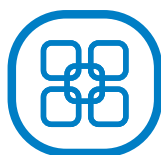


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## **TCC INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1136)**

**PROPOSED RIGHTS ISSUE  
IN THE PROPORTION OF ONE (1) RIGHTS SHARE  
FOR EVERY TWO (2) SHARES HELD  
ON THE RECORD DATE  
AT HK\$2.10 PER RIGHTS SHARE  
AND  
RESUMPTION OF TRADING**

**Joint Underwriters *(in alphabetical order)***

**CREDIT SUISSE** 

**Standard  
Chartered**   
**Standard Chartered  
Securities  
(Hong Kong) Limited**

**TCC International Limited**

### **PROPOSED RIGHTS ISSUE**

The Company proposes to raise approximately HK\$2,306.94 million, before expenses, by way of a rights issue of 1,098,544,023 Rights Shares based on the total number of Shares in issue as of the date of this announcement at the subscription price of HK\$2.10 per Rights

Share payable in full on acceptance in the proportion of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date. Under the Listing Rules, the Rights Issue is not subject to Shareholders' approval. Fractional entitlements to Rights Shares will not be provisionally allotted but will be aggregated (rounded down to the nearest whole number) and allotted to a nominee appointed by the Company and, if a premium of more than HK\$100 (net of expenses) can be obtained, will be sold for the benefit of the Company.

The Rights Issue will only be available to the Qualifying Shareholders.

As at the date of this announcement, TCCI is interested in 1,218,688,000 Shares, representing approximately 55.47% of the existing issued share capital of the Company. TCCI will receive its pro rata entitlement to Rights Shares in respect of the Shares in which it is interested. Pursuant to the Underwriting Agreement, TCCI has irrevocably undertaken to the Company and the Banks that, it will subscribe in full its entitlement under the Rights Issue, and lodge acceptance for such Rights Shares that will constitute its entitlement.

The estimated net proceeds of the Rights Issue will be approximately HK\$2,284.94 million. The Company intends to apply such net proceeds as set out in the section headed "Reasons for the Rights Issue and Use of Proceeds" in this announcement below.

**The Rights Issue is fully underwritten by the Joint Underwriters, other than in respect of the Rights Shares undertaken to be accepted by TCCI by way of its rights entitlement, and is conditional, inter alia, upon the fulfillment of the conditions set out below under the section headed "Conditions of the Rights Issue and the Underwriting Agreement". If the conditions are not fulfilled or waived, the Rights Issue will not proceed. In particular, the Rights Issue is subject to the Banks not terminating the Underwriting Agreement in accordance with the terms set out therein. Please refer to the section headed "Termination of the Underwriting Agreement" below. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled (and the date on which the Banks' right of termination of the Underwriting Agreement ceases) will bear the risk that the Rights Issue could not become unconditional and may not proceed. Potential investors should exercise caution when dealing in Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional adviser(s).**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

## **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

**The Shares will be dealt in on an ex-rights basis from Wednesday, 26 May 2010. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 8 June 2010 to Tuesday, 15 June 2010 (both dates inclusive). The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue and the Underwriting Agreement” below. The Banks are entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as described below. The Rights Issue is also subject to the Banks not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed.**

**Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Tuesday, 8 June 2010 to Tuesday, 15 June 2010 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Banks’ right of termination of the Underwriting Agreement ceases) and any persons dealing in nil-paid Rights Shares during the period from Tuesday, 8 June 2010 to Tuesday, 15 June 2010 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

## **RESUMPTION IN TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 17 May 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Tuesday, 18 May 2010.

## **PROPOSED RIGHTS ISSUE**

### **Issue statistics**

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price	:	HK\$2.10 per Rights Share
Number of Shares in issue as at the date of this announcement	:	2,197,088,046 Shares
Number of Rights Shares	:	1,098,544,023 Rights Shares
Number of Rights Shares to be taken up by TCCI pursuant to the Underwriting Agreement	:	609,344,000 Rights Shares
Enlarged issued share capital upon completion of the Rights Issue	:	3,295,632,069 Shares

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into Shares.

Under the Rights Issue, based on the existing share capital of the Company and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, the nil-paid Rights Shares to be provisionally allotted pursuant to the terms of the Rights Issue represent 50% of the Company's existing issued share capital as at the date of this announcement or approximately 33.33% of the Company's enlarged issued share capital immediately after the completion of the Rights Issue.

