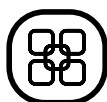


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This Announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of TCCIH or CHCGC.

These materials are not an offer for sale of the TCCIH Shares in the United States. The TCCIH Shares have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act), and may not be sold in the United States absent registration or an exemption from registration under the Securities Act.



TCC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1136)



嘉新水泥（中國）控股股份有限公司*

Chia Hsin Cement Greater China Holding Corporation

(incorporated in the Cayman Islands with limited liability)

(Stock code: 0699)

JOINT ANNOUNCEMENT

**VOLUNTARY CONDITIONAL OFFER BY
MORGAN STANLEY ASIA LIMITED
ON BEHALF OF**

**TCC INTERNATIONAL HOLDINGS LIMITED
TO ACQUIRE ALL OF THE ISSUED SHARES IN THE CAPITAL OF
CHIA HSIN CEMENT GREATER CHINA HOLDING CORPORATION
AND**

**VERY SUBSTANTIAL ACQUISITION BY TCC
INTERNATIONAL HOLDINGS LIMITED
AND**

**MANDATE TO ISSUE NEW TCC INTERNATIONAL
HOLDINGS LIMITED SHARES
AND**

**RESUMPTION OF TRADING
AND**

**STATEMENT BY EXECUTIVE DIRECTORS OF
CHIA HSIN CEMENT GREATER CHINA
HOLDING CORPORATION**

Financial Adviser to TCCIH

Morgan Stanley

1. INTRODUCTION

TCCIH and CHCGC jointly announce that Morgan Stanley will, on behalf of TCCIH, make a voluntary conditional securities exchange offer to acquire all of the issued shares in the share capital of CHCGC.

* For identification purpose only

2. CONSIDERATION FOR THE OFFER

The consideration in respect of the Offer is as follows:

For each CHCGC Share 0.4545 new TCCIH Shares

3. CONDITIONS OF THE OFFER

The Offer is conditional upon:

- (a) the Offer and the allotment and issue by TCCIH of new TCCIH Shares to the CHCGC Shareholders who accept the Offer having been approved by the TCCIH Shareholders in general meeting in accordance with the Listing Rules;
- (b) valid acceptances of the Offer having been received at or before 4.00 p.m. on the First Closing Date (or such other time as TCCIH may, subject to the Takeovers Code, decide) in respect of the CHCGC Shares which will result in TCCIH holding at least 90% of the Disinterested Shares;
- (c) the Stock Exchange having granted its approval for the listing of, and permission to deal in, the new TCCIH Shares to be issued in consideration for the acquisition of the CHCGC Shares pursuant to the terms of the Offer;
- (d) subject to Note 2 to Rule 30.1 of the Takeovers Code, no event having occurred which would make the Offer or the acquisition of any of the CHCGC Shares by the Offeror void, unenforceable, illegal or which would prohibit the implementation of the Offer or impose any additional material conditions or obligations with respect to the Offer or any part thereof or on the acquisition of any of the CHCGC Shares;
- (e) any necessary consent or approval (including approval in principle) of any governmental or regulatory body in relation to the Offer having been obtained pursuant to the provisions of any laws or regulations in Hong Kong, the PRC, Taiwan and overseas;
- (f) any necessary third party consents in relation to the Offer required pursuant to any agreement to which any member of the CHCGC Group is a party (where any failure to obtain a consent would have a material adverse effect on the business of the CHCGC Group taken as a whole) having been obtained or waived by the relevant party(ies);
- (g) subject to Note 2 to Rule 30.1 of the Takeovers Code, since the date of this Announcement, there having been no material adverse change in the business, assets, financial or trading position or prospects of the CHCGC Group taken as a whole; and
- (h) save in connection with the completion of the Offer, the listing of the CHCGC Shares on the Stock Exchange not having been withdrawn, and no indication being received from the SFC and/or the Stock Exchange to the effect that the listing of the CHCGC Shares on the Stock Exchange is or is likely to be withdrawn.

The Offeror reserves the right to waive all or any of the conditions (except for the conditions referred to in (a) and (c) above) in whole or in part. Condition (b) may be waived subject to the Offeror having received acceptances in respect of CHCGC Shares which would result in the Offeror holding more than 50% of the voting rights in CHCGC.

The Offeror intends to exercise the right to compulsorily acquire those CHCGC Shares not acquired by the Offeror pursuant to the Offer under Section 88 of the Cayman Islands Companies Law if it acquires not less than 90% of the Disinterested Shares within four months of the posting of the Composite Document as required by Rule 2.11 of the Takeovers Code. For the purposes of Rule 2.11 of the Takeovers Code, the CHCGC Shares held by CHPL and ICHC, who together with CHC Holding are treated as parties acting in concert with TCCIH, TCC and TCCI in connection with the Offer, will not be treated as Disinterested Shares. Section 88 of the Cayman Islands Companies Law requires the Offer to be accepted by the holders of not less than 90% of the issued CHCGC shares. Should compulsory acquisition rights arise and be exercised in full, CHCGC will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the CHCGC Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

