



FOR IMMEDIATE RELEASE

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## **COOPERATION AGREEMENT ON MAGNESIUM OXIDE FGD TECHNOLOGY AND A NEW CONTRACT WIN**

The Directors of **Tinci Holdings Ltd.** (the "Company" or "Tinci") (TINCI), the AIM quoted China-based environmental engineering company, are pleased to announce the signing of an additional technology cooperation agreement with US company, Ducon Technologies Inc. ("Ducon"), and a new contract win with Chiping Xinha Aluminium Company ("Chiping Aluminium").

### **Ducon Technology Agreement**

Tinci's wholly owned subsidiary, Guangzhou Tinci Sanhe Environmental Engineering Co. Ltd., has signed an agreement with Ducon to utilize Ducon's magnesium oxide ("MgO") flue gas desulphurisation ("FGD") technology ("MgO Technology") for the engineering of selected FGD projects. This is in addition to the existing FGD technology agreements that Tinci has already entered with Ducon.

The MgO Technology agreement enables Tinci to offer its customers a process which introduces benefits over the existing systems. These benefits include, *inter alia*, improved efficiency in the removal of sulphur dioxide ("SO<sub>2</sub>") which results in lower operating costs for customers.

More importantly, a byproduct of the MgO FGD process can be recycled and used for the production of sulphuric acid. In recent years, China has seen an increasing demand for sulphuric acid and to take full advantage of the demand, Tinci has signed a letter of intent with Chiping Xinha Huaxing Aluminium to cooperate in its

manufacturing. The Directors anticipate that the production and sale of sulphuric acid will bring a new revenue stream to the Company and the process will also enable Tinci to bid for national recycling projects.

### **New Contract Win**

The Directors are also pleased to announce that Tinci has successfully signed a further new contract with Chiping Aluminium on a 2 X 155MW FGD project for a contracted amount of RMB 33.5 million (approximately £2.4 million). The project is located in Guangxi Province and will be constructed using NIRO A/S's Spray Dryer Technology (SDA).

The successful signing of this contract with Chiping Aluminium in Guangxi Province further strengthens Tinci's long-term relationship with Chiping Aluminium and reiterates their confidence in Tinci's ability to execute new projects to a high standard.

Mr Xu Jinfu, Chief Executive Officer of Tinci Holdings Ltd., commented: "We are extremely pleased with the news. We have maintained a very close and mutually beneficial relationship with Ducon over the past few years and are delighted to strengthen this partnership through the introduction of their MgO FGD technology in China. Not only will this deal ultimately strengthen our market position in the Chinese FGD sector, it will also provide us with a new source of exciting business growth through the manufacturing of sulphuric acid. We are also delighted to be working on another contract with Chiping Aluminium, another company to maintain close links with Tinci. We look forward to announcing more deals in the near future; particularly as market conditions are improving thanks to the Chinese Government's decisions to take stronger measures to protect the environment."

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**For further information, please visit [www.tinciholdings.com](http://www.tinciholdings.com) or contact:**

Hanson Westhouse Limited  
Tim Metcalfe  
Christine Zhang  
Tel: +44 (0) 20 7601 6100

Shared Value Limited  
Nicolas Duperrier  
Tel. +44 (0) 20 7321 5010  
[tinci@sharedvalue.net](mailto:tinci@sharedvalue.net)

## **ABOUT TINCI HOLDINGS LTD**

Tinci Holdings Ltd. is the parent company of Tinci Sanhe Environmental Engineering Co. Ltd., an environmental engineering company founded in October 2001, which is primarily involved in developing, manufacturing and installing flue gas desulphurisation (FGD) systems for reducing sulphur dioxide (SO<sub>2</sub>) emissions from coal-fired power stations and large industrial boilers in China.

Sulphur dioxide discharges rose 27% between 2000 and 2005 in China, where air pollution is blamed for more than 400,000 premature deaths a year. China's State Environmental Protection Administration (SEPA) has estimated that existing and new Chinese plants will require total FGD investment of RMB 102 billion (c. £6.9 billion) from 2006-2010, with the total investment required expected to rise to RMB 190 billion (c. £12.9 billion) by 2020.

As one of the top ten FGD companies in China, Tinci is well positioned to benefit from the current demand for FGD technology in China. The Company's shares are traded on the AIM market of the London Stock Exchange under the symbol 'TNCI'.