



**FOR IMMEDIATE RELEASE**

## **Tiong Seng sets up third precast plant in Asia, jointly invests S\$10.0 mil with subsidiary of Myanmar construction giant**

- **Total annual capacity of 55,000 m<sup>3</sup> to serve Myanmar's construction projects, starting with a potential government affordable housing project in Yangon**
- **To benefit from Myanmar government's plan to build an average of 50,000 homes annually over the next 20 years**
- **IE Singapore's Global Company Partnership programme to help Tiong Seng expand geographical footprint in precast**

**SINGAPORE – 12 July 2013 – Robin Village Development (Pte) Ltd** (“Robin Village”), the wholly-owned subsidiary of Mainboard-listed construction group and property developer, **Tiong Seng Holdings Limited** (長成控股) (“Tiong Seng”, together with its subsidiaries, “the Group”), has entered into a joint venture agreement (“JVA”) with **High Tech Concrete Technology Co., Ltd** (“HTCT”) and **Sin Mian Development Pte Ltd** (“Sin Mian”), to jointly set up a precast plant in Myanmar. HTCT is a wholly-owned subsidiary of **Shwe Taung Development Co., Ltd** (“Shwe Taung”), a construction giant and one of the most prominent conglomerates in Myanmar.

Under the terms of the JVA, Robin Village, HTCT and Sin Mian will establish a 30:55:15 joint venture company to set up and operate a precast plant to supply precast components to construction projects in Myanmar. The joint venture company will invest S\$10.0 million in the precast plant, which will first supply precast components to a potential government affordable housing project. Robin Village will provide precast knowledge and expertise on an arm's length basis for a consultancy fee and technology transfer fee, while HTCT will facilitate the growth of the business through the procurement of construction projects in Myanmar.

Sited on a 50,000m<sup>2</sup> piece of land, the precast plant will be constructed in two phases, and will potentially serve building projects in Myanmar, including but not limited to Shwe Taung's projects. Construction of Phase 1 is expected to commence in the 4<sup>th</sup> quarter of 2013 and production is targeted to start in the 2<sup>nd</sup> quarter of 2014. Construction of Phase 2 is targeted to commence in the 3<sup>rd</sup> quarter of 2014 and production is expected to begin in the 1<sup>st</sup> quarter of 2015. Each phase of the precast plant has an annual capacity of 27,500 m<sup>3</sup>.

The precast plant in Myanmar is the Group's third in Asia. In May 2012, the Group officially opened its Tiong Seng Prefab Hub, the first automated precast manufacturing facility in Singapore. Earlier this month, the Group also announced that it would construct a precast plant in Iskandar, Malaysia.

Commenting on the move into Myanmar, **Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited** said, "Precast forms a vital part of our growth strategy. With the Tiong Seng Prefab Hub at the core, our plan is to set up a network of precast plants in Asia. By supplying precast components to new markets, we are well-poised to tap on the opportunities in the construction sector, and potentially participate in overseas construction projects.

As the Myanmar government pushes for economic and social development, a key area of focus would be infrastructure and property development. There is a huge demand for affordable housing in Yangon and time is of the essence."

The Myanmar Ministry of Construction plans to build an average of 50,000 homes annually over the next 20 years<sup>1</sup>. Residential construction accounts for 51%, or US\$1.5 billion, of Myanmar's total construction output. In Yangon alone, the demand for affordable housing is 200,000 units every year, whereas only 20,000 units are supplied every year<sup>2</sup>.

Mr Pek added, "We have adopted the use of precast as far back as 1995, and it has reaped significant returns for the Group. By designing, producing and installing precast components, we are able to shorten construction time, reduce our dependence on labour and achieve better quality products. As Myanmar faces a shortage of skilled craftsmen, we believe that our expertise in precast will help the industry leapfrog from conventional construction to more productive methods. Also as important is the fact that precast is performed in a sheltered environment. In Myanmar where there is a high rate of rainfall, this ensures that building works are not hampered by bad weather or changes in the environment."

Commenting on the partnership with Tiong Seng, **Mr Aik Htun, Chairman of Shwe Taung Development Co., Ltd** said, "Myanmar is on a fast-growth trajectory, and our government has planned for new housing projects to cater to the expanding urban population. We believe that our partnership with Tiong Seng, one of the most reputable contractors in Singapore, will help us expedite our learning curve. In particular, Robin Village's know-how in precast will enable us to design and produce precast components, and

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<sup>1</sup> The Irrawaddy, "Burma to build 1 million houses in 20 years", January 2013

<sup>2</sup> New Crossroads Asia, Myanmar Research Series, September 2012

complete our projects in a shorter span of time. We look forward to capturing the abundant opportunities in Myanmar together with Tiong Seng.”

In its internationalisation efforts, Tiong Seng has tied up with International Enterprise (IE) Singapore through the latter’s Global Company Partnership (GCP) assistance. For companies who are already overseas and looking to deepen their presence, GCP is a strategic approach that provides customised and comprehensive solutions through capabilities building, market access, manpower development and access to financing.

Said **Mr Kow Juan Tiang, Group Director for Environment and Infrastructure Solutions, IE Singapore**, “Tiong Seng has established a strong presence in Singapore, and it is very timely that the Group is looking to gain a foothold in Asia. Its venture into Myanmar through its precast plant would enable the company to gain a strategic foothold in this emerging market, giving it a boost in its internationalisation drive. IE Singapore will continue to partner the company closely on a comprehensive market strategy to further improve market outreach and grow its market share in Myanmar.”

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**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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