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# 1,000 jobless in Millie's shock

By JAMES SUN

About 1,000 employees of the Millie's group found themselves out of work yesterday morning after six of the group's companies, without warning, applied for voluntary liquidation.

Customers and members of Millie's renowned discount system were also surprised when they found they could not collect goods they had ordered.

The employees of the six affected companies were stopped by security guards when they arrived for work.

They were clearly stunned by the closures.

Some were directed outside company premises early

yesterday morning, but there were no reports of trouble.

Some workers were particularly surprised because they had been required to work overtime in the group's Hunghom shoe factory on Friday night to catch up with Christmas orders.

The group, which has an estimated staff of 1,000, including casual workers, has 10 retail shops, three wholesale centres and two shoe factories, one of which is in Shumchun.

The Shumchun factory, which employs about 300 local workers, is also believed to be affected, because its few employees from Hongkong have received notice of suspension of their contracts of employment.

The Shumchun factory is believed to have been the first joint venture involving a Hongkong company in the Shumchun Special Economic Zone.

It is still unclear why the companies have gone into liquidation, although the group is believed to have been in financial difficulty for

some time.

Some employees believe it is due to the failure of the group's ambitious wholesale centre venture in the past year.

Millie's was the first and only company to introduce to Hongkong the American concept of low mark-up, high turnover mass merchandising.

Prices in Millie's wholesale centres in Tsimshatsui East, Nathan Road and Kowloon Bay were discounted daily, with different items reaching their lowest prices on different days.

Repeated efforts yesterday by the SCM Post to contact the group's chairman, Mr Alan Lau, or its managing director, Mr Lau's son Eddie, proved fruitless.

The Labour Department said it hoped a meeting between staff representatives, the liquidator and the directors of the group could be held tomorrow.

The workers are demanding severance pay, payment in lieu of notice, holiday payments, year-end bonus, and

unpaid salaries.

Many of the staff say they should have their November salary first. They were due to be paid tomorrow.

Certified public accountants Ernst and Whinney have been appointed by the group as the joint provisional liquidators.

A spokesman for Ernst and Whinney said they were advised of the liquidation on Friday night following a meeting of the group's directors.

He said the store operations have been temporarily suspended pending the clarification of the company's affairs.

In a notice posted at the various shops and factories, the liquidator advised the employees that the company was no longer in a position to pay them for services rendered under the terms of their employment.

Their contracts of employment were also terminated yesterday.

Employees were told to contact the Labour Department for information on their entitlements under the Companies Ordinance, and the Employment Ordinance.

Up to last night, fewer than 200 of Millie's employees had registered with the Labour Department's various labour relations offices.

Most of the staff were believed to have returned home after seeing the suspension notice.

However, hundreds of claim forms were taken away by representatives, who said they would distribute them among the workers.

About 200 employees gathered at the Labour Department's Kowloon South office at Mongkok at around 11.30 am yesterday. Most were employees of Millie's shoe factory in Hunghom.

Meanwhile, police have so far received no complaints from Millie's customers and the members of its wholesale centres.