

**HON PO GROUP (LOBSTER KING) LTD:  
HANGING ON BY ITS (REMAINING) CLAWS**

If **TARGET** is reading the latest signals, correctly, then [Hon Po Group \(Lobster King\) Ltd](#) (Code: 228, Main Board, The Stock Exchange of Hongkong Ltd) has, just about, used up its entire line of credit with many, if not most, of its important suppliers of foodstuff.

That would, definitely, appear to be the case in respect of the restaurant operations of Hon Po Group (Lobster King) at Carnarvon Place, Kowloon, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

According to the records of **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Bestcase Hongkong Ltd, the lessee of the premises, in which the Kowloon Chinese restaurant operates, has been sued, persistently, by its corporate landlord, Lucky Gain Enterprises Ltd, since April, this year.

And Lucky Gain has issued yet another Writ in the District Court of the HKSAR, only recently, in order to attempt to obtain one month's rent from Bestcase in the amount of \$HK238,000.

This corporate landlord sued Bestcase in respect of rent since April, and, now, for the month of November.

Lucky Gain does not wait for more than 7 days past the due date for its monthly rent money to squeeze the Writ trigger, of that there can be little doubt.

But this time around the block, there was included in Luck Gain's claim another bill for rates, being another \$HK11,000, being due and owing.

It is clear that the *modus operandi* of the Carnarvon Place restaurant – and, perhaps, the entire Hon Po Group of Companies – is to pay cash to any/all creditors ... when and only when the cash becomes available.

With regard to the corporate landlord, rent is only paid after a District Court Writ is filed and served on Bestcase, thereby buying time for the cash-strapped parent public company.

On November 24, according to **TOLFIN**, Shing Fat Noodles Factory Ltd sued Hon Po Management Ltd, a wholly owned subsidiary of Hon Po Group (Lobster King), in the Small Claims Tribunal for Goods Sold and Delivered.

On the presumption that the Claim by Shing Fat Noodles Factory was for the sale and delivery of noodles, then, it is clear that another (former?) supplier of foodstuff to this Chinese restaurant chain – at least, what is left of the chain – is making deliveries on the basis of cash on the barrelhead, only.

This must be close to the mark because the upper limit of any single claim, lodged in the Small Claims Tribunal, is \$HK50,000.

For a Chinese restaurant not to be able to pay for noodles, a staple food of any self-respecting, Chinese restaurant, it must be a rather ominous sign of immanent doom.

In February 2002 when Hon Po Group (Lobster King) went public on The Stock Exchange of Hongkong Ltd, it operated a total of 17 Chinese restaurants.

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