4. IRREVOCABLE UNDERTAKING

CHC Holding, CHPL and ICHC have given an irrevocable undertaking to the Offeror. Under the irrevocable undertaking, CHPL and ICHC have undertaken to accept the Offer in respect of all the 814,000,000 CHCGC Shares and 10,508,000 CHCGC Shares held by them respectively, representing in aggregate approximately 72.14% of the issued share capital of CHCGC provided that at the time they are required to accept the Offer the approvals of the Taiwan Investment Commission and the Taiwan Fair Trade Commission (if required) for the performance by CHC Holding and ICHC of their respective obligations under the irrevocable undertaking shall have been obtained. The obligation of CHPL and ICHC to accept the Offer shall lapse if after the date of this Announcement, there is a material adverse change in the business, assets, financial or trading position or prospects of the TCCIH Group as a whole. The irrevocable undertaking also provides that prior to the closing or lapsing of the Offer, CHPL and ICHC shall not sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all or any of the CHCGC Shares which are the subject of their respective undertakings or interest in such CHCGC Shares except under the Offer, or accept or procure the acceptance of any other offer in respect of all or any of such CHCGC Shares. Under the irrevocable undertaking, CHC Holding undertakes that it will use its best endeavours to procure the performance by CHPL and ICHC of their respective obligations under the irrevocable undertaking.

The irrevocable undertaking will be binding even if a higher offer is made for the CHCGC Shares.

5. VERY SUBSTANTIAL ACQUISITION AND ALLOTMENT AND ISSUE OF NEW TCCIH SHARES

The acquisition of the CHCGC Shares under the Offer will constitute a very substantial acquisition for TCCIH under the Listing Rules, and the Offer is therefore conditional upon the approval of the TCCIH Shareholders in general meeting. The Relevant TCCIH Shareholders, who hold approximately 73.43% of the issued share capital of TCCIH, will be required to abstain from voting at the TCCIH EGM in respect of any TCCIH Shares held by them or on their behalf in relation to the resolution relating to the Very Substantial Acquisition.

The allotment and issue of new TCCIH Shares to the CHCGC Shareholders who accept the Offer is also subject to the approval of the TCCIH Shareholders in general meeting pursuant to Rule 13.36(1)(a) of the Listing Rules. The Relevant TCCIH Shareholders, who hold approximately 73.43% of the issued share capital of TCCIH, will be required to abstain from voting at the TCCIH EGM in respect of any TCCIH Shares held by them or on their behalf in relation to the resolution relating to the above allotment and issue of new TCCIH Shares for the purposes of Rule 13.36(1)(a) of the Listing Rules.

The resolutions relating to the Very Substantial Acquisition and the allotment and issue of new TCCIH Shares will be approved by way of a poll at the TCCIH EGM.

6. STATEMENT BY EXECUTIVE DIRECTORS OF CHCGC

The executive directors of CHCGC believe that the terms of the Offer are fair and reasonable and in the interests of the shareholders of CHCGC as a whole. However, an independent board committee comprising all non-executive directors of CHCGC who have no direct or indirect interest in the Offer other than as a shareholder of CHCGC will be appointed to advise the CHCGC Shareholders on the Offer. The CHCGC IBC will also appoint an independent financial adviser to advise it in respect of the Offer. The advice of the CHCGC IBC and the letter from the CHCGC IFA will be included in the Composite Document.

7. PARTIES ACTING IN CONCERT WITH TCCIH, TCC AND TCCI

TCC, a company incorporated in Taiwan and the securities of which are listed on the Taiwan Stock Exchange, is the ultimate parent company of TCCIH. TCC's wholly owned subsidiary, TCCI, holds 567,518,000 TCCIH Shares representing approximately 73.43% of the issued share capital of TCCIH. CHC Holding, a company incorporated in Taiwan and the securities of which are listed on the Taiwan Stock Exchange, is the ultimate parent company of CHCGC. CHC Holding is directly and indirectly interested in approximately 98.08% in CHPL and is directly and indirectly interested in approximately 39.51% of the equity interests in ICHC. CHPL and ICHC hold 814,000,000 CHCGC Shares and 10,508,000 CHCGC Shares respectively, representing in aggregate approximately 72.14% of the issued share capital of CHCGC. CHC Holding, CHPL and ICHC will be treated as parties acting in concert with TCCIH, TCC and TCCI for purposes of the Offer as they are actively co-operating to obtain or consolidate control of CHCGC through the acquisition by TCCIH of voting rights of CHCGC.

8. SUSPENSION AND RESUMPTION OF TRADING

Trading in the TCCIH Shares on the Stock Exchange was suspended from 9.30 a.m. on 12 June 2007 at the request of TCCIH and an application has been made to the Stock Exchange to allow dealings in the TCCIH Shares to resume with effect from 9.30 a.m. on 15 June 2007.

Trading in the CHCGC Shares on the Stock Exchange was suspended from 9.30 a.m. on 12 June 2007 at the request of CHCGC and an application has been made to the Stock Exchange to allow dealings in the CHCGC Shares to resume with effect from 9.30 a.m. on 15 June 2007.

WARNING: Completion of the Offer is subject to the conditions of the Offer being fulfilled or waived, as applicable. Accordingly, the issue of this Announcement does not in any way imply that the Offer will be completed. Therefore, TCCIH Shareholders, CHCGC Shareholders and investors generally should exercise caution when dealing in the TCCIH Shares and the CHCGC Shares.

THE OFFER

TCCIH and CHCGC jointly announce that Morgan Stanley will, on behalf of TCCIH, make a voluntary conditional securities exchange offer to acquire all of the issued shares in the share capital of CHCGC.

