

**First Quarter Financial Statement and Dividend Announcement for the period Ended 31 March 2019****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**

	Note	1Q2019 \$'000	Group 1Q2018 \$'000	+/(-) %
Revenue				
- Property developments		204,274	137,234	48.9
- Construction		37,676	41,986	(10.3)
- Hospitality		21,724	18,149	19.7
- Education		1,751	-	NM
- Property investments & others		1,848	1,820	1.5
		<u>267,273</u>	<u>199,189</u>	34.2
Cost of sales		(219,319)	(152,439)	43.9
		<u>47,954</u>	<u>46,750</u>	2.6
Gross profit				
Other items of income				
Interest income		1,833	710	158.2
Other income		1,195	612	95.3
Other items of expense				
Marketing and distribution expenses	1	(4,183)	(1,894)	120.9
Administrative expenses		(21,072)	(22,323)	(5.6)
Finance costs	2	(15,028)	(8,665)	73.4
Share of results of associates and joint venture		560	1,175	(52.3)
		<u>11,259</u>	<u>16,365</u>	(31.2)
Profit before tax				
Income tax expense	3	(1,173)	(4,110)	(71.5)
		<u>10,086</u>	<u>12,255</u>	(17.7)
Profit after tax				
Profit attributable to:				
Owners of the Company		11,254	6,123	83.8
Non-controlling interests		(1,168)	6,132	(119.0)
		<u>10,086</u>	<u>12,255</u>	(17.7)

1(a)(ii) Items, which if significant, must be included in the income statement

		1Q2019 \$'000	Group 1Q2018 \$'000	+/(-) %
Other income				
Rental income from development properties		227	102	122.5
Sales of materials		204	-	NM
Government grants		241	156	54.5
Deposits forfeited from buyers		23	45	(48.9)
Gain on disposal of property, plant and equipment		142	43	230.2
Foreign exchange gain	4	58	-	NM
Others		300	266	12.8
		<u>1,195</u>	<u>612</u>	95.3

The following items have been included in arriving at profit before tax:

Employee benefits expenses	5	18,653	15,104	23.5
Depreciation of property, plant and equipment		4,949	4,430	11.7
Foreign exchange loss	4	-	4,893	(100.0)
Legal and professional fees		750	338	121.9
Maintenance of properties		1,116	1,419	(21.4)
Amortisation of intangible assets		93	56	66.1
		<u>25,551</u>	<u>26,130</u>	(2.3)

Note:-

NM - Not meaningful.

Notes to Group Income Statement

- The increase in marketing and distribution expenses in 1Q2019 was due to selling costs incurred for preparation of sale launches of development projects.
- The increase in finance costs was due to more borrowing costs of development projects being expensed off in 1Q2019.
- The effective tax rate was lower in 1Q2019 due to lesser profit contribution from Australian entities which is subject to higher tax rate.
- The decrease in foreign exchange loss was due to strengthening of Australian dollars in 1Q2019 as compared to weakening of Australian dollars in 1Q2018.
- The increase in employee benefits expenses in 1Q2019 was due to higher headcount arising from expansion of the hotel and education sectors.

1(a)(iii) Statement of Comprehensive Income

	Note	1Q2019 \$'000	Group 1Q2018 \$'000	+/(-) %
Profit after tax		10,086	12,255	(17.7)
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation gain/(loss)	1	261	(5,474)	(104.8)
Share of foreign currency translation of associate and joint venture		30	(23)	(230.4)
		291	(5,497)	(105.3)
Other comprehensive income for the quarter, net of tax		291	(5,497)	(105.3)
Total comprehensive income for the quarter		10,377	6,758	53.6
Total comprehensive income attributable to:				
Owners of the Company		11,512	700	1,544.6
Non-controlling interests		(1,135)	6,058	(118.7)
		10,377	6,758	53.6

Notes to Statement of Comprehensive Income

- 1 Foreign currency translation gain/(loss) arises from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's functional currency. Translation gain in 1Q2019 was mainly due to slight appreciation of Australian dollars against Singapore dollars on the Group's foreign net assets which are largely denominated in Australian dollars, as opposed to depreciation of Australian dollars in the corresponding period.

