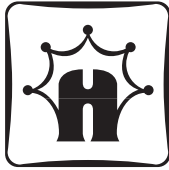


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漢寶集團(龍蝦大王)有限公司

**Hon Po Group (Lobster King) Limited**

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

## **DELAY IN ANNUAL RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT**

The audited annual results announcement of the Group for the year ended 31 December 2002 shall be postponed to on or before 26 May 2003 and the annual report of the Group for the year ended 31 December 2002 is expected to be dispatched on or before 30 May 2003.

The Directors and their respective associates (as defined in the Listing Rules) have respectively confirmed that they have not dealt in 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 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.

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

The Board announces that the Annual Results Announcement of the Group shall be postponed to on or before 26 May 2003 and the Annual Report of the Group for the year ended 31 December 2002 is expected to be dispatched on or before 30 May 2003.

The delay is mainly due to the unprecedented outbreak of the atypical pneumonia in Hong Kong. As the atypical pneumonia has adverse impact on the Group's restaurant operation, the Directors and the management of the Group are exhausted by the implementation of a series of cost reduction measures to offset the adverse impact of the plague.

In addition, the Group has entered into a provisional agreement for sale and purchase on 9 April 2003 in relation to the disposal of a property of the Group to an independent third party which constitutes a major transaction as defined in the Listing Rules. The process of the negotiation with the purchaser and the preparation of the circular of the above major transaction have further consumed the time of the Directors and the management of the Group.

As a result of the foregoing, the Group requires additional time in reviewing the accounts and to prepare additional information for the auditors in view of the impact of the atypical pneumonia upon the Group's present operation.

The Directors and their respective associates (as defined in the Listing Rules) have respectively confirmed that they have not dealt in 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 on or before 30 April 2003 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.

The Company's unaudited consolidated results for the year ended 31 December 2002, with comparative figures for the previous corresponding year are set out below. Shareholders and potential investors should note that the unaudited consolidated results of the Group for the years ended 31 December 2002 and 2001 are based on the unaudited management accounts prepared by the Company and may be subject to adjustments upon finalization of the audit. The pro forma combined results of the Group for the year ended 31 December 2001 are extracted from the annual report of the Group for 2001. The Company's audit committee has not yet reviewed the said accounts.

The unaudited impairment in value of the property to be disposed and the leasehold improvement located at that property, as a result of the provisional sale and purchase agreement entered into by the Group on 11 April 2003 (as detailed in the announcement of the Company dated 11 April 2003) amounted to approximately HK\$12.3 million and has been included in the unaudited consolidated results for the year ended 31 December 2002.

	<b>(Unaudited) Consolidated Year ended 31 December 2002 <i>(Note 1)</i> HK\$'000</b>	(Unaudited) Consolidated Year ended 31 December 2001 <i>(Note 1)</i> HK\$'000	(Audited) Pro Forma combined Year ended 31 December 2001 <i>(Note 1)</i> HK\$'000
Turnover	<b>730,466</b>	498,758	798,644
Other revenue	<b>8,983</b>	4,031	6,103
Cost of inventories consumed	<b>(232,744)</b>	(155,633)	(242,996)
Staff costs	<b>(271,296)</b>	(168,412)	(282,908)
Operating lease rentals	<b>(77,372)</b>	(63,920)	(79,614)
Depreciation	<b>(18,793)</b>	(16,267)	(21,570)
Fuel costs and utility expenses	<b>(75,549)</b>	(45,933)	(78,570)
Other operating expenses	<b>(102,824)</b>	(43,758)	(69,451)
(Loss)/Profit from operating activities	<b>(39,129)</b>	8,866	29,638
Finance costs	<b>(4,468)</b>	(171)	(3,365)
(Loss)/Profit before tax	<b>(43,597)</b>	8,695	26,273
Tax	<b>(86)</b>	(2,540)	(4,560)
(Loss)/Profit before minority interests	<b>(43,683)</b>	6,155	21,713
Minority interests	<b>(210)</b>	448	440

Net (loss)/profit from ordinary activities attributable to shareholders	<u>(43,893)</u>	<u>6,603</u>	<u>22,153</u>
Dividend – Special ( <i>Note 2</i> )	<u>232,160</u>	<u>–</u>	<u>–</u>

*Note 1:* The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 4 April 2001 under the Companies Law of the Cayman Islands. Pursuant to a reorganisation scheme (the “Group Reorganisation”) to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Main Board of the Stock Exchange on 18 February 2002, the Group has acquired from its ultimate holding company and the subsidiaries of the ultimate holding company the sourcing of food and beverage operations (the “Sourcing Business”) effective from 26 October 2001 and the restaurant operations (the “Restaurant Business”) effective from 15 November 2001 and 11 January 2002. The Group Reorganisation involved companies under common control. The unaudited consolidated financial results for the years ended 31 December 2002 and 2001 have been prepared using the merger basis of accounting in accordance with No. 27 of Hong Kong Statement of Standard Accounting Practice, “Accounting for group reconstructions”, as a result of the Group Reorganisation completed on 17 January 2002. Under this basis, the Company has been treated as the holding company of the companies now composing the Group (the “Subsidiaries”) for the years ended 31 December 2002 and 2001, rather than from the date of its acquisition of the Subsidiaries. Accordingly, the unaudited consolidated results of the Group for the years ended 31 December 2002 and 2001 include the results of the Company and the Subsidiaries with effect from 1 January 2001 or since their respective dates of incorporation, where this is a shorter period. Pursuant to the Group Reorganisation, the unaudited results attributable to the Sourcing Business and the Restaurant Business have been included in the unaudited consolidated financial statements of the Group with effect from the abovementioned respective acquisition dates. The unaudited results for the period from 1 January 2002 to 10 January 2002 attributable to the Restaurant Business acquired on 11 January 2002 are immaterial. Accordingly, the unaudited results for the period from 1 January 2002 to 10 January 2002 attributable to the Restaurant Business acquired on 11 January 2002 are included in the consolidated results of the Group for the year ended 31 December 2002.

The pro forma combined profit and loss account for the year ended 31 December 2001 includes the results of the Group with effect from 1 January 2001 or since the Subsidiaries’ respective dates of incorporation, where this is a shorter period and is prepared on a pro forma combined basis as if the current Group structure had been in existence throughout the year ended 31 December 2001. The results of the Sourcing Business and the Restaurant Business have been included as if it had been transferred to the Group as at the beginning of the earliest period presented. This basis of presentation was adopted for the preparation of the accountants’ report included in the Company’s prospectus dated 31 January 2002 (the “Prospectus”).

Further details of the Group Reorganisation were set out in the Prospectus.

*Note 2:* Details of the special dividend were stated in the interim report of the Group for the six months ended 30 June 2002.

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 Results Announcement”	The audited annual results announcement of the Group for the year ended 31 December 2002
“Annual Report”	The annual report of the Group for the year ended 31 December 2002
“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
“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*

Hong Kong, 30 April 2003

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