

**THE FINANCIAL NOOSE IS TIGHTENED**  
**ROUND TAN GIOK SIE'S NECK**

Tighter and tighter appears to be the noose, being fitted round the proverbial neck of a senior, high-ranking member of the Government of the People's Republic of China (PRC): Mr Tan Giok Sie.

The latest tug on the noose comes from Kincheng Banking Corporation, which has sued Mr Tan, a Justice of the Peace, a member of the National Committee of the Chinese People's Political Consultative Conference, and a Standing Member of the Beijing Committee of the Chinese People's Political Consultative Conference, for nearly \$HK6 million.

Mr Tan is the First Defendant in High Court Action Number 1434, but there are 2 other Defendants, also: Wong Pak Ling and Chan Kin.

The latest writ follows TARGET's report of February 23, 2001 (please see [TARGET Intelligence Report, Volume III, Number 36](#)) when this medium exclusively reported that Mr Tan was alleged to owe not less than \$HK105 million; and, that the claims were still mounting.

That report appears to have been reinforced by the latest action of Kincheng Banking Corporation, bringing up the total amount of known claims against this former Chairman of the Po Leung Kuk (1995-1996) to in excess of \$HK111 million.

In the latest claim against Mr Tan, it is alleged that, back in June 1998, he guaranteed loans, made by the bank to Fan In Forwarders Company Ltd.

He and the other 2 Defendants, jointly and severally, guaranteed loans to Fan In Forwarders, it is alleged.

As at November 30, 2000, Fan In Forwarders was said to owe the bank \$HK4,218,681.25 and \$US220,932.97.

Kincheng Banking Corporation alleges that '*Despite repeated requests and demands*', it has been unable to obtain money from any of the Defendants.

According to the bank's Statement of Claim, at Paragraph 10, it last wrote to the Defendants on December 30, 2000 about this matter, but there appears to have been no response from the trio.

The bank is claiming its money plus interest on the money at the rate of between 15 percent and 17.50 percent per annum.

In TARGET's exclusive report of February 23, 2000, it was reported that The Bank of China, Hongkong Branch, had sued Mr Tan and Wong Pak Ling for more than \$HK85 million, also in respect of purported guarantees, this time to Fan In Trading Company Ltd.

Those loans went back to 1991, it was stated.

In January, this year, another PRC bank, Sin Hua Bank Ltd, sued Mr Tan and Wong Pak Ling for about \$HK2.49 million in respect of alleged loans to Fan In Forwarders Company Ltd.

Late last year, The China and South Sea Bank Ltd, Hongkong Branch, another PRC bank, sued the duo of Tan and Wong for about \$HK14.53 million.

TARGET's watch on Mr Tan was predicated by a note in the Annual Report of publicly listed First Sign International Holdings Ltd (Code: 933, Main Board, The Stock Exchange of Hongkong Ltd) for the Financial

Year, ended June 30, 1999.

In that Annual Report, it was stated that, on May 31, 1999, Mr Tan had obtained a \$HK2-million loan from First Sign, that loan for and on behalf of Fan In Trading – the same company that has been the subject of extensive litigation in the High Court of the HKSAR.

It was clear that Fan In Trading was up to its neck in debt at the time that First Sign afforded it the \$HK2-million loan. This loan, the 2000 Annual Report states, at Page 45, was repaid in the 2000 Year.

Lucky! Lucky!

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