

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

**Condensed interim financial statements
For the six months ended 30 June 2021**

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

	Note	6 months ended 30 June 2021	6 months ended 30 June 2020	Increase/Decrease
		Unaudited	Unaudited	%
		S\$'000	S\$'000	
Revenue	4	2,066	422	390%
Cost of Sales	6	(1,222)	-	NM
Gross Profit		844	422	100%
Other Income	5	36	240	-85%
Selling and distribution expenses	6	(50)	-	NM
Administrative Expenses	6	(1,058)	(1,129)	-6%
Finance Expenses	8	(146)	(188)	-22%
Other losses, net	9	(87)	(221)	-61%
Share of profit of associated companies		(15)	287	-105%
Loss before income tax		(476)	(589)	-19%
Income tax (expense) / credit	10	(76)	109	-170%
Net loss		(552)	(480)	15%
Other comprehensive loss				
Item may be classified subsequently to profit or loss: - Currency translation differences arising from consolidation		60	(4)	-1634%
Total comprehensive loss		(492)	(484)	
(Loss) / Earnings per share attributable to equity holders of the Company				
- Basic and diluted (cents)		(0.80)	(0.70)	

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

Condensed Interim Consolidated Statement of Financial Position

	Note	Group		Increase/decrease %
		30 June 2021	31 Dec 2020	
		Unaudited	Audited	
		S\$'000	S\$'000	
ASSETS				
Current assets				
Cash and bank balances		2,954	1,781	66%
Trade and other receivables	12	191	204	-6%
Deferred tax assets		-	60	NM
Development properties	13	-	1,222	NM
		3,145	3,267	
Non-current assets				
Trade and other receivables	12	400	378	6%
Investments in associated companies	15	4,941	4,895	1%
Investment properties	16	10,055	10,356	-3%
Financial assets, at fair value through profit or loss ("FVPL")	17	2,461	1,555	58%
Plant and equipment		-	1	NM
		17,857	17,185	
Total assets		21,002	20,452	
LIABILITIES				
Current liabilities				
Trade and other payables	18	1,722	3,844	-55%
Borrowings	19	520	1,827	-100%
Current income tax liabilities		35	44	-21%
		2,277	5,715	
Non-current liabilities				
Borrowings	19	12,148	7,668	65%
Total Liabilities		14,425	13,383	
NET ASSETS		6,577	7,069	
EQUITY				
Share capital	20	7,946	7,946	0%
Reverse acquisition reserve	21	(10,597)	(10,597)	0%
Currency translation reserve		(21)	(81)	-76%
Retained profits		9,249	9,801	-6%
TOTAL EQUITY		6,577	7,069	
NET ASSET VALUE PER SHARE (cents)		9.55	10.27	

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

Condensed Interim Statements of Financial Position

	Note	Company		Increase/ decrease %
		30 June 2021	31 Dec 2020	
		Unaudited S\$'000	Audited S\$'000	
ASSETS				
Current assets				
Cash and bank balances		127	559	-77%
Trade and other receivables	12	92	114	-20%
		219	673	
Non-current assets				
Trade and other receivables	12	400	378	10%
Investment in subsidiary corporations	14	4,219	20,219	NM
Investments in associated companies	15	4,919	4,919	NM
Financial assets, at fair value through profit or loss ("FVPL")	17	2,461	1,555	58%
Plant and equipment		0	1	NM
		11,999	27,072	
Total assets		12,218	27,745	
LIABILITIES				
Current liabilities				
Trade and other payables	18	5,308	4,241	25%
		5,308	4,241	
NET ASSETS		6,910	23,504	
EQUITY				
Share capital	20	56,342	56,342	NM
Treasury shares	20	(23)	(23)	NM
Retained profits / Accumulated losses		(49,409)	(32,815)	51%
TOTAL EQUITY		6,910	23,504	
NET ASSET VALUE PER SHARE (cents)		10.04	34.14	

