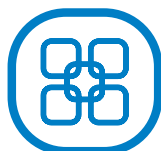


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TCC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1136)

MAJOR AND CONNECTED TRANSACTION – ACQUISITION OF 100% INTEREST IN TCCI (GUANGXI) WITH ISSUE OF CONVERTIBLE PREFERENCE SHARES AND AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the First Announcement dated 30 April 2009 in regard to the Framework Agreement entered into on that day between the Company, TCCI(HK) (an indirect wholly-owned subsidiary of the Company) and TCCI in relation to the intended acquisition of the TCCI (Guangxi) Shares and the Shareholder Loan by TCCI(HK) subject to the signing of a formal definitive agreement.

After further discussion to finalise the detailed terms and conditions, on 4 June 2009, TCCI(HK) and the Company entered into the Sale and Purchase Agreement with TCCI, pursuant to which TCCI has agreed to sell, and TCCI(HK) has agreed to purchase, the TCCI (Guangxi) Shares representing the entire issued share capital of TCCI (Guangxi) but not the Shareholder Loan, for a total consideration of HK\$1,758,159,000 which shall be settled by the Company's allotting and issuing the Convertible Preference Shares to TCCI.

To increase the authorised share capital of the Company and incorporate the rights, privileges and restrictions of the Convertible Preference Shares in the Memorandum and Articles, a resolution will be proposed at the EGM to amend the Memorandum and Articles.

The Sale and Purchase Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As TCCI is a substantial shareholder and thus a connected person of the Company, the Acquisition pursuant to the Sale and Purchase Agreement and the issue of the Convertible Preference Shares by the Company to TCCI thereunder also constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. Approval of the Independent Shareholders is proposed to be sought at the EGM in respect of the Acquisition and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Convertible Preference Shares and the Conversion Shares.

A circular containing further details of the Acquisition, the amendments to the Memorandum and Articles and the other transactions contemplated thereunder and a notice of EGM will be dispatched to the Shareholders as soon as possible.

THE AGREEMENT

Background

Reference is made to the First Announcement dated 30 April 2009 in regard to the Framework Agreement entered into on that day between the Company, TCCI(HK) (an indirect wholly-owned subsidiary of the Company) and TCCI in relation to the intended acquisition of the TCCI (Guangxi) Shares and the Shareholder Loan by TCCI(HK) subject to the signing of a formal definitive agreement.

After further discussion to finalise the detailed terms and conditions, on 4 June 2009, TCCI(HK) and the Company entered into the Sale and Purchase Agreement with TCCI, pursuant to which TCCI has agreed to sell, and TCCI(HK) has agreed to purchase, the TCCI (Guangxi) Shares representing the entire issued share capital of TCCI (Guangxi) but not the Shareholder Loan, for a total consideration of HK\$1,758,159,000 which shall be settled by the Company's allotting and issuing the Convertible Preference Shares to TCCI.

A summary of the principal terms of the Sale and Purchase Agreement is set out below.

Date

4 June 2009

Parties

- (1) TCCI, as vendor;
- (2) TCCI(HK), as purchaser; and
- (3) the Company, as co-warrantor, giving representations, warranties and undertakings in favor of TCCI in respect of the due performance of certain obligations of TCCI(HK) under the Sale and Purchase Agreement.

As at the Latest Practicable Date, TCCI beneficially owned an approximately 44.24% shareholding interest in the Company, and was a substantial shareholder and thus a connected person of the Company.

Assets to be acquired

TCCI(HK) will purchase the TCCI (Guangxi) Shares, representing the entire issued share capital of TCCI (Guangxi) as at the date of the Sale and Purchase Agreement.

Consideration

The Consideration for the acquisition of the TCCI (Guangxi) Shares is HK\$1,758,159,000, and shall be settled by the Company's allotting and issuing 651,170,000 Convertible Preference Shares to TCCI, credited as fully paid, at the Issue Price on Completion.