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

	Note	The Group		The Company	
		31 Mar 2019 \$'000	31 Dec 2018 \$'000	31 Mar 2019 \$'000	31 Dec 2018 \$'000
Non-current assets					
Property, plant and equipment	1	376,412	364,221	1,604	1,438
Investment properties		250,628	250,617	-	-
Intangible assets		16,585	16,677	494	509
Investment in subsidiaries		-	-	3,342	3,342
Investment in joint venture		3,707	3,392	-	-
Investments in associates		6,116	6,105	650	650
Deferred tax assets		7,750	5,956	-	-
Trade and other receivables		41,289	40,411	325,054	275,045
		702,487	687,379	331,144	280,984
Current assets					
Development properties	2	1,297,603	1,410,329	-	-
Assets held for sale		-	-	-	-
Inventories		2,470	2,152	-	-
Prepayments		3,166	2,708	237	252
Trade and other receivables	3	630,169	123,444	5,663	8,096
Contract assets	4	108,665	501,307	-	-
Capitalised contract costs		14,482	16,663	-	-
Cash and short-term deposits	5	469,747	342,558	102,763	41,428
		2,526,302	2,399,161	108,663	49,776
Total assets		3,228,789	3,086,540	439,807	330,760
Deduct: Current liabilities					
Loans and borrowings	6	439,673	129,773	-	-
Trade and other payables		71,639	64,814	766	671
Contract liabilities	7	74,438	99,488	-	-
Other liabilities		58,826	48,430	8,301	7,414
Income tax payable		10,187	9,716	242	600
		654,763	352,221	9,309	8,685
Net current assets		1,871,539	2,046,940	99,354	41,091
Deduct: Non-current liabilities					
Loans and borrowings	6	1,490,106	1,681,360	38,250	38,250
Trade and other payables		142,428	140,696	299,480	191,017
Other liabilities	8	16,968	36	-	-
Deferred tax liabilities		40,092	38,172	36	36
		1,689,594	1,860,264	337,766	229,303
		884,432	874,055	92,732	92,772
Equity attributable to owners of the Company					
Share capital		79,691	79,691	79,691	79,691
Treasury shares		(30,034)	(30,034)	(30,034)	(30,034)
Retained earnings		784,720	773,466	39,682	39,722
Other reserves		(5,517)	(5,775)	3,393	3,393
		828,860	817,348	92,732	92,772
Non-controlling interests		55,572	56,707	-	-
Total equity		884,432	874,055	92,732	92,772

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (Cont'd)

Notes to Statement of Financial Position

Note

The Group

- 1 The increase in property, plant and equipment was mainly due to right-of-use assets of the Group's lease commitments arising with the adoption of SFRS(I) 16 Leases which took effect from 1 January 2019.
- 2 The decrease in development properties was mainly due to costs charged to income statement upon completion of High Park Residences in March 2019.
- 3 The increase in current trade and other receivables was mainly due to progress billings receivable from purchasers of High Park Residences of which Temporary Occupation Permit has been obtained and deposit for purchase of the Kampong Java site.
- 4 The decrease in contract assets was mainly due to the transfer to trade receivables following the completion of High Park Residences.
- 5 The increase in cash and short-term deposits was mainly due to progress payment received for High Park Residences and proceeds from \$100 million notes issued in March 2019, partially offset by part payment for purchase of the Kampong Java site.
- 6 The increase in current and non-current loans and borrowings was due to issuance of term notes, financings obtained for development projects and working capital, partially offset by repayment of bank loans.
- 7 The decrease in contract liabilities was due to lesser amount of advances from customers following the progressive recognition of revenue.
- 8 The increase in other liabilities is due to lease liabilities arising from the adoption of SFRS(I) 16 Leases which took effect from 1 January 2019.

The Company

- 9 The increase in trade and other receivables was due to working capital loans extended to subsidiaries.
- 10 The increase in cash and short-term deposits was mainly due to proceeds from \$100 million notes issued in March 2019.
- 11 The increase in trade and other payables was due to loans obtained from subsidiaries.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

	As at 31 Mar 2019 \$'000	As at 31 Dec 2018 \$'000
Amount repayable in one year or less, or on demand		
- Secured	439,673	129,773
- Unsecured	-	-
Amount repayable after one year		
- Secured	1,351,856	1,643,110
- Unsecured	138,250	38,250
	<u>1,929,779</u>	<u>1,811,133</u>

Details of any collateral

The Group's total borrowings of \$1.9 billion are loans taken to finance property development projects, investment properties and hotels, and for working capital.

The Group's borrowings of \$1.8 billion are mainly secured by:

- (a) legal mortgage on the development properties, investment properties and hotels;
- (b) subordination of shareholder's loan;
- (c) assignment of sale proceeds of the development properties;
- (d) assignment of all rights and benefits under construction contracts, performance bonds and insurance policies in respect of the development properties;
- (e) assignment of tenancy and sale agreements of the investment and development properties;
- (f) fixed and floating charge on the hotels; and
- (g) corporate guarantee from the Company.