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

Condensed Interim Statements of Changes in Equity

Group Condensed Interim Statements of Changes in Equity

	Share capital	Reserve acquisition reserve	Foreign currency translation	Retained profits*	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2021					
Balance at 1 January 2021	7,946	(10,597)	(81)	9,801	7,069
Total comprehensive loss for the period	-	-	60	(552)	(492)
Balance at 30 June 2021	7,946	(10,597)	(21)	9,249	6,577
2020					
Balance at 1 January 2020	7,946	(10,597)	(3)	11,446	8,792
Total comprehensive loss for the period	-	-	37	(480)	(443)
Balance at 30 June 2020	7,946	(10,597)	34	10,966	8,349

*Retained profits of the Group are fully distributable.

Company Interim Statements of Changes in Equity

	Share capital	Treasury shares	Retained profits*	Total equity
	S\$'000		S\$'000	S\$'000
2021				
Balance at 1 January 2021	56,342	(23)	(32,815)	23,504
Total comprehensive loss for the period	-	-	(16,594)	(16,594)
Balance at 30 June 2021	56,342	(23)	(49,409)	6,910
2020				
Balance at 1 January 2020	56,342	(23)	(31,260)	25,059
Total comprehensive loss for the period	-	-	(320)	(320)
Balance at 30 June 2020	56,342	(23)	(31,580)	24,739

Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		6 months ended 30 June 2021	6 months ended 30 June 2020
		S\$'000	S\$'000
Cash flows from operating activities			
Net loss		(552)	(480)
Adjustments for:			
Depreciation of investment properties	6	301	301
Depreciation of plant and equipment	6	1	2
Fair value loss/ (gain) on financial assets, at FVPL	9	86	(29)
Share of (profits) / loss of associated companies		15	(287)
Other receivable written off	9	-	265
Unrealised exchange (gain)/ losses		(3)	(2)
Interest expense	8	146	188
Income tax expense / (credit)	10	76	(109)
Amortisation of interest income of non-current receivables		(4)	-
		66	(151)
Changes in working capital			
Trade and other receivables		(3)	(213)
Development properties		1,222	-
Trade and other payables		(596)	194
Cash generated from / (used in) operations		689	(170)
Income tax paid		(25)	(4)
Net cash provided/(used in) by operating activities		664	(174)
Cash flows from investing activities			
Additions to financial asset, at FVPL	17	(992)	(733)
Additions to investment in associated companies		-	(1,167)
Loan to an associated company		-	(196)
Net cash used by investing activities		(992)	(2,096)
Cash flows from financing activities			
Loan from Director		(763)	500
Loan from Shareholder		(763)	500
Additional borrowing		5,000	-
Repayment of bank borrowings		(1,827)	-
Interest paid		(146)	(185)
Net cash provided by financing activities		1,501	815
Net increase/(decrease) in cash and bank balances		1,173	(1,455)
Beginning of financial period		1,781	2,546
End of financial period		2,954	1,091

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

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

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

1 General information

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

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

The principal activity of the Company is that of investment holding. The principal activities of its subsidiary corporations are disclosed in Note 14.

2 Significant accounting policies

Basis of preparation

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

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

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

3 Critical accounting estimates, assumptions and judgements

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

(a) Significant influence over associated companies

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

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

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(b) Impairment of investment in associated companies

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

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

4 Revenue

	6 Months ended 30 June 2021 S\$'000	<u>Group</u> 6 Months ended 30 June 2020 S\$'000
Rental income	491	422
Sale of completed development properties	1,575	-
	<u>2,066</u>	<u>422</u>

5 Other income

	6 Months ended 30 June 2021 S\$'000	<u>Group</u> 6 Months ended 30 June 2020 S\$'000
Rental support income from controlling shareholder	-	176
Amortised interest income from loan to associated company	4	-
Grant income	32	64
	<u>36</u>	<u>240</u>

