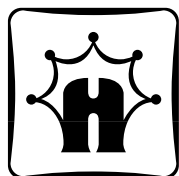


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漢寶集團(龍蝦大王)有限公司
Hon Po Group (Lobster King) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 228)

ISSUE OF THE SECOND CONVERTIBLE NOTES

The Board is pleased to announce that on 25th July 2005, the first and second tranches of the Second Convertible Notes in an aggregate principal amount of HK\$50,000,000 were issued to 18 independent professional, corporate or individual placees. The Company has received conversion notices for the full conversion of the Second Convertible Notes issued and as a result of which the Company has issued a total of 1,000,000,000 Shares to those 18 placees at the Second Conversion Price of HK\$0.05 each on 25th July 2005.

Shareholders and potential investors should exercise caution when dealing in the Shares.

Reference is made to the circular issued by the Company dated 14th June 2005 (the “Circular”) and the announcement of the Company dated 30th June 2005, in relation to, among other things, the placings of the First Convertible Notes and the Second Convertible Notes. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

The placing of the Second Convertible Notes is to be carried out in four stages with an aggregate principal amount of HK\$25,000,000 to be issued at each stage. The issue of the first and second tranches of the Second Convertible Notes is conditional upon fulfillment of the conditions to the placing of the Second Convertible Notes and the issue of each successive tranche will be subject to successful completion of the issue of the preceding tranche.

On 22nd July 2005, the Listing Committee of the Stock Exchange granted the listing of and permission to deal in the Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Notes. The Board is pleased to announce that on 25th July 2005, the first and second tranches of the Second Convertible Notes in an aggregate principal amount of HK\$50,000,000 were issued to 18 independent professional, corporate or individual placees.

The Company has received conversion notices for the full conversion of the Second Convertible Notes issued and as a result of which the Company has issued a total of 1,000,000,000 Shares to those 18 placees at the Second Conversion Price of HK\$0.05 each accordingly on 25th July 2005 (the “First and Second Tranches Conversion Shares”). The First and Second Tranches Conversion Shares represent approximately 661% of the issued share capital of the Company prior to their issue and approximately 86.87% of the issued share capital of the Company as enlarged by the issue of the First and Second Tranches Conversion Shares.

Upon the issue of the First and Second Tranches Conversion Shares, the shareholding of Hon Po Investment Limited in the Company has changed from approximately 50.26% to 6.6%. None of the holders of the First and Second Tranches Conversion Shares has become a substantial Shareholder of the Company as a result of the issue of the First and Second Tranches Conversion Shares.

Shareholders and potential investors should exercise caution when dealing in the Shares.

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

Hong Kong, 25th July 2005

As at the date of this announcement, Mr. Cheung To Sang,, Mrs. Cheung Lim Mai Tak, Grace, Mr. She Hing Chiu, Mr. Tse Chick Sang and Mr. Chan Shi Yung are executive directors, Mr. Chang Kin Man, Mr. Wu Tak Lung and Ms. Lee Pui Hang, Pieann are independent non-executive directors of the Company.

Please also refer to the published version of this announcement in China Daily.