



FOR IMMEDIATE RELEASE

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TINCI HOLDINGS LTD INTERIM RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2008

The Directors of Tinci Holdings Ltd. (the "Company" or "Tinci") (TINCI), the AIM quoted environmental engineering company, today announces the Company's interim results for the six months ended 30 June 2008 in accordance with International Financial Reporting Standards (IFRS).

Highlights:

- Turnover increased by 53% to RMB 135.0 million (2007 RMB 88.5 million) as projects won in 2007 were delivered.
- Profit before tax of RMB 10.5 million (2007 loss before tax of RMB 6.2 million).
- Return to profitability on back of increased activity.
- Attention turning to MgO projects, which will produce sulphuric acid as a by-product.
- Favourable market conditions are expected in the longer term in light of the Chinese Government's well publicised decisions to take stronger measures to protect the environment; sales to small-to-medium sized power plants should be particularly buoyant.
- The Directors are expecting aggressive price competition for large scale desulphurisation projects experienced in the Flue Gas Desulphurisation (FGD) market to continue to impact revenues and order intake in this segment in the short term.

Commenting on the results David Steeds, Chairman, said;

"The first six months of the year produced a welcome return to profitability after the disappointing interim figures in 2007. The Company has seen a return to previous levels of revenue and profits as it delivered the projects it won in the second half of 2007.

However, competition for new orders continues to be fierce, although we are hopeful that good references from satisfied clients will help us to win more contracts in the future."

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Chairman's Statement:

The six month period ended 30 June 2008 produced a welcome return to profitability after the disappointing interim figures in 2007. The Company has seen a return to previous levels of Group revenue and profits as it delivered the projects it won in the second half of 2007.

Although we are hopeful that good references from satisfied clients will help us to win more contracts in the future, competition for new orders continues to be fierce and this is expected to bring a negative impact on the sales for the second half of the year. .

However, we retain our confidence in Tinci's long-term potential despite the strong competition in the market. We plan to shift our focus to the Chinese petroleum and steel sectors and explore new revenue streams. The Company is looking particularly at projects which can use MgO (magnesium oxide) FGD technology to produce sulphuric acid as a by-product.

I would like to pay tribute to Sir David Brewer who resigned as Chairman in July 2008 due to his many other commitments, particularly his chairmanship of the China-Britain Business Council. We are all extremely grateful for David's leadership since Admission to AIM.

David Steeds
Chairman

Chief Executive Officer's Review

Overview of Operating Performance

The first six months of 2008 saw a return to the previous pattern of profits after poor results in 2007. Revenue for the period was RMB135.0 million, a 53% increase over the same period in 2007. The income in the first six months was mainly from the execution of contracts signed in late 2007, with the major contributions coming from Lanzhou Petrol Chemicals, Shandong Nanshan, Sinopec Luoyang, and Shandong Chiping Xinfra.

The majority of the sales contracts signed in the period were contract renewals with existing clients, which reflects well on the execution of previous projects and the levels of client satisfaction. However, this also exposed our weakness in winning new customers, which is partly because many of the major electric power groups have established their own FGD companies to carry out those more profitable FGD projects.

In advance of the 2008 Beijing Olympic Games, the National Environmental Protection Bureau exerted great pressure on local environmental protection in 2007, forcing the majority of local environmental protection projects to complete tenders in 2007 and to finish projects before the Olympic Games. As a result, retrofit FGD projects in China, which would normally take 2 years to complete, were completed within one year. In addition, it is becoming more and more

difficult to get approval to construct new power plants, which results in fewer new power plant projects. Furthermore, most new power plants have capacities of 600MW and 1,000MW; Tinci has no advantage in competing for such projects and most of them are carried out by the FGD subsidiary companies of China's Big-Five power groups.

During the period many large FGD companies competed for medium to small projects which they ignored before. This intensified competition so that market prices did not improve as we had anticipated in 2007. Because of low project prices and the continued increase in the price of steel and other raw materials in the first half year, the overall project profit declined. Many companies won projects with a low price strategy. By sticking to the policy set by the Company in late 2007, the Company did not tender for those projects which would not be profitable.

However, the Company believes that it is still well positioned to benefit from the future growth in the medium to small FGD market. Going forward, the key customers will mainly be those in the Chinese petroleum and the steel industries. Meanwhile, the Company will continue to promote Niro's Spray Dry Absorber (SDA) technology, Tinci's own FGD technology (TFGD), and Ducon's Magnesium Oxide (MgO) FGD technology. The Company believes that fully utilizing our own technology advantages will increase the competitive strength of the Company.

