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TCCIH'S PROPOSED ACQUISITION OF TCC (GUI GANG) WILL INCREASE ITS CAPACITY TO 26 MILLION MT AND STRENGTHEN ITS MARKET LEADERSHIP IN SOUTHERN CHINA

TCC International Holdings Limited ("TCCIH" or the "Company", stock code: 1136) will immediately elevate its overall annual capacity by more than 50 per cent to approximately 26 million metric tonnes ("MT") of cement, clinker and slag power upon the completion of the acquisition of TCC (Gui Gang) Cement Limited ("TCC (Gui Gang)") via TCC International (Guangxi) Limited ("TCCI (Guangxi)"). The enhanced capacity will become an instrumental complement to the Group's strategy of establishing and maintaining a leading market position in the supply of cement in Southern China.

On 4 June 2009, TCCIH and a wholly-owned subsidiary entered into a sales and purchase agreement with TCC International Limited ("TCCI"), a controlling shareholder of TCCIH and a wholly-owned subsidiary of Taiwan Cement Corporation, for the acquisition of the entire issued share capital of TCCI (Guangxi) for a consideration of HK\$1,758,159,000, which shall be settled by the Company's allotting and issuing 651,170,000 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.

TCC (Gui Gang) 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. Situated in a pivotal traffic hub, the production facilities of TCC (Gui Gang) thus constitute a vital linkage to TCCIH's existing network of production and handling facilities. Upon completion of the acquisition, the Company's dominant market presence in Southern China will be further strengthened, with an array of advanced and efficient facilities spreading from Guangxi, through Guangdong, Fujian to Jiangsu, covering most of the affluent southern and eastern coastal provinces in Mainland China.

Adjacent to well-developed highway and railway networks and in proximity to Yujiang, a main tributary of Xijiang, the production facilities of TCC (Gui Gang) enjoy convenient and cost-efficient means of transportation to their key markets. In addition to easy access to various major cities in Guangxi, such as Nanning and Liuzhou, TCC (Gui Gang)'s handling facilities at Baisha pier and Xianyi Tan pier, to which it has exclusive rights of operation, can facilitate the conveyance of TCC (Gui Gang)'s products through Xijiang to the Pearl River Delta region and Hainan Province.

With the incorporation of TCC (Gui Gang), TCCIH will be able to fill in the market gap in cement and clinker supply to a large part of the Guangxi, Western Guangdong and the Hainan Provinces following the completion of the acquisition.

"With a significantly enhanced capacity and an extended market reach, we believe that the Company will be better positioned to capture market opportunities brought along by the arrival of the traditional peak season of the cement industry in the third and fourth quarters of the year, and the realization of the State government's massive investment budget aiming at driving

domestic demand,” said Mr Koo, Cheng-Yun, chairman of TCCIH.

Phase I of the production lines of TCC (Gui Gang) commenced commercial production in the last quarter of 2008. Phase II of its production lines embarked on its commercial run in the second quarter of 2009.

The Company believed the acquisition of TCC (Gui Gang) with completed and fully operational state-of-the-art production lines could immediately generate revenue contribution to the Company, without incurring certain costs and ancillary expenses associated with plant development and trial run.

“The operation efficiency of TCC (Gui Gang) is expected to further enhance with optimum utilization of its four production lines and inauguration of energy saving residual heat generation units in the second half of 2009. We believe that the acquisition will also offer us a niche to capitalise on the China cement industry’s accelerated consolidation,” added Mr Koo.

The principal activities of TCCIH 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 and the export of cement to Europe and Middle East. Through its associates, the Company is also engaged in the production and distribution of ready-mixed concrete in Hong Kong, and Mainland China. The Company’s shares became listed on The Stock Exchange of Hong Kong Limited in 1997.

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