



## REPORT OF THE AUDITORS

### 核數師報告

Auditors' report to the shareholders of  
**Hon Po Group (Lobster King) Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

致漢寶集團(龍蝦大王)有限公司  
 全體股東之核數師報告  
 (於開曼群島註冊成立之有限公司)

We have audited the financial statements on pages 43 to 103 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

本核數師已完成審核刊於第43頁至103頁按照香港公認會計原則編製的財務報表。

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

### 董事及核數師各自之責任

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

貴公司董事須負責編製真實與公平的財務報表。在編製該等真實兼公平之財務報表時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

本核數師之責任是根據審核工作的結果，對該等財務報表作出獨立意見，並僅向股東作為一個團體作出報告，而非作其他用途。本核數師不會就本報告內容對其他人仕負責或承擔責任。

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### BASIS OF OPINION

### 意見之基礎

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

本核數師已按照香港會計師公會所頒佈之香港核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評審董事於編製財務報表時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司及 貴集團之具體情況，及有否貫徹應用並充份披露該等會計政策。

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

本核數師在策劃和進行審核工作時，均以取得所有吾等認為必須之資料及解釋為目標，以便獲得充分憑證，就該等財務報表是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等財務報表所載之資料在整體上是否足夠。本核數師相信，我們之審核工作已為下列意見提供合理之基礎。

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### FUNDAMENTAL UNCERTAINTIES RELATING TO THE COAL MINE AND PEAT MOSS MINE AND THE GOING CONCERN BASIS

In forming our opinion, we have also considered the adequacy of the disclosures made in note 20 to the financial statements concerning the proposed acquisition of the equity interests in the Coal Mine and Peat Moss Mine in the PRC, and the basis of preparation of the financial statements, respectively.

As disclosed in note 20, the Company as the acquirer, entered into a conditional agreement dated 28 December 2005 (“Master Agreement”) between two independent third parties (one as a Vendor and the other as Guarantor individually and separately) and Newsummit Investments Limited (“Newsummit”), under which, the Company agreed to acquire 60% equity interests in Newsummit at the consideration of HK\$5,100,000,000 for which, refundable deposits of HK\$100,000,000 were paid by the Company upon signing the Master Agreement and the balance will be settled by the Company by way of issuance of an interest-free convertible note of HK\$5,000,000,000. As security for these refundable deposits of HK\$100,000,000 paid, the Vendor has pledged all the issued capital of Newsummit in favour of the Company. Newsummit through its three 51%-owned subsidiaries (collectively the “Newsummit Group”) is purported to hold an exploration right to a Coal Mine (with a capacity of 800,000,000 tonnes of coal based on a preliminary assessment) and an exploitation right to a Peat Moss Mine (up to 5,000,000 tonnes of peat moss), both located in the Wushenqi City of the Inner Mongolia Autonomous Region, the PRC. As disclosed in note 20, the completion of the proposed acquisition of 60% equity interests in Newsummit is conditioned upon the fulfillment, on or before 30 June 2006 (or such later date as may be agreed in writing between the Company, Newsummit and the Vendor), of a number of conditions precedent including but not limited to Newsummit Group having obtained the legally valid exploitation license rights to exploit coal from the Coal Mine.