The Offer is made in compliance with the Takeovers Code, which is administered by the Executive.

Consideration for the Offer

The consideration payable under the Offer is as follows:

For each CHCGC Share 0.4545 new TCCIH Shares

Based on an exchange ratio of 0.4545 TCCIH Shares per CHCGC Share and 1,142,900,000 CHCGC Shares in issue at the Last Trading Date, the maximum number of new TCCIH Shares that TCCIH will issue in connection with the Offer is 519,448,050. This represents approximately 67.21% of the existing issued ordinary share capital of TCCIH of 772,922,000 TCCIH Shares as at the Last Trading Date, and approximately 40.19% of the enlarged issued share capital of TCCIH of 1,292,370,050 TCCIH Shares immediately following the issue of the new TCCIH Shares.

There is no outstanding options, derivatives, warrants or other securities in issue convertible or exchangeable into CHCGC Shares.

On the basis of an ascribed value of HK\$2.26 per CHCGC Share under the Offer (being the value of 0.4545 TCCIH Shares based on the closing price of each TCCIH Share of HK\$4.98, as quoted on the Stock Exchange on the Last Trading Date), the entire issued share capital of 1,142,900,000 CHCGC Shares is valued at approximately HK\$2,582,954,000.

The exchange ratio of 0.4545 TCCIH Shares per CHCGC Share was determined by TCCIH on the basis of the recent financial performance of TCCIH and CHCGC including profitability measures such as margins and net income, and taking into account the recent trading performance of CHCGC Shares.

Comparisons of value

Based on the closing price of each TCCIH Share of HK\$4.98, as quoted on the Stock Exchange on the Last Trading Date, the Offer of an ascribed value of HK\$2.26 per CHCGC Share represents:

- (a) a premium of approximately 13.00%, 11.17%, 18.64% and 27.04% over the average closing prices of HK\$2.00, HK\$2.03, HK\$1.90 and HK\$1.78 per CHCGC Share, being the average closing prices of CHCGC Shares as quoted on the Stock Exchange for the 5, 10, 20 and 30 trading days respectively immediately prior to and including the Last Trading Date; and
- (b) a premium of approximately 2.26% over the closing price of each CHCGC Share of HK\$2.21, as quoted on the Stock Exchange on the Last Trading Date.

On the basis of an implied issue price of HK\$4.86 (equivalent to the closing price of HK\$2.21 per CHCGC Share as quoted on the Stock Exchange on the Last Trading Date divided by 0.4545) for each new TCCIH Share, such implied issue price represents:

- (a) a premium of approximately 5.06% and 15.95% over the average closing prices of HK\$4.63 and HK\$4.19 per TCCIH Share, being the average closing prices of TCCIH Shares as quoted on the Stock Exchange for the 20 and 30 trading days respectively prior to and including the Last Trading Date; and

- (b) a discount of 1.14% and 3.69% over the average closing prices of HK\$4.92 and HK\$5.05 per TCCIH Share, being the average closing prices of TCCIH Shares as quoted on the Stock Exchange for the 5 and 10 trading days respectively prior to and including the Last Trading Date.

Highest and lowest prices

During the six-month period preceding the Last Trading Date, the highest closing price of CHCGC Shares as quoted on the Stock Exchange was HK\$2.21 each on 28 May 2007, and the lowest closing price of CHCGC Shares as quoted on the Stock Exchange was HK\$1.18 each on 5 March 2007.

CONDITIONS OF THE OFFER

The Offer is conditional upon:

- (a) the Offer and the allotment and issue by TCCIH of new TCCIH Shares to the CHCGC Shareholders who accept the Offer having been approved by the TCCIH Shareholders in general meeting in accordance with the Listing Rules;
- (b) valid acceptances of the Offer having been received at or before 4.00 p.m. on the First Closing Date (or such other time as TCCIH may, subject to the Takeovers Code, decide) in respect of the CHCGC Shares which will result in TCCIH holding at least 90% of the Disinterested Shares;
- (c) the Stock Exchange having granted its approval for the listing of, and permission to deal in, the new TCCIH Shares to be issued in consideration for the acquisition of the CHCGC Shares pursuant to the terms of the Offer;
- (d) subject to Note 2 to Rule 30.1 of the Takeovers Code, no event having occurred which would make the Offer or the acquisition of any of the CHCGC Shares by the Offeror void, unenforceable, illegal or which would prohibit the implementation of the Offer or impose any additional material conditions or obligations with respect to the Offer or any part thereof or on the acquisition of any of the CHCGC Shares;
- (e) any necessary consent or approval (including approval in principle) of any governmental or regulatory body in relation to the Offer having been obtained pursuant to the provisions of any laws or regulations in Hong Kong, the PRC, Taiwan and overseas;
- (f) any necessary third party consents in relation to the Offer required pursuant to any agreement to which any member of the CHCGC Group is a party (where any failure to obtain a consent would have a material adverse effect on the business of the CHCGC Group taken as a whole) having been obtained or waived by the relevant party(ies);
- (g) subject to Note 2 to Rule 30.1 of the Takeovers Code, since the date of this Announcement, there having been no material adverse change in the business, assets, financial or trading position or prospects of the CHCGC Group taken as a whole; and
- (h) save in connection with the completion of the Offer, the listing of the CHCGC Shares on the Stock Exchange not having been withdrawn, and no indication being received from the SFC and/or the Stock Exchange to the effect that the listing of the CHCGC Shares on the Stock Exchange is or is likely to be withdrawn.