Under the Listing Rules, the Rights Issue is not subject to Shareholders' approval.

The Rights Shares will have an aggregate nominal value of HK\$109,854,402.30.

## **Qualifying Shareholders**

The Company will send the Rights Issue Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders (if any) on the Prospectus Posting Date.

To qualify for the Rights Issue, a Shareholder must:

- (a) be registered as a member of the Company at the close of business on the Record Date;  
and
- (b) be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 27 May 2010.

## **Closure of Register of Members**

The register of members of the Company will be closed from Friday, 28 May 2010 to Tuesday, 1 June 2010, both dates inclusive. No transfer of Shares will be registered during this period.

## **Rights of Non-Qualifying Shareholders**

The Rights Issue Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at 1 May 2010, the Company had eight Overseas Shareholders.

In determining whether there will be Non-Qualifying Shareholders, if on the Record Date there are any Overseas Shareholders, the Company will instruct its legal advisers to make enquiry regarding the applicable legal restrictions (if any) and regulatory requirements (if any) of the relevant jurisdictions outside Hong Kong in connection with extending the Rights Issue to those Overseas Shareholders. The Company will comply with all necessary requirements specified in Rule 13.36(2) of the Listing Rules and will only exclude from the Rights Issue such Overseas Shareholders whom the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions, consider it necessary or expedient to so exclude. The basis of exclusion of such Overseas Shareholders (if any) from the Rights Issue will be disclosed in the Prospectus. For those Overseas Shareholders who are to be excluded, the Company will, subject to compliance with the relevant local laws, regulations and requirements, send copies of the Prospectus for information only to these Non-Qualifying Shareholders, but the Company will not send any PAL or EAF to such Non-Qualifying Shareholders.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to such Non-Qualifying Shareholders to be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be distributed pro rata to such Non-Qualifying Shareholders provided that the Company will retain individual amounts of HK\$100 or less for its own benefit.

### **Subscription Price**

The Subscription Price for the Rights Shares is HK\$2.10 per Rights Share, payable in full upon acceptance (including by any transferee of nil-paid Rights Shares) of the relevant provisional allotment of Rights Shares (including by any transferee of nil-paid Rights Shares) and, where applicable, application for excess Rights Shares under the Rights Issue.

The Subscription Price represents:

- (a) a discount of approximately 27.08% to the closing price of HK\$2.88 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 25.27% to the average closing price of approximately HK\$2.81 per Share for the five consecutive trading days up to and including the Last Trading Day;

- (c) a discount of approximately 25.80% to the average closing price of approximately HK\$2.83 per Share for the ten consecutive trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 19.85% to the theoretical ex-rights price of approximately HK\$2.62 per Share based on the closing price of HK\$2.88 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Joint Underwriters with reference to the market price of the Shares up to and including the Last Trading Day. The Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares (which is calculated by dividing the aggregate net proceeds from the Rights Issue by the total number of Rights Shares) will be approximately HK\$2.08.

#### **Basis of Provisional Allotment**

One (1) Rights Share (in nil-paid form) for every two (2) Shares held by the Qualifying Shareholders as at the close of business on the Record Date. Acceptance of for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted.

#### **Fractions of Entitlements to Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number) and allotted to a nominee appointed by the Company and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium of more than HK\$100 (net of expenses) can be obtained, and the Company will retain the proceeds from such sale(s) for its benefit.

## **Status of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of such fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form. For the avoidance of doubt, the Rights Shares will not entitle the holders to the dividends rights in respect of the dividends declared by the Board on 22 March 2010 and referred to in the Company's annual report for the year ended 31 December 2009 which was published on 15 April 2010.

## **Application for Excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Applications may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) preference will be given to applications for less than a board lot of Rights Shares where it appears to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (b) subject to availability of excess Rights Shares after allocation under principle (a) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares).

Shareholders or potential investors should note that the number of excess Rights Shares which may be allocated to them may be different where they make applications for excess Rights Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders/investors. The investors whose Shares are held by a nominee company should note that for the purposes of the principles above, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of nominee companies (including Shares held through CCASS) should note that the aforesaid arrangement in relation to be allocation of excess Rights Shares will not be extended to beneficial owners individually. Shareholders and investors should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names and apply for excess Rights Shares themselves.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Company's Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for completion of the relevant registration by 4:30 p.m. on Thursday, 27 May 2010.

