



CHINA ENERSAVE LIMITED

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

ANNOUNCEMENT

COMPLETION OF ACQUISITION OF A 51% EQUITY INTEREST IN HENAN YIMA JINJIANG ENERGY COMPREHENSIVE UTILISATION COMPANY LIMITED (河南义马锦江能源综合利用有限公司) (“YIMA JINJIANG”)

We refer to the announcements made by China EnerSave Limited (the “Company”) on 16 June 2006, and 19 August 2006 in respect of, *inter alia*, the proposed acquisition (the “**Proposed Acquisition**”) of 51% of the entire equity interest of Yima Jinjiang to be effected by the acquisition of the entire issued and paid up capital of China Energy (Henan) Limited (“**CE Henan**”) (the “**Transaction**”). Capitalised terms used in this announcement shall bear the same meanings used in the previous announcements.

The Board of Directors of the Company is pleased to announce that the Transaction and the Proposed Acquisition has been completed on 19 September 2006, following shareholders’ approval on 8 September 2006 and the completion of a share placement exercise. The Company earmarked S\$55.3 million of the total net proceeds raised from the share placement to satisfy the cash consideration of the Proposed Acquisition.

Pursuant to the completion of the Proposed Acquisition, the Company owns the entire issued and paid-up capital of CE Henan, which in turn owns 51% of the entire equity interest of Yima Jinjiang, which owns a coal-fired power plant in Henan Province, China.

The Company shall also allot and issue the following new shares in the issued and paid-up capital of the Company:

- (a) 96,121,000 new Shares (the “**Consideration Shares**”) to Energy Capital Partners Limited, one of the Vendors, to satisfy the remaining consideration of US\$10,000,000 for the Proposed Acquisition; and
- (b) 12,976,000 new Shares (the “**Referral Shares**”) to NovusAsia Advisory Limited to satisfy the referral fee of US\$1.35 million in respect of the Proposed Acquisition.

The Consideration Shares and the Referral Shares shall, upon allotment, rank *pari passu* with all the issued Shares of the Company. Following the allotment and issue of the Consideration Shares and the Referral Shares, the issued share capital of the Company will be increased from 862,753,156 ordinary shares to 971,850,156 ordinary shares.

The Consideration Shares and the Referral Shares are expected to be listed on the Singapore Exchange Securities Trading Limited on 21 September 2006.

By Order of the Board
Tan Ching Chek
Company Secretary
Date : 19 September 2006

For Media and Investor Relations enquiries, please contact:

Octant Consulting

Mr Herman Phua
herman@octant.com.sg
Mobile 96647582
Office 62202842

or

Ms Lisa Heng
lisa@octant.com.sg
90909887