The Group's unsecured borrowings of \$138.3 million comprise the following notes issued under its \$750 million Multicurrency Debt Issuance Programme:

- (a) \$13.0 million 5-year fixed rate notes issued on 14 June 2016. The notes bear interest at the rate of 4.75 per cent. per annum payable semi-annually in arrear and will due in June 2021.
- (b) \$25.3 million 5-year fixed rate notes issued on 19 May 2017. The notes bear interest at the rate of 4.90 per cent. per annum payable semi-annually in arrear and will due in May 2022.
- (c) \$100.0 million 3-year fixed rate notes issued on 15 March 2019. The notes bear interest at the rate of 6.0 per cent. per annum payable semi-annually in arrear and will due in March 2022.

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

	Group	
	1Q2019 \$'000	1Q2018 \$'000
Cash flows from operating activities		
Profit before tax	11,259	16,365
Adjustments for:		
Interest income	(1,833)	(710)
Gain on disposal of property, plant and equipment	(142)	(43)
Interest expense	15,028	8,665
Depreciation of property, plant and equipment	4,949	4,430
Amortisation of intangible assets	93	56
Amortisation of capitalised contract cost	3,071	3,114
Unrealised exchange loss	55	4,162
Share of results of associates and joint venture	(560)	(1,175)
Share-based compensation	-	598
Operating profit before changes in working capital	31,920	35,462
Changes in working capital:		
Development properties	113,992	34,168
Capitalised contract cost	(887)	(1,985)
Inventories	(311)	338
Prepayments	(459)	(6,189)
Trade and other receivables and contract assets	(114,401)	(65,581)
Trade and other payables and contract liabilities	(16,444)	42,405
Other liabilities	28,898	(17,031)
Cash generated from operations	42,308	21,587
Interest paid	(17,784)	(9,465)
Interest received	1,833	710
Income tax paid	(570)	(781)
Net cash generated from operating activities	25,787	12,051
Cash flows from investing activities:		
Purchase of property, plant and equipment	(17,604)	(33,258)
Proceeds from disposal of property, plant and equipment	215	121
Dividend income	264	-
Repayment from associates and joint venture	-	26
Additions to intangible assets	-	(195)
Additions to investment properties	-	(13,427)
Net cash used in investing activities	(17,125)	(46,733)
Cash flows from financing activities:		
Repayment of loans and borrowings	(40,890)	(32,446)
Proceeds from loans and borrowings	59,224	64,669
Proceeds from issuance of term notes	100,000	-
Proceeds from issuance of new shares by subsidiary to non-controlling interests	-	1,620
Net cash generated from financing activities	118,334	33,843
Net increase/(decrease) in cash and cash equivalents	126,996	(839)
Effect of exchange rate changes on cash and cash equivalents	193	(767)
Cash and cash equivalents at beginning of the period	342,558	257,846
Cash and cash equivalents at end of the period	469,747	256,240
Cash and cash equivalents comprise:		
Short term fixed deposits	248,734	91,598
Cash and bank balances	221,013	164,642
	469,747	256,240

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

Net cash generated from operating activities

The increase in net cash generated from operating activities in 1Q2019 was mainly due to progressive payments from development properties.

Net cash used in investing activities

The decrease in net cash used in investing activities in 1Q2019 was mainly due to lesser purchase of property, plant and equipment. Higher net cash used in 1Q2018 was due to acquisition of the Mercure & Ibis Styles Grosvenor Hotel and the adjoining properties at Hindley Street in Adelaide, Australia.

Net cash generated from financing activities

The increase in net cash generated from financing activities in 1Q2019 was due to issuance of term notes during the period.

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

Group	Attributable to owners of the Company									Non-controlling interests \$'000	Total equity \$'000
	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 January 2019	79,691	(30,034)	(868)	4,261	674	2,611	(12,453)	773,466	817,348	56,707	874,055
Issuance of new shares	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	258	11,254	11,512	(1,135)	10,377
At 31 March 2019	79,691	(30,034)	(868)	4,261	674	2,611	(12,195)	784,720	828,860	55,572	884,432

