



CHINA ENERSAVE LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number 199706776D

ANNOUNCEMENT

QUERIES REGARDING ANNOUNCEMENT DATED 18 APRIL 2006

Further to the announcement dated 19 April 2006 in response to the queries raised by the Singapore Exchange Securities Trading Limited on 19 April 2006 in relation to the announcement dated 18 April 2006 on Proposed Acquisition of Amanda Industries Pte Ltd, the Company would like to further clarify that in the event that AGH is unable to fulfill the Profit Warranty, the Sale and Purchase Agreement provides that if the net profit after tax of the AIP and Amigos falls short of the guaranteed amount (US\$4.9 million) by more than 10% (that is, a shortfall of \$490,000 or more), AGH will make up the shortfall by paying back to the Company part of the consideration that the Company had paid for the shares in AIP. The amount to be repaid is determined by the formula: 23% of (US\$4.9 million - actual profit made). As an illustration, if AGH makes only \$4 million, which is a shortfall of \$900,000, it will adjust the consideration paid for the shares by paying to the Company 23% of US\$900,000 = US\$207,000.

By Order Of The Board

Tan Ching Chek
Company Secretary

Date : 20 April 2006