



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)

DELAY IN ANNUAL RESULTS ANNOUNCEMENT
AND DESPATCH OF ANNUAL REPORT
RESUMPTION OF TRADING

The Annual Results Announcement and the publication of the Annual Report will be further postponed to a date to be further announced pending the clarification of an apparent inaccuracy in the pro forma combined financial statements set out in Appendix I to the prospectus of the Company issued on 31 January 2002 and the 2001 annual report and the unaudited consolidated financial statements in the 2002 interim report of the Company. The Directors believed that the apparent inaccuracy in question mainly relates to the computation of the amount due from the Company's ultimate holding company to the Group. Whilst the Board and the independent board committee both believe that the apparent inaccuracy did not result in any actual adverse material consequences to its shareholders as no perceivable prejudice has resulted to the shareholders at any time, further time is required to clarify the matter.

The Directors and their respective associates (as defined in the Listing Rules) have respectively confirmed that they have not dealt in the shares of the Company since 23 March 2003. They have undertaken not to deal in the shares of the Company until the publication of the Annual Results Announcement.

The delay in publication of the Annual Results Announcement and Annual Report constitutes breaches of the paragraphs 8(1) and 11(1) of the Listing Agreement by the Company. The Stock Exchange reserves its right to take action against the Company and/or the Directors regarding such breaches.

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on 10 June 2003 pending the issue of this announcement. Application has been made for the resumption of trading in the shares on the Stock Exchange with effect from 9:30 a.m. on 11 June 2003.

Shareholders of the Company and the public are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the Group's announcements dated 30 April 2003 and 26 May 2003 regarding the proposed postponement in the issue of the Annual Results Announcement to 9 June 2003, and the despatch of the Annual Report to 16 June 2003.

The Board announces that the Annual Results Announcement and the publication of the Annual Report will be further postponed to a date to be further announced due to the matters set out in this announcement. The unaudited financial results of the Group for the year ended 31 December 2002 were set out in the Company's announcement dated 30 April 2003.

The Company has been consulting the Auditors on an apparent inaccuracy in the pro forma combined financial statements set out in Appendix I to the prospectus of the Company issued on 31 January 2002 and the 2001 annual report and the unaudited consolidated financial statements in the 2002 interim report of the Company. The Directors believed that the apparent inaccuracy in question relates to the computation of the amount due from the Company's ultimate holding company to the Group and the Special Dividend to set off against such amount upon a reorganization of the Group prior to the listing of the Company. The Company has engaged an independent firm of certified public accountants to investigate into the apparent inaccuracy and verify the inaccuracy. The independent accountants have made preliminary findings concerning the apparent inaccuracy although further investigations would be required. Having been advised of the preliminary findings, the Board appointed an independent board committee comprising all its independent non-executive directors, namely, Messrs. Chang Kin Man and Wu Tak Lung, both certified public accountants, to further investigate the matter.

The purpose of the Special Dividend was to extinguish most of a debt due from the ultimate holding company upon a reorganization of the Group prior to the listing of the Company. The ultimate holding company has indicated that, in principle, it would be prepared to have a reduction or waiver of part of the Special Dividend correspondingly so that the net assets of the Company as of today will remain unaffected by such apparent inaccuracy. It is proposed that this be implemented, subject to confirmation from the independent accountants that this is viable, and receipt of legal advice from the Company's Cayman Island lawyers. There was no actual payment involved in the distribution of the Special Dividend in any event. Based on information currently available to the Board, the pro forma combined profit and loss account as stated in the prospectus dated 31 January 2002 and the 2001 annual report, and the unaudited consolidated profit and loss account as stated in the 2002 interim report are believed to be unaffected by such apparent inaccuracy. The Board and the independent board committee both believe that the apparent inaccuracy did not result in any actual adverse material consequences to its shareholders as no perceivable prejudice has resulted to the shareholders at any time. An announcement will be made by the Company on the findings of the independent board committee as and when appropriate on a timely basis.

The Auditors have indicated to the Company that they required more time to review the information supplied by the Company and to complete the audit of the financial statements of the Group following the issue of this announcement by the Company. They assured the Company of their commitment to work with the Company to complete the audit. The Company has yet to receive the final report from the independent accountants on such apparent inaccuracy. The Company will issue its Annual Results Announcement and despatch the Annual Report upon finalization of the audit by the Auditors, and will make a separate announcement as to when this may be achieved. Further announcements will be made by the Company on a regular basis with updates on the development of this matter.

The Directors and their respective associates (as defined in the Listing Rules) have respectively confirmed that they have not dealt in the shares of the Company since 23 March 2003 and have also undertaken not to deal in the shares of the Company until the publication of the Annual Results Announcement.

The delay in publication of the Annual Results Announcement and the Annual Report constitutes breaches of paragraphs 8(1) and 11(1) of the Listing Agreement by the Company. The Stock Exchange reserves its rights to take action against the Company and/or the Directors regarding such breaches.

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on 10 June 2003 pending the issue of this announcement. Application has been made for the resumption of trading in the shares on the Stock Exchange with effect from 9:30 a.m. on 11 June 2003.

Shareholders of the Company and the public are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"Annual Report"	The annual report of the Group for the year ended 31 December 2002
"Annual Results Announcement"	The audited annual results announcement of the Group for the year ended 31 December 2002
"Auditors"	The auditors and reporting accountants of the Company
"Board"	The Board of Directors of the Company
"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
"Directors"	The Directors of the Company
"Group"	The Company and its subsidiaries
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Special Dividend"	A special dividend in the sum of HK\$224,600,000 declared by the Company on 28 January 2002 upon a reorganization of the Group prior to the listing of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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