

OLIVE TREE ESTATES LIMITED



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

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR HALF YEAR ENDED 30 JUNE 2020

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.

	Half-year ended		Increase / (Decrease) %
	30-06-20 \$'000 Unaudited	30-06-19 \$'000 Unaudited	
Revenue	422	597	-29.3
Cost of sales	-	-	NM
Gross profit	422	597	-29.3
Administrative expenses	(1,129)	(1,017)	11.0
Finance expenses	(188)	(218)	-13.8
Other income	240	40	NM
Other losses, net	(221)	-	NM
Share of profit of associated companies	287	-	NM
(Loss) / profit before income tax	(589)	(598)	-1.5
Income tax expense	109	(9)	NM
Net (loss) / profit	(480)	(607)	-20.9
Other comprehensive loss			
Item may be classified subsequently to profit or loss:			
- Currency translation differences arising from consolidation	36	-	NM
Total comprehensive loss	(444)	(607)	-26.9

	Half-year ended		Increase / (Decrease) %
	30-06-20	30-06-19	
	\$'000 Unaudited	\$'000 Unaudited	
(Loss) / Earnings per share attributable to equity holders of the Company			
- Basic and diluted (Cents)	(0.70)	(0.88)	-20.5

NM – Not Meaningful

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

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

	Half-year ended		Change %
	30-06-20	30-06-19	
	\$'000 Unaudited	\$'000 Unaudited	
Interest income	*-	9	NM
Interest expense	(188)	(217)	-13.4
Depreciation	(303)	(302)	0.3

*Less than S\$1,000

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

	Group		Company	
	30-06-20 \$'000 Unaudited	31-12-19 \$'000 Audited	30-06-20 \$'000 Unaudited	31-12-19 \$'000 Audited
ASSETS				
Current Assets				
Cash and bank balances	1,092	2,546	596	1,114
Trade and other receivables	331	383	318	84
Deferred tax assets	120	-	-	-
Development properties	3,761	3,761	-	-
	<u>5,304</u>	<u>6,690</u>	<u>914</u>	<u>1,198</u>
Non-current Assets				
Trade and other receivables	-	-	274	274
Investment in subsidiary companies	-	-	20,219	20,219
Investment in associated companies	5,514	3,828	5,115	3,752
Investment properties	10,658	10,960	-	-
Financial assets, at fair value through profit or loss ("FVPL")	1,797	1,035	1,797	1,035
Plant and equipment	3	4	3	4
	<u>17,972</u>	<u>15,827</u>	<u>27,408</u>	<u>25,284</u>
Total Assets	<u>23,276</u>	<u>22,517</u>	<u>28,322</u>	<u>26,482</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	2,986	1,790	3,583	1,423
Borrowings	1,184	1,184	-	-
Current income tax liabilities	96	89	-	-
	<u>4,266</u>	<u>3,063</u>	<u>3,583</u>	<u>1,423</u>
Non-current Liabilities				
Borrowings	10,661	10,661	-	-
	<u>10,661</u>	<u>10,661</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>14,927</u>	<u>13,724</u>	<u>3,583</u>	<u>1,423</u>
NET ASSETS	<u>8,349</u>	<u>8,793</u>	<u>24,739</u>	<u>25,059</u>
EQUITY				
Share capital	7,946	7,946	56,342	56,342
Treasury shares	-	-	(23)	(23)
Reverse acquisition reserve	(10,597)	(10,597)	-	-
Foreign currency translation reserve	34	(2)	-	-
Retained profits / (accumulated losses)	10,966	11,446	(31,580)	(31,260)
TOTAL EQUITY	<u>8,349</u>	<u>8,793</u>	<u>24,739</u>	<u>25,059</u>

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

Amount repayable in one year or less, or on demand

As at 30 June 2020		As at 31 December 2019	
\$'000		\$'000	
Secured	Unsecured	Secured	Unsecured
1,184	-	1,184	-

Amount repayable after one year

As at 30 June 2020		As at 31 December 2019	
\$'000		\$'000	
Secured	Unsecured	Secured	Unsecured
10,661	-	10,661	-

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.