### 有關煤礦及泥炭礦及持續經營基準之基本不明朗因素

在達致吾等之意見時，吾等亦已分別考慮到財務報表附註20有關建議收購中國煤礦及泥炭礦所作之披露是否足夠，以及編製該等財務報表之基準。

誠如附註20所披露，貴公司（作為收購人）與兩名獨立第三方（個別及共同地由一方作為賣方及由另一方作為擔保人）與新頂峰投資有限公司（「新頂峰」）於二零零五年十二月二十八日訂立一份有條件協議（「總協議」）；據此，貴公司同意收購新頂峰之60%股權，代價為5,100,000,000港元；據此，貴公司已於簽訂主要協議時支付可退回按金100,000,000港元，而餘款貴公司將會透過發行價值5,000,000,000港元之不計息可換股票據支付。作為該等為數100,000,000港元之已付可退回按金之抵押品，賣方已向貴公司質押新頂峰之全部已發行股本。新頂峰有意透過旗下三間擁有51%權益之附屬公司（統稱「新頂峰集團」）持有位於中國內蒙古自治區烏審旗市內之煤礦探礦權（根據初步估計蘊含量為800,000,000噸煤）以及泥炭礦之採礦權（可開採多達5,000,000噸泥炭）。誠如附註20所披露，完成建議收購新頂峰之60%股權一事須待二零零六年六月三十日或之前（或貴公司、新頂峰及賣方可能書面同意之較後日期）達成多項先決條件（包括但不限於新頂峰集團已取得於煤礦開採煤礦之合法有效採礦許可權）後，方可作實。

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At the date of approving the financial statements by the directors of the Company, Newsummit Group has been granted with two licence rights to exploit and produce the peat moss at yearly production volume of 200,000 tonnes at the Peat Moss Mine for two years from June 2005 to June 2007. The management of Newsummit Group expects that the inspection pass from the environment administration and protection authorities, and the production safety license will be granted to the Peat Moss Mine. Based on a professional valuation report issued by an independent valuer, Grant Sherman Appraisal Limited, on 18 April 2006, the fair market value of the Peat Moss Mine is approximately RMB227 million (equivalent to approximately HK\$218 million).

However, Newsummit Group has not yet obtained the exploitation license rights and land use rights at the Coal Mine, the necessary approvals such as the inspection pass from the environmental administration and protection authorities, the relevant production safety license and coal production license which are the pre-requisites for the exploitation, production and sale of coal from the Coal Mine. The directors of the Company have advised that when the exploration report for the Coal Mine is issued in June 2006, Newsummit Group will proceed to apply for all these necessary approvals and licenses for the exploitation, production and sale of coal at the Coal Mine. The directors of the Company believe that Newsummit Group will eventually obtain all the necessary approvals and licenses, including but not limited to, the exploitation and production rights for Coal Mine. In consequence, the directors of the Company are of the opinion that there is no impairment loss on the aforesaid deposits of HK\$100,000,000 paid on the proposed acquisition of 60% equity interests in Newsummit.

As disclosed in note 20, apart from the balance of consideration of HK\$5 billion for the acquisition of 60% equity interests in Newsummit to be settled by the Company by way of issuance of an interest-free convertible note of the same amount, Newsummit Group will have capital commitments of approximately RMB2 billion in respect of the exploration, exploitation and production of Coal Mine and Peat Moss Mine.

於 貴公司董事批准財務報表當日，新頂峰集團已獲授出兩份許可權證，自二零零五年六月至二零零七年六月止兩年內可於泥炭礦開採年產量達200,000噸之泥炭。新頂峰集團之管理層預期，泥炭礦將可獲授有關環境管理及保護機關驗證以及安全生產許可證。根據一獨立估值師中證評估有限公司於二零零六年四月十八日發出之專業估值報告，泥炭礦之公平市值約為人民幣227,000,000元（相等於約218,000,000港元）。

然而，新頂峰集團尚未取得煤礦之採礦許可權及土地使用權，以及環境管理及保護機關驗證等必要批文，以及於煤礦開採、生產及銷售煤炭有關之必要安全生產許可證及煤炭生產許可證。貴公司董事已經告知，當煤礦之採礦報告於二零零六年六月發出時，新頂峰集團將會申領於煤礦開採、生產及銷售煤炭之該等一切有關必要批文及許可證。貴公司董事相信，新頂峰集團最終將可取得煤礦之一切必要批文及許可證（包括但不限於採礦權及生產權）。因此，貴公司董事認為上述就建議收購新頂峰之60%股權而已付之按金100,000,000港元並無減值虧損。

