

**HON PO GROUP (LOBSTER KING) LTD:
TALK ABOUT CLEANING UP ONE'S MESS !**

While the world waits for '*an announcement of the Company in relation to a very substantial acquisition*', the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) has determined to wait no longer for [Hon Po Group \(Lobster King\) Ltd \(漢寶集團\(龍蝦大王\)有限公司\)](#) to pay for services, which were accorded to this Chinese, restaurant-owning company, going back more than 18 months.

The Secretary of Justice, a branch of the HKSAR Government, has issued legal proceedings in the HKSAR District Court, naming a wholly owned subsidiary of Hon Po Group, Oriental Team Investments Ltd, as the Defendant.

Hon Po Group (Code: 228, Main Board, The Stock Exchange of Hongkong Ltd) has been involved in so many legal cases over the past few years that the latest Claim must be akin to water, sliding off a duck's back, during a spring shower.

According to District Court Action Number 4960, Orient Team Investments operated a restaurant at Alhambra Building, Number 387A, Nathan Road, Kowloon, but it did not pay its share of the costs in connection with Trade Effluent Surcharges (TES) in accordance with The Sewage Ordinance of the Laws of the HKSAR between December 24, 2003, and April 17, 2004.

The Secretary of Justice is, today, suing Oriental Team Investments for \$HK65,184.76.

It is alleged, at Paragraph 8 of the Statement of Claim, attached to Writ of Summons Number 4960, that '*the Drainage Authority served Notices of demand on the Defendant demanding payment of the TES.*'

Paragraph 10 alleges that despite repeated requests and demands, Oriental Team Investments '*has failed and/or refused to pay the said sum of HK\$65,184.76 or any part thereof.*'

Trading in the shares of Hon Po Group has been suspended since August 29, 2005, because the company claims that it is about to release an announcement '*in relation to a very substantial acquisition.*'

On September 23, 2005, Hon Po Group put out its Interim Results for the 6-month period, ended June 30, 2005.

The report was not exactly a corker and could not have sat well with minority shareholders.

This is a summary of that report:

	Period: January 1, 2005, to June 30, 2005	Period: January 1, 2004, to June 30, 2004
	All Figures Are Denominated In \$HK'000	
Turnover	88,577	156,615
Profit/(Loss) from Operations	(6,253)	(29,213)
Net Profit/(Loss) Attributable to Shareholders for the Period	(6,341)	(32,049)
Breakdown of Turnover		
Receipts from Restaurant Operations	88,577	156,219
Sales of Goods of a Food Factory	Nil	396

TOTAL	88,577	156,615
Loss from Operating Activities after Charging/(Crediting)		
Cost of Inventories	25,187	48,363
Depreciation	2,552	2,853
Provision for Bad Debts	Nil	7,432
Staff Costs (including Directors' Remuneration), Wages and Salaries and other Staff Benefits	33,086	66,973
Pension Scheme Contributions	1,433	2,652
TOTAL	34,519	69,625

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