

24 June 2010

**TINCI HOLDINGS LTD PRELIMINARY RESULTS
FOR THE 12 MONTHS ENDED 31 DECEMBER 2010**

Tinci Holdings Ltd. (“Tinci”, or the “Company”, or the “Group”), the AIM quoted China-based environmental engineering company, today announces the Company’s preliminary results for the twelve months ended 31 December 2010 in accordance with International Financial Reporting Standards (IFRS).

Financial Highlights:

- Total revenue of RMB110.2 million (2009 - RMB178.1 million)
- Loss before tax of RMB0.97 million (2009 – Profit of RMB2.13 million)
- Loss after tax of RMB1.56 million (2009 – Profit of RMB1.20 million)

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

Tinci Holdings Ltd
David Steeds, Chairman
Joshua Cheng, Non-executive Director

Tel: +44 (0)7836 578222
Tel: +1 512 577 4613

Westhouse Securities Limited
Tom Price / Martin Davison

Tel: +44 (0) 20 7601 6100

About Tinci Holdings Limited

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 (“SO₂”) 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. £10.1 billion) from 2006-2010, with the total investment required expected to rise to RMB 190 billion (c. £18.9 billion) by 2020.

Tinci plans to use its technical capabilities to develop a portfolio of businesses and services around the environmental engineering services sector in China. The Company’s shares are traded on the AIM market of the London Stock Exchange under the symbol ‘TNCI’.

Chief Executive Officer's Review

Overview of Operating Performance

The Company was successful in winning five projects in the very competitive market in 2010 with a contract value of RMB133.7 million, compared to four projects and a total contract value of RMB132.6 million in 2009. Of the five projects won in 2010, three employ conventional FGD technology and the other two employ SDA technology from Niro of Denmark.

Sales revenue decreased 38% compared to 2009 year, but receivable collection was satisfactory during the year and cash flow remained positive.

Because of the harsh competitive environment in FGD market in China, after over a year's evaluation of the idea to adjust the Company's long term strategy, the Company management concludes that the Company will gradually transform itself from an engineering company to a product-oriented company by concentrating on developing processes involving the production of re-usable by-products, such as sulphuric acid, as its mainline business. For FGD business, the Company will focus on the petrochemical sector, especially through China Oil, with whom it has close relations. The Company hopes to achieve a breakthrough in its catalytic refinery project with China Oil in 2011

The Company's order book at the end of 2010 amounted to RMB104.9 million (2009: RMB83.2 million). During 2011 the Company will continue to aim to increase sales and accelerate receivable collection so as to maintain a good cash flow, in the process laying a solid foundation for developing new projects.

New Project Developments

1. PPC Bio-degradable Plastics Project

The Company announced in 2008 that it had been presented with an opportunity by the Guangdong Provincial Government to enter into a joint venture to exploit new polymerisation technology using a newly-invented catalytic process to convert carbon dioxide into a biodegradable plastic polymer. Over 200 million tonnes of plastic are manufactured annually around the world, of which only a tiny fraction is biodegradable. The market for biodegradable plastics is very new. The joint venture partners are Tinci 43%, Guangzhou Honsea Chemistry Co. Ltd. 45% and SUN YAT-SEN University 12%. The joint venture is in the form of a Chinese limited company. An initial investment of RMB9.8m was made by Tinci in 2007 to secure the rights, acquire land and fund construction and plant.

A further investment of RMB7.84m was made in 2010 to bring the registered capital of the Joint Venture to the required level. Tinci's shareholding remains at 43% although it contributes 49% of the capital as the University is not required to contribute capital. During 2010 the Provincial Government granted the land for the joint venture to use. However, as the JV's technological progress has been slower than the Company planned and the technology risk remains high, the Company is likely to postpone further investment in this project until the technology is further developed and verified.

2. MgO Project

In 2008 Tinci's wholly owned subsidiary, Guangzhou Tinci Sanhe Environmental Engineering Co. Ltd., signed an agreement with Ducon to utilise Ducon's magnesium oxide ("MgO") FGD technology ("MgO Technology") for the engineering of selected FGD projects.

The MgO Technology agreement enables Tinci to offer its customers a process which introduces benefits over existing systems. These benefits include, inter alia, improved efficiency in the removal of sulphur dioxide ("SO₂.") which results in lower operating costs for customers.

More importantly, a by-product 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 signed a letter of intent with Chiping Xinfu Huaxing Aluminium to cooperate in its manufacturing.

The FGD device for the first project in Guangxi has been finished. However, since the letter of intent was signed, the market price of sulphuric acid has fallen sharply in China as a result of the economic slowdown. So the details of the next phase for the production of sulfuric acid will be postponed until the price of sulphuric acid rises to a level at which it can be produced profitably.