	For the half-year ended	
	30-06-20	30-06-19
	\$'000	\$'000
	Unaudited	Unaudited
Cash flows from operating activities		
Net loss	(480)	(607)
Adjustments for:		
Depreciation	303	302
Interest expense	188	217
Income tax expense	(109)	9
Interest income	-	(9)
Fair value gain on financial assets, at FVPL	(29)	-
Loss allowance on deposit paid	265	-
Share of profits of associated companies	(287)	-
	<hr/>	<hr/>
	(149)	(88)
Changes in working capital		
Trade and other receivables	(213)	144
Trade and other payables	194	449
	<hr/>	<hr/>
Cash generated (used in) / from operations	(168)	505
Interest received	-	9
Income tax paid	(4)	(101)
	<hr/>	<hr/>
Net cash (used in) / provided by operating activities	(172)	413
Cash flows from investing activities		
Additional investment in associated companies	(1,363)	(3,752)
Additional financial asset, at FVPL	(733)	(1,062)
	<hr/>	<hr/>
Net cash used in investing activities	(2,096)	(4,814)
Cash flows from financing activities		
Loan proceed from a director	500	-
Loan proceed from a shareholder	500	-
Interest paid	(186)	(217)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	814	(217)
Net decrease in cash and bank balances	(1,454)	(4,618)
Cash and bank balances at beginning of financial period / year	2,546	7,021
	<hr/>	<hr/>
Cash and bank balances at end of financial period	1,092	2,403
	<hr/>	<hr/>

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	Foreign currency translation reserve \$'000	Retained profits \$'000	Total equity \$'000
Group 2020					
As at 1 January 2020	7,946	(10,597)	(2)	11,446	8,793
Total comprehensive loss for the period	-	-	36	(480)	(444)
As at 30 June 2020	7,946	(10,597)	34	10,966	8,349

Group 2019

As at 1 January 2019	7,946	(10,597)	-	12,696	10,045
Total comprehensive loss for the period	-	-	-	(607)	(607)
As at 30 June 2019	7,946	(10,597)	-	12,089	9,438

	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Total equity \$'000
Company 2020				
As at 1 January 2020	56,342	(23)	(31,260)	25,059
Total comprehensive loss for the period	-	-	(320)	(320)
As at 30 June 2020	56,342	(23)	(31,580)	24,739

Company 2019

As at 1 January 2019	56,342	(23)	(49,146)	7,173
Total comprehensive loss for the period	-	-	18,166	18,166
As at 30 June 2019	56,342	(23)	(30,980)	25,339

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 30 June 2020 and 31 December 2019	68,847,711	56,342,018

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

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

	As at 30 June 2020	As at 31 December 2019
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 30 June 2020.

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 period ended 30 June 2020.

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

The figures have not been audited nor reviewed by the Company's independent auditor.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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 2019.

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.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretation ("SFRS(I) INT") that are mandatory for application for the financial period.

The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in substantial changes to the Group's accounting policies and had no material effect on the amount reported for current or prior financial period.

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.

	Half-year ended	
	30/06/2020	30/06/2019
	Unaudited	Unaudited
Net (loss)/ attributable to equity holders of the Company (\$'000)	(480)	(607)
Weighted average number of ordinary shares in issue	68,847,711	68,847,711
Basic and diluted loss / earnings per share (cents)	(0.70)	(0.88)

Note:

As there were no outstanding potentially dilutive ordinary shares, the diluted loss / earnings per ordinary share were accordingly the same as the basic loss / earnings per ordinary share for the respective financial period.

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

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

Net asset value (“NAV”)

	Group		Company	
	30-June-20	31-Dec-19	30-June-20	31-Dec-19
NAV per ordinary share ⁽¹⁾ (Cents)	12.13	12.77	35.93	36.40

Note:

- (1) NAV per ordinary share as at 30 June 2020 and 31 December 2019 was calculated based on the number of ordinary shares excluding treasury shares as at the end of the financial year. As at 30 June 2020, the number of ordinary shares (excluding treasury shares) was 68,847,711. (As at 31/12/2019: 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 for the half-year ended 30 June 2020 (“HY2020”) as compared to the half-year ended 30 June 2019 (“HY2019”).

