

**BANK OF CHINA (HONGKONG) SETS A RECORD
IN THE MONEY-CHASING STAKES**

Never in the history of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) have so many Writs been issued by just one banking Plaintiff, against so many entities and people, all resident of just 416 square miles – in just 90 days.

The Plaintiff to the 53 High Court Actions and the 26 District Court Actions is the mighty, Bank of China (Hongkong) Ltd.

This PRC bank is looking to try to recover, or, at least, be seen as trying to recover, not less than \$HK362 million from the 79 Defendants of the HKSAR.

According to **TOLFIN** (**TARGET**'s Computerised, Online Financial Service), between December 1, 2001 and February 28, 2002, Bank of China (Hongkong) has gone on the rampage, making a number of HKSAR solicitors exceedingly happy in creating virtual mountains of paperwork as they chase, on behalf of their client, the 79 Defendants.

TOLFIN's records, while absolutely accurate, do not include the amounts of money, being claimed in respect of 32 Writs, in which no amount of money is mentioned on the Original Jurisdiction Book (the so-called OJ Book).

Without examining the 32 Writs, in detail, it is not possible to determine how much money is involved, but it is a fair bet to assume that it would push the total, being claimed by Bank of China (Hongkong), to more than \$HK400 million.

In addition to the issuing of its 79 Writs of Summons, Bank of China (Hongkong) has sought to bankrupt 126 individuals and firms and to wind up not less than 93 companies, also all resident of the HKSAR.

Bank of China (Hongkong) is known to be desirous of being listed on The Stock Exchange of Hongkong Ltd so that it would appear that it is trying to clear the decks for action, prior to issuing its Prospectus.

It intends to seek a listing on The Stock Exchange of Hongkong Ltd within the next few months – if it can get its house in order, that is.

Hence the loading down of the HKSAR Courts with its claims.

Bank of China, late last year, amalgamated all of The Bank of China Group of Banks, operational in the HKSAR, into one pot, known now as Bank of China (Hongkong).

They include:

- Bank of China (as it was known, late last year)
- Hua Chiao Commercial Bank Ltd
- The Kwangtung Provincial Bank
- Sin Hua Bank Ltd
- The China and South Sea Bank Ltd
- Kincheng Banking Corporation
- The China State Bank Ltd
- The Yien Yieh Commercial Bank Ltd

Against Bank of China (Hongkong)'s recent filings of Writs of Summons in the HKSAR High Court and the District Court, it is interesting to note that, in the past 31 years, that period of time, being the life of **TOLFIN**, the constituent banks of this financial conglomerate did not actively seek to be aggressive in chasing non-performing loans, or trying to be *'unkind'* to its customers when they got into financial trouble.

Of course, TARGET is not ruling out other ways of twisting the arms of bad, or late, payers of the PRC banks, which were operational in the old Hongkong, under the British *'raj'*.

TARGET's contention is borne out by the number of Writs, issued by the constituent banks, which make up Bank of China (Hongkong) over the past 31 years.

Again, **TOLFIN**'s records tell the tale:

Hua Chiao Commercial Bank Ltd	403 Actions
The Kwangtung Provincial Bank	857 Actions
Kincheng Banking Corporation	664 Actions
Po Sang Bank Ltd	181 Actions
Sin Hua Bank Ltd	467 Actions
Bank of China	166 Actions
The National Commercial Bank Ltd	538 Actions
The China State Bank Ltd	442 Actions
The China and South Sea Bank Ltd	502 Actions
The Yien Yieh Commercial Bank Ltd	<u>384 Actions</u>
TOTAL	<u>4,604 Actions</u>

It is still too early to know how much money that Bank of China (Hongkong) hopes to raise by seeking a listing on The Stock Exchange of Hongkong Ltd, but some estimates put it at more than \$HK100 billion.

The suggestions are that the flotation, while the principal listing will be The Stock Exchange of Hongkong Ltd, there will be global search for fresh capital and that there could be Depository Receipts on the largest stock market of the world, The New York Stock Exchange.

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