The Offeror reserves the right to waive all or any of the conditions (except for the conditions referred to in (a) and (c) above) in whole or in part. Condition (b) may be waived subject to the Offeror having received acceptances in respect of CHCGC Shares which would result in the Offeror holding more than 50% of the voting rights in CHCGC.

FURTHER TERMS OF THE OFFER

New TCCIH Shares to be issued

The new TCCIH Shares will be issued free from all liens, charges and encumbrances and together with all rights attaching to them, including the right to receive all dividends and other distributions, if any, declared, made or paid on or after the date of issue of the new TCCIH Shares and will rank pari passu with the existing TCCIH Shares. There will be no restrictions on the transfer of the new TCCIH Shares to be issued under the Offer. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the new TCCIH Shares to be issued in connection with the Offer.

CHCGC Shares

Acceptance of the Offer by any CHCGC Shareholder will be deemed to constitute a warranty by such person that all the CHCGC Shares to be sold by such person under the Offer will be free from all liens, charges, options, claims, equities, adverse interests, rights of preemption and any other third-party rights or encumbrances of any nature whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive in full dividends and other distributions declared, made or paid, if any, on or after the date of this Announcement.

Hong Kong stamp duty

Sellers' and buyers' ad valorem stamp duty for the CHCGC Shares on the Hong Kong branch share register arising in connection with the acceptances of the Offer, amounting to HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable in respect of the relevant acceptances will be borne by TCCIH.

Availability of the Offer

The Offeror intends to make available the Offer to all holders of CHCGC Shares, including those who are resident outside Hong Kong. The availability of the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

The Offeror reserves the right to make special arrangements regarding the terms of the Offer in relation to holders of CHCGC Shares whose receipt of such Offer or Composite Document is subject to the laws of an overseas jurisdiction (including selling the new TCCIH shares and paying the proceeds, net of any transaction costs, to such CHCGC Shareholders). In addition, the Offeror also reserves the right to notify any matter, including the making of the Offer, to the holders of CHCGC Shares having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction of which such shareholders are resident. The notice will be deemed to have been sufficiently given, despite any failure by such shareholders to receive or see that notice.

In the event that the receipt of the Composite Document and/or the allotment and issue of TCCIH Shares to overseas CHCGC Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that the TCCIH directors regard as unduly onerous or burdensome or otherwise not in the best interests of TCCIH or the TCCIH Shareholders as a whole, the Composite Document will not be despatched to such overseas CHCGC Shareholders. TCCIH will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. To grant such waivers, the Executive must be satisfied that it would be unduly burdensome not to exclude CHCGC Shareholders in an overseas jurisdiction from receiving the Composite Document, for example, if the issuance of the Composite Document to particular overseas CHCGC Shareholders requires registration of the document as a prospectus under overseas law and the number of CHCGC Shareholders in such jurisdiction is relatively small and does not justify doing so.

Any arrangements for overseas CHCGC Shareholders to collect the Composite Document will be set out in a further announcement.

Closing of the Offer

Except with the consent of the Executive, all conditions to the Offer must be fulfilled (or, if permissible, waived) or the Offer must lapse within 21 days of the First Closing Date or of the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later. The latest date on which the Offeror can declare the Offer unconditional as to acceptances is 7 p.m. on the Long Stop Date.

If the conditions to the Offer are fulfilled (or, if permissible, waived), the CHCGC Shareholders will be notified by an announcement in accordance with the Takeovers Code and Listing Rules as soon as practicable thereafter.

Settlement of consideration

Settlement of the consideration will be made as soon as possible, but in any event within ten days of the later of the date on which the Offer becomes or is declared unconditional in all respects and the date on which CHCGC Shares are tendered for acceptance of the Offer.

CHCGC Shareholders should be aware that in accepting the Offer, any resulting fractions of a new TCCIH Share will be disregarded and such fractions of a new TCCIH Share will not be issued.

CHCGC Shareholders should also be aware that TCCIH Shares are traded in board lots of 2,000 shares and no arrangements are intended to be made for the trading of odd lots of TCCIH Shares resulting from the acceptance of the Offer.

COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF CHCGC

The Offeror intends to exercise the right to compulsorily acquire those CHCGC Shares not acquired by the Offeror pursuant to the Offer under Section 88 of the Cayman Islands Companies Law if it acquires not less than 90% of the Disinterested Shares within four months of the posting of the Composite Document as required by Rule 2.11 of the Takeovers Code. For the purposes of Rule 2.11 of the Takeovers Code, the CHCGC Shares held by CHPL and ICHC, who together with CHC Holding are treated as parties acting in concert with TCCIH, TCC and TCCI in connection with the Offer, will not be treated as Disinterested Shares. Section 88 of the Cayman Islands Companies Law requires the Offer to be accepted by the holders of not less than 90% of the issued CHCGC Shares. Should compulsory acquisition rights arise and be exercised in full, CHCGC will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the CHCGC Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

PUBLIC FLOAT OF CHCGC AND TCCIH

If the Offeror does not effect the compulsory acquisition set out above (whether by reason of not acquiring 90% of the Disinterested Shares or otherwise), the directors of the Offeror and the new directors to be appointed to the board of CHCGC will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in CHCGC.

