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漢寶集團(龍蝦大王)有限公司

Hon Po Group (Lobster King) Limited

(incorporated in the Cayman Islands with limited liability)

CONNECTED TRANSACTION

The Directors announces that on 30 June 2003, Bright Ocean have entered into a Deed of Variation and Confirmation with Better with regard to the reduction of the monthly rental of the Property of the Tenancy Agreement. Pursuant to the Deed of Variation and Confirmation, the rent payable by Bright Ocean to Better under the Tenancy Agreement for the period from 1 June 2003 to 30 November 2005 will be reduced from HK\$320,000 per month to HK\$200,000 (exclusive of Government rent, rates and management charges).

The Deed of Variation and Confirmation constitutes connected transaction under Rule 14.25(1) of the Listing Rules. As the annual rental of the Deed of Variation and Confirmation is less than HK\$10 million, shareholders' approval of the Deed of Variation and Confirmation is not required. Details of the Deed of Variation and Confirmation will also be disclosed in the next published annual report and accounts of the Company in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules.

Reference is made to the Company's announcement dated 29 October 2002 with regard to the signing of the Tenancy Agreement.

DEED OF VARIATION AND CONFIRMATION

Date: 30 June 2003

Parties: Bright Ocean, the tenant
Better, the landlord

TERMS

Pursuant to the Deed of Variation and Confirmation, the rent payable by Bright Ocean to Better under the Tenancy Agreement for the period from 1 June 2003 to 30 November 2005 will be reduced from HK\$320,000 per month to HK\$200,000 (exclusive of Government rent, rates and management charges) and the option to renew for a further term of three years at a monthly rental of HK\$352,000 will be amended to at the market rental to be agreed by Bright Ocean and Better.

Save as amended above, the other terms and conditions as stipulated in the Tenancy Agreement shall remain in full force and effect.

REASON FOR THE DEED OF VARIATION AND CONFIRMATION

In view of the impact of atypical pneumonia upon the economy and restaurant industry in Hong Kong, Better has agreed to reduce the rent of the Tenancy Agreement. The reduction of the monthly rental of the restaurant is considered by the Directors as beneficial to the profitability of the Group. The Directors (including independent non-executive Directors) consider that the Deed of Variation and Confirmation is fair and reasonable to both the Company and its shareholders and is entered into on normal commercial terms and in the ordinary course of business of the Group.

The principal activity of the Company is investing holding and the principal activity of the Group is in the operation of a chain of Chinese restaurants and a food manufacturing factory in Hong Kong.

CONNECTED TRANSACTION

Better, being an indirect wholly-owned subsidiary company of Hon Po Holdings is connected person of the Company pursuant to the Listing Rules. Accordingly, the Deed of Variation and Confirmation constitutes connected transaction under Rule 14.25(1) of the Listing Rules.

As the annual rental value is less than HK\$10 million, shareholders' approval of the Deed of Variation and Confirmation is not required. The relevant details of the Deed of Variation and Confirmation will also be included in the next published annual report and accounts of the Company in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"Better"	Better Development & Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Hon Po Holdings. Both Better and Bright Ocean are fellow subsidiaries of Hon Po Holdings
"Board"	The board of Directors
"Bright Ocean"	Hon Po Bright Ocean Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. The principal activity of Bright Ocean is the operation of Hon Po Restaurant located at the Property
"Company"	Hon Po Group (Lobster King) Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
"Deed of Variation and Confirmation"	The deed of variation and confirmation entered into between Better (as landlord) and Bright Ocean (as tenant) on 30 June 2003 with regard to the amendment of the terms of the Tenancy Agreement
"Directors"	The directors of the Company
"Group"	The Company and its subsidiaries
"Hon Po Holdings"	Hon Po Holdings Limited, a company incorporated in Hong Kong with limited liability, is the ultimate holding company of the Company and the immediate holding company of Hon Po Investment
"Hon Po Investment"	Hon Po Investment Limited, a company incorporated in the British Virgin Islands with limited liability, holding approximately 60.32% of the issued share capital of the Company
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Property"	Portions of Shop Nos. 5 and 6 on Ground Floor, the entire First Floor (together with main entrance with escalator at the Ground Floor leading to the First Floor), Units 2 and 3 on Second Floor of Block B and portions of the Flat Roof on the Second Floor and Unit 2 on the Second Floor of Block A of Hutchison Estate, No. 482 Castle Peak Road and No. 2 Lei Muk Road, Kwai Chung, New Territories, Hong Kong. The saleable area of the Property is approximately 21,096 square feet
"Stock Exchange"	The Stock Exchange of Hong Kong Ltd.
"Tenancy Agreement"	The tenancy agreement entered into between Better (as landlord) and Bright Ocean (as tenant) on 28 October 2002 with regard to the rental of the Property

By Order of the Board
Hon Po Group (Lobster King) Limited
Cheung To Sang
Chairman and Managing Director