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TCC INTERNATIONAL REPORTS HK\$216 MILLION

PROFIT AFTER TAX AND BEFORE GOODWILL IMPAIRMENT

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 revenue for the year ended 31 December 2007 amounted to HK\$1,829 million, representing an increase of 87 per cent from that of the previous year. With its Yingde plant running at close to optimum utilisation, the Group achieved remarkable profit after tax and before goodwill impairment of HK\$216 million, represented a significant improvement when compared to the attributable loss of HK\$18 million in 2006.

TCC International’s board of directors does not recommend the payment of dividend for the year ended 31 December 2007.

“The year 2007 marked a major cornerstone of the Group’s corporate development. Following years of investment in capacity expansion, the Group’s primary cement production base in Yingde (phase I) became fully operational in 2007 and had been running at a satisfactory level throughout the year. The Group’s significant position in the PRC’s cement market had been further consolidated with its acquisition of Chia Hsin Cement Greater China Holding Corporation (“CHCGC”), which enabled the Group to extend its market coverage to Eastern China,” said Mr Koo, Cheng-Yun, chairman of TCC International.

The Group maintained its healthy growth momentum during the year. With the arrival of the industry’s peak season in the fourth quarter of the year and the strong product selling price, the Group’s revenue in the second half of the year was 55 per cent higher than that of the first half.

As a result of the upsurge in sales coupled with an increase in average selling price, it contributed to an attributable profit to shareholders before impairment of goodwill of HK\$216 million in 2007, represented a significant improvement when compared to the attributable loss of HK\$18 million in 2006.

However, the Group’s acquisition of the entire share capital in CHCGC resulted in an impairment in the goodwill of HK\$3,723 million. The impairment reflected the substantial increase in the share price of the Company’s shares during the Group’s offer. Taking into account the goodwill impairment, the Group incurred a net loss of HK\$3,507 million on book value, as the impairment treatment was an one-off non-cash item. However, such an one-off and non-cash item of impairment of goodwill did not have any effect to the normal operation and cashflow of the Group.

The Group's Yingde plant commenced commercial production in the second half of 2006, and became running at full capacity for the first year in 2007. With the facilities reaching its optimum efficiency, the Group was able to enjoy economies of scale and improved operating margins. The Yingde plant's sales volume during the year amounted to approximately 4 million metric tonnes, which was close to 90 per cent of its design capacity.

The third and fourth production lines of Yingde Phase II development have been completed in December 2007 and January 2008 respectively. These new facilities will become fully operational in the year 2008 and will bring the plant's total capacity to 9 million metric tonnes per annum.

The Group has also commenced planning for the Phase III development of the Yingde plant, with a blueprint to add two production lines with a total capacity of 4.5 million metric tonnes, bringing the plant's overall capacity to 13.5 million metric tonnes upon completion.

The sales of the cement grinding plant in Fuzhou, Fujian province, began to pick up in the second half of 2007, and generated a more significant profit contribution to the Group's overall results. The Fuzhou grinding plant's total sales volume increased by 25 per cent to about 1.4 million metric tonnes in 2007. During the year, the Fuzhou plant reported a two-fold surge in its profit, when compared with that of the previous year.

Located at the port area with the Group's own berthing facilities, the Fuzhou plant is able to enjoy lower transportation cost of clinker. In order to be able to support its further market penetration, the Fuzhou plant completed the construction of a new production line with an additional capacity of 750,000 metric tonnes at the end of 2007.

The Fuzhou Plant has two additional grinding lines under planning. When these new facilities become operational, the Fuzhou plant will have an additional 2 million metric tonnes of capacity.

The CHCGC plant has been approved by the PRC government for the development of a new production line. Construction of the production line with an annual capacity of 2.25 million metric tonnes will commence shortly. Given its strategic location for waterborne transportation, the CHCGC plant is expected to offer synergetic effects through supplying clinker to the Group's Fuzhou grinding facilities in the long run.

The Group made a major strategic move during the year 2007 to take over CHCGC, which was a public listed company in Hong Kong, is a major cement manufacturer in Eastern China with its facilities situated in the Zhenjiang, Jiangsu province. CHCGC facilities' proximity to the affluent Yangtze River Delta and its possession of two deep water jetties, each with a handling capacity of 30,000 metric tonnes, enable it to have a prominent market presence in the Eastern China market.