Basis of Consideration

The Consideration is determined based on arm's length negotiations between the parties to the Sale and Purchase Agreement, taking into account among other things (i) the consolidated net assets value of TCCI (Guangxi) of approximately HK\$1,556.7 million as at 31 December 2008 as stated in the audited consolidated balance sheet of TCCI (Guangxi) as at that date; and (ii) the surplus represented by the valuation as at 31 March 2009 at approximately RMB388.05 million of the land use rights and the structures erected on the land portion of the properties held (or expected to be held as at completion) by the Target Group as appraised by an independent valuer over the total cost of acquiring such rights and the total cost of acquiring or erecting such structures. The parties to the Sale and Purchase Agreement have, based on arm's length negotiations, modified the basis of consideration formulated under the Framework Agreement and removed the reference to the Shareholder Loan as it would not form part of the Acquisition. For details of the Target Group and its future prospect and business plan, please refer to the sections headed "Information on the Target Group" and "Reasons for and Benefits of the Acquisition" below.

The Directors (except the independent non-executive Directors whose view is reserved pending the advice of the independent financial advisor to the Independent Board Committee and the Independent Shareholders) consider the Consideration to be fair and reasonable, that the Sale and Purchase Agreement is on normal commercial terms and its terms are fair and reasonable, and that the entering into of the Sale and Purchase Agreement is in the interests of the Group and the Shareholders as a whole.

Conditions precedent

Completion of the Acquisition is subject to, among other matters, the following conditions having been fulfilled or waived under the Sale and Purchase Agreement (as the case may be):

- (1) the approval by the Shareholders of the Company of the increase of the authorised share capital of the Company to HK\$300,000,000 divided into 2,348,830,000 Ordinary Shares and 651,170,000 Convertible Preference Shares by the creation of an additional 348,830,000 new Ordinary Shares and 651,170,000 new Convertible Preference Shares, and of the alteration of the Memorandum and Articles to make provisions for the rights, privileges and restriction of the Convertible Preference Shares, being obtained;

- (2) the approval by the Shareholders (with such Shareholders as are required under the Listing Rules to abstain from voting on the relevant resolution(s) so abstaining) of the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the creation, the allotment and issue of the Convertible Preference Shares to TCCI at the Issue Price credited as fully paid and the allotment and issue of the Conversion Shares to TCCI upon conversion) and all other consents and acts required under the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange in connection therewith;
- (3) the Listing Committee having granted the listing of, and permission to deal in, the Conversion Shares;
- (4) all approvals, consents and acts (whether required under any applicable laws, codes, regulations, the Listing Rules or otherwise) for the purpose of or in connection with the Completion being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such provisions being obtained from the relevant authority (including without limitation the Stock Exchange);
- (5) none of the warranties, representations and undertakings given by TCCI (or the Company, as the case may be) under the Sale and Purchase Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect, except already disclosed to the Company;
- (6) TCCI(HK) being satisfied that, from the date of the Sale and Purchase Agreement to Completion, there has not been any change (or effect) in respect of any member of the Target Group which has a material and adverse effect on the financial position, business or operations of the Target Group as a whole;
- (7) any necessary third party consents in relation to the Sale and Purchase Agreement and the transactions contemplated thereby required pursuant to any agreement to which any member of the Target Group is a party (where any failure to obtain a consent would have a material adverse effect on the business of the Target Group taken as a whole) having been obtained or waived by the relevant party(ies); and

- (8) TCC (Gui Gang) having obtained the relevant land use right certificates under its name with respect to the land portion of the properties on which phase II of the production lines and Baisha pier are built with a site area of approximately 541,139.47 sq. m.

Pursuant to the Sale and Purchase Agreement, (1), (2), (3) and (4) of the above conditions may not be waived by the parties to the Sale and Purchase Agreement.

Under the Sale and Purchase Agreement, if any of the conditions thereunder is not fulfilled or waived on or before 12:00 noon on the Long Stop Date, the obligations of the parties to the Sale and Purchase Agreement shall cease and determine (except for confidentiality obligations thereunder) and neither party shall have any claim under the Sale and Purchase Agreement against the other save in respect of any antecedent breaches.

Completion

Completion of the Sale and Purchase Agreement shall take place at 10:00 a.m. on the 2nd Business Day immediately following the date when all the conditions under the Sale and Purchase Agreement are fulfilled (with such conditions remaining fulfilled up to the date of Completion) (or, where applicable, waived).

Upon Completion, TCCI (Guangxi) will become an indirect wholly-owned subsidiary of the Company.

THE CONVERTIBLE PREFERENCE SHARES

To satisfy the Consideration, the Company will allot and issue to TCCI 651,170,000 Convertible Preference Shares.

A summary of the principal terms of the Convertible Preference Shares is set out below.