Group	Attributable to owners of the Company									Non-controlling interests \$'000	Total equity \$'000
	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 January 2018	79,691	(33,653)	(533)	3,779	674	2,655	(22,749)	744,361	774,225	34,357	808,582
As previously reported	-	-	-	-	-	-	23,279	(23,279)	-	-	-
Effect of adopting SFRS(I) 1	-	-	-	-	-	-	-	14,104	14,104	2,029	16,133
Effect of adopting SFRS(I) 15	-	-	-	-	-	-	-	-	-	-	-
At 1 January 2018, as restated	79,691	(33,653)	(533)	3,779	674	2,655	530	735,186	788,329	36,386	824,715
Total comprehensive income for the period	-	-	-	-	-	-	(5,423)	6,123	700	6,058	6,758
Share-based compensation expenses	-	-	-	598	-	-	-	-	598	-	598
Capital contribution to non-controlling interests	-	-	-	-	-	-	-	-	-	1,620	1,620
At 31 March 2018	79,691	(33,653)	(533)	4,377	674	2,655	(4,893)	741,309	789,627	44,064	833,691

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2019	79,691	(30,034)	(868)	4,261	39,722	92,772
Total comprehensive income for the period	-	-	-	-	(40)	(40)
At 31 March 2019	79,691	(30,034)	(868)	4,261	39,682	92,732

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2018	79,691	(33,653)	(533)	3,779	67,659	116,943
Total comprehensive income for the period	-	-	-	-	(489)	(489)
Share-based compensation expenses	-	-	-	598	-	598
At 31 March 2018	79,691	(33,653)	(533)	4,377	67,170	117,052

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 also 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 of the issuer, as the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

As at 31 March 2019, the Company held 41,501,100 (31 March 2018 : 46,501,100) ordinary shares as treasury shares. The total number of issued shares excluding treasury shares as at 31 March 2019 was 626,014,061 (31 March 2018 : 621,014,061).

As at 31 March 2019, the number of outstanding share options under the Company's Employee Share Option Scheme was 35,000,000 (31 March 2018 : 40,000,000).

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

The total number of issued shares excluding treasury shares of 41,501,100 (31 December 2018 : 41,501,100) shares as at 31 March 2019 was 626,014,061 (31 December 2018 : 626,014,061) shares.

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

Not applicable as no treasury shares had been sold, transferred, disposed, cancelled or used in any other manner.

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

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

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

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2018.

The adoption of those new and revised Singapore Financial Reporting Standards (International) (SFRS(I)) has no material effect on the current financial statements for the current period.

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 SFRS(I) 16 with effect from 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard. On adoption of SFRS(I) 16 Leases, the Group has recognised right-of-use assets of \$15,644,000 and lease liabilities of \$15,644,000 on 1 January 2019.

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

	Group	
	1Q2019	1Q2018
Earnings per ordinary share for the period :-		
(i) Based on weighted average number of ordinary shares in issue (in cents)	1.80	0.99
(ii) On a fully diluted basis (in cents)	1.77	0.96

Notes:

(i) The computation of basic earnings per share was based on the weighted average of 626,014,061 ordinary shares (31 March 2018 : 621,014,061 ordinary shares).

(ii) The computation of fully diluted basic earnings per share was based on the adjusted weighted average of 634,122,338 ordinary shares (31 March 2018 : 638,412,103 ordinary shares).

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

	Group		Company	
	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	132.40	130.56	14.81	14.82

The computation of net asset value per ordinary share was based on 626,014,061 ordinary shares (excluding treasury shares of 41,501,100) (31 December 2018 : 626,014,061 ordinary shares excluding treasury shares of 41,501,100).

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include discussion of 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. It must also include discussion of any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Quarterly results : 1Q2019 vs 1Q2018

Overall

Group revenue increased 34.2% from \$199.2 million to \$267.3 million, mainly driven by robust contribution from the Property Developments and Hospitality divisions although revenue from Construction division was lower. Gross profit rose 2.6% from \$46.8 million to \$48.0 million on lower margins. Profit before tax recorded a drop of 31.2% from \$16.4 million to \$11.3 million as a result of higher selling and finance costs.

The Group recorded a lower effective tax rate due to lesser contribution from Australia operation of which the profit is subject to higher tax rate. As a result, profit after tax decreased by 17.7% from \$12.3 million to \$10.1 million.

Property Developments

Revenue climbed 48.9% from \$137.2 million in 1Q2018 to \$204.3 million in 1Q2019 due to the higher percentage of completion of Grandeur Park Residences and Park Colonial.

