



Securities Investors Association (Singapore)

7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111

Tel: (65) 6227 2683 Fax: (65) 6220 6614

Email: admin@sias.org.sg www.sias.org.sg

UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Olive Tree Estates Limited

Security: Olive Tree Estates Limited

Meeting details:

Date: 24 April 2019

Time: 10.00 a.m.

Venue: 114 Lavender Street, #18-00 CT Hub 2, Singapore 338729

Company Description

Olive Tree Estates Limited operates as a real estate company that engages in property development activities in Singapore and the region. It has developed and invested in two light industrial properties in Singapore, namely, Tagore 8 and One Commonwealth respectively. The company is also planning to develop industrial properties in Johor Bahru Malaysia and is exploring real estate development opportunities in countries, such as Indonesia, Vietnam, and the United Kingdom. Olive Tree Estates Limited is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=1H2)

1. Would the board/management provide shareholders with better clarity on the following operational and financial matters? Specifically:

- (i) **Initial Development Plan:** On 18 March 2019, the company announced the signing of the Covenant Partnership Agreement (“CPA”) with its partners that is an important step towards the group’s plan to build 4,000 affordable homes and 500 commercial units in purpose-built mixed-developments across Vietnam. The aggregate gross development value has been estimated to be in excess of US\$300 million. **Can the company elaborate further on the group’s potential role in the CPA? As at 31 December 2018, the group has cash and bank balances of \$7.0 million. How is the group going to fund the project?**
- (ii) **Kempas Land:** On 4 April 2019, the company announced that its subsidiary and Regal Sapphire Sdn Bhd (“RS”), as the vendor, agreed in-principle to renegotiate the Kempas Agreement with a view to executing a Turnkey Agreement at the earliest opportunity. It is envisaged that the company will only have to contribute the requisite capital to support the construction of the Kempas Industrial Project whilst RS will inject the Kempas Land as consideration for its equity contribution into the appropriate joint venture special purpose vehicle. **Who is leading the negotiation with Kempas? Is the project critical to the group given the long delay?**
- (iii) **Tagore:** The group has development properties with carrying value of \$3.76 million as at 31 December 2018. **Can management clarify if the group is actively marketing these units for sale? Are these rented out?**

2. The company has experienced high turnover in its key management in the financial year ended 31 December 2018. Mr. Wong Lien Feng was appointed as Chief Operating Officer on 1 January 2018 and resigned on 31 October 2018. Ms. Nancy Ng Nyok Choo as appointed as Project Manager on 1 January 2018 and resigned on 31 July 2018.

The two abovementioned key executives were in their jobs for ten months and seven months respectively.

On 13 February 2019, Ms Amanda Lim Huimin resigned as Project Manager with effect from 28 February 2019. Ms Amanda Lim Huimin was similarly appointed on 1 January 2018.

- (i) **Has the company found a suitable candidate for the Chief Operating Officer role?**
- (ii) **Has the board evaluated if the group has the necessary human resources in place to achieve its objectives?**
- (iii) **Has the board, especially the nominating committee, reviewed the group’s hiring process and organisation culture? What guidance has the board given to management on identifying, hiring and retaining key talents to help the group to create sustainable long term value for shareholders?**

(iv) What were the questions asked by the sponsor during the “exit interview” of the key executives who left soon after joining the company/group?

3. The company has partnered National Housing Organization Joint Stock Company (“NHO”) and Emerging Markets Affordable Housing Fund Pte Ltd (“EMAHF”) for its development projects in Vietnam.

As disclosed by the company, EMAHF is a Singapore-incorporated fund which is managed by Providence Capital Management Pte Ltd (“PCM”) (page 2). PCM is a registered fund management company regulated by the Monetary Authority of Singapore.

As disclosed in the director’s profile, the Chief Executive Officer, Mr Daniel Long, co-founded Providence Capital Management Pte Ltd and is currently a director of PCM.

- (i) Can the board help shareholders understand if this would be considered a related party transaction or an interested person transactions as Mr Daniel Long appears to have interest in PCM?**
- (ii) If so, what are the safeguards that are put in place by the audit committee to ensure that the transactions are conducted on an arm’s length basis and are not prejudicial to the interests of the shareholders?**