6 Expenses by nature

	6 Months ended 30 June 2021 S\$'000	<u>Group</u> 6 Months ended 30 June 2020 S\$'000
Cost of development properties sold	1,222	-
Depreciation of investment properties (Note 16)	301	301
Depreciation of plant and equipment	1	2
Directors' fee	73	73
Director's remuneration	96	96
Employee compensation (Note 7)	297	343
Fee on audit services paid /payable to:		
- Auditor of the Company	42	58
- Other auditors	9	6
Legal and professional fees	7	7
Maintenance and sinking fund	14	23
Property tax	54	28
Selling and marketing	50	-
Sponsorship fee	30	38
Others	134	154
Total cost of sales, selling and distribution and administrative expenses	<u>2,330</u>	<u>1,129</u>

7 Employee compensation

	6 Months ended 30 June 2021 S\$'000	<u>Group</u> 6 Months ended 30 June 2020 S\$'000
Salaries	274	317
Employer's contribution to defined contribution plans including Central Provident Fund	17	26
Other short-term benefits	6	-
	<u>297</u>	<u>343</u>

8 Finance expenses

	6 Months ended 30 June 2021 S\$'000	<u>Group</u> 6 Months ended 30 June 2020 S\$'000
Interest expense on bank borrowings	140	186
Interest expense on loan from a director	3	1
Interest expense on loan from a shareholder	3	1
	<u>146</u>	<u>188</u>

The lower interest expense in 2020 from loan from director and shareholder was because the loan was drawn down in early June 2020.

9 Other losses, net

	6 Months ended 30 June 2021 S\$'000	<u>Group</u> 6 Months ended 30 June 2020 S\$'000
Currency exchange (losses)/ gains – net	(1)	15
Fair value (losses)/ gains on financial assets, at FVPL	(86)	29
Other receivable written off	-	(265)
	<u>(87)</u>	<u>(221)</u>

The other receivable write off of \$0.27 million is for the deposit paid for the purchase of Kempas land as the agreement in relation to the project to develop the Kempas land had lapsed,

10 Income taxes

	6 Months ended 30 June 2021 S\$'000	<u>Group</u> 6 Months ended 30 June 2020 S\$'000
Tax expense attributable to profit or loss is made up of:		
Profit for the financial year - Current income tax	(16)	-
Under provision of current income tax in prior financial years	-	(11)
	<u>(16)</u>	<u>(11)</u>
Deferred income tax	(60)	120
	<u>(76)</u>	<u>109</u>

11 Loss per share

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

The basic and diluted loss per share for the 6 months financial periods ended 30 June 2021 and 30 June 2020 are the same as there were no potential dilutive ordinary shares in existence for the 6 months period ended 30 June 2021 and 30 June 2020.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the 6 months period ended 30 June 2021 and 30 June 2020:

	6 Months ended 30 June 2021	<u>Group</u> 6 Months ended 30 June 2020
Net loss for the financial year attributable to equity holders of the Company (S\$'000)	<u>(552)</u>	<u>(480)</u>
Weighted average number of ordinary shares outstanding for basic and diluted loss per share computation (S\$'000)	<u>68,848</u>	<u>68,848</u>
Basic and diluted loss per share (cents)	<u>(0.80)</u>	<u>(0.70)</u>

12 Trade and other receivables

	30 June 2021 S\$'000	<u>Group</u> 31 December 2020 S\$'000
Current		
Trade receivables - Non-related parties	105	87
Other receivables		
- Controlling shareholder	54	84
- Non-related parties	-	14
GST receivables	4	-
Grant receivables	-	10
Deposits	13	2
Prepayments	15	7
	<u>191</u>	<u>204</u>
Non-current		
Other receivables - Controlling shareholder	230	215
Loan to associated company	170	163
	<u>400</u>	<u>378</u>

	30 June 2021 S\$'000	<u>Company</u> 31 December 2020 S\$'000
Other receivables:		
- Non-related parties	-	14
- Controlling shareholder	54	84
- Subsidiaries	6	-
	60	98
GST receivable	4	-
Grant receivables	-	10
Prepayments	15	6
Deposits	13	-
	<u>92</u>	<u>114</u>
Non-current		
Other receivables		
- Loan to associated company	170	163
- Controlling shareholder	230	215
	<u>400</u>	<u>378</u>