### **Share Certificates and Refund Cheques for Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses at their own risk on or before Monday, 28 June 2010. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Monday, 28 June 2010 by ordinary post to the applicants' registered addresses at their own risk. One share certificate will be issued for all the Rights Shares allotted to an applicant. Dealings in the fully-paid Rights Shares are expected to commence on Wednesday, 30 June 2010.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms, to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in each of their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Nil-paid Rights Shares are expected to be traded in board lots of 2,000 Shares (as the Shares are currently traded on the Stock Exchange in board lots of 2,000 Shares). Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 2000 Shares), which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

## **UNDERWRITING ARRANGEMENTS**

### **Undertaking from TCCI**

As at the date of this announcement, TCCI is interested in 1,218,688,000 Shares, representing approximately 55.47% of the existing issued share capital of the Company. TCCI will receive its pro rata entitlement to Rights Shares in respect of the Shares in which it is interested. Pursuant to the Underwriting Agreement, TCCI has irrevocably undertaken to the Company and the Banks that it will subscribe in full its entitlement under the Rights Issue, and lodge acceptance for such Rights Shares that will constitute its entitlement.

### **Principal terms of the Underwriting Agreement**

Date : Monday, 17 May 2010

Joint Underwriters : The Banks and TCCI  
(*in alphabetical order*)

To the best of the Directors' knowledge and information, the Banks and their respective associates and ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

TCCI is a substantial shareholder and therefore a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, the participation of TCCI as a Joint Underwriter is exempted from the reporting, announcement and independent shareholders' approval requirements.

Respective commitment of :  
the number of the Underwritten  
Rights Shares by the Joint  
Underwriters (*in alphabetical order*)  
(*Note 1*)

Credit Suisse 153,796,163 Underwritten Rights Shares

Standard Chartered 153,796,163 Underwritten Rights Shares

TCCI 181,607,697 Underwritten Rights Shares

Provided that, to the extent that the aggregate number of Underwritten Rights Shares taken up by persons (“**Public Shareholders**”) other than any of (i), (ii), (iii) or (iv) below:

- (i) TCCI;
- (ii) CHPL;
- (iii) any person who, to the best knowledge and belief of the Company after due and careful enquiries, is a connected person of the Company;

- (iv) any person who, to the best knowledge and belief of the Company after due and careful enquiries, will become a connected person of the Company as a result of, and immediately upon completion of the Rights Issue,

falls short of 307,592,326 Shares (“**Shortfall**”), then all such Underwritten Rights Shares not taken up by any person as shall not exceed the Shortfall (if any) shall be applied to satisfy the respective commitment of the Banks under the Underwriting Agreement (proportionately as between the Banks). Any balance of the Underwritten Rights Shares not taken up by any person shall then be applied to satisfy the underwriting commitment of TCCI.

Commission payable to the Banks : 2.25% of a sum which is equal to the multiple of (i) the Subscription Price, and (ii) 307,592,326 Shares, being the maximum number of the Underwritten Rights Shares for which the Banks have underwritten.

Commission payable to TCCI : Nil

*Note 1:* This figure excludes 609,344,000 Rights Shares to be provisionally allotted in respect of the beneficial shareholding of TCCI, which it has undertaken to subscribe for in full pursuant to the Underwriting Agreement.

The above underwriting arrangements are determined with a view to ensuring that the Company will maintain a desired level of public float immediately after completion of the Rights Issue. Under such arrangements, in the event Public Shareholders take up 307,592,326 or more of the Underwritten Rights Shares (i.e. there being no Shortfall), then all Underwritten Rights Shares not taken up by any person will be applied to satisfy the underwriting commitment of TCCI.

