

HAVE CHINA LOGISTICS AND WINSOR INDUSTRIAL GOT THEMSELVES INTO A SPOT OF BOTHER ?

China Logistics Group Ltd (Code: 217, Main Board, The Stock Exchange of Hongkong Ltd) and Winsor Industrial Corporation Ltd (Code: 98, Main Board, The Stock Exchange of Hongkong Ltd) may both have got their respective knickers in a bit of a twist.

These 2, publicly listed companies are, individually, 19-percent owners in their respective rights of a private company, called Mantex Ltd.

China Logistics owns its 19 percent of Mantex via a wholly owned subsidiary, Hong Kong Car Park Ltd, while Winsor Industrial owns its 19 percent of Mantex, via its wholly owned subsidiary, Lidelia Development Company Ltd.

But Mantex is the subject of claims, now, by at least 2 banks, which, between them, are seeking in excess of \$HK10 million.

China Merchants Bank, a bank, owned by the Government of the People's Republic of China (PRC), is seeking about \$HK8.05 million from China Logistics, claiming that this company guaranteed, back in March 1996, *'payment to the Plaintiff (China Merchants Bank) all monies which should be due to the Plaintiff from the Borrower (Mantex) to the extent of 19% thereof.'*

In High Court Action Number 3809, the accompanying Statement of Claim, attached to the Writ of Summons, alleges that there existed a Loan Agreement, date March 27, 1996 whereby China Merchants Bank advanced \$US7.60 million (about \$HK59 million) to Mantex.

Paragraph 5 of the Statement of Claim alleges that *'The Loan was advanced to the Borrower in 6 instalments in the respective amounts ... and each of the instalment ... had to be repaid to the Plaintiff within 3 years 6 months from the date of its advancement to the Borrower ...'*

Paragraph 8 alleges that China Logistics requested that China Merchants Bank provide the loan to Mantex and that China Logistics stand, not only as *'a Guarantor but also in the capacity of a principal debtor; unconditionally and irrevocably guaranteed the Borrower's punctual repayment of the debt and performance and observance of all the obligations pursuant to the Loan Agreement.'*

The Letter of Guarantee, the Statement of Claim attests, *'shall be interpreted in accordance with and governed by the laws of the PRC.'*

Mantex, China Merchants Bank ... [CLICK TO ORDER FULL ARTICLE](#)

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