Current

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

Non-current

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

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12 Trade and other receivables (continued)

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

13. Development properties

	30 June 2021 S\$'000	Group 31 December 2020 S\$'000
Properties held for sale	-	1,222

At 31 December 2020, the development properties held by the Group are 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 Industrial Avenue	4 storey multi user industrial building	Freehold	17 June 2015	02 September 2015	4,325	8,650

The development properties are pledged as security for the Group's bank borrowings (Note 19) of as at 30 June 2021 is NIL (2020: S\$975,000).

14. Investments in subsidiary corporations

	30 June 2021 S\$'000	<u>Company</u> 31 December 2020 S\$'000
Equity investments at cost	20,219	20,219
Less : accumulated impairment loss	(16,000)	-
Equity investments net of impairment	<u>4,219</u>	<u>20,219</u>

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

The Company has the following subsidiary corporations as at 30 June 2021 and 31 December 2020.

<u>Name of subsidiary corporations</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	Proportion of ordinary shares held by the Company	
			2021 %	2020 %
<u>Held by the Company</u>				
Chiu Teng 8 Pte Ltd ("CT8") (a)	Property development	Singapore	100	100
WBH Investments Pte Ltd (a)	Investment properties holdings and rental	Singapore	100	100
Tree Top Realty Sdn Bhd (b)	Property development	Malaysia	100	100

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

(b) Audited by Nexia SSY, Malaysia, a member firm of Nexia International.

15 Investment in associated companies

	30 June 2021 S\$'000	<u>Group</u> 31 December 2020 S\$'000
Equity investments, at cost	<u>4,941</u>	<u>4,895</u>
	30 June 2021 S\$'000	<u>Company</u> 31 December 2020 S\$'000
Equity investments, at cost	<u>4,919</u>	<u>4,919</u>

The Company has the following associated companies as at 30 June 2021 and 31 December 2020:

<u>Name of associated companies</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	Proportion of ordinary shares held by the Company	
			2021 %	2020 %
JME Investment Pte Ltd ("JMEI") ^(a)	Property development	Singapore	13.33	13.33
Bai Chay National Housing Organization Joint Stock Company ("NHO BC") ^(b)	Property development	Vietnam	8.17	8.17
National Housing Organization – Phu My 2 Joint Stock Company ("NHO PM2") ^(b)	Property development	Vietnam	8.17	8.17
Thuan Ann 2 National Housing Organization Joint Stock Company ("NHO TA2") ^(b)	Property development	Vietnam	8.17	8.17
Hong Bang 2 National Housing Organization Joint Stock Company ("NHO HB2") ^(b)	Property development	Vietnam	8.17	8.17

(a) Audited by Ernst & Young Singapore.

(b) Audited by BDO Vietnam.

The Group has significant influence over these entities.

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

16. Investment properties

	30 June 2021 S\$'000	<u>Group</u> 31 December 2020 S\$'000
<i>Cost</i>		
Beginning and end of financial year	<u>12,166</u>	<u>12,166</u>
<i>Accumulated depreciation</i>		
Beginning of financial year	1,810	1,206
Depreciation charge (Note 6)	<u>301</u>	<u>604</u>
End of financial year	<u>2,111</u>	<u>1,810</u>
Net book value		
End of financial year	<u>10,055</u>	<u>10,356</u>
Fair value		
End of financial year	<u>11,530</u>	<u>11,530</u>

The investment properties are pledged as security for the Group's bank borrowings (Note 19) of S\$7,668,000 as at 30 June 2021 (2020: S\$8,520,000).