The commission rate was determined after arm's length negotiation between the Company and the Joint Underwriters, and the Board considers the terms of the Underwriting Agreement including the commission rate accord with market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

### **Conditions of the Rights Issue and the Underwriting Agreement**

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Banks not having terminated the Underwriting Agreement in accordance with the term thereof. The obligations of the Joint Underwriters under the Underwriting Agreement are conditional upon, among other things:

- (i) the granting of permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange (the "**Listing Permission**") occurring by no later than three Business Days after the Record Date, and not being withdrawn prior to the Latest Time for Termination;
- (ii) the Stock Exchange issuing a certificate authorising registration of the Prospectus with the Hong Kong Companies Registry under section 342C of the Companies Ordinance not later than the Record Date (or such later time and/or date as the Company and the Banks may agree in writing) and, following registration of the Prospectus as referred to in paragraph (iii) below, a copy of the Prospectus having been submitted to the Stock Exchange for publication on its website not later than the Record Date (or such later time and/or date as the Company and the Banks may agree in writing);
- (iii) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than the Record Date, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than the Record Date;
- (iv) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Listing Permission) being satisfied on or before the Record Date and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;

- (v) none of the Company's or TCCI's representations, warranties or undertakings contained in the Underwriting Agreement being breached, untrue, inaccurate or misleading in any material respect;
- (vi) compliance by the Company with its obligations under the Underwriting Agreement; and
- (vii) compliance by TCCI with its obligations under the Underwriting Agreement in connection with its irrevocable undertaking as described in the section headed "Undertaking from TCCI" above.

The Company shall use its best endeavours to procure the fulfilment of each of the conditions set out above (except paragraph (vii)) and TCCI shall use its best endeavours to procure the fulfilment of the condition set out in paragraph (vii) above and in particular shall furnish such information, supply such documents, pay (in the case of the Company) such fees, give such undertakings and do all such acts and things as may reasonably be required by the Banks and the Stock Exchange in connection with the listing of the Rights Shares.

The Banks may at any time in writing waive any of the conditions set out above (except paragraph (i)) or extend the time or date for fulfilment of any such condition (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by the Banks.

If any of the conditions set out above (which have not previously been waived by the Banks if capable of being waived under the Underwriting Agreement) is not fulfilled, or becomes incapable of fulfilment, at or before the time and date specified therein or, in the absence of such specification, the Latest Time for Termination (or, in any such case, such later date or dates as the Banks may agree with the Company in writing), the Underwriting Agreement (save in respect of certain rights and obligations under the Underwriting Agreement) shall terminate and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the parties in respect of any breach of the Underwriting Agreement occurring prior to such termination.

## **Termination of the Underwriting Agreement**

The Underwriting Agreement contains customary rights of termination. If at any time prior to the Latest Time for Termination certain events have occurred, including (but not limited to):

- (i) any matter or circumstance arises as a result of which any of the conditions set out in the section headed “Conditions of the Rights Issue and the Underwriting Agreement” above has become incapable of satisfaction as at the required time;
- (ii) any breach of any of the Company’s or TCCI’s representations, warranties or undertakings given by the Company or TCCI pursuant to the Underwriting Agreement comes to the knowledge of the Banks, or there has been a breach on the part of the Company or TCCI of any other provision of the Underwriting Agreement, or the Banks have cause to believe that any such breach has occurred;
- (iii) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given by the Company or TCCI under the Underwriting Agreement (as the case may be) would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in any respect, comes to the knowledge of the Joint Underwriters;
- (iv) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any respect;
- (v) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute an omission therefrom;
- (vi) the Company’s application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;

- (vii) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities contained in the Underwriting Agreement;
- (viii) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group; or
- (ix) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable) changes in certain financial, political, economic, legal, tax and market conditions or any event of force majeure in certain jurisdictions, which, in the sole opinion of the Banks:
  - (a) is or will be, or is likely to be, materially adverse to the condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;
  - (b) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
  - (c) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in this announcement and the Rights Issue Documents,

then in any such case the Banks, acting jointly, may by notice in writing to the Company served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement.

If at any time prior to the Latest Time for Termination any such termination notice is given by the Banks, the Underwriting Agreement will terminate (save in respect of certain rights and obligations under the Underwriting Agreement) and such termination shall be without prejudice to the rights of the parties in respect of any breach of the Underwriting Agreement occurring prior to such termination and neither the Company nor the Joint Underwriters shall have any claim against the other party save that the Company shall reimburse the Banks all costs and expenses reasonably incurred by them in connection with the Rights Issue.