Revenue

The Group revenue for HY2020 decreased by \$0.18 million or 29.3% as compared to HY2019 as there are 3 vacant units at One Commonwealth pending to be leased. In HY2019, all units were leased out. Rental rebates of 15% effective April 2020 that have been mutually agreed with the tenants to assist with Government mandated lock-down due to COVID-19 measures have also reduced the Group’s revenue. There were no sales of development properties for both half-year.

Cost of sales, gross profit

There was no cost of sales for both half-year as there were no sales in the property development segment.

The gross profit arises solely from rental income.

Administrative expenses

Administrative expenses increased by \$0.11 million from \$1.02 million in HY2019 to \$1.13 million in HY2020. This is mainly due to increase in salary staff of \$34,000 on additional head count, increase in audit fees for coverage of associate companies of \$17,000 and bank term loan facility fees of \$30,000 for the subsidiary companies.

Finance expenses

Finance expenses decreased by \$30,000 from \$0.22 million in HY2019 to \$0.19 million in HY2020 due mainly to lower interest rate. The interest expense for June 2020 includes interest arising from the loans extended by inter alia, a director and a shareholder to the Company of \$2,000.

Other income

Other income for HY2020 increased by \$0.20 million as compared to HY2019 due mainly to the Job Support Scheme of \$57,000 and 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 \$0.18 million.

Other losses, net

Other losses consist mainly of provision for the deposit paid for Kempas land of \$0.27 million in view of the project delay due in part to an assessment of economic and market conditions for the development of industrial properties in Johor, Malaysia, offset by foreign exchange gain from the strengthening of USD and fair value gains from the valuation of the financial assets (convertible loans) in the associate companies.

Share of profits from associated companies

Share of profit from associated companies of \$0.29 million consist mainly gain on amortization of convertible loans issued by the associate companies.

Loss before income tax

Due to the above, the Group recorded a loss before income tax of \$0.59 million in HY2020, as compared to a loss before income tax of \$0.60 million in HY2019.

Income tax expense

The income tax credit of \$0.11 million is due mainly to the recognition of deferred tax assets of \$0.12 million from the tax losses carried forward which is used to offset against the profit from the future sale of development property.

Net loss

As a result of the above, the Group's net loss in FY2020 was \$0.59 million as compared to net loss of \$0.61 million in FY2019.

Review of financial position of the Group as at 30 June 2020

Current assets

As at 30 June 2020, our total current assets consisted mainly of cash and bank balances, trade and other receivables, deferred tax assets and development properties.

Trade and other receivables decreased by \$52,000 from \$0.38 million as at 31 December 2019 to \$0.33 million as at 30 June 2020. This was due to the loss allowance for deposit paid for the Kempas land of \$0.27 million and partly offset by the increase in trade receivables amounting to \$0.18 million.

Deferred tax assets of \$0.12 million is recognised from the tax losses carried forward which is used to offset against the profit from the future sale of development property.

There is no change in development properties held for sale as at 30 June 2020 and 31 December 2019.

Non-current assets

Non-current assets refer to investment properties, property, plant and equipment, investment in associated companies and financial assets, at FVPL.

Investment properties decreased by \$0.30 million from \$10.96 million as at 31 December 2019 to \$10.66 million as at 30 June 2020 due to depreciation charged for the financial period.

Investments in associated companies increased by \$1.68 million from \$3.83 million as at 31 December 2019 to \$5.51 million as at 30 June 2020 due mainly to investments in Thuan An 2 National Housing Organization Joint Stock Company ("NHO TA2") and Hong Bang 2 National Housing Organization Joint Stock Company ("NHO HB2").

Financial assets, at FVPL increased by \$0.76 million from \$1.04 million as at 31 December 2019 to \$1.80 million as at 30 June 2020 due to the investment in NHO TA2 and fair value gain of \$29,000.

Current liabilities

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

Trade and other payables increased by \$1.20 million from \$1.79 million as at 31 December 2019 to \$2.99 million as at 30 June 2020. The increase of \$1.20 million was due mainly to loans from (inter alia, a director and a shareholder of the Company) amounting to \$1.00 million.

