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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)

FURTHER DELAY IN DISPATCH OF CIRCULAR IN RELATION TO THE VERY SUBSTANTIAL ACQUISITION – ACQUISITION OF 49% INTEREST IN A COMPANY ENGAGED IN THE MANUFACTURING AND DISTRIBUTION OF PHARMACEUTICAL PRODUCTS IN THE PEOPLE'S REPUBLIC OF CHINA AND UPDATE ON STATUS OF THE COMPANY

Delay in Dispatch of Circular

The dispatch of the Circular relating to the Proposed Acquisition and the notice to convene the EGM will be further postponed from 17 October 2005 to 7 November 2005.

Update on status of the Company

References were made to certain press reports in relation to, among others, the arrest of Mr. Chan Tat Chee, Mr. Hon Ming Kong and Mr. Lee Yu Leung, all of them are Directors of the Company, by the ICAC for alleged misappropriation of funds from listed companies and the formation of the Management Committee of the Company as set out in the announcement of the Company dated 7 October 2005. As at the date of this announcement, the Management Committee of the Company is still reviewing the allegations in the press articles and seeking legal advice thereon. Further announcement will be made as and when if necessary.

At the request of the Company, trading in its shares has been suspended with effect from 9:30 a.m. on 29 September 2005 and will remain suspended until further notice.

DELAY IN DISPATCH OF CIRCULAR

References are made to the announcements made by the Company in relation the Proposed Acquisition dated 2 September and 26 September 2005 (the "Announcements") in relation to, among others, the proposed acquisition of 49% interest in a company engaged in the manufacturing and distribution of pharmaceutical products in the PRC and the delay in dispatch of Circular. Unless otherwise defined, terms in this announcement shall have the same meanings as in the Announcements.

As stated in the announcement of the Company dated 26 September 2005, the dispatch of the circular relating to the Proposed Acquisition (the "Circular") and the notice to convene the EGM has been postponed from 26 September 2005 to 17 October 2005 and the Company has applied to the Stock Exchange from strict compliance with the requirements of Rule 14.38 of the Listing Rules. Due to additional time required to revise certain financial information for inclusion in the Circular, particularly the pro forma unaudited financial information of the Group and the Pharmaceutical Group, the dispatch of the Circular as well as the notice to convene the EGM will be further postponed from 17 October 2005 to 7 November 2005.

UPDATE ON STATUS OF THE COMPANY

References were made to certain press reports in relation to, among others, the arrest of Mr. Chan Tat Chee, Mr. Hon Ming Kong and Mr. Lee Yu Leung, all of them are Directors of the Company, by the ICAC for alleged misappropriation of funds from listed companies and the formation of the Management Committee of the Company as set out in the announcement of the Company dated 7 October 2005. As at the date of this announcement, the Management Committee of the Company is still reviewing the allegations in the press articles and seeking legal advice thereon. Further announcement will be made as and when if necessary.

GENERAL

At the request of the Company, trading in its shares has been suspended with effect from 9:30 a.m. on 29 September 2005 and will remain suspended until further notice.

As at the date of this announcement, the Board comprises eight Directors: Mr. Loo Chung Keung, Steve, Mr. Lin Hoi Kwong and Mr. Zhao Lin, all of whom are executive Directors; Mr. Chan Tat Chee, Mr. Hon Ming Kong and Mr. Lee Yu Leung, are non-executive Directors; and Mr. Tsoi Wai Kwong and Mr. Au Yeung Ka Cheung are independent non-executive Directors.

By Order of the Board
China Conservational Power Holdings Limited
Loo Chung Keung, Steve
Chairman

Hong Kong, 17 October 2005

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