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

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

The following amounts are recognised in profit or loss for the 6 months ended 30 June 2021 and 2020:

	6 Months ended 30 June 2021 S\$'000	<u>Group</u> 6 Months ended 30 June 2020 S\$'000
Rental income (Note 4)	491	422
Direct operating expenses arising from rental generating investment properties	<u>84</u>	<u>28</u>

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

	<u>Group and Company</u>	
	30 June 2021 S\$'000	31 December 2020 S\$'000
Beginning of financial year	1,555	1,035
Addition	992	733
Fair value losses (Note 9)	(86)	(213)
End of financial year	2,461	1,555
 <u>Non-current</u>		
Non-listed debt instrument		
- Convertible loans	2,461	1,555

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

18. Trade and other payables

	<u>Group</u>	
	30 June 2021 S\$'000	31 December 2020 S\$'000
Trade payables	4	-
Accrued operating expenses	90	383
Other payables		
- Non-related parties	314	389
- Director	-	763
- Shareholder	-	763
Unutilised sponsorship	1,207	1,251
GST payables	9	209
Advance rental receipt	98	86
	1,722	3,844

	<u>Company</u>	
	30 June 2021 S\$'000	31 December 2020 S\$'000
Other payables		
- Non-related parties	10	130
- Subsidiary corporations	4,026	1,016
- Director	-	763
- Shareholder	-	763
	4,036	2,672
Unutilised sponsorship	1,207	1,251
Accrued operating expenses	65	316
GST payables	-	2
	5,308	4,241

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

18. Trade and other payables (continued)

Loan from a director and a shareholder are non-trade, unsecured, bearing interest at 3.25% per annum and payable on demand

19. Borrowings

	2021	Group	2020
	S\$'000		S\$'000
<i>Bank borrowings</i>			
- Current	520		1,827
- Non-current	12,148		7,668
Total borrowings	<u>12,668</u>		<u>9,495</u>

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

	2021	Group	2020
	S\$'000		S\$'000
Less than one year	<u>12,668</u>		<u>9,495</u>

Securities granted

Secured bank borrowings amounting to S\$7,668,000 as at 30 June 2021 (2020: S\$9,495,000) were secured by the followings:

- (i) Corporate guarantee from the Company;
- (ii) A first legal mortgage to be executed over the development properties (Note 13) and investment properties (Note 16);
- (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).

20 Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
	'000	'000	S\$'000	S\$'000
Group				
2021				
Beginning and end of financial year	<u>68,848</u>	<u>(3)</u>	<u>7,946</u>	<u>-</u>
2020				
Beginning and end of financial year	<u>68,848</u>	<u>(3)</u>	<u>7,946</u>	<u>-</u>

20 Share capital and treasury shares (continued)

Company

2021

Beginning and end of financial year	<u>68,848</u>	<u>(3)</u>	<u>56,342</u>	<u>(23)</u>
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2020

Beginning and end of financial year	<u>68,848</u>	<u>(3)</u>	<u>56,342</u>	<u>(23)</u>
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The equity structure (i.e. the number and type of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition.

The amount of the Group's share capital differs from that of the Company as a result of reverse acquisition accounting on 11 December 2017.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The newly issued shares rank pari passu in all respects with the previously issued shares.

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

Treasury shares

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

21 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.

This reserve is non-distributable.

22 Segment information

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

Management considers the business from both a geographical and business segment perspective. The Group has 3 reportable operating segments: investment, property development and property rental, which currently operate only in Singapore as the Group's property development in Malaysia has not commenced.

22 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:

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

22 Segment information (continued)

<u>Group</u>	← Singapore →			Malaysia	Vietnam	<u>Total</u>
	<u>Property development</u>	<u>Property rental</u>	<u>Investment</u>	<u>Property development</u>	<u>Property development</u>	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
6 months ended						
30 June 2020						
Revenue from external parties	-	422	-	-	-	422
Cost of sales from external parties	-	-	-	-	-	-
Gross profit	-	422	-	-	-	422
Other income	-	6	234	-	-	240
Other losses, net	-	-	44	(265)	-	(221)
Selling and distribution expenses	-	-	-	-	-	-
Administrative expenses	(41)	(405)	(680)	(3)	-	(1,129)
Finance expenses	(53)	(132)	(3)	-	-	(188)
Share of profit of associated companies	-	-	-	-	287	287
(Loss)/Profit before income tax	(94)	(109)	(405)	(268)	287	(589)
Income tax expense	120	(11)	-	-	-	109
Net (loss)/profit for the financial year	26	(120)	(405)	(268)	287	(480)
Segment assets	4,027	11,106	8,142	-	-	23,275
Segment liabilities	3,356	8,990	2,574	7	-	14,927