The Stock Exchange has stated that if, at the completion of the Offer, less than 25% of the CHCGC Shares and/or the TCCIH Shares are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the CHCGC Shares and/or, as appropriate, the TCCIH Shares; or**
- (b) there are insufficient CHCGC Shares and/or, as appropriate, the TCCIH Shares in public hands to maintain an orderly market,**

then it will consider exercising its discretion to suspend trading in the CHCGC Shares and/or, as appropriate, the TCCIH Shares.

IRREVOCABLE UNDERTAKING

CHC Holding, CHPL and ICHC have given an irrevocable undertaking to the Offeror. Under the irrevocable undertaking, CHPL and ICHC have undertaken to accept the Offer in respect of all the 814,000,000 CHCGC Shares and 10,508,000 CHCGC Shares held by them respectively, representing in aggregate approximately 72.14% of the issued share capital of CHCGC provided that at the time they are required to accept the Offer the approvals of the Taiwan Investment Commission and the Taiwan Fair Trade Commission (if required) for the performance by CHC Holding and ICHC of their respective obligations under the irrevocable undertaking shall have been obtained. The obligation of CHPL and ICHC to accept the Offer shall lapse if after the date of this Announcement, there is a material adverse change in the business, assets, financial or trading position or prospects of the TCCIH Group as a whole. The irrevocable undertaking also provides that prior to the closing or lapsing of the Offer, CHPL and ICHC shall not sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all or any of the CHCGC Shares which are the subject of their respective undertakings or interest in such CHCGC Shares except under the Offer, or accept or procure the acceptance of any other offer in respect of all or any of such CHCGC Shares. Under the irrevocable undertaking, CHC Holding undertakes that it will use its best endeavours to procure the performance by CHPL and ICHC of their respective obligations under the irrevocable undertaking.

The irrevocable undertaking will be binding even if a higher offer is made for the CHCGC Shares.

REASONS FOR THE OFFER

The Offeror believes there are compelling commercial reasons for a combination of TCCIH and CHCGC as set out below:

- *Enhanced size and scale:* The combined group will become one of the leading producers of cement in the Yangzi River and Pearl River deltas in eastern and southern China respectively. The acquisition of CHCGC strengthens the combined group by providing market share and presence in eastern China as well as improved scale through an increase of production capacity. The eastern and southern China regions represent some of the fastest growing areas in China which contribute a significant portion of China's gross domestic product.
- *Increased profile and strengthened strategic position:* The combined group will be better positioned to compete in a rapidly consolidating industry. In the current market environment, it is important to be recognised as one of the leading regional producers.
- *Operational synergies:* The combination would allow for potential savings from the integration of procurement and supply chain management functions, as well as the ability to leverage CHCGC's expertise with its global export cement business to a number of countries including the United States.

The directors of TCCIH believe that the terms of the Offer are fair and reasonable and in the interests of the shareholders of TCCIH as a whole. The executive directors of CHCGC believe that the terms of the Offer are fair and reasonable and in the interests of the shareholders of CHCGC as a whole.

After completion of the Offer, in the event that CHCGC is not privatised, TCCIH will give consideration to corporate governance issues relating to:

- (a) the delineation of the businesses of TCCIH and CHCGC;
- (b) competition issues between TCCIH and CHCGC; and
- (c) the degree of managerial, operational and financial reliance of CHCGC on TCCIH.

INFORMATION ON THE OFFEROR

TCCIH was incorporated on 4 July 1997 under the laws of the Cayman Islands. TCCIH is principally engaged in the business of importing and distributing cement in Hong Kong, manufacturing and distributing cement and slag powder in China, providing cement handling services in the Philippines and through its associates, producing and distributing ready-mixed concrete in Hong Kong, China and Brunei.

The TCCIH Shares were listed on the Stock Exchange on 6 October 1997 after a public offering of the TCCIH Shares.

Shareholding structure of TCCIH

As at the Last Trading Date, there are 772,922,000 TCCIH Shares in issue. As at 31 December 2006, options for 11,500,000 TCCIH Shares were granted and outstanding pursuant to a former share option scheme. These options represent 1.49% of the total TCCIH Shares outstanding and may be exercised at any time through 30 March 2011. There is also a share option scheme adopted by TCCIH on 23 May 2006. No options under this new scheme have been granted. Other than the said TCCIH Shares and the options granted pursuant to the aforesaid share option scheme, there are no other classes of securities of TCCIH in issue.

TCC, a company incorporated in Taiwan and the securities of which are listed on the Taiwan Stock Exchange, is the ultimate parent company of TCCIH. TCC's wholly owned subsidiary, TCCI, holds 567,518,000 TCCIH Shares representing approximately 73.43% of the issued share capital of TCCIH. Further information in relation to the Offeror will be contained in the Composite Document.