## **NON-DISPOSAL UNDERTAKING**

### **Restriction on Issue of Shares etc. by the Company**

The Company has undertaken to the Banks, and TCCI has undertaken to the Banks to procure, that: (a) except for the Rights Shares to be allotted and issued pursuant to the Rights Issue; and (b) unless with the prior written consent of the Banks (such consent not to be unreasonably withheld or delayed), from the date of the Underwriting Agreement and ending on the date which is 90 days from the date when the obligations of the Joint Underwriters under the Underwriting Agreement become unconditional, the Company shall not:

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraph (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in paragraph (i) or (ii) above.

### **Restriction on Disposal of Shares by TCCI**

TCCI has undertaken that it shall not and shall use its best endeavours to procure that (so far as applicable) companies controlled by it shall not, without first having obtained the prior written consent of the Banks, transfer or otherwise dispose of (including without limitation by the creation of any option) or acquire (except in circumstances which do not contravene the rules of the Stock Exchange) any Share or any interest therein between the date of the Underwriting Agreement and the date of the Prospectus.

TCCI has further undertaken that it shall not and shall use its best endeavours to procure that (so far as applicable) companies controlled by it shall not, without the prior written consent of the Banks, which consent shall not be unreasonably withheld or delayed:

- (a) transfer or otherwise dispose of (including without limitation by the creation of any option but excluding any disposals of the nil-paid Rights Shares provisionally allotted in respect of its beneficial shareholding pursuant to its undertaking obligations as described under the section headed “Undertaking from TCCI” above), or
- (b) acquire (except by (i) taking up the Rights Shares provisionally allotted in respect of its beneficial shareholding pursuant to the Rights Issue and pursuant to the Underwriting Agreement, or (ii) acquiring the nil-paid Rights Shares, or (iii) acquiring excess Rights Shares by submitting EAF, or (iv) acquiring Shares in circumstances which do not contravene the rules of the Stock Exchange),

any Share or any interest therein between the date of the Prospectus and 4:30 p.m. on the Acceptance Date.

TCCI has further undertaken to the Banks that, unless with the prior written consent of the Banks (such consent not to be unreasonably withheld or delayed), for a period of 90 days from the date when the obligations of the Joint Underwriters under the Underwriting Agreement become unconditional, it shall not and shall procure that none of its nominees and companies controlled by it (whether individually or together and whether directly or indirectly) shall:

- (a) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares) or any interests therein beneficially owned or held by TCCI or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;
- (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in paragraph (a) above or this paragraph is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (c) announce any intention to enter into or effect any such transaction described in paragraph (a) or (b) above.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES**

The Shares will be dealt in on an ex-rights basis from Wednesday, 26 May 2010. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 8 June 2010 to Tuesday, 15 June 2010 (both dates inclusive). The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue and the Underwriting Agreement” above. The Banks are entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as described above. The Rights Issue is also subject to the Banks not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Tuesday, 8 June 2010 to Tuesday, 15 June 2010 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Banks’ right of termination of the Underwriting Agreement ceases) and any persons dealing in nil-paid Rights Shares during the period from Tuesday, 8 June 2010 to Tuesday, 15 June 2010 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

## **EXPECTED TIMETABLE**

The expected timetable for the Rights Issue is set out below:

**2010**

Last day of dealings in Shares on a cum-rights basis . . . . .	Tuesday, 25 May
First day of dealings in Shares on an ex-rights basis . . . . .	Wednesday, 26 May
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue . . . . .	4:30 p.m. on Thursday, 27 May

Register of members to be closed .....	Friday, 28 May to Tuesday, 1 June (both dates inclusive)
Record Date .....	Tuesday, 1 June
Register of members to be re-opened .....	Wednesday, 2 June
Rights Issue Documents to be posted .....	Friday, 4 June
First day of dealings in nil-paid Rights Shares .....	Tuesday, 8 June
Latest time for splitting of nil-paid Rights Shares.....	4:30 p.m. on Thursday, 10 June
Last day of dealings in nil-paid Rights Shares .....	Tuesday, 15 June
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares .....	4:00 p.m. on Monday, 21 June
Rights Issue expected to become unconditional .....	after 5:00 p.m. on Wednesday, 23 June
Announcement of results of acceptance and excess application of the Rights Issue .....	Thursday, 24 June
Refund cheques for wholly and partially unsuccessful applications for excess Rights Shares expected to be posted on or before .....	Monday, 28 June
Certificates for fully-paid Rights Shares expected to be despatched on or before.....	Monday, 28 June
First day of dealings in the fully-paid Rights Shares.....	Wednesday, 30 June