(a) Revenue from major products and services

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

22 Segment information (continued)

(b) *Geographical information*

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

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

Malaysia – The operations in this area are principally the development and sale of properties which have not commenced.

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

	30 June 2021	Group 31 December 2020
	S\$'000	S\$'000
<u>Non-current assets</u>		
Singapore		
- Investment properties	10,055	10,356
- Trade and other receivables	400	378
- Plant and equipment	-	1
Vietnam		
- Investment in associated companies	4,941	4,895
- Financial assets, at FVPL	2,461	1,555
	<u>17,857</u>	<u>17,185</u>

23 Subsequent events

- (a) With the completed sale of the remaining properties held by Chiu Teng 8 Pte Ltd ("CT8") (Note 14), the Company is planning to proceed with winding up procedures for CT8. The process will commence upon the settlement of outstanding legal action between CT8, Chiu Teng Enterprises Pte Ltd and Management Corporation Strata Title Plan No. 4336 as announced on 14 May 2021. The financial effects of the transaction have not been included in this interim financial statements for the period ended 30 June 2021.

Other Information Required by Appendix 7C of the Catalyst Rules

24 Review

The condensed interim consolidated statement of financial position of Olive Tree Estates (the “Company”, together with its subsidiaries, the “Group”) as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

25A 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.

25 Review of the performance of the Group

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

The Group revenue for the period ended 30 June 2021 (“1H2021”) was higher than that of the previous corresponding period (“1H2020”) by \$1.6 million due to the sale of the remaining unit of development properties in Tagore 8 during 1H2021. There was no sale of development properties during 1H2020. There was full rental occupancy of the investment property units in 1H2021 while there were three vacant units during 1H2020.

Cost of sales, gross profit

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

The gross profit for 1H2021 consisted of profit from the sale of development properties and rental income. Gross profit for 1H2020 consisted solely of rental income as there was no sale of development properties.

Selling and distribution expenses

Selling and distribution expenses for 1H2021 consisted of sales commission incurred for the sale of the remaining unit of development property at Tagore 8. There were no such costs for 1H2020.

Administrative expenses

Administrative expenses for 1H2021 was lower than that of 1H2020 by \$0.07 million due mainly to decrease in grant expenses of \$0.03 million and staff salaries of \$0.05 million.

Finance expenses

Finance expenses for 1H2021 was lower than that of 1H2020 by \$0.04 million due to repayment of the mortgage loan from the sale of the remaining unit of development property at Tagore 8.

This was partially offset by the drawdown of a new loan under Enterprise Singapore (“ESG”) support scheme.

25 Review of the performance of the Group (continued)

Other income

Other income for 1H2021 was lower than that of 1H2020 by \$0.2 million due to the cessation of rental support as well as a reduction in the Rental Cash Grant received.

Other losses, net

Other losses for 1H2021 was lower than that of 1H2020 by \$0.13 million mainly due to the write off of \$0.27 million for the deposit paid for the purchase of Kempas land as the agreement in relation to the project to develop the Kempas land had lapsed in 1H2020.

This was offset partially by an increase of \$0.12 million in fair value losses from the valuation of Financial assets at FVPL (convertible loans).

Share of (losses)/profits from associated companies

Share of losses from associated companies of \$0.02 million consist mainly of operating cost as the development properties are still under construction. The losses also included the deemed interest on amortisation of the convertible loans.

