total</u>
<u>Revenue</u>	<u>Development</u>	<u>Rental</u>		
Total revenue for reportable segments	11,777	-	-	11,777
Consolidated revenue	11,777	-	-	11,777
<u>Profit / (loss)</u>				
Total Profit / (loss) for reportable segments	2,857	856	(6,155)	(2,442)
Unallocated net (expenses)/income	-	-	-	-
Consolidated loss before income tax				(2,442)
<u>Assets</u>				
Total assets for reportable segments	25,718	17,559	35,586	78,863
Elimination of inter-segment assets				(35,279)
Consolidated total assets				43,584

Liabilities

Total liabilities for reportable segments	6,207	13,905	27,973	48,085
Elimination of inter-segment liabilities				(15,061)
Consolidated total liabilities				33,024

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

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

17. A breakdown of sales

	Group		
	FY2018	FY2017	Increase/ (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	543	7,522	(92.78)
(b) Operating (loss) profit after tax before deducting minority interests reported for first half year	(626)	1,330	(147.07)
(c) Sales reported for second half year	3,030	4,255	(28.79)
(d) Operating profit (loss) after tax before deducting minority interests reported for second half year	111	(4,202)	102.64

Note: Net loss of \$4.2 million for the second half of FY2017 was mainly due to the one-off non-operating expenses of acquisition cost for the reverse acquisition amounting to \$6.2 million.

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

Nil

BY ORDER OF THE BOARD
Olive Tree Estates Limited

Daniel Cuthbert Ee Hock Huat
Non-Executive Independent Chairman

Daniel Long Chee Tim
Chief Executive Officer and Executive Director

27 February 2019

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are: -

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