*Note:* All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the best knowledge of the Directors and the public filings made pursuant to the SFO, the Company's current shareholding structure as at the date of this announcement and immediately after completion of the Rights Issue will be as follows:

	Shareholding as at the date of this announcement		Immediately after completion of the Rights Issue and assuming all the Qualifying Shareholders take up their respective provisional allotments of the Rights Shares in full		Immediately after completion of the Rights Issue and assuming none of the Qualifying Shareholders (save for TCCI) take up the Rights Shares and the Joint Underwriters take up all of the Underwritten Rights Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
TCCI	1,218,688,000	55.5	1,828,032,000	55.5	2,009,639,697	61.0
CHPL	356,013,000	16.2	534,019,500	16.2	356,013,000	10.8
Directors of the Company and its subsidiaries	27,271,990	1.2	40,907,985	1.2	27,271,990	0.8
Public	595,115,056	27.1	892,672,584	27.1	902,707,382	27.4
Total	<u>2,197,088,046</u>	<u>100.0</u>	<u>3,295,632,069</u>	<u>100.0</u>	<u>3,295,632,069</u>	<u>100.0</u>

## NO USE OF THE GENERAL MANDATE

On the basis that the Rights Shares are being offered to Shareholders (excluding, for these purposes, Non-Qualifying Shareholders) pro rata to their existing shareholdings (apart from fractional entitlements to Rights Shares), in accordance with Listing Rule 13.36(2)(a), there is no requirement for the Rights Issue to be approved by Shareholders in general meeting, nor for the Directors to issue the Rights Shares pursuant to the current general mandate granted to the Directors at the annual general meeting of the Company held on 27 May 2009.

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The principal activities of the Group consist of the import and distribution of cement in Hong Kong, the manufacture and distribution of cement, clinker and slag powder in other areas of the PRC. Through its associate, the Group is also engaged in the production and distribution of ready-mixed concrete in Hong Kong and Mainland China.

The gross proceeds of the Rights Issue will be approximately HK\$2,306.94 million. The estimated net proceeds of the Rights Issue will be approximately HK\$2,284.94 million.

Reference is made to the Company's announcements dated 18 December 2009, 5 January 2010, 31 March 2010, 29 April 2010 and 30 April 2010 and the Company's circular dated 2 February 2010 relating to the acquisition of Upper Value Investments Limited which holds directly and indirectly certain equity interests in certain companies principally engaged in the business of the manufacture and sale of clinker and cement production operations in the PRC. The Acquisition was completed on 30 April 2010 and the Board believes that the Acquisition will significantly enhance the Company's market position in the cement sector in the PRC. The Company intends to apply the net proceeds from the Rights Issue to repay the debt financing incurred by the Pre-Acquisition Group to fund the Acquisition.

The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position in a significant manner. Unlike borrowings or issuance of debt securities, the Rights Shares to be issued under the Rights Issue will form part of the equity capital of the Company which will become a stable and long-term capital source and strengthen the balance sheet of the Company, providing more flexibility to finance its expansion needs in the future. The Directors believe that the Rights Issue as the preferred mode of securing such equity funding is in the interests of the Company and the Shareholders as a whole as it provides the Company's Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future developments of the Group.

## EQUITY FUND RAISING EXERCISES OF THE COMPANY

Save for the fund raising activities set out below, the Company has not conducted any other equity fund raising exercise in the past twelve months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
22 January 2010	Placing of existing shares and subscription of new shares	HK\$825.70 million	Towards funding the Acquisition	Used as intended
24 September 2009	Issue of Convertible Preference Shares	Not applicable as the issue of the Convertible Preference Shares was part of the consideration for the acquisition of the shares of TCCI International (Guangxi) Limited	As part of the consideration for the acquisition of the shares of TCCI International (Guangxi) Limited	Completion of the acquisition took place on 24 September 2009 and the Convertible Preference Shares were issued as intended

## UPDATE ON 14 SEPTEMBER 2009 ANNOUNCEMENT

Reference is made to the announcement made by the Company on 14 September 2009 in which it was disclosed that the judgment of the Taipei District Court in the proceedings against (amongst others) the former president of Taiwan, Chen Sui-bian, mentioned that further investigations would be conducted against Mr. Koo. Mr. Koo has informed the Company that, as far as he knows, such investigations are ongoing but he does not believe that there has been any material development in such investigations. The Board does not believe that the continuation of such investigations will have any material effect on the business operations or financial condition of the Group.