Assuming all CHCGC Shareholders validly elect to accept the Offer and on the basis that the number of CHCGC Shares in issue at the Last Trading Date is 1,142,900,000, a total of 519,448,050 new TCCIH Shares will be issued. The shareholding structure of TCCIH, both before and after the completion of the Offer, assuming the maximum number of new TCCIH Shares are issued, is as follows:

Name	Prior to completion of the Offer		After completion of the Offer	
	<i>No. of TCCIH Shares held</i>	<i>Approx. %</i>	<i>No. of TCCIH Shares held</i>	<i>Approx. %</i>
CHPL and ICHC	0	0.00%	374,738,886	29.00%
TCCI	567,518,000	73.43%	567,518,000	43.91%
Koo Cheng-Yun Leslie	1,700,000	0.22%	1,700,000	0.13%
Wu Yih Chin	2,500,000	0.32%	2,500,000	0.19%
Public shareholders	201,204,000	26.03%	345,913,164	26.77%
Total	<u>772,922,000</u>	<u>100.00%</u>	<u>1,292,370,050</u>	<u>100.00%</u>

INFORMATION ON CHCGC

CHCGC was incorporated on 10 June 2003 under the laws of the Cayman Islands. CHCGC is principally engaged in the business of producing and selling cement and other cement products under the “Chia Hsin” brandname in the coastal and eastern part of the PRC, namely Jiangsu, Zhejiang, Fujian and Shanghai. The CHCGC Group also exports cement to the United States, Middle East, Africa and New Zealand.

The CHCGC Shares were listed on the Stock Exchange on 12 December 2003 after a public offering of the CHCGC Shares.

The net asset value of CHCGC as at 31 December 2006 is HK\$1,691.68 million. The net profit before tax and extraordinary items of CHCGC for 2005 and 2006 are HK\$1.94 million and \$59.50 million, respectively. The net profit after tax and extraordinary items of CHCGC for 2005 and 2006 are HK\$0.80 million and \$50.68 million, respectively.

Shareholding structure of CHCGC

As at the Last Trading Date, there are 1,142,900,000 CHCGC Shares in issue. Other than the CHCGC Shares, there are no other classes of securities of CHCGC in issue.

CHCGC has a share option scheme in place which enables CHCGC to grant options to employees, executives or officers, directors of CHCGC or any of its subsidiaries and any business consultants, agents, legal or financial advisers of CHCGC or any of its subsidiaries, who in the sole discretion of the board of directors of CHCGC, will contribute or have contributed to CHCGC and/or any of its subsidiaries. As at the Last Trading Date, no options have been granted pursuant to the share option scheme.

CHC Holding, a company incorporated in Taiwan and the securities of which are listed on the Taiwan Stock Exchange, is the ultimate parent company of CHCGC. CHC Holding is directly and indirectly interested in approximately 98.08% in CHPL and is directly and indirectly interested in approximately 39.51% of the equity interests in ICHC. CHPL and ICHC hold 814,000,000 CHCGC Shares and 10,508,000 CHCGC Shares respectively, representing in aggregate approximately 72.14% of the issued share capital of CHCGC.

Assuming the holders of at least 90% of the Disinterested Shares tender their acceptances for the Offer, and assuming the remaining CHCGC Shares are compulsorily acquired by TCCIH, the shareholding structure of CHCGC, both before and after the completion of the Offer is as follows:

Name	Prior to completion of the Offer		After completion of the Offer*	
	No. of CHCGC Shares held	Approx. %	No. of CHCGC Shares held	Approx. %
TCCIH	0	0.00%	1,142,900,000	100.00%
CHPL and ICHC	824,508,000	72.14%	–	0.00%
Chang Kang Lung, Jason, Chang Yung Ping, Johnny and Fu Ching Chuan	23,110,000	2.02%	–	0.00%
Public shareholders	295,282,000	25.84%	–	0.00%
Total	<u>1,142,900,000</u>	<u>100.00%</u>	<u>1,142,900,000</u>	<u>100.00%</u>

* assuming that there is 100% acceptance of the Offer

VERY SUBSTANTIAL ACQUISITION AND ALLOTMENT OF NEW TCCIH SHARES

As the highest of the percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the acquisition of CHCGC Shares by TCCIH pursuant to the Offer are more than 100%, such acquisition will constitute a very substantial acquisition by TCCIH for the purposes of the Listing Rules and the Offer is therefore conditional upon the approval of the TCCIH Shareholders in general meeting. The Relevant TCCIH Shareholders, who hold approximately 73.43% of the issued share capital of TCCIH, will be required to abstain from voting at the TCCIH EGM in respect of any TCCIH Shares held by them or on their behalf in relation to the resolution relating to the Very Substantial Acquisition.

The allotment and issue of new TCCIH Shares to the CHCGC Shareholders who accept the Offer is also subject to the approval of the TCCIH Shareholders in general meeting pursuant to Rule 13.36(1)(a) of the Listing Rules. The Relevant TCCIH Shareholders, who hold approximately 73.43% of the issued share capital of TCCIH, will be required to abstain from voting at the TCCIH EGM in respect of any TCCIH Shares held by it or on behalf of any of them in relation to the resolution relating to the above allotment and issue of new TCCIH Shares for the purposes of Rule 13.36(1)(a) of the Listing Rules.

The resolutions relating to the Very Substantial Acquisition and the allotment and issue of new TCCIH Shares will be approved by way of a poll at the TCCIH EGM.

CHCGC IBC AND CHCGC IFA

An independent board committee comprising all non-executive directors of CHCGC who have no direct or indirect interest in the Offer other than as a shareholder of CHCGC will be appointed to advise the CHCGC Shareholders on the Offer. The CHCGC IBC will appoint an independent financial adviser to advise it in respect of the Offer. A further announcement will be made by CHCGC in relation to the appointment of the CHCGC IFA.