Par value	HK\$0.10 each
Issue price	HK\$2.70 per Convertible Preference Share

Conversion period	Any time after issue, provided that any conversion shall not result in the Company failing to comply with any public float requirement under the Listing Rules.
Conversion ratio	Each Convertible Preference Share shall be convertible into such number of Ordinary Share(s) being one (1) multiplied by the conversion rate. The conversion rate shall be determined by dividing the Issue Price of each Convertible Preference Share by the conversion price.
Conversion price	The conversion price is the Issue Price, subject to adjustment upon the occurrence of certain prescribed events (including consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distributions, rights issues of Ordinary Shares or options over Ordinary Shares, and issues at less than the conversion price), but provided that the conversion price shall not be less than the then subsisting nominal value of an Ordinary Share into which such Convertible Preference Share is converted. If any adjustment is required to be made to the conversion price, a further announcement will be made by the Company.
Dividends and distributions	Each Convertible Preference Share shall confer on the holder thereof the right to receive dividend pari passu with holders of Ordinary Shares on the basis of the number of Ordinary Share(s) into which each Convertible Preference Share may be converted and on an as converted basis.
Voting rights	The holder(s) of Convertible Preference Shares shall not have the right to attend and vote at a general meeting (except a general meeting for winding-up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of such holder(s)).

Ranking

On a distribution of assets on liquidation, winding-up or dissolution of the Company or otherwise, the assets and funds of the Company available for distribution among the members of the Company shall, subject to applicable laws, be applied in the following priority:

- (i) firstly, in paying to the Convertible Preference Shareholders (pro rata to the aggregate of the Issue Price of the Convertible Preference Shares held by each such holder), pari passu as between themselves as regards repayment of amounts paid-up or credited as paid-up on such Convertible Preference Shares, an amount equal to, respectively, the aggregate of the Issue Price of all of the Convertible Preference Shares;
- (ii) secondly, the balance of such assets shall be distributed on a pari passu basis among the holders of any class of shares in the capital of the Company other than the Convertible Preference Shares and other than any shares which are not entitled to participate in such assets, by reference to the aggregate nominal amount of the shares held by them respectively and to the extent of an amount equal to the issue price of a Convertible Preference Share for every HK\$0.10 in nominal amount of the shares so held; and
- (iii) the remaining balance of such assets shall belong to and be distributed on a pari passu basis among the holders of any class of shares including the Convertible Preference Shares, other than any other shares not entitled to participate in such assets by reference to the aggregate nominal amount of shares held by the respectively.

Transferability	The Convertible Preference Shares shall be freely transferable.
Redemption	The Convertible Preference Shares shall be non-redeemable.
Listing	No application will be made for the listing of the Convertible Preference Shares on the Stock Exchange or any other stock exchange.

Issue Price

The Issue Price of HK\$2.70 for each Convertible Preference Share was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement. The Issue Price of HK\$2.70 represents:

- (i) a premium of approximately 7.6% and a discount of approximately 25.0% to the closing price of HK\$2.51 and HK\$3.60 per Ordinary Share as quoted on the Stock Exchange on the Last Trading Day Before the Framework Agreement and the Last Trading Day Before the Sale and Purchase Agreement respectively;
- (ii) a premium of approximately 3.8% and a discount of approximately 25.4% respectively to the average of the closing prices of HK\$2.60 and HK\$3.62 per Ordinary Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day Before the Framework Agreement and the Last Trading Day Before the Sale and Purchase Agreement respectively;
- (iii) a premium of approximately 25.0% and a discount of approximately 20.1% respectively to the average of the closing prices of HK\$2.16 and HK\$3.38 per Ordinary Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day Before the Framework Agreement and the Last Trading Day Before the Sale and Purchase Agreement respectively; and

- (iv) a premium of approximately 47.5% and a premium of approximately 38.5% respectively to the average of the closing prices of HK\$1.83 and HK\$1.95 per Ordinary Share as quoted on the Stock Exchange for the 180 consecutive trading days up to and including the Last Trading Day Before the Framework Agreement and the Last Trading Day Before the Sale and Purchase Agreement respectively.

Mandate to issue the Convertible Preference Shares and the Conversion Shares

The Directors will seek a specific mandate from the Independent Shareholders at the EGM to allot and issue the Convertible Preference Shares and the Conversion Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon conversion of the Convertible Preference Shares. There is no restriction on the subsequent sale of the Conversion Shares by TCCI.

