

**CHINNEY INVESTMENTS LTD:  
WHAT'S THIS ALL ABOUT, THEN ?**

Gateway Trade and Development Company Ltd, a wholly owned subsidiary of publicly listed Chinney Investments Ltd (Code: 216, Main Board, The Stock Exchange of Hongkong Ltd), is being accused of not paying its bills to a cloth merchant of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The merchant is Sino-Tex Fabrics Ltd, which is the Plaintiff in HKSAR District Court Writ Number 4707.

Sino-Tex Fabrics is seeking just \$HK360,548.82 from Gateway Trade and Development in respect of alleged Goods Sold and Delivered between May 2004 and July 2004.

It is because the amount of money, being claimed by Sino-Tex Fabrics, is relatively small that some people might be tempted to ask: What is going on?

According to the 2004 Annual Report of Chinney Investments, the company posted a Net Profit Attributable to Shareholders of about \$HK13.96 million for the Financial Year, ended March 31, 2004.

That result was on a Turnover of about \$HK1.69 billion.

Shareholders' Funds, as at the 2004 Balance Sheet Date, stood at about \$HK941.95 million.

That being the case, it would appear that a bill of just \$HK360,548.82 should be nothing more than petty cash for Chinney Investments.

But Sino-Tex Fabrics does not see the situation in this light and has gone charging in with its claims against Gateway Trade and Development.

The Statement of Claim, attached to the Writ of Summons of Sino-Tex Fabrics, alleges that there were purported agreements between Sino-Tex Fabrics and Gateway Trade and Development '*evidenced by the Defendant's 6 purchase Orders respectively dated 26<sup>th</sup> February 2004 (for 4 purchase orders), 15<sup>th</sup> May 2004 and 25<sup>th</sup> June 2004 ...*'. (Paragraph 3)

The purported agreements were for the sale and delivery of various types of cloth, it is alleged.

But, when it came time to pay for the cloth, Sino-Tex Fabrics alleges that there was no payment, at all.

Despite repeated requests and demands, it is alleged that Sino-Tex Fabrics has been unable to obtain the money that it is alleged is owed to it.

This is the third claim, lodged against ... [CLICK TO ORDER FULL ARTICLE](#)

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