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TCC INTERNATIONAL REPORTS A NET PROFIT OF HK\$60 MILLION

TCC International Holdings Limited (“TCC International” or the “Group”, stock code: 1136) today announced that its audited consolidated turnover for the year ended 31 December 2003 amounted to HK\$253.2 million. Net profit from ordinary activities attributable to shareholders for the year amounted to HK\$60 million, against a net loss of HK\$584.6 million for the previous year. The Group’s profit from operating activities for 2003 was HK\$81.8 million, representing an increase of 80.5 per cent from HK\$45.3 million of 2002.

TCC International’s board of directors recommended a final dividend of 2.5 HK cents per share for the year ended 31 December 2003.

During the year 2003, the Group has laid a solid platform for enhancing its production capacity and broadening its market coverage in the Mainland China market with an aim to strengthen its market presence.

Anhui King Bridge Cement Co. Ltd. (“AKB”), the Group’s 60 per cent-owned subsidiary which operates a cement and slag powder grinding mill in Wuhu with an annual production capacity of 700,000 metric tonnes, generated a significantly higher profit during the year under review. The profit upsurge was mainly attributable to an increase in demand and the leap in selling prices of slag powder from the second half of the year.

Construction of the Group's wholly-owned cement grinding mill, together with related berth facilities with a handling capacity of 25,000 metric tonnes in Fuzhou, Fujian Province is in progress. The plant, which will have an annual production capacity of 1.5 million metric tonnes, is expected to commence commercial operation in the third quarter of 2004. In addition, the joint venture with Guangxi Liuzhou Steel (Group) Corporation in which the Group's subsidiary has a 60 per cent interest is currently constructing a slag powder grinding mill with an annual production capacity of 700,000 metric tonnes. Commercial production is expected to commence in the first quarter of 2005.

By the end of 2003, TCC International had completed the acquisition of an existing manufacturing plant in Yingde, Guangdong Province. "With its strategic location with convenient access to various transportation means and limestone resources, the Group plans to develop the adjacent area of the plant to a large-scale cement manufacturing base", said Mr Koo Cheng Yun, Chairman of TCC International. "We plan to commence development of the manufacturing base before June 2004. The project will have an annual capacity of 4 million metric tonnes when it is completed by the end of 2005."

During the year under review, the Group's cement handling services in The Philippines continued to generate steady and considerable income for the Group.

Sales volume of the Group's cement distribution business in Hong Kong fell by 7.9 per cent from the previous year, while the downward adjustment of selling prices flattened towards the second half of the year. The performance of ready-mixed concrete business carried on by the Group's associates in Hong Kong declined during the year. It was mainly due to the sluggish construction activities in the residential sectors, which resulted in significant drop in sales volume and selling prices of ready-mixed concrete.

"Following the stabilisation of the construction industry in Hong Kong since the first quarter of 2004, we believe that the Group's construction materials businesses in Hong Kong will benefit and should be able to sustain their profitability in 2004," added Mr Koo.

During the year, the Group disposed of its investments held in NASDAQ-listed Gigamedia Limited with a gain of approximately HK\$1.0 million. Provision for an impairment of approximately HK\$4.5 million was made against the Group's 5.1 per cent interest in KGEx.com Co., Ltd., which provides data centre and related services in Taiwan.

On 7 October 2003, KG Telecommunications Co., Ltd. ("KGT"), in which the Group has a 9.87 per cent equity interest, entered into a merger acquisition agreement with Yuan-Ho Telecommunications Co., Ltd. and Far Eastone Telecommunications Co., Ltd., ("FET") whereby the Group is entitled to receive, for the shares in KGT held by the Group, a total cash consideration of approximately NT\$1,154.5 million (equivalent to approximately HK\$262.4 million) and 79.6 million FET shares, which were worth NT\$2,013.9 million equivalent to approximately HK\$457.7 million based on the closing market price as at 31 December 2003. The merger is subject to the approval of the Securities and Futures Commission of the Ministry of Finance of Taiwan and is anticipated to be completed on 29 April 2004. The Group has reclassified its interest in KGT as a short term investment, resulting in an unrealised holding gain of HK\$19.9 million recognized in the consolidated income statement for the year upon reclassification.

"The FET shares to be obtained by the Group will be disposed of if and when funds are required for further business investment in Mainland China," added Mr Koo.

With the increasing demand of slag powder in the Yangtze River Delta and its relatively high selling price level, it is anticipated that AKB will achieve encouraging results in the coming year.

"Capitalising on the significant increase in the demand for construction materials and the persistent high selling prices, the Group will explore further investment opportunities in Mainland China. As the outlook of the cement market in Fuzhou and its nearby area is promising, the Group is expected to achieve satisfactory performance once its Fuzhou projects commence commercial operations. The increasing demand for cement and slag powder in the Pearl River Delta region in Guangdong provides an objective market for the Group's slag powder operation in Liuzhou and the cement manufacturing base in Yingde", said Mr Koo.

Mr Koo noted: "TCC International aims to achieve an aggregate annual production capacity in cement and slag powder of 10 million metric tonnes before 2007 in order to capture the enormous opportunities in Southern China. Hence, the Group is expected to generate higher operational efficiency and further expand its market share in Mainland China."

TCC is principally engaged in the import and distribution of cement in Hong Kong and the manufacturing and distribution of cement and slag powder in other areas of the People's Republic of China. The Company's shares became listed on the Stock Exchange of Hong Kong Limited in 1997.

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TCC International Holdings Limited
Summary of Key Financial Figures
for the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000	+ / - %
TURNOVER	253,246	277,236	-8.65%
PROFIT FROM OPERATING ACTIVITIES	81,804	45,322	+80.50%
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	60,007	(584,636)	N/A
DIVIDENDS PER SHARE	2.5 cents	1.5 cents	+66.7%
BASIC EARNINGS/(LOSS) PER SHARE	7.7 cents	(74.6 cents)	N/A