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)

CHANGES IN THE BOARD COMPOSITION AND FORMATION OF A SPECIAL BOARD COMMITTEE

The Board would like to inform shareholders of the Company of the following:

(a) There are changes in the composition of the Board, details of which are set out below;

(b) The Management Committee was dissolved on 31 October 2005; and

(c) A Special Board Committee was formed on 26 October 2005.

Trading in the shares of the Company was suspended with effect from 9:30 am on 29 September, 2005 and will remain suspended until further notice.

The board of directors (the "Board") of China Conservational Power Holdings Limited (the "Company", together with its subsidiaries, the "Group") announces the following changes with respect to the composition of the Board:–

(i) Mr. Szeto Chak Wah, Michael (alias Seto Chak Wah 司徒澤樺) ("Mr. Szeto") was appointed Chairman of the Board and an Executive Director of the Company effective on 26 October 2005 ;

(ii) Mr. Lai Man Leung ("Mr. Lai") was appointed an Executive Director of the Company effective on 26 October 2005;

(iii) Ms. Law Mun Yee was appointed an Independent Non-Executive Director of the Company effective on 2 November 2005;

(iv) Mr. Loo Chung Keung, Steve resigned as Chairman of the Board and an Executive Director of the Company effective on 26 October 2005;

(v) Mr. Lin Hoi Kwong resigned as Chief Executive Officer and an Executive Director of the Company effective on 31 October 2005;

(vi) Mr. Chan Tat Chee resigned as a Non-Executive Director of the Company effective on 31 October 2005;

(vii) Mr. Hon Ming Kong resigned as a Non-Executive Director of the Company effective on 31 October 2005;

(viii) Mr. Lee Yu Leung resigned as a Non-Executive Director of the Company effective on 31 October 2005; and

(ix) Mr. Au Yeung Ka Cheung resigned as an Independent Non-Executive Director of the Company effective on 27 October 2005.

The Board would also like to announce that it resolved on 31 October 2005 to dissolve the Management Committee, following the resignation of each of Mr. Loo Chung Keung, Mr. Lin Hoi Kwong and Mr. Kam Yiu Shing as members, with immediate effect and on 26 October 2005, a Special Board Committee consisting of Mr. Szeto and Mr. Lai, was formed. On 1 November 2005, the Company wrote to the members of the Management Committee requesting each of the members to report any findings from the Management Committee before it was dissolved. The Board would like to confirm that up to the date of this announcement, it has neither received from such a Management Committee any notifications or indications, whether orally or in writing, that there were any findings. In the event that there is any notification received from such an ex-Management Committee by the Board subsequent to the date of this announcement which should be brought to the attention of shareholders of the Company, further announcement(s) will be made as and when necessary.

On 2 November 2005, Mr. Yeung Kwok Leung was appointed as the joint Qualified Accountant of the Group pursuant to Rule 3.24 of the Listing Rules. Mr. Yeung joined the Group in October 2005 and is responsible for the financial and accounting functions of the Group. He has over 10 years' experience in auditing, financial controlling and accounting and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

INFORMATION ABOUT THE NEWLY APPOINTED DIRECTORS

Mr. Szeto Chak Wah, Michael (alias Seto Chak Wah 司徒澤樺)

Mr. Szeto Chak Wah, Michael ("Mr. Szeto"), alias Seto Chak Wah, aged 56, is a practicing solicitor in Hong Kong and a consultant of a firm of solicitors in Hong Kong. Mr. Szeto was chairman of the board of directors and executive director of Oxford Properties & Finance Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") prior to its privatization in June 2004. Save as disclosed herein, Mr. Szeto has not held directorship in any other listed companies in the last three years.

