

S. L. M. P.

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420 lose jobs as factory shuts down

About 420 employees of a big garment factory were told to stop work yesterday when a bank official informed them that the factory had been mortgaged.

The workers — still on their routine shifts — were stunned by the news conveyed to them by an official of Banque Nationale de Paris.

However, they had earlier got wind of the factory's staggering financial position when the owner of the factory postponed their payday from Monday to yesterday.

The firm is Zeiko (Jeans) Garment Factory, which occupies four floors of a factory building in Tsun Wan, with an area of more than 100,000 sq ft.

A worker representative, Mr Yuen Kin-wing, said the workers' back wages, severance pay and other payments might amount to more than \$3 million.

And they quoted the BNP

official as saying that the personal assets, including the factory's machinery, of the factory owner had all been sold to pay part of his debts.

The owner, according to workers, had probably gone to the United States.

More than 20 worker representatives went to the Labour Department yesterday morning to seek help but were referred to the Legal Aid Department.

However, Mr Yuen said a Legal Aid Department official told them that the case could proceed to the labour Tribunal at the end of next month — at the earliest.

Meanwhile, workers are planning to ask for assistance from the Legal Aid Department to use the factory's uncollected bills — amounting to \$300,000 — for their relief.

"We have not been paid since late last month. There are three workers who come from the same family and now have no income at all," said Mr Yuen.

Another worker representative, Mr Tai Man, who was the former production supervisor, said that the factory had been making money all these years and was in a sound financial position.

"We always had enough work to do and were paid punctually. Last Saturday afternoon, that is July 31, our boss even visited the factory."

"We have not seen him since then," said Mr Yuen.

A subsidiary firm of the Zeiko Garment Factory, Ver-set Textiles, with its 20 odd workers, suffered the same fate.

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Factory closes

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In September, another subsidiary, Eagle Dyeing, was sold and the workers dismissed.

Zeiko Garment Factory had been in business for 17 years and most of the workers had worked there for over 10 years, according to Mr Tai.

In a letter to the BNP notifying the bank that Zeiko would cease business as from August, the owner of the factory said it had lost nearly \$10 million.

The Christian Industrial Action Committee and Textiles Union expressed concern over the fate of the Zeiko workers.

A representative from the committee, Mr Lee Cheuk-yan, said the case was another serious industrial dispute following closely the closing down of Lion Rock Ltd in June.

"Some 169 factories wound up their businesses last year. But so far this year, there have already been 148 cases — a 50 per cent increase."

"Government should have more manpower to tackle the increased workload and settle these disputes as soon as possible," he said.