

Contact : Shiu Ka Yue/ Lorna Wong/ Alman Loong Date : 26 August 2007
Tel : 2801 6239 (90291865/ 90868623/ 91078225) Total pages : 4

TCC INTERNATIONAL'S TURNOVER DOUBLE TO HK\$716.2MILLION NET PROFIT REACHES HK\$ 60.1 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 unaudited consolidated revenue for the six months ended 30 June 2007 amounted to HK\$716.2 million, representing an increase of 106.1 per cent from that of the same period last year. This was mainly attributable to a substantial increase in sales volume resulting from enlarged capacity, as well as smooth operation of the Group's Yingde and Fuzhou plants during the period under review.

During the first half of 2007, the Group reported a profit attributable to shareholders of HK\$60.1 million, as compared to a loss of HK\$24.2 million for the same period of 2006. The remarkable improvement in profitability was mainly due to the increase in the Group's cement selling prices and sales volume, along with enhanced cost efficiency of Yingde and Fuzhou plants.

TCC International's board of directors does not recommend the payment of dividend for the six months ended 30 June 2007.

The Group's wholly-owned large-scale cement manufacturing base in Yingde, Guangdong province, commenced commercial production in July 2006. With a current annual production capacity of 4 million metric tonnes per year, the Yingde plant reported a sales volume of 2 million metric tonnes during the period under review.

During the period under review, the Group's slag powder joint venture with Guangxi Liuzhou Steel (Group) Corporation in which the Company's subsidiary has a 60 per cent equity interest, displayed an outstanding performance with sales volume increased by 25.5 per cent. The Guangxi venture reported an 80 per cent growth in profit when compared with that of the same period last year due to strong sales and effective cost control.

The Group's 60 per cent owned subsidiary, Anhui King Bridge Cement Co. Ltd ("AKB"), which operates a slag powder grinding plant in Anhui, leveraged higher selling prices and a 13 per cent increase in revenue to realise an 18 per cent improvement in profit. In the six-month period, this plant increased its sales volume to Anhui province and its peripheral markets, capitalising on stronger demand and lower transportation costs.

The Group owns cement distribution facilities in Manila, the Philippines and renders cement handing services. During the period under review, the cement operation in the Philippines continued to generate a steady revenue stream to the Group.

During the period under review, the Group's cement trading and concrete business in Hong Kong reported a modest adjustment in revenue due to slowdown in the territory's construction sector in the first half of 2007. Although the cement selling prices for the period rose over those of the corresponding period last year, this effect was offset by a reduced sales volume and led to a retreat in profit when compared with that of the first half of 2006.

The Group disposed of a portion of its equity investment during the period under review and realised a gain of HK\$5.4 million.

"Profitability of the Yingde plant is expected to be further improved when it enters the industry peak season in the fourth quarter, with cement selling prices continuing to improve in Guangdong. Moreover, the plant's third production line will be commissioned in December 2007, while the fourth production line will commence operation in the first quarter of 2008, bringing the plant's total annual capacity to 9 million metric tonnes of clinker and cement," said Mr Koo Cheng Yun, chairman of TCC International.

"The Group expects the shortfall in slag powder supply in Guangdong and Guangxi provinces will continue to drive demand. Being one of the two major slag powder suppliers in the two provinces, the Guangxi venture will be able to further enhance its outstanding performance in the second half of the year. The plant's new production line with a capacity of 700,000 metric tonnes will be completed in the fourth quarter of this year. The additional capacity will provide a driving force for the Liuzhou plant's profitability in 2008," Mr Koo added.

Commenting on the industry's outlook, Mr Koo said: "The cement industry's consolidation is expected to be further expedited by the State's policy of lifting the industry's overall efficiency through eliminating obsolete capacity and supporting development of large-scale cement plants. Out of the 250 million metric tonnes of inefficient cement capacity to be replaced by 2010 under the State's policy, 10 million metric tonnes and 30 million metric tonnes will be from Fujian and Guangdong provinces respectively, in which the Group's major facilities are located. This policy together with the healthy development of the property sector in Southern and Eastern China, as well as the State's massive infrastructure and industrial development projects, will provide enormous opportunities for the Group to expand its business."

To continue its efficiency improvement exercise, the Group announced in May 2007, a turnkey agreement for the construction of power generation units utilising residual heat energy generated by its production lines at Yingde plant. When completed in the second half of 2008, the facilities will serve to further lower Yingde plant's overall costs by optimising its production line's resource utilisation and lowering its energy expenses, through an environmental friendly approach.

The Group announced on 14 June 2007 its proposed offer for the entire issued share capital of Hong Kong – listed Chia Hsin Cement Greater China Holding Corporation (“Chia Hsin”). The transaction has been approved by shareholders at an extraordinary general meeting of the Company on 23 August 2007, and is subject to Chia Hsin independent shareholders' acceptance, and relevant government authorities' approval.

“The successful acquisition of Chia Hsin will help immediately enhance the Group's scale of operation and extend its market reach to Eastern China. The combined strengths of the two companies will further elevate the Group's competitiveness during the industry's consolidation process,” said Mr Koo.

TCC International 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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Issued by: TCC International Holdings Limited
Through: CorporateLink Limited

TCC INTERNATIONAL HOLDINGS LIMITED

(Stock Code : 1136)

Unaudited Consolidated Income Statement For the Six Months Ended 30 June 2007

	Six months ended 30 June	
	2007	2006
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue	716,156	347,475
Cost of sales	<u>(622,341)</u>	<u>(323,621)</u>
Gross profit	93,815	23,854
Other income and gains	58,911	37,149
Selling and distribution expenses	(7,055)	(10,147)
General and administrative expenses	(33,669)	(34,766)
Other operating expenses	--	(9,654)
Finance costs	<u>(44,117)</u>	<u>(31,049)</u>
	67,885	(24,613)
Share of results of associates	<u>5,183</u>	10,263
Profit/(Loss) before tax	73,068	(14,350)
Income tax expense	<u>(1,561)</u>	(2,088)
Profit/(Loss) for the period	<u>71,507</u>	<u>(16,438)</u>
Attributable to:		
Shareholders of the Company	60,058	(24,155)
Minority interests	<u>11,449</u>	<u>7,717</u>
	<u>71,507</u>	<u>(16,438)</u>
Earnings/(Loss) per share		
— Basic	<u>HK7.8cents</u>	HK(3.1) cents
— Diluted	<u>HK7.7cents</u>	N/A