In March 2008, the first SDA project by Tinci, the Henan Jinguan project, passed its review and commissioning by the local Environmental Protection Agency ("EPA") and was given its official acceptance report. This project was highly praised by the client and the EPA, laying a firm foundation in expanding the use of SDA technology in the FGD market.

In January 2008, the Company signed a renewal contract with Chiping Xinyuan Aluminum (Shandong Xinfra Aluminum Group) involving SDA technology on its #1 and #2 boilers, with a project value of RMB33 million. In February 2008, the Company signed a renewal contract worth RMB110 million with Hubei Huasheng Aluminum. The technology involved was TFGD.

In April 2008, the Company signed a contract worth RMB33.5 million with Guanxi Xinfra Aluminum, for their new power plant. The chosen technology was SDA when the contract was initially signed. However, since the sulphur content is relatively high the SDA process may not satisfy the desulphurisation need so this process is being modified to the MgO FGD process. The contract value will be changed correspondingly.

Many projects are expected to complete in 2008, increasing the competitiveness of the Company due to its greater track record. The market competition in 2008 will continue to be very tough, but the focus of the Company will be to expand its market share and deliver shareholder value.

Financial Performance

The Company achieved sales income in the period of RMB 135.0 million which is a 53%

increase over the corresponding period in 2007 (RMB 88.3 million). The net profit after tax was RMB 10.5 million compared to a loss of RMB6.2 million in 2007. Net operating cash outflow was of RMB 39.8 million, compared to an outflow of RMB 42.3 million in H1 2007.

The main reason for the increases in sales income and net profit is that the Company made great progress in winning new projects in late 2007 with a combined contract value of RMB 320 million. These contracts included projects with a value of RMB 268 million to be completed between February and September 2008.

Currently the two large ongoing projects, Chiping Xinfra and Chiping Xinyuan, are approaching completion, but the final performance tests are yet to be carried out and the milestones for collecting receivables have not been reached. Since the equipment and project expenses have been prepaid by the Company, this caused a negative net cash flow in the first half year. With the completion of these projects, the Company expects the cash flow to improve.

Outlook

The market competition continues to intensify and the Company's sales for the second half of 2008 is expected to decrease as few new contracts were won during the first six months.

However, in 2008, Tinci will continue to improve existing technologies, to develop and introduce new technologies so as to satisfy the diversified needs of its market, and to better serve our clients by technology differentiation.

While the Company intends to continue to grow steadily its FGD market share, its medium to long term strategy is to develop products with recycling potential. The Company hopes to successfully complete at least one MgO FGD project which will lead to the production of sulphuric acid as a by-product. There are several reasons which favor such a shift. First, the price of sulphuric acid continues to increase in China. Second, there is less economic benefit in the by-product from limestone-gypsum FGD processes to the Big-Five power groups. Third, MgO FGD technology with the possibility of using the captured sulphur is generating great interest in the market. The Company will put great weight in promoting and marketing MgO FGD technology in 2008. However, because there are currently very few MgO FGD projects in China, it will take time to promote and market this technology.

Work continues on the Company's Biodegradable Polypropylene Carbonate (PPC) joint venture and the construction of the plastics plant should start in the second half of 2008.

Tinci Holdings Limited
Unaudited Interim Financial Information
For the six months ended 30 June 2008

Tinci Holdings Limited
Unaudited consolidated profit and loss account
For the six months ended 30 June 2008

	<i>Note</i>	<i>At 30 Jun-08 (unaudited) RMB'000</i>	<i>At 31 Dec-07 (audited) RMB'000</i>	<i>At 30 Jun-07 (unaudited) RMB'000</i>
Turnover		135,008	259,923	88,320
Other revenue		321	636	189
Raw material and consumables used		(112,485)	(227,795)	(82,256)
Staff costs and benefits expenses		(5,109)	(11,503)	(4,881)
Depreciation and amortisation expenses		(1,014)	(2,006)	(1,015)
Other operating expenses		(5,678)	(11,722)	(6,009)
Profit/(Loss) from operations		11,043	7,533	(5,652)
Exchange gain/(loss)		(63)	(235)	129
Finance costs		(366)	(1,159)	(702)
Exceptional costs		(71)		
Profit/(Loss) on ordinary activities before Taxation		10,543	6,139	(6,225)
Taxation			(275)	
Profit/(Loss) on ordinary activities before Taxation		10,543	5,864	(6,225)
Profit/(Loss) per ordinary share				
Basic and diluted profit per share (Renminbi)	5	0.199	0.111	(0.117)

