



CHINA ENERSAVE LIMITED

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

ANNOUNCEMENT

PROJECT UPDATE-GROUND BREAKING CEREMONY OF CHINA ENERSAVE'S BIOMASS POWER PLANT IN NEIJIANG, CHINA

The Board of Directors of China EnerSave Limited (the “Company”) is pleased to announce that the Company has completed the ground breaking ceremony for its first biomass power plant (“the Project”) in LongChang county of Neijiang City, Sichuan Province, People’s Republic of China on 28 April 2006.

The Group has finalized design of the biomass power plant and is progressing with the pre-qualification of main contractors and equipment suppliers that will be deployed for the construction of the biomass project. A Letter of Intent had previously been issued by the Agricultural Bank of China indicating its interest to fund up to an amount equivalent to 60% of the total development cost of the Project. The Group is in the process of finalizing the financing arrangements for the Project.

The construction of the Project, which is scheduled for commencement in the second half of 2006, is expected to be completed over a period of 20 months.

To share the Company’s pride as it takes its first step into the biomass industry, a video clip is uploaded in the Company’s official website at www.enersavegroup.com for your viewing pleasure.

By Order Of The Board

Tan Ching Chek
Company Secretary

Date : 10 May 2006