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Tiong Seng acquires leading Swiss concrete technology company Cobiax

- *Cobiax's revolutionary technology reduces up to 30% of concrete usage in slab construction, thereby optimising the use of resources and reducing carbon dioxide emissions*
- *Innovative green construction method that enables more space-efficient structures and wide-spanned columns*
- *A synergistic alliance that enables Tiong Seng to bring Cobiax's cutting-edge green construction technology to Singapore and the region*

SINGAPORE – 6 September 2010 – Mainboard-listed construction group **Tiong Seng Holdings Limited (長成控股) ("Tiong Seng" or "the Group")**, through its wholly-owned subsidiary Tiong Seng Contractors (Private) Limited ("TSC"), today wishes to announce that it has completed the acquisition of a majority stake in Cobiax Technologies AG ("Cobiax").

This synergistic move will cement Tiong Seng's position as a leading innovator in the local construction industry and bring Cobiax's leading-edge innovative and green construction technology to Singapore and the region. It will also pave the way for both companies to align resources and combine expertise, so as to tap further construction opportunities in Asia.

Swiss-based Cobiax Technologies is known for its innovative and internationally-patented construction method for high-performance lightweight concrete slabs, which it has developed and refined over the last five years. By positioning void formers within concrete slabs, the volume of concrete used can be reduced by up to 30%, thereby reducing dead load without modifying flexural strength.

As Cobiax removes the unnecessary dead weight in the slab, architects are now able to design larger and clearer span structures, where the distance between columns can be designed at up to 20 metres. This is a great improvement compared to conventional full concrete flat slab system where column-to-column distance typically ranges between 6 to 10 metres. Long cantilever slab design now becomes possible, as seen in some aesthetically stunning structures in Europe adopting the Cobiax technology. Similarly, car parks in Europe that are constructed using the Cobiax technology feature columns that are spaced widely apart, which create more parking lots and a more pleasant parking experience.

The reduction in the concrete used in Cobiax systems also translates to direct reduction in carbon dioxide (CO₂) emissions. According to a study conducted by a German research organisation¹, every cubic metre of concrete displaced by Cobiax reduces approximately 210kg of CO₂ emissions, which makes Cobiax an ideal option for green builders.

Said Mr Pek Lian Guan, Tiong Seng's Executive Director and CEO, "Our relationship with Cobiax first began in 2009 when we came across this technology during a delegation trade visit to Germany. We saw great value in the Cobiax technology and the potential for this technology to grow in the future. The industry is also starting to see Cobiax's potential towards contributing to a more eco-friendly built environment, as well as its potential in realising pleasantly slim or aesthetically challenging designs which conventional concrete structures cannot achieve. Despite its short history in Singapore, the Cobiax technology has gained positive recognition from developers and design consultants including architects and structural engineers. Tiong Seng has already adopted the Cobiax technology in various projects. Moving forward, we anticipate that more will come to appreciate the benefits of this technology and we strongly believe that we will be able to boost our competitive edge and provide better value to our customers."

Said Mr Hugo Meier, CEO & Partner of Cobiax, "Cobiax is honoured to have Tiong Seng as the major shareholder. Over the years, Cobiax has made significant achievements in marketing our revolutionary product in various parts of Europe where it has garnered strong acceptance and accreditation. We have also amassed a creditably strong track record in terms of the many large-

¹ "Reduction of CO₂ emissions by application of the Cobiax Technology" published by Fraunhofer-Institut für Arbeitswirtschaft und Organisation IAO Nobelstrasse 12, D-70569 Stuttgart in 2007.

scale notable projects we have been involved in across the continent. Moving ahead, we see Asia as a natural extension of our growth. We look forward to working with Tiong Seng to deliver this innovative product to customers, and replicate our success in Singapore and to the rest of Asia.”

Cobix's Industry Accreditation And Track Record

Cobix is the first and so far the only bi-axial load transfer technology for concrete slabs that is awarded the **National Technical Approval** by the German Institute of Building Technology, which officially confirms this construction method to be in compliance with the strict and high concrete design standard in Europe.

This year, Cobix has been conferred the **Swiss Environmental Award** for its outstanding ecological performance and successful CO₂ reductions, innovativeness and professional implementation. This is one of the highest environmental distinctions awards in Switzerland organised by the Pro Aqua-Pro Vita Foundation, sponsored by the Swiss Federal Office for the Environment (FOEN).

To date, the Cobix technology has been adopted for a wide range of building construction projects in various parts of Europe, ranging from hospitals, offices, mixed-use complexes, schools, soccer stadiums, railway stations and many more.

The Cobix technology has been featured in many notable building projects as well, including the Warsaw National Stadium in Poland which is targeted to complete in time for the European Football Championships in 2012; the Elbphilharmonie in Hamburg, Germany – touted to be among the top ten concert halls in the world, and the UEFA European Football Association headquarters in Nyon, Switzerland.

“Cobix has been successful in capturing the European market. Moving ahead, Tiong Seng will be working closely with Cobix to develop strategies and plans to penetrate and strengthen its market presence in Asia. We have full confidence in Cobix’s management team and their technical competency, and share their belief and emphasis on continued R&D in the technology.”

“We are of the view that this acquisition will enhance Tiong Seng’s construction capabilities and generate commercial returns. While we do not expect any material impact on the Group’s earnings

per share or tangible assets per share for FY2010, we are excited about the prospects that this partnership will bring, both within Singapore and the region,” concluded Mr Pek.

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DBS Bank Ltd. (“DBS”) was the Issue Manager, Underwriter and Placement Agent for Tiong Seng’s listing on the SGX-ST. DBS assumes no responsibility for the contents of this announcement.

About Tiong Seng Holdings

Tiong Seng is principally engaged in building construction and civil engineering in Singapore, as well as property development in the PRC.

With an established track record of over 50 years, Tiong Seng is one of the leading building construction and civil engineering contractors in Singapore. It holds the highest grading of A1 from the Building Construction Authority of Singapore (BCA) for both general building and civil engineering, which qualifies the Group to undertake public sector construction projects with unlimited contract value.

Tiong Seng’s property development business focuses on developing residential and commercial projects in various second- and third-tier cities in the PRC. The Group has successfully developed properties in Tianjin, Suzhou and Yangzhou and it currently has four on-going projects in the Bohai Economic Rim, which is one of the main economic zones in the PRC.

About Cobiax Technologies AG

Established in 1997, Cobiax Technologies AG is based in Zug, Switzerland. Its cutting-edge, internationally-patented cobiax[®] technology was launched in 2005, and sold directly in Switzerland, Germany, Austria as well as through licencees in United States, United Kingdom, France, Italy, Hungary, Poland, Iceland, Greece, Slovakia, Cyprus, Portugal, South Africa, Iran, Australia, New Zealand and Singapore.