COMPOSITE DOCUMENT

It is expected that a Composite Document, comprising the offer document and the response document, which sets out the terms and details of the Offer, the advice of the CHCGC IBC, the letter from the CHCGC IFA together with the acceptance and transfer forms in respect of the Offer will be dispatched to the CHCGC Shareholders within 35 days of the date of this Announcement.

TCCIH EGM AND TCCIH CIRCULAR

TCCIH will convene an extraordinary general meeting to approve the Offer and the allotment and issue of the new TCCIH Shares as consideration under the Offer, the Very Substantial Acquisition and all the transactions and matters contemplated or required in connection with the Offer.

A circular containing, inter alia, further details of the Offer and the Very Substantial Acquisition together with a notice of the TCCIH EGM, will be dispatched to the TCCIH Shareholders as soon as practicable and in accordance with the requirements of the Listing Rules.

FURTHER AGREEMENTS OR ARRANGEMENTS

TCCIH confirms that, save as disclosed in this Announcement, there are no other arrangements (whether by way of option, indemnity or otherwise) in relation to TCCIH Shares and which might be material to the Offer. CHCGC confirms that, save as disclosed in this Announcement, there are no other arrangements (whether by way of option, indemnity or otherwise) in relation to CHCGC Shares and which might be material to the Offer.

TCCIH confirms that there are no agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

INTERESTS IN CHCGC SHARES AND DERIVATIVES

As at Last Trading Date, TCCIH and persons acting in concert with TCCIH own or control or direct the following CHCGC Shares:

Shareholder	Number of shares held in CHCGC	% of CHCGC's issued share capital
CHPL	814,000,000	71.22%
Chang Kang Lung, Jason*	7,140,000	0.62%
Chang Yung Ping, Johnny**	15,598,000	1.37%
Fu Ching Chuan*	372,000	0.03%
ICHC	10,508,000	0.92%

* A director of CHC Holding

** A director of CHC Holding and father of Chang Kung Lung, Jason

As at the Last Trading Date, TCCIH does not, and persons acting in concert with TCCIH do not, hold any convertible securities, warrants or options (or other outstanding derivatives) in respect of CHCGC Shares.

Save as disclosed above, neither the Offeror nor persons acting in concert with the Offeror owns or controls any CHCGC Shares or has options to acquire (or other outstanding derivatives in respect of) any CHCGC Shares.

Any dealings for value of persons acting in concert with the Offeror in the CHCGC Shares, or convertible securities, warrants or options (or other outstanding derivatives) in respect of any CHCGC Shares during the six-month period up to and including the date of this Announcement will be disclosed in the Composite Document. The Offeror, TCC, TCCI, CHC Holding, CHPL, ICHC and their respective directors and family members have not dealt for value in the CHCGC Shares or convertible securities, warrants or options (or other outstanding derivatives) in respect of any CHCGC Shares during the six-month period up to and including the date of this Announcement.

PARTIES ACTING IN CONCERT WITH TCCIH, TCC AND TCCI

TCC, a company incorporated in Taiwan and the securities of which are listed on the Taiwan Stock Exchange, is the ultimate parent company of TCCIH. TCC's wholly owned subsidiary, TCCI, holds 567,518,000 TCCIH Shares representing approximately 73.43% of the issued share capital of TCCIH. CHC Holding, a company incorporated in Taiwan and the securities of which are listed on the Taiwan Stock Exchange, is the ultimate parent company of CHCGC. CHC Holding is directly and indirectly interested in approximately 98.08% in CHPL and is directly and indirectly interested in approximately 39.51% of the equity interests in ICHC. CHPL and ICHC hold 814,000,000 CHCGC Shares and 10,508,000 CHCGC Shares respectively, representing in aggregate approximately 72.14% of the issued share capital of CHCGC. CHC Holding, CHPL and ICHC will be treated as parties acting in concert with TCCIH, TCC and TCCI for purposes of the Offer as they are actively co-operating to obtain or consolidate control of CHCGC through the acquisition by TCCIH of voting rights of CHCGC.

TRADING

Trading in the TCCIH Shares on the Stock Exchange was suspended from 9.30 a.m. on 12 June 2007 at the request of TCCIH and an application has been made to the Stock Exchange to allow dealings in TCCIH Shares to resume with effect from 9.30 a.m. on 15 June 2007.

Trading in the CHCGC Shares on the Stock Exchange was suspended from 9.30 a.m. on 12 June 2007 at the request of CHCGC and an application has been made to the Stock Exchange to allow dealings in the CHCGC Shares to resume with effect from 9.30 a.m. on 15 June 2007.

WARNING: Completion of the Offer is subject to the conditions of the Offer being fulfilled or waived, as applicable. Accordingly, the issue of this Announcement does not in any way imply that the Offer will be completed. Therefore, TCCIH Shareholders, the CHCGC Shareholders and investors generally should exercise caution when dealing in the TCCIH Shares and the CHCGC Shares.

