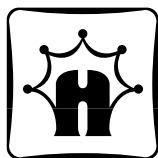


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漢寶集團(龍蝦大王)有限公司

Hon Po Group (Lobster King) Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 228)**

## ISSUE OF THE FIRST CONVERTIBLE NOTES

The Board is pleased to announce that on 11th August 2005, the first and final tranches of the First Convertible Notes in an aggregate principal amount of HK\$40,000,000 were issued to 13 independent professional, corporate or individual placees. The Company has received conversion notices for the full conversion of the First Convertible Notes issued and as a result of which the Company has issued a total of 400,000,000 Shares to those 13 placees at the First Conversion Price of HK\$0.10 each on 11th August 2005.

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

Reference is made to the circular issued by the Company dated 21st March 2005 and 14th June 2005 (the “Circulars”) 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 Circulars unless the context requires otherwise.

The placing of the First Convertible Notes is carried out in two stages with an aggregate principal amount of HK\$20,000,000 to be issued at each stage. The issue of the first and final tranches of the First Convertible Notes is conditional upon fulfillment of the conditions to the placing of the First 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 11th August 2005, the first and final tranches of the First Convertible Notes in an aggregate principal amount of HK\$40,000,000 were issued to 13 independent professional, corporate or individual placees.

The Company has received conversion notices for the full conversion of the First Convertible Notes issued and as a result of which the Company has issued a total of 400,000,000 Shares to those 13 placees at the First Conversion Price of HK\$0.10 each accordingly on 11th August 2005 (“First and Final Tranches Conversion Shares”). The First and Final Tranches Conversion Shares represent approximately 34.75% of the issued share capital of the Company prior to their issue and approximately 25.79% of the issued share capital of the Company as enlarged by the issue of the First and Final Tranches Conversion Shares. Upon the issue of the First and Final Tranches Conversion Shares, the total number of issued share of the Company has changed from 1,151,200,000 Shares to 1,551,200,000 Shares. To the best knowledge of the Company, none of the holders of the First and Final Tranches Conversion Shares has become a substantial Shareholder of the Company as a result of the issue of the First and Final Tranches Conversion Shares.

As at the date of this announcement, except for the issue of the First and Final Tranches Conversion Shares, the Company has no other Shares issued pursuant to other transactions including Shares issued pursuant to exercise of options under any share option scheme, and the remaining maximum principal amount of HK\$50,000,000 of the Second Convertible Notes has not yet been issued.

The shareholding structure of the Company before and after the issue of the First and Final Tranches Conversion Shares is set out as following:

	<b>Existing issued Share Capital</b>	<b>%</b>	<b>After issue of the First and Final Tranches Conversion Shares</b>	<b>%</b>
Hon Po Investment Limited	76,000,000	6.60	76,000,000	4.90
Public:				
Others	1,075,200,000	93.40	1,075,200,000	69.31
Holders of the First and Final Tranches Conversion Shares	—	—	400,000,000	25.79
Total	<u>1,151,200,000</u>	<u>100.00</u>	<u>1,551,200,000</u>	<u>100.00</u>

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

By order of the Board  
**Hon Po Group (Lobster King) Limited**  
**Chan Shi Yung**  
*Executive Director and Chief Executive Officer*

Hong Kong, 11th August 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.