Tinci Holdings Limited
Unaudited consolidated balance sheet
As at 30 June 2008

	<i>At 30 June 2008 (unaudited) RMB'000</i>	<i>At 31 December 2007 (audited) RMB'000</i>	<i>At 30 June 2007 (unaudited) RMB'000</i>
Non-current assets			
Prepaid land lease	416	416	422
Property, plant and equipment	13,705	14,180	14,774
Long term prepayment	2,510	2,510	2,510
Interest in an associate	9,800	9,800	
Intangible assets	5,087	4,536	4,860
	<u>31,518</u>	<u>31,442</u>	<u>22,566</u>
Current assets			
Prepaid land lease	6	12	12
Amount due from customers	18,263	18,998	110,048
Trade and other receivables	248,828	163,751	71,681
Amount due from a director			650
Restricted bank balances		10,103	8,217
Cash and bank balances	18,155	48,923	17,417
	<u>285,252</u>	<u>241,787</u>	<u>208,025</u>
Total assets	316,770	273,229	230,591
Current liabilities			
Trade and other payables	141,629	112,457	50,079
Bills payable		4,866	11,255
Short term bank loans	13,000	13,000	22,879
Amounts due to directors	147		380
Amount due to a related company			1,800
Tax payable	7,939		13,459
	<u>162,715</u>	<u>130,323</u>	<u>99,852</u>
Non-current liability			
Deferred tax liability	(810)	(810)	(535)
Net assets	<u>153,245</u>	<u>142,096</u>	<u>130,204</u>
Equity			
Share capital	7,796	7,796	7,796
Share premium	18,078	18,078	18,078
Merger reserve	42,644	42,644	42,644
Share options reserve	1,007	682	596
Retained earnings	83,775	72,923	60,834
Exchange reserve	(55)	(27)	256
Total shareholders' equity	<u>153,245</u>	<u>142,096</u>	<u>130,204</u>

Tinci Holdings Limited
Unaudited consolidated statement of changes in equity
For the six months ended 30 June 2008

	<i>At 30</i>	<i>At 31</i>	<i>At 30</i>
	<i>Jun-08</i>	<i>Dec-07</i>	<i>Jun-07</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Shareholders' equity as at the beginning of the period/year	142,096	136,326	136,326
Prior year adjustments	309		
Employee share option benefits	325	410	324
Exchange translation differences on consolidation	(28)	(504)	(221)
(Loss)/profit for the period/year	10,543	5,864	(6,225)
Shareholders' equity as at the end of the period/year	153,245	142,096	130,204

Tinci Holdings Limited
Unaudited consolidated cash flow statement
for the six months ended 30 June 2008

	<i>At 30</i>	<i>At 31</i>	<i>At 30</i>
	<i>Jun-08</i>	<i>Dec-07</i>	<i>Jun-07</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash (used in)/generated from operating Activities	(a) (39,759)	12,931	(42,290)
Investing activities			
Purchases of property, plant and equipment	(1,084)	(228)	(161)
Investment an associate		(9,800)	
Net cash used in investing activities	(1,084)	(10,028)	(161)
Financing activities			
Repayment of loan due from a related Company			
Funds provided from/(to) a related company			1,800
Net proceeds from bank loans		13,000	3,879
Net repayment of bank loans		(19,000)	
Net proceeds from other borrowings			
Repayment of other borrowings			
Movement in restricted bank balances	10,103	(6,030)	(4,144)
Proceeds from issue of shares capital			
Share issue expenses			
Net cash generated from/(used in) financing Activities	10,103	(12,030)	1,535
(Decrease)/increase in cash	(30,740)	(9,127)	(40,916)
Effect of foreign exchange rates	(28)	(504)	(221)
Cash or cash equivalents at the beginning of the period/year	48,923	58,554	58,554
Cash or cash equivalents at the end of the period/year	18,155	48,923	17,417

Tinci Holdings Limited
Unaudited consolidated cash flow statement
for the six months ended 30 June 2008

Note :-

(a) Reconciliation of profit/(loss) before taxation to net cash (used in)/generated from operations :-

