

Contact : Shiu Ka Yue/ Lorna Wong/ Annice Chan
Tel : 2801 6198 / 2167 8178 / 2801 6095

Date : 20 April 2005
Total pages : 4

TCC INTERNATIONAL 2004 NET PROFIT SURGED BY 447% TO HK\$328 MILLION

TCC International Holdings Limited ("TCC International" or the "Company", stock code: 1136) together with its subsidiaries (the "Group") today announced that the Group's audited consolidated turnover and operating profit for the year ended 31 December 2004 amounted to HK\$315.4 million and HK\$354.6 million respectively, representing increases of 24.5 per cent and 333.5 per cent respectively from those of the previous year. Net profit from ordinary activities attributable to shareholders for the year amounted to HK\$328.1 million, representing a significant increase of more than 4.4 times from that of the previous year (2003: HK\$60.0 million). Basic earnings per share were 42.5 HK cents (2003: 7.7 HK cents).

TCC International's board of directors recommended a final dividend of 0.5 HK cents per share for the year ended 31 December 2004 and a special dividend of 3.5 HK cents per share. Together with an interim dividend of 2.0 HK cents per share, the total dividend for the year will amount to 6.0 HK cents per share.

The increase in turnover during the year was mainly attributable to the commencement of sales revenue contribution by the cement manufacturing plant in Yingde, Guangdong Province and a significant increase in the sales revenue of the Group's slag powder grinding plant in Wuhu, Anhui Province. In addition, the significant increase in the Group's net profit from ordinary activities attributable to shareholders was mainly due to the recognition of a gain of HK\$75.6 million upon the merger of KG Telecommunications Co., Ltd. ("KGT") and Far Eastone Telecommunications Co., Ltd., ("FET") and the unrealised holding gain of approximately HK\$231.1 million on FET shares obtained upon the completion of the merger.

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, increased its sales volume and net profit by 38.1 per cent and 2.9 times respectively from those of the previous year by taking advantage of the booming construction industry in the Yangtze River region during the first half of the year.

Construction of the Group's wholly-owned cement grinding plant with an annual production capacity of 1.5 million metric tonnes in Fuzhou, Fujian Province was completed. Trial run of the plant commenced in November 2004. In addition, the related berth facilities commenced commercial operation in February 2005.

The Group's joint venture with Guangxi Liuzhou Steel (Group) Corporation was constructing a slag powder grinding plant with an annual production capacity of 700,000 metric tonnes in Liuzhou, Guangxi Province during the year under review. The joint venture is owned as to 60 per cent by a subsidiary of the Company.

During the year, the Group's manufacturing plant in Yingde, Guangdong Province also realised profitability.

"Taking advantage of the convenient access to the Pearl River Delta by various means of transportation and abundant supply of limestone, the Group began to convert this area into a large-scale cement manufacturing base. The Group commenced the construction of two new dry-process cement production lines and ancillary facilities with a daily clinker production capacity of 5,000 metric tonnes each in the fourth quarter of 2004. Upon completion, the project will have an annual capacity of approximately 4 million metric tonnes," said Mr Koo Cheng Yun, Chairman of TCC International.

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

With respect to the Hong Kong operation, although there had been a slight rebound in the selling prices since the second half of the year, the sales volume of the Group's cement distribution business dropped by 11.4 per cent from that of the previous year. During the year, the ready-mixed concrete business carried on by the Group's associates reported a marginally better pre-tax profit as compared with that of the previous year, despite sluggish demand for ready-mixed concrete. The improved performance of the ready-mixed concrete business was mainly due to the recovery of selling prices following the industry consolidation during the year.

"The private residential sector is showing signs of recovery owing to the recent boom in the property market. We believe that the Group's construction materials businesses in Hong Kong will remain profitable in 2005," added Mr Koo.

During the year, the Group made a provision for impairment of approximately HK\$19.1 million against its various investment securities.

In May 2004, the merger of KGT and FET was completed. The Group's shareholding in unlisted KGT had been exchanged for shares in FET, which are traded over the counter in the GreTai Securities Exchange in Taiwan and had a market value of approximately HK\$758.5 million as at 31 December 2004. During the year, the Group recognised a gain of HK\$75.6 million upon the merger and an unrealised holding gain of approximately HK\$231.1 million using the market price of FET shares at the end of 2004.

PRESS RELEASE

“As the Group intends to focus on developing its core construction materials business in Mainland China, the FET shares held by the Group will be disposed of if and when funds are required for the development of the Group’s construction materials businesses,” said Mr Koo.

The cement operation in Fuzhou, which is currently establishing distribution channels, is expected to start to contribute profit to the Group in 2005. In addition, the slag powder grinding plant in Liuzhou will commence trial run in the second quarter of 2005. In view of the increasing demand for construction materials in Guangxi and the Pearl River Delta region, the joint venture in Liuzhou plans to construct an additional slag powder production line with an annual production capacity of 700,000 metric tonnes, which is expected to complete by the second quarter of 2006.

Meanwhile, the Group is accelerating its pace of investment expansion in Mainland China, in view of the introduction of macroeconomic austerity measures, which are aimed to curb excessive investment in the cement industry and are expected to benefit well-established and sizeable cement producers.

“The Group is actively seeking further investment opportunities in the construction materials industry in southern China, which is the Group’s target market and has a great growth potential. We are confident that the Group will achieve an aggregate annual production capacity in cement and slag powder of 10 million metric tonnes by 2007,” said Mr Koo.

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.

- End -

Issued by: TCC International Holdings Limited
Through: CorporateLink Limited

TCC International Holdings Limited
Summary of Key Financial Figures
for the year ended 31 December 2004

| | 2004 | 2003 | |
|--|----------------------|--------------|---------|
| | HK\$'000 | HK\$'000 | + / - % |
| TURNOVER | 315,385 | 253,246 | +24.5% |
| PROFIT FROM OPERATING ACTIVITIES | 354,620 | 81,804 | +333.5% |
| NET PROFIT FROM ORDINARY ACTIVITIES | | | |
| ATTRIBUTABLE TO SHAREHOLDERS | 328,132 | 60,007 | +446.8% |
| DIVIDENDS PER SHARE | 6.0 HK cents | 2.5 HK cents | +140.0% |
| BASIC EARNINGS PER SHARE | 42.5 HK cents | 7.7 HK cents | +451.9% |