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Date : 27 December 2004
Total pages : 2

TCC TO SPEND RMB1 BILLION ON TWO NEW DRY-PROCESS CEMENT PRODUCTION LINES FOR CHINA BUSINESS EXPANSION

TCC International Holdings Limited (“TCC” or the “Company”, stock code: 1136) together with its subsidiaries (the “Group”) today announced that, TCC Yingde Cement Co., Ltd. (“TCC Yingde”), a wholly-owned subsidiary of the Company, entered into the Design-Construction Turn-key Agreement (“Agreement”) with Sinoma International Engineering Co., Ltd. (“Sinoma”), for the design and construction of two new dry-process cement production lines and ancillary facilities for approximately RMB1 billion to more than double TCC’s existing annual production capacity of construction materials.

The two new dry-process cement production lines have a daily clinker production capacity of 5,000 metric tonnes each. Their completion and commencement will substantially increase the Group’s annual cement production capacity by approximately 4 million metric tones, boosting the Group’s expansion plans in Mainland China.

TCC Yingde will pay a total consideration of RMB1,016,800,000 to Sinoma, payable in line with construction and equipment delivery progress. The consideration will be satisfied by internal resources of the Group and bank borrowings.

Sinoma is principally engaged in the business of turn-key contracting, project engineering and consultation, equipment manufacturing, procurement and installation, and project supervision. It is a large enterprise in the PRC providing complete general contract system integration services covering research and development, engineering, manufacturing, project construction etc for large and medium scale cement production lines and building materials construction projects. Under the Agreement, Sinoma will design and construct, among other facilities, two cement production lines covering the complete process from limestone breaking to cement warehousing and finished product loading. It is expected that the construction will be completed in the first half of 2006.

The construction of the new production lines in Yingde is the Group’s strategic move for major investment expansion in Mainland China. Upon completion and operation, the new production lines are to be applied towards the production of clinker and various types of cement. “The manufacturing plant in Yingde occupies a strategic location which enables it to enjoy convenient access to the Pearl River Delta. Building upon this advantage, this large-scale cement manufacturing base is expected to become a major profit contributor to the Group,” said Mr Koo Cheng Yun, Chairman of TCC.

PRESS RELEASE

“There is a strong and growing demand for construction materials in the Pearl River Delta region due to the region’s extensive infrastructural and economic development. We believe that the increased capacity from the Yingde plant will enable the Group to capture the business opportunities arising from this high growth region in Southern China. The new dry-process cement production lines will enable the Group to have a more significant business presence in the construction materials industry in Southern China,” noted Mr Koo.

“TCC will strive to expand its production capacity and explore investment opportunities in the coming years. The Group aims to achieve an aggregate annual production capacity in cement and slag powder of 10 million metric tonnes by 2007 in order to capture the enormous opportunities of the growing construction industry and further expand its market share in Mainland China,” added Mr Koo.

TCC is principally engaged in the import and distribution of cement in Hong Kong, cement handling services in the Philippines, and the manufacturing and distribution of cement and slag powder in the Mainland China. Through its associated companies, the Group 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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Issued by: TCC International Holdings Limited

Through: CorporateLink Limited