CHCGC's existing cement capacity of 4.2 million metric tonnes had reached its optimum utilisation, and a new production line had been approved for its continued expansion.

In July 2007, the Group announced the signing of an agreement for the development of a new clinker and cement transit centre and four cement grinding production lines in Foshan, Guangdong Province. Total investment in this venture will amount to RMB500 million. The project is in the process of initial planning and documentation. The Group intends to achieve the Foshan venture's capacity of 4 million metric tonnes in two phases.

The Group's 60 per cent owned slag powder joint venture with Guangxi Liuzhou Steel (Group) Corporation ("Liuzhou Steel") doubled its profit during the year. This was mainly due to strong selling prices in the Guangdong Province and lower raw material costs with the supply from Liuzhou Steel. The Liuzhou joint venture achieved a sales volume of approximately 650,000 metric tonnes in 2007.

Since the joint venture's capacity has been fully utilised, a new production line, with an annual capacity of 700,000 metric tonnes, has been completed in January 2008.

Anhui King Bridge Cement Co., Ltd. ("AKB"), the Group's 60 per cent owned slag powder grinding plant, reported a modest adjustment in sales volume from 700,000 metric tonnes in 2006 to 650,000 metric tonnes in 2007. Despite the decline, there was an approximately 17 per cent growth in profit before tax due to the higher selling price of slag powder in the Eastern China.

The Group's cement trading and concrete businesses in Hong Kong reported a mild retreat in its operating profit with a decreased sales volume, when compared with that of the previous year. However, given the major infrastructure developments announced by the Government of Hong Kong Special Administrative Region of the People's Republic of China and a thriving property markets, it is expected to have stronger demand for cement and concrete in 2008 and beyond.

"With the massive infrastructure development in Southern China, and the rapid urbanisation in the Pearl River Delta region, we expect the demand for cement will continue to grow and will thus sustain the cement price to stay at a healthy level. The Group has successfully established a strong presence in Southern China and has a prominent foothold in Eastern China. We are determined to become one of the largest cement manufacturers in China," add 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.

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TCC INTERNATIONAL HOLDINGS LIMITED
 (Stock Code : 1136)
ANNOUNCEMENT OF AUDITED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2007

FINANCIAL HIGHLIGHTS

AUDITED RESULTS FOR THE YEAR ENDED

	2007	2006	Change
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Revenue	1,829	980	87%
EBITDA (*)	497	160	211%
Profit before tax and impairment loss on goodwill	252	4	6,200%
Profit (loss) attributable to Shareholders of the Company before impairment loss on goodwill	216	(18)	N/A
Impairment loss on goodwill	(3,723)	–	N/A

* EBITDA represents profit for the year before the impairment loss on goodwill, finance costs, income tax expense, depreciation and amortization.

TCC INTERNATIONAL HOLDINGS LIMITED

(Stock Code : 1136)

Audited Consolidated Income Statement FOR THE YEAR ENDED 31 DECEMBER 2007

	For the year ended 31 December	
	2007	2006
	HK\$'000	HK\$'000
Revenue	1,829,168	980,418
Cost of sales	<u>(1,491,744)</u>	<u>(892,980)</u>
Gross profit	337,424	87,438
Investment income	29,403	38,154
Other income and gains	93,255	35,363
Selling and distribution expenses	(22,546)	(17,225)
General and administrative expenses	(91,569)	(69,866)
Impairment loss on goodwill	(3,722,639)	-
Impairment loss of property, plant and equipment	--	(8,388)
Finance costs	(101,921)	<u>(71,996)</u>
	(3,478,593)	(6,520)
Share of results of associates	<u>7,915</u>	10,999
(Loss) profit before tax	(3,470,678)	4,479
Income tax expense	(2,736)	(3,873)
(Loss) profit for the year	<u>(3,473,414)</u>	<u>606</u>
Attributable to:		
Shareholders of the Company	(3,506,645)	(18,303)
Minority interests	33,231	18,909
	<u>(3,473,414)</u>	<u>606</u>
Loss per share		
—basic	<u>HK(404.2) cents</u>	<u>HK(2.4) cents</u>