	<i>At 30</i>	<i>At 31</i>	<i>At 30</i>
	<i>Jun-08</i>	<i>Dec-07</i>	<i>Jun-07</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit/ (Loss) before taxation	10,543	6,139	(6,225)
Interest income	(230)	(270)	(84)
Equity-settled share option expense	325	410	324
Interest expenses	526	1,159	633
Depreciation and amortisation expense	1,014	2,006	1,015
	<hr/>	<hr/>	<hr/>
Operation profit before movements in working capital	12,178	9,444	(4,337)
		(2,510)	(2,510)
(Increase)/decrease in trade and other receivables	735	86,356	(13,272)
Increase in amount due from customers	(85,077)	(105,342)	(4,694)
Increase in amount due from a director			(650)
Increase in trade and other payables	29,172	40,474	(21,904)
(Decrease)/increase in bills payable	(4,866)	(14,602)	(8,213)
Increase in amounts due to directors	147		380
	<hr/>	<hr/>	<hr/>
Cash (used in)/generated from operations	(47,711)	13,820	(55,200)
		309	
Income tax refund/paid	309		
Other taxes paid	7,939		13,459
Interest received	230	270	84
Interest paid	(526)	(1,159)	(633)
	<hr/>	<hr/>	<hr/>
Net cash equivalents (used in)/generated from operations	(39,759)	12,931	(42,290)

Tinci Holdings Limited
Notes to the unaudited interim financial information
For the six months ended 30 June 2008

1. General information

Tinci Holdings Ltd (the "Company") is incorporated in Hong Kong under the Hong Kong Companies Ordinance. The Company is a public listed company and its shares are quoted on the Alternative Investment Market ("AIM") of the London Stock Exchange. The principal place of business of the Company and its subsidiaries (collectively "the Group") is Guangzhou, China.

The interim results for the six months ended 30 June 2008 are unaudited and do not constitute statutory accounts within the meaning of s.240 of the Companies Act 1985 as amended.

2. Basis of preparation

The Directors are responsible for the preparation of the Group's unaudited interim financial results. These unaudited interim financial results should be read in conjunction with the 2007 annual financial statements. The accounting policies adopted in preparing the unaudited interim financial information for the six months ended 30 June 2008 are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2007.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings.

3. Foreign currency

The functional currency of the subsidiary undertakings is Renminbi ("RMB"), and the presentation currency of the Group is RMB. Transactions in currencies other than RMB are recorded at rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date, and gains or losses arising on retranslation are included in the net profit for period. Non-monetary assets and liabilities are translated using historical rates, and exchange rate differences arising are classified as equity and transferred to foreign currency translation reserve.

On consolidation, the assets and liabilities of foreign operations are translated at the exchange rate prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period/year.

For the six months ended 30 June 2008, the foreign operations' financial statements have been translated from GBP and HKD to RMB at the following exchange rates:

	<i>Period end rate as at 30 June 2008</i>	<i>Average rates as at 30 June 2008</i>	<i>Period end rate as at 30 June 2007</i>	<i>Average rates as at 30 June 2007</i>	<i>Year end rates as at 31 December 2007</i>	<i>Average rates as at 31 December 2007</i>
RMB: GBP	13.6838	13.9343	15.2455	15.2385	14.5807	15.2158
RMB: HKD	0.8792	0.9007	0.9744	0.9861	0.9364	0.9728

Tinci Holdings Limited
Notes to the unaudited interim financial information
For the six months ended 30 June 2008

4. Turnover

The principal activity of the Company is investment holding. The principal activities of the Group during the period were developing, selling and installing large-scale flue gas desulphurisation equipment to power stations.

Details of the principal activities of the wholly-owned subsidiaries are as follows:

<u>Subsidiaries</u>	<u>Principal activities</u>
World International Investment Limited	Investment holding
Guangzhou Tinci Sanhe Environmental Engineering Co. Ltd	Developing, manufacturing and installing Flue, Gas Desulphurisation Systems

Turnover represented the percentage of contract revenue completed and recognised.

Turnover for the period is wholly attributable to activities undertaken in China.

For the six months ended 30 June 2008 and the 12 months ended 31 December 2007 the Group comprised only one business and one geographical segment.

5. (Loss) / profit per ordinary share

	<i>6 months ended 30 June</i>		<i>Year ended</i>
	<i>2008</i>	<i>2007</i>	<i>31 December</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>2007</i>
			<i>(audited)</i>
Profit/(Loss) attributable to equity holders of the Company (RMB'000)	<u>10,543</u>	<u>5,684</u>	<u>(6,225)</u>
Weighted average number of ordinary Shares in issue (thousands)	<u>52,950</u>	<u>52,950</u>	<u>52,950</u>
Earnings per share (basic and diluted) (RMB per share)	<u>0.199</u>	<u>0.111</u>	<u>(0.117)</u>

6. Dividend

The Board is not recommending the payment of an interim dividend for the six months ended 30 June 2008.