AMENDMENTS TO THE MEMORANDUM AND ARTICLES

To increase the authorised share capital of the Company and incorporate the rights, privileges and restrictions of the Convertible Preference Shares in the Memorandum and Articles, a resolution will be proposed at the EGM to amend the Memorandum and Articles. Details of the proposed amendments will be disclosed in the circular to be despatched to the Shareholders.

CHANGES IN SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company has 1,282,840,046 Ordinary Shares in issue and 6,510,000 outstanding share options. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date and before Completion; (ii) immediately after Completion and full conversion of the Convertible Preference Shares assuming no further Ordinary Shares (including exercise of the outstanding share options) will be issued and no Ordinary Shares will be repurchased before the allotment and issue of the Conversion Shares; and (iii) immediately after the allotment and issue of the Conversion Shares and exercise of 6,510,000 share options:

	As at the Latest Practicable Date and before Completion		Immediately after Completion and partial conversion of the Convertible Preference Share to the extent that public float of the Ordinary Shares will not fall below the minimum requirements of the Listing Rules		Immediately after Completion and full conversion of the Convertible Preference Shares (Note 1) assuming no further Ordinary Shares will be issued and no Ordinary Shares will be repurchased before the allotment and issue of the Conversion Shares		Immediately after the allotment and issue of the Conversion Shares and exercise of 6,510,000 share options	
	Ordinary Shares	%	Ordinary Shares	%	Ordinary Shares	%	Ordinary Shares	%
TCCI	567,518,000	44.24	631,450,138	46.89	1,218,688,000	63.01	1,218,688,000	62.80
Directors of the Company and its subsidiaries	14,290,000	1.11	14,290,000	1.06	14,290,000	0.74	20,500,000	1.06
CHPL	364,339,000	28.40	364,339,000	27.05	364,339,000	18.84	364,339,000	18.78
Public	336,693,046	26.25	336,693,046	25.00	336,693,046	17.41	336,993,046	17.37
Total	1,282,840,046	100.00	1,346,772,184	100.00	1,934,010,046	100.00	1,940,520,046	100.00

Notes:—

- The figures are provided for illustrative purposes only. The terms of the Convertible Preference Shares will not permit conversion if immediately after such conversion the public float of the Ordinary Shares will fall below the minimum requirements of the Listing Rules.

PRINCIPAL BUSINESS OF THE GROUP

The principal activities of the Group 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 Group is also engaged in the production and distribution of ready-mixed concrete in Hong Kong and Mainland China.

INFORMATION ON THE TARGET GROUP

TCCI (Guangxi) is a company incorporated in the British Virgin Islands. As at the date of this announcement, TCCI (Guangxi) has an authorised capital of US\$300,000,000 divided into 300,000,000 shares of US\$1 each, of which 197,925,900 shares have been issued and are fully paid. TCCI (Guangxi) is an investment holding company, and does not carry on any business other than holding the entire equity interest in the TCC (Gui Gang).

TCC (Gui Gang) is a foreign invested enterprise established under the laws and regulations of the PRC. TCC (Gui Gang) 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 metric tonnes of cement and clinker located at Gui Gang City in Guangxi. TCC (Gui Gang) also has two energy saving residual heat generation units, each of them expected to generate 21MW electricity, and private shipping terminals and pier facilities. Phase I of the production lines commenced commercial production in the last quarter of 2008, and phase II of the production lines embarked on its commercial run in the second quarter of 2009. The cement and the clinker produced by TCC (Gui Gang) are sold to a large part of the Guangxi, Western Guangdong and the Hainan provinces in the PRC.

Set out below is a summary of key consolidated financial information of the Target Group for the two years ended 31 December 2008, which has been prepared in accordance with the accounting policies in compliance with Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants:–

	For the year ended	
	31 December	
	2007	2008
	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	–	333.7
Profit/(loss) for the year (before and after taxation and extraordinary items)	5.8	(96.5)

Based on the audited consolidated accounts of the Target Group, the audited consolidated net assets value as at 31 December 2008 was approximately HK\$1,556.7 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors (excluding the independent non-executive Directors whose view are reserved pending the advice of the independent financial advisors to the Independent Board Committee) considered the Acquisition an instrumental complement to the Group's strategy of establishing and maintaining a leading market position in the supply of cement in Southern China.

