

IS PRICERITE HAVING A SPOT OF BOTHER ?

Household goods and furniture retailer, Pricerite Group Ltd (Code: 996, Main Board, The Stock Exchange of Hongkong Ltd), appears to be having more than just a little bit of trouble, these days – because the company's wholly owned subsidiary, Pricerite Stores Ltd, has just been sued for about \$HK12 million.

The Plaintiff to this Action, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is Gainrich Industrial Ltd, a supplier of Pricerite.

According to High Court Action Number 4852, Gainrich Industrial supplied about

\$HK11.96-million worth of 'household products and furniture sold and delivered to the Defendant for the period from 1st May 2001 to 31st October 2001 pursuant to the Defendant's requests by various purchase orders and the Trading Agreement signed by the Plaintiff and the Defendant in or about March 2001 ...'.

Gainrich Industrial, clearly, is tired of waiting and it wants its money, now.

The amount of money, being claimed by Gainrich Industrial, in terms of Pricerite's Net Profit Attributable to Shareholders for the Financial Year, ended March 31, 2001, is about 88 percent.

In terms of Pricerite's Net Assets, as at March 31, 2001, the Claim by Gainrich Industrial is equal to about 9 percent.

Therefore, one may safely say that the claim of Gainrich Industrial is very substantial, by any yardstick one may choose to use with regard to its customer, Pricerite.

The latest claim against Pricerite is the second writ of materiality, lodged against this publicly listed company, this year.

In August, this year, one of Pricerite's landlords, Shung King Development Company Ltd, issued Proceedings against Pricerite Stores to try to recover rent on its premises in the sum of \$HK275,000.

For Management of Pricerite, Shung King Development is well known because this property owner sued Pricerite Stores for about \$HK1.76 million in Pricerite's 2000 Financial Year, all the 4 claims, being for rent and all for the sum of \$HK440,000, per claim.

Those 4 Writs were issued in January, March, May and July 2000.

When a company is having trouble, paying rent on its shops ... [CLICK TO ORDER FULL ARTICLE](#)

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