

**HON PO GROUP (LOBSTER KING) LTD:
THE WALLS CONTINUE TO CLOSE IN**

The walls continue to close in on publicly listed [Hon Po Group \(Lobster King\) Ltd](#) (Code: 228, Main Board, The Stock Exchange of Hongkong Ltd) as Hang Lung Real Estate Agency Ltd has made it very clear that it will not part with the \$HK2.40-million deposit that it has on hand.

This is spelled out in High Court Action Number 3065, recently filed in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

In the Endorsement of Claim, attached to the Writ of Summons, Star Play Development Ltd and Fu Yik Company Ltd, the First and Second Plaintiffs, respectively, sued Hon Po Group and Beautiguide Investments Ltd, the First and Second Defendants, respectively, in order to obtain a Declaration that the *'Defendants do pay the 1st Plaintiff the amount due and payable by Bestrade (Investments Ltd, a wholly owned subsidiary of Hon Po Group) to the 1st Plaintiff under the Bestrade Tenancy Agreement pursuant to the Oral Agreement.'*

In addition, the Plaintiffs are seeking a Declaration that Fu Yik *'is not obliged to refund the Deposit (of \$HK2.40 million) to the Second Defendant.'*

It is alleged, in the Endorsement of Claim, that Ms Grace Cheung, representing the Defendants, and Mr Henry Cheung, on behalf of Hang Lung Real Estate, came into an oral agreement in about November or December 2001.

That agreement included, inter alia:

*'The 1st and 2nd Defendants guarantee the due performance of the obligations of Bestrade Investments Limited ("**Bestrade**") under a tenancy agreement ("**the Bestrade Tenancy Agreement**") dated 23 October 2000 between the 1st Plaintiff as landlord and Bestrade as tenant in relation to premises known as Second Floor of the shopping arcade of Hollywood Plaza at No 610 Nathan Road Kowloon erected on Kowloon Inland Lot 11204.*

*'The deposit of the sum of HK\$2,400,000 ("**the Deposit**"), paid by the 2nd Defendant to the 2nd Plaintiff under a tenancy agreement dated 25 July 2000 between the 2nd Plaintiff as landlord and the 2nd Defendant as tenant in relation to premises known as the Entire 3rd Floor of Grand Tower Arcade of Grand Tower Hotel at No 639 of Nathan Road Kowloon erected on Kowloon Inland Lot No 10246, be applied to satisfy any outstanding liabilities of Bestrade owed to the 1st Plaintiff under the Bestrade Tenancy Agreement.'*

On May 7, 2003, in **TARGET** Intelligence Report, Volume V, Number 85, this medium reported that Hang Lung Real Estate Agency Ltd had sued Bestrade on April 30, 2003 for alleged non-payment of rent in the amount of about \$HK2.78 million.

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