Income tax expense

Higher income tax expense in 1H2021 compared to 1H2020 was due mainly to utilization of tax losses carried forward to offset the profit from the sales of development properties.

The income tax credit of \$0.12 million in 1H2020 is due mainly to the recognition of deferred tax assets of \$0.12 million from the tax losses carried forward which can be 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 1H2021 was \$0.55 million as compared to the net loss of \$0.48 million in 1H2020.

Consolidated Statements of Financial Position

Current assets

Current assets as at 30 June 2021 consisted mainly of cash and bank balances and trade and other receivables.

Trade and other receivables

Trade and other receivables decreased by \$0.01 million from \$0.20 million as at 31 December 2020 to \$0.19 million as at 30 June 2021 due to partial repayment of balances by the controlling shareholder.

Deferred tax assets

Deferred tax assets of \$0.06 million from 31 Dec 2020 was utilised in 1H2021.

Development properties

There are no development properties in 30 June 2021 due to the sale of the remaining unit in Tagore 8 during 1H2021.

25 Review of the performance of the Group (continued)

Non-current assets

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

Other receivables of \$0.40 million consist of non-current rental support receivables from the Company's controlling shareholder and loan to associated company.

Investment properties decreased by \$0.30 million from \$10.4 million as at 31 December 2020 to \$10.1 million as at 30 June 2021 due to depreciation charged for 1H2021.

Investments in associated companies increased by \$0.05 million from \$4.90 million as at 31 December 2020 to \$4.94 million as at 30 June 2021 with the investment in NHO HB2.

Financial assets at FVPL increased by \$0.90 million from \$1.56 million as at 30 December 2020 to \$2.46 million as at 30 June 2021 due to the investment in NHO HB2 and offset by fair value loss of \$0.09 million.

Current liabilities

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

Trade and other payables decreased by \$2.12 million from \$3.84 million as at 31 December 2020 to \$1.72 million as at 30 June 2021. The decrease of \$2.12 million was due mainly to repayment of loans from a director and a shareholder of the Company amounting to \$1.50 million.

Borrowings increased by \$3.19 million from \$9.50 million from 31 December 2020 to \$12.69 million as at 30 June 2021. The repayment of the remaining loan from the sale of the remaining unit of development property at Tagore 8 was offset by the drawdown of a new loan under Enterprise Singapore ("ESG") support scheme.

Equity

Shareholders' equity as at 30 June 2021 amounted to \$6.58 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 \$0.02 million and retained profits of \$9.25 million.

Share capital remained unchanged at \$7.95 million for both 30 June 2021 and 31 December 2020.

The reverse acquisition reserve remained unchanged with a debit balance of \$10.60 million for both 30 June 2021 and 31 December 2020.

Retained profits reduced by \$0.55 million from \$9.80 million as at 31 December 2020 to \$9.25 million as at 30 June 2021 due to a net loss for 1H2021.

Consolidated Statements of Cash Flows

For 1H2021, the Group's net cash inflow from operating activities amounted to \$0.66 million arising mainly from the sale of the remaining unit of development property at Tagore 8.

The Group's net cash outflow from investing activities amounted to \$0.99 million arising from financial assets at FVPL.

The Group's net cash outflow from financing activities amounted to \$1.50 million due mainly to the procurement of a new loan under a Enterprise Singapore ("ESG") support scheme.

For 1H2021, the Group had a net cash inflow of \$1.18 million.

25 Review of the performance of the Group (continued)

The Company refinanced the loan extended by a bank to one of the Company's subsidiaries (WBH Investments Pte Ltd) in February 2021 and is in compliance with the accompanying debt service coverage ratio.

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

Not applicable.

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

Over the COVID-19 pandemic season, significant fiscal and monetary stimulus from governments and central banks in major economies have established financial markets. Consequently, business and consumer sentiment as well as economic activity have recovered steadily and risk assets have rallied substantially.

