



FOR IMMEDIATE RELEASE

31 July 2006

FIRST DAY OF DEALING ON AIM

Tinci Holdings Limited ("Tinci" or "the Company"), the parent company of Tinci Sanhe Environmental Engineering Co. Ltd, one of the leading Flue Gas Desulphurisation ("FGD") engineering companies in China's Guangdong Province, is pleased to announce that dealings in its ordinary shares have today commenced on AIM, a market operated by the London Stock Exchange plc. The Company's ticker symbol is "TNCI".

The placing was priced at 70p per ordinary share ("Placing Price") and comprises 2,928,613 newly issued ordinary shares. Prior to the placing, Tinci's total issued share capital comprised 50,021,428 ordinary shares. The new ordinary shares represent 5.53% of the enlarged share capital. On admission, the Company will have 52,950,041 ordinary shares in issue and a market capitalisation at the Placing Price of approximately GBP 37.07 million.

Zimmerman Adams International Limited is acting as Nominated Adviser to Tinci and is joint broker with Corporate Synergy plc.

For further information, please visit www.tinciholdings.com or contact:

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Notes to Editors

Tinci operates in the Guangdong Province of China where it has completed six FGD and water treatment projects since 2002 and a further two in other provinces. In 2005, it was awarded the contracts for two additional large FGD projects. The company generated over £16 million revenues and a pretax profit of over £4 million in the year ended 31 December 2005. Tinci is the exclusive licensee in China of the FGD technology of DUCON EEC, an American company that is a world leader in the reduction of SO₂ from flue gas emissions.

FGD projects involve processes to reduce or minimise the sulphur dioxide (SO₂) content from industrial and utility coal-fired boiler flue gases. FGD has proved to be an effective way to regulate and limit the formation of acid rain caused by the emission of SO₂ into the atmosphere. SO₂ is produced from the burning of fossil fuels such as coal and oil.

While China has been enjoying rapid economic and industrial development in recent years, this has been achieved to the expense of public health and the environment. Acid rain in China has led to financial losses estimated at over RMB 100 billion (c. £6.75



billion) each year, according to China's State Environmental Protection Administration (SEPA) and the Chinese Research Academy of Environmental Sciences.

The PRC government is supportive of plans to reduce SO₂ pollution and has introduced a series of measures making it mandatory for newly constructed coal-fired electricity plants to have on-site FGD facilities and by imposing increasing levies on plants that discharge SO₂. Such regulation has become a driving force for both existing and new coal-fired electricity generating plants to equip themselves with appropriate FGD facilities. Coal is, and Tinci expects it to remain, the main source of fuel for fire powered electricity generating facilities and industrial boilers in the PRC.

SEPA has estimated that existing and new Chinese plants will require total investment of RMB 100 billion (c. £ 6.9 billion) from 2006-2010 with total investment required expected to be RMB 190.4 billion (c. £ 12.9 billion) by 2020.

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