

**TIONG SENG HOLDINGS LIMITED**  
(Incorporated in Singapore)  
(Company Registration No. 200807295Z)

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**CHANGE IN USE OF INITIAL PUBLIC OFFERING PROCEEDS**

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The Board of Directors of Tiong Seng Holdings Limited (the "Company") refers to the Company's prospectus dated 7 April 2010 (the "Prospectus") issued in connection with the Company's Initial Public Offering (the "IPO") in Singapore, the Company's announcement dated 10 May 2011 on its financial results for the first quarter of 2011 and the announcement dated 16 May 2011 on the updated use of IPO proceeds.

The net proceeds from the IPO were approximately S\$50.5 million, of which approximately S\$32.8 million remains unutilized as the date of this announcement, as summarized below:

	<b>Intended amount to be used (\$'000)</b>	<b>Amount to-date (\$'000)</b>	<b>utilized</b>	<b>Balance as at the date of this announcement (\$'000)</b>
Construction of pre-casting facilities	20,000	7,700		12,300
Expansion of our property development business in the PRC	17,000	0		17,000
Repayment of outstanding sums owing to affiliated corporations	9,000	9,000		0
Working capital	4,500	1,000		3,500

The Directors wish to announce the following:

1. At the time of the IPO, it was intended that part of proceeds be used to expand our property development business in the PRC via the acquisition of new land use rights for development in the PRC. In the past one year, the PRC Government has implemented further measures to cool and regulate the property market, resulting in the tightening of financing available to both developers and property buyers in the PRC. Accordingly, it has been more difficult to source for new development sites that meet our returns criteria and the amount of S\$17 million set aside for this purpose remains unutilized.

2. In view of the current economic climate in the PRC, our Directors are of the view that it will be more cost efficient to re-deploy this amount of IPO proceeds to finance our existing property development projects in the PRC, so that we can reduce the amount of borrowings required for these projects and lower the Group's overall borrowing costs. This proposed change is still in line with the intention to use part of the IPO proceeds to support our property development business in the PRC.
3. The Audit Committee of the Company has considered the impact of this proposed change in use of proceeds on the Group's business and is of the view that such a change would not have a detrimental effect and is in the best interest of the Group.
4. The other unutilised IPO proceeds of approximately S\$15.8 million will continue to be used for their intended purposes as outlined above.

By Order of the Board

Pek Lian Guan  
Executive Director and Chief Executive Officer  
27 May 2011

*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.*