Total shareholders' equity

Total shareholders' equity as at 30 June 2020 amounted to \$8.35 million and comprised mainly share capital of \$7.95 million, reverse acquisition reserve with a debit balance of \$10.60 million, foreign currency translation reserve of \$0.03 million and retained profits of \$10.97 million.

Share capital remained unchanged at \$7.95 million for both 30 June 2020 and 31 December 2019.

The reverse acquisition reserve remained unchanged with a debit balance of \$10.60 million for both 30 June 2020 and 31 December 2019.

Retained profits reduced by \$0.48 million from \$11.45 million as at 31 December 2019 to \$10.97 million as at 30 June 2020 due to net loss for the year.

Review of cash flow statement for HY2020

For HY2020, the Group's net cash outflow from operating activities amounted to \$0.17 million arising mainly from adjusted net loss of \$0.15 million and trade and receivables of \$0.21 million, offset by trade and other payable of \$0.19 million which included a 30% deferred staff salary and director fee payment effective from April 2020.

For HY2020, the Group's net cash outflow from investing activities amounted to \$2.10 million arising from additional investment in associated companies and financial assets at FVPL to the associated companies.

For HY2020, the Group's net cash inflow from financing activities amounted to \$0.81 million arising from loans (inter alia, from a director and a shareholder of the Company) amounting to \$1.00 million net of bank interest expense paid.

For HY2020, the Group had a net cash outflow of \$1.45 million.

There was a technical breach of the debt service coverage ratio (which is a loan covenant) with regards to a loan extended by a bank to one of the Company's subsidiaries (WBH Investments Pte Ltd). The Company has consistently serviced the monthly interest repayments without delay

and continues to do so. The bank has noted the technical non-compliance and remains supportive of the Company's business. The Company plans to enter into discussions with the bank to refinance the loan on acceptable terms.

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 faces significant uncertainty amidst the spectre of increasing trade tension between the US and China, concerns over the impact of Brexit, regional/geo sociopolitical issues and competing claims in the South China Sea. Business and consumer sentiment as well as economic activity have also been weighed down as a result of the ongoing COVID-19 pandemic. Even some countries (such as Australia, Hong Kong, Japan, South Korea and Vietnam) which had initial success containing COVID-19 via nation-wide lockdowns and strict social distancing protocols, have seen a spike by way of wave 2 community infections. With reports that vaccines for COVID-19 may only be available at the end of 2021 and concerns that the virus may mutate over time, it is our expectation that the situation relating to COVID-19 will remain fluid and volatile for the foreseeable future. By extension, global economic growth and business sentiment in the immediate future are also likely to be muted.

From a longer-term perspective, population growth, rapid urbanisation and steadily growing affluence in regional emerging markets are expected to support demand for residential real estate in general, with strong underlying demand for affordable and quality residential property from both end-user buyers and investors. In this regard and undergirded by an increasingly robust and resilient economy and foreign direct investment flows in Vietnam, the Company remains cautiously optimistic about its foray into the affordable housing market in the country.

On 6 February 2020, the Company announced that it had entered into various definitive investment agreements with National Housing Organization Joint Stock Company ("NHO") and Emerging Markets Affordable Housing Fund Pte Ltd ("EMAHF") for the purposes of acquiring 1.3 hectares of land in Binh Duong province, Vietnam to build circa 1,100 affordable housing units.

On 2 June 2020, the Company announced that further to the Covenant Partnership Agreement entered into by the Company on 18 March 2019, the Company, a special-purpose investment vehicle of NHO and EMAHF had entered into various definitive investment agreements for the purposes of acquiring 2.2 hectares of land in Hai Phong province, Vietnam to build circa 1,300 affordable housing units ("Hai Phong Project").

The Company's contribution to the Hai Phong Project is an investment of approximately US\$1 million. Together with its earlier investments in the Dao Tri Project, the Binh Duong Project, the Ha Long Project and the 1.3ha Binh Duong Project, the Company would have invested a total of approximately US\$5.8 million in these 5 projects across Vietnam.

