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Pages: 3

RIDING ON A PROFIT OF HK\$120 MILLION TCCIH CONTINUES ITS EXPANSION FOR MARKET DOMINANCE

TCC International Holdings Limited (“TCCIH” or the “Company”, stock code: 01136) together with its subsidiaries (the “Group”) resumed profitability for the year ended 31 December 2009, due to strong sales performance and higher cost-efficiency. The Company reported a profit attributable to owners of the Company of HK\$120 million, as compared to a loss of HK\$155.5 million in the previous year. Earnings per share of TCCIH were HK8.2 cents for the year under review.

TCCIH’s board of directors resolved to recommend the payment of a final dividend of HK2 cents per share for the year ended 31 December 2009.

During a year of steady recovery in the Mainland China economy, TCCIH experienced a 58 per cent growth in sales volume. Since cement average selling price (“ASP”) began to pick up in the last quarter of 2009, the Company’s revenue improved by 40 per cent to HK\$3.95 billion for the year under review.

Lower energy costs, resulted from reduced coal price and inauguration of energy saving residual heat power generation units, as well as close to optimum utilisation of TCC Yingde plant’s enlarged capacity, had led to the Group’s strengthened profitability.

The Yingde plant’s four production lines were all in operation for the first full year in 2009, with a total of approximately 8.4 million metric tonnes of clinker and cement sold during the year. The plant’s two residual heat generation units were commissioned in the second half of 2009. Their full year effect is expected to further lower energy costs in 2010.

The Group completed the acquisition of TCC (Gui Gang) in Guangxi at the end of September 2009. Three months of the TCC (Gui Gang) results were booked to the Group’s 2009 accounts, resulting in a healthy profit contribution. TCC (Gui Gang)’s four production lines have a rated annual capacity of 9 million metric tonnes. During the last three months of the year 2009, TCC (Gui Gang) sold a total of 2.1 million metric tonnes of cement and clinker.

TCC (Gui Gang) will be able to further improve cost-efficiency in 2010, as Phase II of the Gui Gang plant and two residual heat generation units were only put into service in the second quarter and second half of 2009 respectively.

Both the Group's Fuzhou and Jurong plants suffered from under-utilisation and low ASP during the year. These were attributed to sluggish market demand and highly competitive market environment respectively. As a result, both plants reported a loss during the year.

With the inauguration of the second production line in the first quarter of 2010, the Jurong plant will lift its annual capacity to a total of 4.5 million metric tonnes of clinker and cement. A significant portion of the plant's additional clinker output will be consumed by the Fuzhou plant. Both facilities are expected to benefit in costs and sales from synergetic cooperation.

The Group announced one of the largest takeovers in Mainland China's cement industry at the end of 2009. The Group's HK\$3.8 billion bid for Upper Value Investments Limited ("Upper Value"), a holding company with interests in an array of clinker and cement production lines in Guangdong province, Yunnan province, Chongqing municipality and Sichuan province, Liaoning province and Guizhou province, had been approved by its shareholders in February 2010.

"Upon completion of the acquisition, which is expected in the first half of 2010, the Group will significantly extend its market reach to southwestern, western and northeastern parts of China. The completion of the acquisition of Upper Value will bring the Group's total annual capacity to over 40 million tonnes of cement, clinker and slag powder. This will solidify the Group's dominant position in Guangdong province and enlist it among the top tier cement conglomerates in Mainland China," said Mr Koo, Cheng-Yun, chairman of TCCIH.

"The stronger cement selling prices recorded in the last quarter of 2009 are expected to sustain in 2010, with continued demand from major infrastructure projects, and new residential developments in southern and southwestern China," added Mr Koo.

About TCCIH

TCCIH is principally engaged in the manufacture and supply of cement, clinker and slag powder, with a dominant market presence in Southern China, through a network of advanced and efficient production and handling facilities spreading from Guangxi Autonomous Region, Guangdong Province, Fujian Province, Jiangsu Province to Anhui Province. In recent years, in addition to its organic growth, the Group has been expediting its expansion in operation and market coverage through mergers and acquisitions of companies that possess advanced capacity and create synergy with the Group's existing operations.

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TCC INTERNATIONAL HOLDINGS LIMITED

(Stock Code : 1136)

Audited Consolidated Statement of Comprehensive Income For The Year Ended 31 December 2009

	For the year ended 31 December	
	2009	2008
	HK\$'000	HK\$'000
Revenue	3,953,940	2,822,827
Cost of sales	<u>(3,449,871)</u>	<u>(2,517,912)</u>
Gross profit	504,069	304,915
Investment income	32,286	30,743
Other income, gains and losses	84,572	28,817
Selling and distribution expenses	(173,606)	(181,341)
General and administrative expenses	(151,772)	(145,409)
Impairment loss on intangible assets	---	(23,983)
Impairment loss of property, plant and equipment	---	(4,584)
Finance costs	<u>(148,859)</u>	<u>(129,356)</u>
	146,690	(120,198)
Share of results of associates	<u>25,052</u>	30,140
Profit (loss) before tax	171,742	(90,058)
Income tax expense	<u>(16,922)</u>	<u>(12,367)</u>
Profit (loss) for the year	<u>154,820</u>	<u>(102,425)</u>
Profit (loss) for the year attributable to:		
Owners of the Company	120,254	(155,523)
Minority interests	<u>34,566</u>	<u>53,098</u>
	<u>154,820</u>	<u>(102,425)</u>
Earnings (loss) per share		
— basic	<u>HK8.2 cents</u>	<u>HK(12.0)cents</u>
— diluted	<u>HK8.2 cents</u>	<u>N/A</u>