Mr. Szeto has not previously held any position with the Company or its subsidiaries and is not connected with any other directors, senior management, substantial shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the date of this announcement, Mr. Szeto is not interested in or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Lai Man Leung 黎文良

Mr. Lai Man Leung ("Mr. Lai"), aged 56, was a practicing solicitor in Hong Kong and is now a consultant of a number of companies. Having graduated from the University of Hong Kong with a Bachelor of Law Degree in 1973 and obtained a Postgraduate Certificate in Laws, Mr. Lai was admitted as a solicitor in the Supreme Court of Hong Kong in 1976, a solicitor in the Supreme Court of the United Kingdom in 1983 and a notary public in Hong Kong in 1983. Mr. Lai was a non-executive director of Oxford Properties & Finance Limited, a company listed on the Stock Exchange prior to its privatization in June 2004. Save as disclosed herein, Mr. Lai has not held directorship in any other listed companies in the last three years.

Mr. Lai has not previously held any position with the Company or its subsidiaries and is not connected with any other directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the date of this announcement, Mr. Lai is not interested in or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Ms. Law Mun Yee 羅敏兒

Ms. Law Mun Yee ("Ms. Law"), aged 40, is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants in Hong Kong. Ms. Law has over ten years' experience in financial management. She is currently the financial controller of Onshine Holdings Group which is engaged in a range of businesses covering securities trading and finance, catering and property investment. Ms. Law has not held directorship in any other listed companies in the last three years.

Ms. Law has not previously held any position with the Company or its subsidiaries and is not connected with any other directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the date of this announcement, Ms Law is not interested in or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

RESIGNATIONS

On 26 October 2005, the Company received a letter of resignation tendered by Mr. Loo Chung Keung, Steve ("Mr. Loo") resigning as Chairman of the Board and an Executive Director of the Company and a member of the Management Committee of the Company effective on 26 October 2005, due to the fact that he would not be able to devote sufficient time to handle the positions in the future.

Due to personal reasons, Mr. Lin Hoi Kwong ("Mr. Lin") also submitted his letter of resignation resigning as Chief Executive Officer and an Executive Director of the Company with effect from 31 October 2005 for personal reasons.

Mr. Chan Tat Chee ("Mr. Chan"), Mr. Hon Ming Kong ("Mr. Hon") and Mr. Lee Yu Leung ("Mr. Lee") lodged their letters of resignation resigning as Non-Executive Directors of the Company with effect from 31 October 2005 for personal reasons.

On 27 October 2005, Mr. Au Yeung Ka Cheung ("Mr. Au Yeung") also tendered his letter of resignation resigning as an Independent Non-Executive Director of the Company with effect from 27 October 2005 for personal reasons.

Each of Mr. Loo, Mr. Au Yeung, Mr. Lin, Mr. Chan, Mr. Hon and Mr. Lee has confirmed that they have no disagreement with the Board or the Company and there is no matter relating to their resignation which needs to be drawn / brought to the attention of the shareholders / members of the Company and the Stock Exchange.

Due to personal reasons, Mr. Kam Yiu Shing, Tony (who has not held any directorship position in the Company up to the date of this announcement) also resigned as a member of the Management Committee of the Company effective on 26 November 2005. In light of resignation of the above members, the Board resolved on 31 October 2005 to dissolve the Management Committee with immediate effect.

The Board has two Independent Non-Executive Directors who are Mr. Tsoi Wai Kwong and Ms. Law. They will be members of the Audit Committee. Pursuant to the requirements of Rule 3.10 (1) of the Listing Rules, the Board must include at least three independent non-executive directors and the Audit Committee must comprise a minimum of three independent non-executive directors. To satisfy the said requirement, the Company will look for and appoint one additional suitable candidate to act as independent non-executive director as soon as possible.

MANAGEMENT

Currently, the Company has retained the following personnel to continue providing their services to the Group as follows:

1. Mr. LAI Sai Sang

Mr. Lai Sai Sang, who has over thirty years' experience in the electrical engineering contracting business in Hong Kong and had been the Vice President of Hong Kong Electrical Contracting Association from 1995 to March 2001 and Vice-chairman of the said association until March 2003, will be responsible for managing the electrical engineering contracting business as well as electrical materials and components trading business of the Group.

Mr Lai Sai Sang was an Executive Director of the Company from 2 January 2001 to 29 February 2003.