Underpinned by Vietnam's positive macro-economic prospects and growth profile, a growing middle-class and strong underlying demand for quality affordable housing, the Company expects these investments to make a favourable contribution to the growth of the Company going forward. The Dao Tri Project, the Binh Duong Project, the Ha Long Project, the 1.3ha Binh Duong Project and the Hai Phong Project are expected to yield approximately 6,100 affordable homes and more than 250 commercial units in purpose-built mixed-developments across Vietnam ("OTENHO Mixed Developments").

Barring unforeseen circumstances, the Company plans to launch sales for its apartment units at the Ha Long Bay Project and the Hai Phong Project by the end of 2020. The Company is cautiously optimistic about the above-mentioned sales launches but recognizes that buyer sentiment will be guided by how successful the Vietnamese government's efforts to contain the impact of wave 2 community infections are.

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

The Company will remain nimble and continues to actively assess opportunities originated by our stakeholders and network of business associates to principally offer social and affordable housing solutions in emerging markets such as Indonesia, Cambodia and Thailand which transform lives and deliver positive impact to local communities. In Vietnam, the Company continues to work actively with NHO to source potential development projects.

The Company is also seeking to expand its business, influence and impact by entering into joint ventures and/or strategic alliances with reputable and like-minded local partners and domain specialists (in such areas as early childhood education, healthcare and social services). The Company hopes to leverage on their competencies to enhance its ability to be a positive force for change through the provision of affordable quality housing as the bedrock of its social impact solutions by embedding localised, customized and contextualized community development elements and amenities.

Amidst the uncertainty brought about by the COVID-19 pandemic and resultant impact on global economic conditions, the Company will seek to ensure that it has sufficient debt headroom and adequate liquidity. With the Company's focus on the provision of mass-market affordable housing in fast-growing emerging markets, greater effort will be put into rationalizing the Company's real estate portfolio in Singapore. As regards the Company's portfolio of industrial B1 properties in Singapore, investment property valuations are conducted annually and reported at the end of the financial year. At the moment, with ample liquidity in the markets and significant support for businesses and jobs from the Singapore government, there are no clear indications that real estate valuations have been materially affected by the ongoing pandemic. The Board will perform an impairment assessment on property, plant and equipment at the end of the financial year based on the then prevailing conditions.

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/recommendeded, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the half-year ended 30 June 2020, as the Company intends to reserve its available cash for the purposes of further investments in its target markets.

13. Interested person transactions

In HY2020, there was an interested person transaction involving Mr Ng Chee Beng amounting to \$176,057 pursuant to a rental support deed signed on 14 November 2017 as detailed in the Company's circular to shareholders on 15 November 2017 in relation to the Reverse Takeover. The Group does not have a general mandate from shareholders for IPTs under Rule 920(1)(a)(ii).

A director and shareholder of the Company, Mr Daniel Long Chee Tim has extended a loan of S\$500,000 to the Company which incurred an interest amount of \$1,332 as of 30 June 2020, pursuant to a loan agreement signed on 29 May 2020. The loan agreement provided up to \$1.25 million that can be extended to the Company on unsecured terms at a fixed market interest rate.

A shareholder of the Company, Mr Terrance Tan Kong Hwa has also extended a loan of S\$500,000 to the Company which incurred an interest of \$1,332 as of 30 June 2020, pursuant to a loan agreement signed on 29 May 2020. The loan agreement provided up to \$1.25 million that can be extended to the Company on unsecured terms at a fixed market interest rate.

There were no interested person transactions of more than S\$100,000 in HY2019.

14. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

Having considered, but including but not limited to the following:

- whether the financial statements provide a balance and fair value view of any material factors that have affected the Company's business conditions and financial position, and
- all material information has been assessed to ensure reliability of the financial statement,

we, Daniel Ee Hock Huat and Daniel Long Chee Tim, being two Directors of Olive Tree Estates Limited hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year ended 30 June 2020 to be false or misleading in any material respect.

15. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

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

BY ORDER OF THE BOARD
Olive Tree Estates Limited

Daniel Cuthbert Ee Hock Huat
Non-Executive Independent Chairman

Daniel Long Chee Tim
Chief Executive Officer and Executive Director

12 August 2020

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.

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