China Conservational Power Holdings Limited
中國環保電力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

ANNOUNCEMENT

The Board notes today's increase in the price of the shares of the Company and wishes to state that it is not aware of the reasons for such increase.

The Board also notes that the Company has announced a placing of new shares under the general mandate on 5 November 2004 and has recently commenced initial preliminary discussion in relation to a proposed acquisition of certain interest in distribution and investments in pharmaceutical business in the People's Republic China with a party not connected with (i) the Company; (ii) the directors, chief executive, substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules); and (iii) is not a connected person of the Company (within the meaning of the Listing Rules). Neither the terms nor the structure of the Proposed Acquisition has been discussed between the parties and the Proposed Acquisition may or may not be consummated.

Further announcement will be made by the Company in respect of any further material development of the Proposed Acquisition.

Shareholders and investors should exercise caution in dealing in the shares of the Company.

The board of directors (the "Board") of China Conservational Power Holdings Limited (the "Company") notes today's increase in the price of the shares of the Company and wishes to state that it is not aware of any reasons for such increase.

Save as set out below, the Board also confirms that there is no negotiations or agreement relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and the Board is also not aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature:

(a) the Company has announced a placing of new shares under the general mandate on the terms and conditions as set out in the announcement made by the Company dated 5 November 2004; and

(b) the Company has recently commenced initial preliminary discussion in relation to a proposed acquisition of certain interest in distribution and investments in pharmaceutical business in the People's Republic China (the "Proposed Acquisition") with a party not connected with (i) the Company; (ii) the directors, chief executive, substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules); and (iii) is not a connected person of the Company (within the meaning of the Listing Rules). Neither the terms or the structure of the Proposed Acquisition has been discussed between the parties and the Proposed Acquisition may or may not be consummated.

Further announcement will be made by the Company in respect of any further material development of the Proposed Acquisition.

Shareholders and investors should exercise caution in dealing in the shares of the Company.

As at the date of this announcement, the Board comprises nine directors of which Messrs. Hon Ming Kong, Hon Yik Kwong, Lee Yu Leung, Chen Jun Nong, Pascal Ting are the executive directors; and Mr. Li Yong, Alfa is an non-executive director and Messrs. Fork Siu Lun, Tommy, Tsoi Wai Kwong, Loo Chung Keung, Steve are the independent non-executive directors.

By Order of the Board
China Conservational Power Holdings Limited
Hon Ming Kong

Hong Kong, 22 November 2004

Please also refer to the published version of this announcement in The Standard.