



**TIONG SENG HOLDINGS LIMITED**

(ESTABLISHED SINCE 1959, SINGAPORE)

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**FOR IMMEDIATE RELEASE**

## **Tiong Seng to ramp up precast capabilities and invest S\$15.6 million to build precast plant in Iskandar**

- Demand for precast components to benefit from 700,000 new housing units and 180 km of new railway in Singapore, and 80,000 new affordable homes in Malaysia
- Expands total maximum precast capacity by 60% to 160,000m<sup>3</sup>, equivalent to about 4,500 HDB units, in line with Group's plan to expand precast capabilities in Singapore and in the region



**SINGAPORE – 13 June 2013** – Mainboard-listed construction group and property developer, **Tiong Seng Holdings Limited (長成控股)** (“Tiong Seng”, together with its subsidiaries, “the Group”), today announced that its wholly-owned subsidiary, **Robin Village Development (Pte) Ltd** (“Robin Village”), has been given permission for early commencement from the Malaysian authorities to construct a precast plant in the Iskandar region of Johor Bahru, Malaysia (“JB plant”). The JB plant will increase Tiong Seng’s capacity for the production of precast components by 60% to 160,000m<sup>3</sup> by 2015. Approximately S\$15.6 million will be invested, to be funded by internal resources and bank borrowings.

Spanning 5.57 hectares and with a maximum annual capacity of about 66,000m<sup>3</sup>, the JB plant will supplement the Tiong Seng Prefab Hub (“TSPH”) in Tuas, giving the Group the ability to accept larger orders from external builders. The larger land space will also allow the Group to produce a wider range of precast components to



*Tiong Seng’s proposed precast plant in Malaysia is expected to increase the Group’s capacity by 60% to 160,000m<sup>3</sup> by 2015*

serve the growing demand for precast in Singapore and Malaysia. With the TSPH and JB plant, the Group has the capacity to supply precast components to the equivalent of about 4,500 HDB units annually.

**Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited** commented, “With the restrictions on foreign labour and rising labour costs, more builders are starting to adopt precast technology, as it not only reduces the dependence on labour by about 30%, but also improves the quality and buildability of construction projects. The demand for precast is well-supported by the housing and infrastructure boom in Singapore and Malaysia. Having established ourselves as one of the leading precasters in Singapore, we hope to become a regional precast player by exporting our precast know-how to fast-growing countries such as Malaysia and Myanmar.”

The single-storey factory will house eight production lines, and will produce a variety of precast products such as prestressed slabs, beams, columns, double T slabs and other precast components for residential, institutional, commercial and industrial projects. Production will commence in two phases, with Phase 1 starting in the 3<sup>rd</sup> quarter of 2013. Full production capacity for both phases is expected to be reached by the 1<sup>st</sup> quarter of 2015.

The Group’s expansion into Malaysia serves to feed the rising demand for housing in Singapore and Malaysia. According to the Singapore Government’s White Paper, up to 700,000 new homes will be constructed by 2030<sup>1</sup>, with a large part of these new homes likely to be HDB flats. Likewise, Malaysia’s 1Malaysia People Housing Programme (PR1MA) is expected to fuel the demand for precast, with an additional 80,000 new affordable homes to be built as part of the Government’s development plans.

At present, the Group’s TSPH mainly serves the Group’s internal needs and Robin Village has had to turn down external orders due to production constraints. With the JB plant, Robin Village targets to supply 50% of its total precast output to external customers by 2015.

This announcement comes on the back of Tiong Seng’s non-binding Memorandum of Understanding with Shwe Taung Development Co., Ltd, one of the most prominent corporations in Myanmar, to explore entering into a joint venture to set up a precast plant in Myanmar.

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<sup>1</sup> Population White Paper, National Population and Talent Division, Jan 2013

**About Tiong Seng Holdings**

*Tiong Seng is principally engaged in building construction and civil engineering in Singapore, and 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.*

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***Issued on behalf of Tiong Seng Holdings by: Financial PR Pte Ltd***

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