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)

RESIGNATION OF DIRECTORS, CHANGES IN REMUNERATION COMMITTEE AND AUDIT COMMITTEE AND CHANGE OF HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

RESIGNATION OF DIRECTORS

The Board announces the resignation of the following directors effective 27 April 2006 for the reason set out in the paragraph headed "Resignation of Directors" below:–

(a) Mr. Szeto Chak Wah, Michael resigned as Chairman and an Executive Director of the Company;

(b) Mr. Lai Man Leung resigned as an Executive Director;

(c) Ms. Law Mun Yee resigned as an Independent Non-Executive Director; and

(d) Mr. Chong Yiu Kan, Sherman resigned as an Independent Non-Executive Director.

CHANGES IN REMUNERATION COMMITTEE AND AUDIT COMMITTEE

Upon the resignation of Ms. Law Mun Yee and Mr. Chong Yiu Kan, Sherman as Independent Non-Executive Directors, they also ceased to be members of the positions in Remuneration Committee and Audit Committee of the Company. Ms. Law Mun Yee also ceased to be the Chairman of the Audit Committee.

CHANGE OF HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The head office and principal place of business of the Company in Hong Kong will be changed to 1702-3, 17th Floor, Skyline Commercial Centre, 71-77 Wing Lok Street, Sheung Wan, Hong Kong effective 4 May 2006.

CHANGES TO THE BOARD

The board (the "Board") of directors of China Conservational Power Holdings Limited (the "Company") announces the resignation of the following directors effective 27 April 2006:–

(a) Mr. Szeto Chak Wah, Michael resigned as Chairman and an Executive Director of the Company;

(b) Mr. Lai Man Leung resigned as an Executive Director;

(c) Ms. Law Mun Yee resigned as an Independent Non-Executive Director; and

(d) Mr. Chong Yiu Kan, Sherman resigned as an Independent Non-Executive Director.

Resignation of Directors

On 27 April 2006, the Company received two letters of resignation respectively from Messrs. Szeto Chak Wah, Michael ("Mr. Szeto"), Lai Man Leung ("Mr. Lai") and Ms. Law Mun Yee ("Ms. Law") (the "1st Letter of Resignation") and Mr. Chong Yiu Kan, Sherman ("Mr. Chong") (the "2nd Letter of Resignation") resigning from their directorship of the Company, with effect from 27 April 2006.

In the 1st Letter of Resignation, Mr. Szeto, Mr. Lai and Ms. Law (collectively the "Three Resigning Directors") stated that:

- According to a resolution dated 27 March 2006 made pursuant to Article 126 of the Articles of Association of the Company, the Board unanimously resolved to convene an extraordinary general meeting (the "EGM") for the purposes of considering and passing a resolution ("Resolution") to remove HLB Hodgson Impey Cheng ("Auditors") as the auditors of the Company on the grounds, inter alia, that there had been a breakdown in communications between the Company and the Auditors.

- The EGM was held on 24 April 2006 but the Resolution was not passed by the shareholders of the Company.

- Whilst the Three Resigning Directors stated that they do not wish to speculate as to the reasons why the participating shareholders cast their votes at the EGM in the way they did, they are of the view that the inability of the Board to replace the Auditors has a severe impact on the ability on the part of the Board to discharge its duties to arrange for the financial results of the Company for the year ended 31 March 2006 ("Final Results") to be audited and announced in a timely fashion in compliance with the requirements of The Rules Governing the Listing of The Stock Exchange of Hong Kong Limited (the "Listing Rules").

- The Three Resigning Directors also noted that no practicable or feasible steps were identified at the meeting of the Board held on 27 April 2006 (the "Board Meeting") to explore the necessary steps or actions that could or should be taken by the Company to ensure that the Final Results would be audited and announced in time.

- It is the opinion of the Three Resigning Directors that it would now seems very likely that the announcement of the Financial Results would be delayed, in breach of the Listing Rules, especially since the breakdown in communications between the Company and the Auditors still, to the best of their knowledge and belief, persists. In such circumstances, and taking into account the breakdown in communications between the Company and the Auditors, the Three Resigning Directors considered it best for them to resign as Directors of the Company as present predicament of the Company has been brought about by the shareholders of the Company, despite their best efforts.

Mr. Chong (the "4th Resigning Director") stated in the 2nd Letter of Resignation that in light of the Resolution was objected by the vast majority of the shareholders present at the EGM and after a thorough discussion during the Board Meeting, it appears to be no imminent and feasible solution, he feels that he is estopped from properly discharging his duties as an Independent Non-Executive Director of the Company. In view of such a dilemma, the 4th Resigning Director tendered his resignation.

Each of Mr. Szeto Chak Wah, Michael, Mr. Lai Man Leung, Ms. Law Mun Yee and Mr. Chong Yiu Kan, Sherman has confirmed that they have no disagreement with the Board and other than the matters referred to above, there is no further matter which should be drawn to the attention of the shareholders of the Company.

The remaining Directors, namely Messrs. Yeung Kwok Leung, Tsoi Wai Kwong and Au Tin Fung intend to use their best endeavours to identify an appropriate course of action, which may lead to compliance with the requirements of the Listing Rules in relation to the publication of the Final Results.

Changes in Remuneration Committee and Audit Committee

Upon the resignation of Ms. Law Mun Yee and Mr. Chong Yiu Kan, Sherman as Independent Non-Executive Directors, they also ceased to be members of the Remuneration Committee and Audit Committee of the Company. Ms. Law Mun Yee also ceased to be the Chairman of the Audit Committee.

With the resignation of Ms. Law Mun Yee and Mr. Chong Yiu Kan, Sherman, the Board has only two Independent Non-Executive Directors who are Mr. Tsoi Wai Kwong and Mr. Au Tin Fung. They are also the members of the Remuneration Committee and Audit Committee of the Company. Pursuant to 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 additional suitable candidate(s) to act as independent non-executive director(s) as soon as possible.

CHANGE OF HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The head office and principal place of business of the Company in Hong Kong will be changed to 1702-3, 17th Floor, Skyline Commercial Centre, 71-77 Wing Lok Street, Sheung Wan, Hong Kong effective 4 May 2006.

By order of the Board
CHINA CONSERVATIONAL POWER HOLDINGS LIMITED
Yeung Kwok Leung
Executive Director

Hong Kong, 2 May 2006

Taking into account the changes to the Board mentioned in this announcement, as at the date hereof, the Board consists of Mr. Yeung Kwok Leung as an Executive Director; Mr. Tsoi Wai Kwong and Mr. Au Tin Fung, both of whom are the Independent Non-Executive Directors.

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