

**HON PO GROUP (LOBSTER KING) LTD:
THE FIRST CRIMINAL CASE HAS BEEN BROUGHT
AGAINST A GROUP COMPANY**

While Hon Po Group (Lobster King) Ltd (Code: 228, Main Board, The Stock Exchange of Hongkong Ltd) seems to be amassing more and more civil cases against it and/or its subsidiaries, mostly for money due and owing, the latest case, being the allegation of not paying about \$HK2.63 million to one of its Australian suppliers of rock lobsters, the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) has recently taken the company to task.

Please Refer To
[TARGET Intelligence Report, Volume VI, Number 171,](#)
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According to the Magistrate's Court Register of **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Hon Po Rich Harvest Resources Ltd, trading as North Point Hon Po Restaurant, was charged under The Employment Ordinance in Case Number 13488 of 2003.

While the case was, originally, brought against Hon Po Rich Harvest in 2003-Year, this wholly owned subsidiary of Hon Po Group (Lobster King) was officially charged and the case commenced on February 27, 2004.

The criminal charges against the Defendant read:

'Failing to pay long service payment within due date on termination of service.'

As far as **TARGET** can ascertain, this is the first criminal case brought against this restaurant group.

At Page 71 of the Annual Report of Hon Po Group (Lobster King) in respect of the Financial Year, ended December 31, 2003, Note 26, '**CONTINGENT LIABILITIES**', reads as follows:

'At 31 December 2003, a number of current employees had achieved the required number of years of services to the Group in order to be eligible for long service payments under the Employment Ordinance should their employment be terminated under certain prescribed circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that there will be a material future outflow of resources from the Group in respect thereof.

'The Group has a contingent liability in respect of future payments to employees under the Employment Ordinance and as detailed in note 2(p) to the financial statements, "Employee benefits", with a maximum possible amount of HK\$23,322,000 (2002: HK\$24,440,000) as at 31 December 2003.'

With regard to Magistrate's Case Number 13488 of 2003, it would appear that, at the time of the dissemination of the 2003 Annual Report of Hon Po Group (Lobster King), there had, already, been committed a criminal breach of The Employment Ordinance.

But, probably, the matter was ... [CLICK TO ORDER FULL ARTICLE](#)

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