However, with a strong resurgence of the virus in variant form, the global macroeconomic environment remains uncertain. A global vaccination campaign is underway but vaccination rates are markedly different in developed and developing countries. With infection rates spiking in countries with low-vaccination rates and vaccine efficacy against symptomatic infection from the new delta variant reportedly materially lower than against earlier variants of COVID-19, it is doubtful that global economies will return to pre-pandemic levels of activity in the near term. With many emerging markets and Singapore's regional neighbours contending with the highly contagious delta variant and the increasing risk that some important supply chains in Asia may be adversely affected amongst other disruptions, it is possible that a broad-based recovery in global consumer, business and economic activity may be delayed further. It remains our expectation is that the COVID-19 situation will remain fluid, volatile and possibly worsen further in the immediate term.

Over the long-term, it is still our belief that population growth, rapid urbanisation and steadily growing affluence in regional emerging markets will support demand for residential real estate in general, with strong underlying demand for affordable and quality residential property from both end-user buyers and investors. In this regard and undergirded by an increasingly robust and resilient economy and foreign direct investment flows in Vietnam, the Company continues to remain cautiously optimistic about its foray into the affordable housing market in the country. Vietnam posted gross domestic product growth of 5.64% in the first half of 2021 (source : Vietnam General Statistics Office) and avoided negative growth in 2020 in spite of the ongoing pandemic. Vietnam remains one of the top-performing economies globally.

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

Underpinned by Vietnam's positive macro-economic fundamentals and growth profile, a growing middle-class, political stability 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 1.3ha Binh Duong Project, the Hai Phong Project, the Dao Tri Project, the Binh Duong Project and the Ha Long Project are expected to yield approximately 6,100 affordable homes and more than

27 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months (continued)

250 commercial units in purpose-built mixed-developments across Vietnam (“OTENHO Mixed Developments”).

The Company has sold out on its Phase 1 townhouses and has successfully launched sales for its apartment units at the Ha Long Project. Phase 2 sales of the apartment units at our Ha Long Project have been temporarily suspended as Vietnam deals with a resurgence of COVID-19 community infections across the country. Barring unforeseen circumstances, the Company plans to launch sales at the Hai Phong Project by the fourth quarter of 2021. We expect demand to be resilient. The Company’s accounting policy stipulates that revenue for development properties is recognized upon completion and handover of the same and as such, there will be a lag effect between when sales of housing units are effected and when the Company is permitted to recognise revenue and by extension the level of profitability for these sales.

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 other emerging markets such as Indonesia, Cambodia and Thailand to transform lives and deliver positive impact to local communities. In Vietnam, the Company continues to work very actively with NHO and other potential stakeholder partners to assess the suitability of land parcels with a view of extending our affordable housing development pipeline.

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

With the Company’s focus on the provision of mass-market affordable housing in fast-growing emerging markets, the Company will continue to rationalize its remaining real estate portfolio in Singapore. At the moment, with ample liquidity in the markets and significant support for businesses and jobs from the Singapore government, real estate valuations in Singapore have not been adversely affected by the ongoing pandemic. The Board will perform an impairment assessment on property, plant and equipment at the end of each financial year and will make such adjustments as may be necessary from time to time.

28 Dividend information

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

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

(b) Corresponding period of the immediately preceding financial year

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

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

Not applicable.

28 Dividend information (continued)

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 June 2021 as the company intends to reserve its cash resources for investments in its target markets.

30 Interested person transactions

The Company has not obtained a general mandate from shareholders for Interested Person Transactions ("IPT").

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Chiu Teng @ Kallang Pte Ltd	Landlord (company owned by the controlling shareholder)	Rental expenses of \$24,329 (as per the contractual terms applicable during H1 2021)	Not applicable

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

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

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

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six -month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Daniel Cuthbert Ee Hock Huat
Non-Executive Independent Chairman

Daniel Long Chee Tim
Chief Executive Officer and Executive Director

Singapore
13 August 2021

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

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

The contact person for the Sponsor is Ms Bao Qing, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com