按附註20所披露，除了建議收購新頂峰之60%股權所需代價5,000,000,000港元之餘款將由貴公司透過發行相同金額之不計息可換股票據支付外，新頂峰集團將會就煤礦及泥炭礦之勘探、開採及生產擁有資本承擔約人民幣2,000,000,000元。

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In addition, the Group had net current liabilities of approximately HK\$39,440,000 as at 31 December 2005 and a net loss of approximately HK\$22,042,000 for the year then ended. The financial statements have been prepared on a going concern basis, the validity of which will depend upon future funds being available to the Group to meet its debts as and when they fall due in the foreseeable future, in particular, the capital expenditure for the Peat Moss Mine and Coal Mine following completion of the proposed acquisition of Newsummit under the Master Agreement. The Company is currently seeking a placing agent to raise funds for financing the operations of the Peat Moss Mine and Coal Mine upon completion of the Master Agreement. Besides, a shareholder of the Company, Hon Po Investment Limited, has also agreed to provide financial support to the Group so as to meet its debts as and when fall due in the foreseeable future, and will not demand the repayment for the amounts of HK\$35,413,000 due by the Group until the Group has adequate working capital to do so without significantly curtailing its operations. The directors of the Company are of the opinion that the Group will be able to raise funds to meet the working capital requirements for the operations of the existing restaurant business and expenditure for the Coal Mine and Peat Moss Mine of Newsummit Group upon completion of the Master Agreement. The financial statements do not include any adjustments that would result from the failure to obtain the necessary funds for maintaining the Group as a going concern. Should the Group be unable to continue its business as a going concern, adjustments would have been made to restate the value of the assets (including the refundable deposits of HK\$100,000,000 paid for the proposed acquisition of 60% equity interests in Newsummit) to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively.

We consider that appropriate estimates and disclosures have been made in the financial statements and our opinion is not qualified in these respects.

此外，於二零零五年十二月三十一日，貴集團有淨流動負債39,440,000港元，以及截至當日止年度之淨虧損22,042,000港元。該等財務報表乃按照持續經營基準編製，其有效性將會視乎貴集團日後可供動用之資金以應付其於可見未來到期應付之債項（尤其是根據主要協議建議收購新頂峰一事完成後泥炭礦及煤礦所需之資本開支）而定。貴公司目前正尋求於主要協議完成後與一獨立配售代理就泥炭礦及煤礦之營運集資。此外，貴公司一名股東漢寶投資發展（香港）有限公司亦已同意給予貴集團財政支持，藉以應付貴集團於可見未來之到期應付債項，且在貴集團具備足夠營運資金而不會嚴重影響其業務之情況下，能夠償還其所欠負一筆為數35,413,000港元之款項前，不會要求貴集團償還上述款項。貴公司董事認為，貴集團將可於主要協議完成後集資以應付之現有酒樓業務及新頂峰集團旗下煤礦及泥炭礦開支營運所需之營運資金需要。該等財務報表並不包括因未能取得貴集團繼續持續經營業務所需之必要資金以致須予作出之任何調整。一旦貴集團未能繼續持續經營業務，貴集團須將該等資產（包括建議收購新頂峰之60%股權而已付之可收回按金100,000,000港元）之價值重列至其可收回金額，並須就可能產生之任何其他負債計提撥備，以及將非流動資產及非流動負債分別重新分類列作流動資產及流動負債。

吾等認為該等財務報表已作出適當調整及披露，而吾等就此等情況不作出保留意見。

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### OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2005 and of the results and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Companies Ordinance.

#### CCIF CPA Limited

*Certified Public Accountants*

Hong Kong, 18 April 2006

#### Chan Wai Dune, Charles

Practising Certificate Number P00712

### 意見

本核數師認為財務報表可真實公平地反映貴公司及貴集團於二零零五年十二月三十一日之財務狀況，以及貴集團截至該日止年度之業績及現金流量，且乃按公司條例之披露規定而妥善編製。

陳葉馮會計師事務所有限公司

執業會計師

香港，二零零六年四月十八日

#### 陳維端

執業證書號碼P00712



龍蝦 King  
大王