Situated in a pivotal traffic hub, the production facilities of TCC (Gui Gang) constitute a vital linkage to the Group's existing network of production and handling facilities. Upon completion of the Acquisition, the Group'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.

The inclusion of TCC (Gui Gang) into the Group's portfolio will immediately elevate the Group's overall annual capacity by more than 50% to approximately 26 million metric tonnes of cement, clinker and slag power. The enhanced capacity and broadened market spread will place the Group in the forefront of the industry among the top tier of cement manufacturers in Mainland China.

The strategic location of the production facilities of TCC (Gui Gang) in Guangxi will enable the Group to extend its market reach and to tap into the enormous budget for infrastructure and urbanization development promoted and supported by the State government.

With the completion of the Acquisition, the Group 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.

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.

Phase I of the production lines of TCC (Gui Gang) has 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 Directors (excluding the independent non-executive Directors whose view are reserved pending the advice of the independent financial advisors to the Independent Board Committee) believed the acquisition of the Target Group with completed and fully operational state-of-the-art production lines, could immediately generate revenue contribution to the Group, without incurring certain costs and ancillary expenses associated with plant development and trial run.

Located in an area surrounded by limestone resources, the production facilities of TCC (Gui Gang) are able to secure a reliable and efficient supply of quality raw material.

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.

With a significantly enhanced capacity and an extended market reach, the Group 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.

The adding of an annual capacity of approximately 9 million metric tonnes of cement and clinker, through the proposed Acquisition, will also offer the Group a niche to capitalise on the China cement industry's accelerated consolidation.

After transferring the last major cement investment of T'Cement Group in the PRC, the Company will become the sole cement operating arm of T'Cement in the PRC. The transaction signifies further consolidation of the Company's status as T'Cement's flagship cement operation platform in Mainland China.

In view of the above, the Directors (excluding the independent non-executive Directors whose view are reserved pending the advice of the independent financial advisor to the Independent Board Committee and the Independent Shareholders) believe that the Acquisition is in the interests of both the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Sale and Purchase Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As TCCI is a substantial shareholder and thus a connected person of the Company, the Acquisition pursuant to the Sale and Purchase Agreement and the issue of the Convertible Preference Shares by the Company to TCCI thereunder also constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. The Acquisition is subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Approval of the Independent Shareholders is proposed to be sought at the EGM in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Convertible Preference Shares and the Conversion Shares.

TCCI held an approximately 44.24% shareholding interest in the Company as at the Latest Practicable Date and is required to abstain from voting in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder at the forthcoming EGM. Save as disclosed, no other Shareholders have any material interest in the Acquisition and the transactions contemplated thereunder and are required to abstain from voting in respect of the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder at the forthcoming EGM.

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders as to whether the terms of the Acquisition and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Somerley Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders accordingly. None of the independent non-executive Directors has any material interest in the Acquisition.

A circular will be despatched as soon as practicable after publication of this announcement to the Shareholders containing among other things, (i) details of the Acquisition and the proposed amendments to the Memorandum and Articles; (ii) a letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders respect of the Acquisition; (iii) a letter from the independent financial advisor to the Independent Board Committee and Independent Shareholders containing its advice to the Independent Board Committee and Independent Shareholders in respect of the Acquisition; and (iv) a notice convening the EGM, in compliance with the Listing Rules.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened as soon as practicable at which a resolution will be proposed to approve the Acquisition and the transactions contemplated thereunder. TCCI and its associates will abstain from voting at the EGM in respect of the resolution on the entering into of the Sale and Purchase Agreement, the allotment and issue of the Convertible Preference Shares and the Conversion Shares, the increase in the Company's authorised share capital and the amendments to the Memorandum and Articles.

Completion of the Sale and Purchase Agreement and the transactions contemplated thereunder is subject to various conditions and the Acquisition may or may not proceed to completion. Shareholders and potential investors in the Company should exercise caution when dealing in the Ordinary Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Acquisition”	the acquisition of the TCCI (Guangxi) Shares by TCCI(HK)
“Articles”	the articles of association of the Company for the time being
“Board”	board of Directors of the Company