3. Co-Operation with China Oil on Catalytic Refining Project

It is anticipated that one to two catalytic refining projects will be developed in the second half of 2011 with China Oil, one of China's major petrochemical companies. The progress under the co-operation agreement with China Oil is so far satisfactory.

A similar agreement with Sinopec will not now be taken forward.

4. Co-Operation with Nan Fang Alkali

A co-operation with Nan Fang Alkali to develop a new project utilising waste alkali residue as the neutralising agent for FGD projects was announced in 2009.

The results from this project with Nan Fang Alkali were satisfactory in 2010 and the joint venture is expected to become profitable in 2011, somewhat later than expected last year.

Financial Performance

The total business income in 2010 was RMB 110.1 million which is 38% lower than in 2009. The loss after tax was RMB 1.56 million (compared to a profit of RMB 1.20 million in 2009).

Revenue decreased during 2010 as the company was not able to win sufficient work at profitable rates. However, the decline in revenue was offset by firm control of operational costs.

Receivables decreased from RMB 220.6 million in 2009 to RMB 198.7 million in 2010 and payables decreased from RMB 164 million in 2009 to RMB 160 million in 2010. The main reason for the decrease in receivables was the fast collection of the receivables from four projects – Jingyuan unit5 Gansu, Liwen, Dongguan and Zhanjiang project –due to the projects' completion and excellent operating performance.

The cash position improved from RMB 18.9 million in 2009 to RMB 21.1 million in 2010 mainly due to the timely collection of receivables relating to those projects completed in prior years.

Outlook

The Company expects FGD sales to be steady in 2011 as it adjusts its business direction focusing its FGD business in China on the petrochemical sector. The Company intends to concentrate on developing processes involving the production of re-usable by-products.

Meanwhile, the Company will concentrate more resources in developing its new business opportunities, its MgO project and catalytic refinery project with China Oil in hope of achieving a breakthrough in one of these new businesses while maintaining a stable income from FGD in 2011.

The Company plans to invest its cash reserve into fast income-producing investment opportunities. In 2011, the Company is researching an investment in manufacturing trichloroethene and tetrachloroethene, the key raw materials for producing refrigerating agent HFC-134a

(tetrafluoroethane) which is an ozone layer-friendly product to substitute the forbidden refrigerating agent CFC-12 (dichlorodifluoromethane).

Staff and Management

I would like to thank all employees in the Company for their hard work towards the development of the Company. I am also grateful to our shareholders for their steady support and understanding.

XU Jinfu
Chief Executive Officer
24 June 2011

Tinci Holdings Limited
Consolidated Income Statement
Year ended 31 December 2010

	<i>Note</i>	<i>2010</i> <i>RMB'000</i>	<i>2009</i> <i>RMB'000</i>
Turnover	3	109,570	177,497
Other income	3	604	635
		<u>110,174</u>	<u>178,132</u>
Raw material and consumables used		(90,791)	(156,095)
Staff costs and staff benefits expenses		(8,456)	(8,942)
Depreciation and amortisation expense		(2,572)	(2,499)
Other operating expenses		(8,819)	(7,459)
		<u>(100,638)</u>	<u>(174,995)</u>
(Loss)/profit from operations		(464)	3,137
Exchange loss		(14)	(231)
Finance costs		(305)	(756)
Share of losses of a jointly controlled entity	13	(182)	(25)
		<u>(956)</u>	<u>(1,042)</u>
(Loss)/profit on ordinary activities before taxation	4	(965)	2,125
Taxation	5	(598)	(926)
		<u>(1,563)</u>	<u>(1,199)</u>
(Loss)/profit for the year		<u>(1,563)</u>	<u>1,199</u>
Attributable to:			
Shareholders of the company		<u>(1,563)</u>	<u>1,199</u>
		RMB Cents	RMB Cents
(Loss)/earning per share (basic and diluted)	7	(3)	2

Tinci Holdings Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2010

	<i>2010</i>	<i>2009</i>
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/profit for the year	(1,563)	1,199
Other comprehensive (loss)/income		
- Currency translation adjustments	<u>(33)</u>	<u>69</u>
Total comprehensive (loss)/income for the year	<u>(1,596)</u>	<u>1,268</u>
Total comprehensive (loss)/income attributable to:		
Shareholders of the company	<u>(1,596)</u>	<u>1,268</u>

