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## **TCCIH CONSOLIDATES ITS ROLE AS TAIWAN CEMENT'S FLAGSHIP IN THE PRC THROUGH THE ACQUISITION OF AN ANNUAL PRODUCTION CAPACITY OF 9 MILLION MT FACILITY IN GUANGXI**

TCC International Holdings Limited ("TCCIH" or the "Company", stock code: 1136) will become the sole cement operating arm of its ultimate controlling shareholder, Taiwan Cement Corporation ("T'Cement"), in the PRC upon the completion of a proposed acquisition of an annual production capacity of 9 million metric tonnes ("MT") cement and clinker business in Guangxi from T'Cement.

Upon completion of the transaction, the last major cement investment of its parent group in the PRC not conducted through TCCIH would be transferred to TCCIH, making the Company the sole cement operating arm of T'Cement in the PRC.

"The transaction signifies further consolidation of TCCIH's status as T'Cement's flagship cement operation platform in Mainland China, and the Company's escalation to among the top tier of cement manufacturers in the PRC with an aggregate annual cement and clinker capacity of around 25 million MT," said Mr Koo, Cheng-Yun, chairman of TCCIH.

"The addition of a major cement and clinker facility in Guangxi will further strengthen TCCIH's dominant market position in Southern China. Upon completion of the acquisition, TCCIH's facilities in Mainland China will spread from Guangxi, through Guangdong, Fujian to Jiangsu, covering most of the wealthy southern and eastern coastal provinces in the Mainland," added Mr Koo.

On 30 April 2009, TCCIH and a wholly-owned subsidiary entered into a framework agreement with TCC International Limited ("TCCI"), a controlling shareholder of TCCIH and a wholly owned subsidiary of T'Cement, for the acquisition of the entire issued share capital and shareholder loan of TCC International (Guangxi) Limited ("TCCI (Guangxi)") for a consideration not exceeding HK\$1,780 million.

The consideration will be satisfied by the Company's issue of convertible preference shares ("Convertible Preference Shares") to TCCI at an issue price of HK\$2.70 per Convertible Preference Share. Each Convertible Preference Share will be convertible into ordinary shares of TCCIH at a conversion price equal to the issue price.

TCCI (Guangxi), through its wholly-owned subsidiary, is principally engaged in the business of the manufacture and distribution of cement and clinker and operates four integrated production lines with an aggregate annual production capacity of approximately 9 million MT of cement and clinker located at Guigang City in Guangxi Zhuang Autonomous Region in the PRC.

# PRESS RELEASE

TCCIH is principally engaged in the import and distribution of cement in Hong Kong, the manufacturing and distribution of cement, clinker and slag powder in other areas of the PRC and the export of cement to Europe and Middle East. The Company's shares became listed on The Stock Exchange of Hong Kong Limited in 1997.

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