



CHINA ENERSAVE LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number 199706776D

ANNOUNCEMENT

HUIZHOU RICHWAY WASTE-TO-ENERGY PLANT COMMENCES COMMERCIAL OPERATIONS

The Board of Directors of China EnerSave Limited (“China EnerSave” or the “Group”) wishes to announce that the Group’s 12MW waste-to-energy (“WTE”) power plant in the Huizhou municipality in Guangdong province, China has commenced commercial operations. The WTE plant has since 29 October 2006 started accepting municipal waste for incineration. Incineration activities commenced today whilst the sale of power to the national power grid is expected to commence in a few weeks time.

The Group has also increased its effective equity interest in Huizhou Richway Waste-To-Energy (“HRWTE”) from 62.96% to 71.36%. This follows the completion of a capital injection of approximately S\$8 million [RMB40 million] by the Group’s wholly-owned subsidiary, Enersave Power Pte Ltd (“EP”) in HRWTE. Following the capital injection, HRWTE has strengthened its registered and paid up capital from RMB135.6 million to RMB175.6 million.



HRWTE Plant – Accepting municipal waste for incineration

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The Directors also wish to announce that Richway Investment Management Limited (“RIML-Canada”), a dormant investment holding company incorporated in Canada and a 55%-owned subsidiary of EP, has been voluntarily dissolved. Impact of the dissolution of RIML-Canada on the Group’s earnings or net tangible assets for the year ending 31 December 2006 is negligible.

None of the Directors or substantial shareholders or controlling shareholders of the Company have any interest, direct or indirect, in the aforesaid transactions.

By Order of the Board
Tan Ching Chek

1 November 2006
Singapore

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