2. Mr. HON Ming Kong,

Mr. Hon Ming Kong, who has over 15 years' experience in shipping industry and has been a director and shareholder of a shipping company based in Hong Kong, primarily engaging in bulk cargo services, including vessel chartering and operating of cargos, will be responsible for managing the sea freight forwarding service business of the Group.

Mr. Hon Ming Kong was an Executive Director of the Company from 25 April 2002 to 3 October 2005 and a Non-Executive Director of the Company from 4 October 2005 to 31 October 2005.

3. Mr. KONG Ming Fai, Manfred and Ms. LEUNG Po Hung, Mabel

Both Mr. Kong Ming Fai, Manfred and Ms. Leung Po Hung, Mabel have over 8 years' experience in investment services businesses. They will remain as the Dealing Directors of Hong Tong Hai Securities Limited, a subsidiary of the Company which is engaged in securities brokerage and asset management and oversee the securities trading business.

4. **Mr. LIN Hoi Kwong**

Mr. Lin Hoi Kwong, who has worked as managerial grade for several listed companies and over ten years' experience in corporate development and business strategies, will be responsible for the general administration of the Group.

Mr. Lin Hoi Kwong was an Executive Director of the Company from 7 December 2004 to 31 October 2005.

5. **Mr. LEE Yu Leung**

Mr. Lee Yu Leung, who has more than 25 years' experience in the investment services business and has taken up directorship with certain reputable securities company, will be responsible for managing Hong Tong Hai Capital Limited, a subsidiary of the Group which is engaged in external financing business.

Mr. Lee was an Executive Director of the Company from 1 February 2002 to 3 October 2005 and a Non-Executive Director of the Company from 4 October 2005 to 31 October 2005.

With the continued employment of the above personnel, the Board is confident that the Group will be able to maintain the smooth running of its existing operations. However, the Board will review the existing management and staff structure and recruit additional suitable personnel to strengthen its team of management as soon as possible. Further announcement(s) will be made, in accordance with the requirements of the Listing Rules, in respect of the above as and when necessary.

TERMS OF APPOINTMENTS

No service contract has been entered into between the Company and Mr. Szeto or between the Company and Mr. Lai. Whereas, Ms. Law will be paid an amount of HK$80,000.00 per annum. Pursuant to the Articles of Association of the Company, the respective appointments of Mr. Szeto, Mr. Lai and Ms. Law are subject to retirement by rotation. Both of them will hold the office of a director until the next annual general meeting of the Company and will retire at that general meeting, but will become eligible for re-election. The emoluments of Mr. Szeto, Mr. Lai and Ms. Law would be determined by the Board by reference to their respective duties and responsibilities, the Company's remuneration policy and market benchmark.

Other than the matters set out in this announcement, the Board is not aware of any other matters relating to the appointment of the above new directors that need to be brought to the attention of the shareholders of the Company.

FORMATION OF A SPECIAL BOARD COMMITTEE

The Board is pleased to further announce that a Special Board Committee, consisting of Mr. Szeto and Mr. Lai, was formed on 31 October 2005 to review the existing financial and business positions of the Group. For the purposes of conducting the said review, the Special Board Committee may if necessary, engage, for and on behalf of the Group, professionals in Hong Kong and/or the PRC with the relevant expertise, for assistance.

OTHERS

Trading in the shares of the Company was suspended with effect from 9:30 am on 29 September, 2005 and will remain suspended until further notice.

By order of the Board
CHINA CONSERVATIONAL POWER HOLDINGS LIMITED
司徒澤樺
Chairman

Taking into account all the above-mentioned changes in the Board composition, the Board now consist of:–

Executive Directors
Mr. Szeto Chak Wah, Michael (alias Seto Chak Wan 司徒澤樺)
Mr. Lai Man Leung
Mr. Zhao Lin

Independent Non-executive Director
Mr. Tsoi Wai Kwong
Ms. Law Mun Yee

Hong Kong, 2 November 2005

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