



CHINA ENERSAVE LIMITED

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

ANNOUNCEMENT

- 1. 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) (THE "PROPOSED ACQUISITION")**
 - 2. PROPOSED PLACEMENT OF UP TO 406,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF CHINA ENERSAVE LIMITED AT S\$0.165 FOR EACH PLACEMENT SHARE (THE "PLACEMENT")**
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1. INTRODUCTION

Further to the announcements made by China EnerSave Limited (the "**Company**") on 16 June 2006 and 30 June 2006 in respect of the Proposed Acquisition and the Placement, the Board of Directors of the Company wishes to provide an update on the status of the above matter. Capitalised terms used in this announcement shall bear the same meanings used in the said announcements.

The Company is pleased to announce that the Singapore Exchange Securities Trading Limited (the "**SGT-ST**") has, on 18 August 2006, given its in-principle approval for the listing of up to 515,097,000 Shares of the Company comprising the Consideration Shares, the Referral Shares and the Placement Shares (collectively the "**New Shares**"). The in-principle approval of the Exchange is subject to certain conditions.

The SGX-ST's in-principle approval for the Proposed Acquisition, the Placement and the listing and quotation of the New Shares is not an indication of the merits of the Proposed Acquisition and the Proposed Placement.

2. EXTRAORDINARY GENERAL MEETING

The Company intends to convene an extraordinary general meeting (the "**EGM**") on 7 September 2006 for the purposes of considering, and if thought fit, approving the Proposed Acquisition, Proposed Placement, the issue of the New Shares and a new general mandate to issue shares.

3. CIRCULAR TO SHAREHOLDERS

The Company will dispatch a Circular containing information on, *inter alia*, the Proposed Acquisition and the Proposed Placement, together with notice of the extraordinary general meeting to be convened, to the Shareholders of the Company in due course.

Shareholders of the Company are advised to refrain from taking any action in relation to their Shares in the Company which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the independent Directors of the Company as well as the advice of the independent financial adviser as set out in the Circular to Shareholders to be issued in due course.

By Order of the Board

Tan Ching Chek
Company Secretary
19 August 2006
Singapore