



## **CHINA ENERSAVE LIMITED**

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

### **ANNOUNCEMENT**

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#### **DISPOSAL OF INVESTMENTS IN RICHWAY ENERGY INVESTMENT (CHINA) LTD AND KAIZEN MATERIALS (S) PTE LTD**

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#### **1. Introduction**

The Board of Directors of China Enersave Limited (the “Company”) wishes to announce that its wholly-owned subsidiary incorporated in Hong Kong, EnerSave Power Broker Limited (“EPBroker”) has on 28 March 2006 divested the entire 48% of its shareholding (consisting of 480 ordinary shares of HK\$1 par value each) in the capital of Richway Energy Investment (China) Ltd (“REI”).

In addition, the Company also wishes to announce that its wholly-owned subsidiary, Louisson Investments Pte Ltd (“Louisson Investments”) has on 10 April 2006 entered into a conditional Sale and Purchase Agreement to divest the entire 49.55% of its shareholding (consisting of 250,250 ordinary shares) in the capital of Kaizen Materials (S) Pte Ltd (“Kaizen Materials”).

Following the above disposal, the Group ceases to have any equity interest in REI and Kaizen Materials.

#### **2. Consideration**

The cash consideration of S\$4,000 and HK\$480.00 for the divestment of Kaizen Materials and REI respectively are arrived at on “a willing buyer willing seller” basis.

#### **3. Rationale for the Disposal**

REI was set up for the Joint Venture proposed Waste-To-Energy plant in Qingdao but the Company has decided not to proceed with the project.

The principal activity of Kaizen Materials is a distributor of construction materials and equipment for industrial use. As it is foreseeable that the company would be inactive in the next 12 months, the Company has decided to divest the said business and focused on the development of the related energy businesses.



-2-

#### **4. Financial Effects of the Disposal**

The gain on both divestments is approximately S\$4,000, and hence the divestment per se would have a positive impact on the earnings per share and the net tangible assets per share of the Group for the year ending 31 December 2006.

#### **5 Directors' and Substantial Shareholders' Interests**

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

By Order of the Board  
Tan Ching Chek  
Company Secretary

Date : 5 May 2006