## RESUMPTION IN TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 17 May 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Tuesday, 18 May 2010.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	Monday, 21 June 2010 (or such other date as the Joint Underwriters may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Acquisition”	the acquisition of the entire issued share capital of Upper Value Investments Limited, a company incorporated under the laws of the British Virgin Islands, and the Shareholder Loan (as defined and further described in the announcements of the Company 18 December 2009, 5 January 2010, 31 March 2010, 29 April 2010 and 30 April 2010 and the circular of the Company dated 2 February 2010)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Banks”	Credit Suisse and Standard Chartered ( <i>in alphabetical order</i> )
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or a day on which typhoon signal no. 8 or a “black” rainstorm warning is hoisted in Hong Kong) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“CHPL”	Chia Hsin Pacific Limited, a substantial shareholder of the Company
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	TCC International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Preference Shares”	the 651,170,000 non-voting convertible preference shares of HK\$0.10 each in the capital of the Company as further described in the circular of the Company dated 25 June 2009 and the announcements of the Company dated 24 September 2009 and 14 January 2010
“Credit Suisse”	Credit Suisse (Hong Kong) Limited, an entity incorporated in Hong Kong and licensed under the SFO for type 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities), type 5 (advising on future contracts), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Underwriters”	the Banks and TCCI ( <i>in alphabetical order</i> )
“Last Trading Day”	Friday, 14 May 2010, being the last trading day on which the Shares were traded on the Stock Exchange prior to the suspension pending the release of this announcement
“Latest Time for Termination”	means 5:00 p.m. on the second business day after the Acceptance Date, or such later date as the Company and the Banks may agree in writing
“Listing Committee”	has the same meaning ascribed to this term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Koo”	Mr. Koo, Cheng-Yun, Leslie, the Chairman of the Company
“Non-Qualifying Shareholders”	those Overseas Shareholders to whom the Directors, based on the legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-Acquisition Group”	the Company and its subsidiaries prior to the completion of the Acquisition
“Prospectus”	the prospectus to be despatched to Shareholders containing details of the Rights Issue
“Prospectus Posting Date”	Friday, 4 June 2010 or such other date as the Banks may agree in writing with the Company, as the date of despatch of the Rights Issue Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders (if any)
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders (if any)
“Record Date”	Tuesday, 1 June 2010 (or such other date as the Banks may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date to the Qualifying Shareholders at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Rights Issue Documents
“Rights Issue Documents”	the Prospectus, PAL and EAF

“Rights Shares”	Shares to be offered to the Qualifying Shareholders for subscription pursuant to the Rights Issue, being 1,098,544,023 Shares
“Settlement Date”	Thursday, 24 June 2010, being the third Business Day following the Acceptance Date (or such other time or date as the Banks and the Company may agree in writing)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented of otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Standard Chartered”	Standard Chartered Securities (Hong Kong) Limited, an entity incorporated in Hong Kong and licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$2.10 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“TCCI”	TCC International Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company , acting as one of the Joint Underwriters pursuant to the Underwriting Agreement
“Underwriting Agreement”	the underwriting agreement dated 17 May 2010 entered into between the Company and the Joint Underwriters in relation to the underwriting arrangement in respect of the Rights Issue

“Underwritten Rights Shares”	489,200,023 Rights Shares underwritten by the Joint Underwriters pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

On behalf of the Board  
**TCC International Holdings Limited**  
**Mr. Wu Yih Chin**  
*Managing Director*

Hong Kong, 17 May 2010

*As at the date of this announcement, the Board of Directors of the Company is comprised of Mr. Koo, Cheng-Yun, Leslie as the Chairman and an executive Director; Mr. Wu Yih Chin as the Managing Director and an executive Director; Dr. Shan Weijian, Mr. Chang, An-Ping, Nelson, Mr. Chang, Kang-Lung, Jason and Ms. Wang, Lishin, Elizabeth as non-executive Directors; and Mr. Liao Poon Huai, Donald, Dr. Chih Ching Kang, Kenneth and Mr. Shieh, Jen-Chung, Roger as independent non-executive Directors.*

*All Directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*