Construction

Revenue decreased 10.3% from \$42.0 million in 1Q2018 to \$37.7 million in 1Q2019. This was largely attributable to lower revenue recognised from Tampines N6C1A/1B and Woodlands N1C26 & N1C27 which were completed in 2H2018. The decrease was partially offset by revenue recognised from the two Bidadari projects and Sengkang N4 C39 & C40, which are in their active stage of construction.

Hospitality

Revenue from the Hospitality division increased 19.7% from \$18.1 million in 1Q2018 to \$21.7 million in 1Q2019 due to full quarter contribution from the Group's Mercure & Ibis Styles Grosvenor Hotel in Adelaide, South Australia. In 1Q2018 revenue contribution from this hotel was insignificant as the legal completion took place in March 2018. In addition, the Group's island resort in Maldives, Grand Park Kodhipparu Resort also recorded improvement in revenue.

Education

Revenue from Education division relates to revenue of White Lodge preschools and the Group's first Repton Schoolhouse.

Property Investments & Others

Revenue from the division increased marginally and remained stable at \$1.8 million quarter on quarter.

Group Statement of Financial Position Review

The Group's net current assets decreased \$0.1 billion from \$2.0 billion to \$1.9 billion during the period in review mainly due to reclassification of certain loans and borrowings which the Group intends to repay with the proceeds from the High Park Residences. Non-current liabilities decreased from \$1.9 billion to \$1.7 billion due to reclassification of certain loans and borrowings to current liabilities.

Total equity increased from \$874.1 million to \$884.4 million, after taking into account a net profit of \$10.3 million recorded in 1Q2019. As a result of increased cash and short-term deposits, the Group's net-debt-to-equity ratio improved from 1.68 as at 31 December 2018 to 1.65 as at 31 March 2019.

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

No prospect statements for 1Q2019 were previously provided.

- 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**

Property Developments

Singapore

Based on URA statistics, the prices of private residential properties decreased by 0.7% in 1Q2019, against 0.1% decrease in 4Q2018. As for total supply, there were 53,284 uncompleted private residential units (excluding ECs) in the pipeline with planning approvals as at the end of 1Q2019, as compared with 51,498 units in 4Q2018. Of these, 36,839 units remained unsold as at the end of 1Q2019, up from 34,824 units in 4Q2018.

Given the slowdown in property sales and the increasing supply, the Group will exercise caution in its price bids for new land parcels.

Temporary Occupation Permit was obtained for High Park Residences in March 2019. Consequently, contribution from this project will be minimal going forward. As of to-date, the total number of Park Colonial units sold has risen to 75.2% while that of Grandeur Park Residences remained at 97.1%.

The Group plans to launch the Changi Garden project (known as Parc Komo) for sale in 2Q2019.

Australia

According to real estate research firm CoreLogic, Sydney and Melbourne continued to lead the housing prices declines, with double-digit falls over the past year. However, the pace of decline has slowed, with 0.7% and 0.6% declines in Sydney and Melbourne respectively in April 2019.

The Group will similarly exercise caution in its bids for new projects.

Construction

As no contracts were secured in 1Q2019 and with more works billed, the Group's total construction order book has slipped to \$388.8 million as at the end of 1Q2019, from \$425.5 million a quarter ago. The Group expects competition for HDB construction contracts to remain keen. To diversify, it has tendered for public non-housing and civil engineering projects and will continue to tender for such projects when opportunities arise.

Hospitality

Based on STB data, international visitor arrivals in January and February increased 5.3% and 3.3% respectively, relative to the same period last year. The continued growth in international visitor arrivals will underpin the performance of Park Hotel Alexandra. For hotels outside Singapore, it is expected that their performance will be stable

The Group has also made progress in the application of development approval for the proposed hotel development at Pirie Street, Adelaide.

Education

The Group's 70% owned White Lodge completed its acquisition of 64.64% stake of Invictus International School in April. With the addition of an elementary school to its stable of preschools, the Group is one step closer to providing a complete K12 education in Singapore. In the coming months, the Group plans to extend Invictus International School to provide middle school education. In addition, the Group will also explore opportunities in early education and preschool segments outside Singapore.

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

No dividend has been declared/recommendeded for the quarter ended 31 March 2019.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate for interested person transactions.

14 Confirmation

We, Chia Lee Meng Raymond and Tan Tee How, being two Directors of CHIP ENG SENG CORPORATION LTD (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Company and of the Group for the first quarter ended 31 March 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Chia Lee Meng Raymond
Executive Director and Group Chief Executive Officer

Tan Tee How
Executive Director

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Chia Lee Meng Raymond
Executive Director and Group Chief Executive Officer
6 May 2019