DEFINITIONS

acting in concert	:	has the meaning ascribed in the Takeovers Code
Announcement	:	this announcement dated 14 June 2007
Cayman Islands Company Law	:	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands

CHCGC	:	Chia Hsin Cement Greater China Holding Corporation, a company incorporated in the Cayman Islands the shares of which are listed on the Stock Exchange
CHCGC Group	:	CHCGC and its subsidiaries
CHCGC IBC	:	the independent board committee of CHCGC referred to in the section entitled “CHCGC IBC and CHCGC IFA” in this Announcement
CHCGC IFA	:	the independent financial adviser referred to in the section entitled “CHCGC IBC and CHCGC IFA” in this Announcement
CHCGC Shares	:	ordinary shares of US\$0.01 each in the share capital of CHCGC
CHCGC Shareholders	:	holders of CHCGC Shares
CHC Holding	:	Chia Hsin Cement Corporation, a company incorporated in Taiwan, the securities of which are listed on the Taiwan Stock Exchange
CHPL	:	Chia Hsin Pacific Limited, a company incorporated in the Cayman Islands with limited liability
Composite Document	:	the composite offer and response document to be issued by or on behalf of TCCIH and CHCGC to all CHCGC Shareholders in accordance with the Takeovers Code containing, among other things, details of the Offer, the terms and conditions of the Offer and the acceptance and transfer form in respect of the Offer
Disinterested Shares	:	all the CHCGC Shares other than those held by TCCIH and parties acting in concert with TCCIH
Executive	:	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
First Closing Date	:	the date to be stated in the Composite Document as the first closing date of the Offer or any subsequent closing date as may be announced by TCCIH and approved by the Executive
HK\$:	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	:	the Hong Kong Special Administrative Region of the PRC
ICHC	:	International Chia Hsin Corporation, a company incorporated in Taiwan with limited liability
Last Trading Date	:	11 June 2007, being the last trading day prior to the suspension of trading in CHCGC Shares or TCCIH Shares (as the case may be) pending the publication of this Announcement
Listing Rules	:	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Long Stop Date	:	the 60th day after the date of the posting of the Composite Document (or such later date to which the Executive may consent)
Morgan Stanley	:	Morgan Stanley Asia Limited, a licensed corporation under the Securities and Futures Ordinance of Hong Kong (Cap. 571 of the Laws of Hong Kong), licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities
Offer	:	the voluntary conditional securities exchange offer by Morgan Stanley on behalf of TCCIH to acquire all of the issued shares in the share capital of CHCGC
PRC or China	:	the People’s Republic of China
Relevant TCCIH Shareholders	:	TCC, TCCI, any other TCCIH Shareholder and any of their respective associates who have a material interest in the Offer or the Very Substantial Acquisition
SFC	:	the Hong Kong Securities and Futures Commission
Stock Exchange	:	The Stock Exchange of Hong Kong Limited
Takeovers Code	:	the Hong Kong Code on Takeovers and Mergers
TCC	:	Taiwan Cement Corporation, a company incorporated in Taiwan, the securities of which are listed on the Taiwan Stock Exchange
TCCI	:	TCC International Limited, a company incorporated in the British Virgin Islands
TCCIH or the Offeror	:	TCC International Holdings Limited, a company incorporated in the Cayman Islands the shares of which are listed on the Stock Exchange
TCCIH EGM	:	the extraordinary general meeting of TCCIH referred to in the section entitled “TCCIH EGM and TCCIH Circular” in this Announcement
TCCIH Group	:	TCCIH and its subsidiaries
TCCIH Shares	:	ordinary shares of HK\$0.10 each in the share capital of TCCIH
TCCIH Shareholders	:	holders of TCCIH Shares
US\$:	United States dollars, the lawful currency of the United States of America

Very Substantial Acquisition : the very substantial acquisition referred to in the section entitled “Very Substantial Acquisition and Allotment of New TCCIH Shares” in this Announcement

By order of the board of
TCC International Holdings Limited
Koo Cheng-Yun, Leslie
Chairman

By order of the board of
Chia Hsin Cement Greater China Holding Corporation
Wang Chien Kuo, Robert
Chairman

Hong Kong, 14 June 2007

As at the date of this Announcement, the Executive Directors of TCCIH are Mr. Koo Cheng-Yun, Leslie and Mr. Wu Yih-Chin; the Non-Executive Directors of TCCIH are Mr. Kao Teh-Jung and Dr. Shan Weijian; and the Independent Non-Executive Directors of TCCIH are Mr. Liao Poon Huai, Donald, Dr. Chih Ching Kang, Kenneth and Mr. Shieh Jen-Chung, Roger. The Directors of TCCIH jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than in relation to CHCGC, CHC Holding, CHPL and ICHC) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement the omission of which would make any of their statements in this Announcement misleading.

As at the date of this Announcement, the Executive Directors of CHCGC are Mr. Wang Chien Kuo, Robert, Mr. Lan Jen Kuei, Konrad, Mr. Chang Kang Lung, Jason and Ms. Wang Li Shin, Elizabeth; the Non-Executive Directors of CHCGC are Mr. Chang An Ping, Nelson and Mr. Fu Ching Chuan; and the Independent Non-Executive Directors of CHCGC are Mr. Davin A Mackenzie, Mr. Zhuge Pei Zhi and Mr. Wu Chun Ming. The Directors of CHCGC jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than in relation to TCCIH, TCC and TCCI) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement the omission of which would make any of their statements in this Announcement misleading.

In accordance with Rule 3.8 of the Takeovers Code, associates of TCCIH and CHCGC are hereby reminded to disclose their dealings in CHCGC Shares and TCCIH Shares pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Please also refer to the published version of this announcement in The Standard.