Tinci Holdings Limited

Consolidated Statement of Financial Position

At 31 December 2010

		2010	2009
	Note	RMB'000	RMB'000
Assets			
Non-current assets			
Land use rights	9	393	404
Property, plant and equipment	10	12,166	11,554
Intangible assets	11	6,125	7,256
Interest in an associate	12	24,990	9,800
Interest in a jointly controlled entity	13	453	635
Deferred tax assets	21	6,012	5,630
Total non-current assets		<u>50,139</u>	<u>35,279</u>
Current assets			
Amount due from customers for contract work	14	24,170	55,307
Trade and other receivables	15	199,073	220,583
Derivative financial instrument	16	37	-
Restricted bank balances	17	6,454	2,052
Cash and bank balances		21,134	18,867
Total current assets		<u>250,868</u>	<u>296,809</u>
Total assets		<u>301,007</u>	<u>332,088</u>
Liabilities			
Current liabilities			
Trade and other payables	18	157,636	163,544
Bills payable	19	-	2,607
Short-term bank loan - secured	20	-	15,000
Current income tax liabilities		653	6,539
Total current liabilities		<u>158,289</u>	<u>187,690</u>
Net assets		<u>142,718</u>	<u>144,398</u>
Equity			
Share capital	22	7,796	7,796
Share premium		18,078	18,078
Other reserves		43,193	43,310
Retained earnings		73,651	75,214
Total shareholders' equity		<u>142,718</u>	<u>144,398</u>

Tinci Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2010

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Share options reserve <i>RMB'000</i>	Reverse acquisition reserve <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Translation reserve <i>RMB'000</i>	Total <i>RMB'000</i>
	(Note 22)		(Note 23)	(Note 24)			
Balance at 1 January 2009	7,796	18,078	836	42,644	74,015	(362)	143,007
Employee share option scheme - value of employee services	-	-	123	-	-	-	123
Total comprehensive income for the year	-	-	-	-	1,199	69	1,268
Balance at 31 December 2009	<u>7,796</u>	<u>18,078</u>	<u>959</u>	<u>42,644</u>	<u>75,214</u>	<u>(293)</u>	<u>144,398</u>
Employee share option scheme - value of employee services	-	-	(84)	-	-	-	(84)
Total comprehensive income for the year	-	-	-	-	(1,563)	(33)	(1,596)
Balance at 31 December 2010	<u>7,796</u>	<u>18,078</u>	<u>875</u>	<u>42,644</u>	<u>73,651</u>	<u>(326)</u>	<u>142,718</u>

Tinci Holdings Limited
Consolidated Statement of Cash Flow
Year ended 31 December 2010

	2010 RMB'000	2009 RMB'000
Cash flow from operating activities		
(Loss)/profit on ordinary activities before taxation	(965)	2,125
Adjustments for:		
Interest income	(128)	(159)
Equity-settled share option expense	(84)	123
Interest expenses	305	756
Depreciation and amortisation expense	2,572	2,499
Unrealised gain on derivative financial instruments	(37)	-
Gain on disposal of property, plant and equipment	(98)	-
Impairment on derecognised of financial assets	600	-
Fair value change on holding derivative financial instrument	(37)	-
Share of losses of a jointly controlled entity	182	25
Operating profit before changes in working capital	2,291	5,369
Decrease in amount due from customers for contract work	31,137	51,405
Decrease/(increase) in trade and other receivables	19,257	(77,754)
(Decrease)/increase in trade and other payables	(8,418)	30,554
Increase in bills payable	-	1,195
Cash generated from operations	44,267	10,769
Interest received	128	159
Interest paid	(305)	(756)
Current income tax paid	(6,867)	(518)
Net cash generated from operating activities	37,223	9,654
Cash flow from investing activities		
Purchases of property, plant and equipment	(41)	-
Purchase of derivative financial instrument	(347)	-
Investment in an associate	(7,840)	-
Loan to an associate	(7,350)	-
Proceed from sales of derivative financial instrument	56	-
Investment in a jointly controlled entity	-	(660)
Net cash used in investing activities	(15,231)	(660)
Cash flow from financing activities		
Proceeds from bank loan	-	15,000
Repayment of bank loan	(15,000)	(13,000)
(Increase)/decrease in restricted bank balances	(4,401)	2,572
Decrease in amount due to an associate	(-)	(7,350)
Net cash used in financing activities	(19,402)	(2,778)
Net increase in cash and cash equivalents	2,300	6,216
Cash and cash equivalents as at 1 January	18,867	12,582
Effect of foreign exchange rates changes – net	(33)	69
Cash and cash equivalents as at 31 December	21,134	18,867
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	21,134	18,867

Major non-cash transactions:

During the year, the Group received an automobile from a trade customer for the settlement of a trade balance amount of RMB2.6 million. The fair value of the automobile was RMB2 million resulting in a loss on derecognition of financial assets of RMB600,000.

Tinci Holdings Limited
Notes the financial statements
Year ended 31 December 2010

1. FINANCIAL INFORMATION

The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2010 or 2009. The statutory accounts for the year ended 31 December 2010 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies.