“Business Day”	a day (other than Saturdays, Sundays and such other days where a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is in force in Hong Kong), on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CHPL”	Chia Hsin Pacific Limited, a company incorporated in the Cayman Islands with limited liability in 1995. It is directly and indirectly owned as to approximately 98.08% as at the Latest Practicable Date by Chia Hsin Cement Corporation, a company incorporated in Taiwan the securities of which are listed on the Taiwan Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Company”	TCC International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Consideration”	the aggregate consideration of HK\$1,758,159,000 for the sale and purchase of the TCCI (Guangxi) Shares pursuant to the Sale and Purchase Agreement
“Conversion Shares”	the 651,170,000 new Ordinary Shares to be allotted and issued to the holder(s) of the Convertible Preference Shares upon conversion of the Convertible Preference Shares

“Convertible Preference Shares”	the non-voting convertible preference shares to be issued by the Company to satisfy the Consideration, which shall have the rights and be subject to the restrictions set out in the section headed “The Convertible Preference Shares” in this announcement
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Convertible Preference Shares and the Conversion Shares
“First Announcement”	the announcement issued by the Company on 30 April 2009 in relation to the Framework Agreement
“Framework Agreement”	the framework agreement dated 30 April 2009 entered into between the Company, TCCI and TCCI(HK) in relation to the intended acquisition of the TCCI (Guangxi) Shares and the Shareholder Loan by TCCI(HK)
“Group”	includes the Company and its subsidiaries
“Guangxi”	Guangxi Zhuang Autonomous Region in the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than TCCI and its associates as defined in the Listing Rules or others who are interested in the Acquisition at the forthcoming EGM
“Issue Price”	the issue price of HK\$2.70 per Convertible Preference Share
“Last Trading Day Before the Framework Agreement”	29 April 2009, being the last trading date immediately before the date of the Framework Agreement
“Last Trading Day Before the Sale and Purchase Agreement”	3 June 2009, being the last trading date immediately before the date of the Sale and Purchase Agreement
“Latest Practicable Date”	1 June 2009, being the latest practicable date prior to the issue of this announcement for ascertaining certain information contained herein
“Listing Committee”	shall have the same meaning as is in the Main Board Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	six months from date of Sale and Purchase Agreement, or such later date as the Company, TCCI(HK) and TCCI may by mutual agreement determine
“Memorandum”	the memorandum of association of the Company for the time being
“MW”	megawatt, or one million watts

“Ordinary Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 4 June 2009 entered into between the Company, TCCI and TCCI(HK) in relation to the Acquisition
“Shareholder Loan”	the aggregate amounts advanced by TCCI to TCCI (Guangxi) which are outstanding from time to time
“Shareholder(s)”	the registered shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“T’Cement”	Taiwan Cement Corporation, a company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange and which, through its wholly-owned subsidiary TCCI, held approximately 44.24% of the issued share capital of the Company as at the Latest Practicable Date
“T’Cement Group”	T’Cement and its subsidiaries but excluding, for the purpose of this announcement, any members of the Group
“Target Group”	TCCI (Guangxi) and TCC (Gui Gang)
“TCCI”	TCC International Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company

“TCCI (Guangxi)”	TCC International (Guangxi) Limited, a company incorporated in the British Virgin Islands and beneficially wholly owned by TCCI
“TCCI (Guangxi) Shares”	the 197,925,900 shares in the issued share capital of TCCI (Guangxi)
“TCC (Gui Gang)”	TCC (Gui Gang) Cement Limited (台泥(貴港)水泥有限公司), a foreign invested enterprise established under the laws and regulations of the PRC and beneficially wholly owned by TCCI (Guangxi)
“TCCI(HK)”	TCC International (Hong Kong) Company Limited, a company incorporated in Hong Kong and an indirectly wholly owned subsidiary of the Company
“US\$”	United States dollars, the lawful currency of United States

On behalf of the board of
TCC INTERNATIONAL HOLDINGS LIMITED
Wu Yih Chin
Managing Director

Hong Kong, 4 June 2009

As at the date of this announcement, the Board of Directors of the Company is comprised of Mr. Koo, Cheng-Yun, Leslie as the Chairman and an executive Director; Mr. Wu Yih Chin as the Managing Director and an executive Director; Dr. Shan Weijian, Mr. Chang, An-Ping, Nelson, Mr. Chang, Kang-Lung, Jason and Ms. Wang, Lishin, Elizabeth as non-executive Directors; and Mr. Liao Poon Huai, Donald, Dr. Chih Ching Kang, Kenneth and Mr. Shieh, Jen-Chung, Roger as independent non-executive Directors.