2. TURNOVER, OTHER INCOME AND GAINS AND SEGMENTAL REPORTING

The principal activities of the Group during the year were developing, selling and installing large-scale flue gas desulphurisation equipment to power stations.

For the years ended 31 December 2010 and 2009, the Group comprised only one business and one geographical segment.

Turnover for the year is wholly attributable to construction contract revenue for activities undertaken in China. An analysis of the Group's other income and gains is set out below:-

Other income and gains

	<i>2010</i>	<i>2009</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Rental income, net of tax	246	92
Interest income	128	159
Gain on disposal of motor vehicle	98	100
Write back of accruals	-	261
Gains on sales of derivative financial instruments	56	-
Fair value change of holding derivative financial instruments	37	-
Miscellaneous	39	23
	604	635

3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<i>2010</i>	<i>2009</i>
	<i>RMB'000</i>	<i>RMB'000</i>
This is arrived at after charging / (crediting):		
Auditor's remuneration	404	410
Staff costs including directors' remuneration		
- Salaries and allowance	7,821	7,781
- Contribution to defined contribution retirement plans (note 8)	553	543
- Other benefits	166	495
- Employee share option benefits (note 23)	(84)	123
	8,456	8,942
Research and development expenses	539	440
Amortisation of land use rights (note 9)	11	12
Depreciation (note 10)	1,429	1,356
Amortisation of intangible assets (note 11)	1,131	1,131
Short term bank loan interest expenses	305	756
Impairment of trade receivables	1,534	315

4. TAXATION

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which the Group entities are domiciled and operate.

The main operating subsidiary of the Group, Guangzhou Tinci operating in the PRC, was subject to enterprise income tax (“EIT”) at 33%, of which 30% was state tax and 3% was local tax. Following the change of the legal form of Guangzhou Tinci from a domestic enterprise to a wholly foreign-owned enterprise (WFOE) in 2006, Guangzhou Tinci became subject to a foreign enterprise income tax (“FEIT”) rate at 30%. Being a WFOE, starting from the first profitable year, Guangzhou Tinci was entitled to a two-year exemption from FEIT and a 50% reduction in its FEIT for the subsequent three years (“Tax Holiday”). As such, Guangzhou Tinci was exempted from FEIT for the two years ended 31 December, 2007 and subject to a reduced tax rate for the three years ending 31 December 2010.

On 16 March 2007, The National People’s Congress approved the Corporate Income Tax Law of the People’s Republic of China (the “New CIT Law”). The New CIT Law unified the FEIT and EIT with reduced EIT rate from 33% to 25% with effect from 1 January 2008.

Under the New CIT Law mentioned above, entities currently enjoying Tax Holiday will continue to enjoy it until it expires. Guangzhou Tinci will be subjected to PRC enterprise income tax at a rate of 12.5% for the fiscal years 2008 to 2010 and starting from the fiscal year 2011 at the unified rate of 25%.

The Group is also subject to Hong Kong Profits Tax through the Company and its subsidiary, World International. No provision for Hong Kong Profits Tax has been made as the Company and World International had no taxable income. The statutory rate of corporate tax in Hong Kong is 16.5% (2009: 16.5%).

	<i>2010</i>	<i>2009</i>
	<i>RMB'000</i>	<i>RMB'000</i>
The tax charge comprises:		
Current tax		
PRC Enterprise Income Tax		
- Current tax provided for the year	747	6,778
- Under-provision in prior years	233	(222)
	980	6,556
Hong Kong Profits Tax		
	-	-
	980	6,556
Deferred taxation (note 21):		
Origination and reversal of temporary difference	(382)	(5,630)
	598	926

Deferred tax has been recognised in the financial statements due to revenue and expenses recognised for financial reporting purposes before being recognised for tax purposes.

5. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<i>2010</i>	<i>2009</i>
(Loss)/profit attributable to equity holders of the Company (RMB'000)	(1,563)	1,199
Weighted average number of ordinary shares in issue	52,950,041	52,950,041
(Loss)/earnings per share (RMB Cents per share)	(3)	2

Diluted earnings per share

The Company has one category of dilutive instrument – share options.

None of the share options of the Company in issue had a dilutive effect on the basic earnings per share as the exercise price is above the share price quoted in the AIM market throughout the year. So they are considered as anti-dilutive and have not been included in the diluted earnings per share calculation for the years ended 31 December 2010 and 2009.

22. SHARE CAPITAL

	<i>2010</i>	<i>2009</i>
	<i>GBP</i>	<i>GBP</i>
Authorised:		
140,000,000 ordinary shares of GBP0.01 each	1,400,000	1,400,000
	<i>RMB</i>	<i>RMB</i>
Issued and fully paid:		
52,950,041 ordinary shares of GBP0.01 each	7,795,574	7,795,574