



SHANGHAI TANG'S FOUNDER SUED FOR \$HK24 MILLION

The Founder of the popular clothing outlet, Shanghai Tang, has been accused of jilting his former wife out of more than \$HK24 million.

Mr David Tang, whose trademark is a fat cigar, sticking out from his mouth, is the lone Defendant in Action Number 420, recently lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

This is the first time since 1996 that Mr David Tang has been on the receiving end of an HKSAR High Court Writ where the claim has been of any materiality.

On February 29, 1996, Mr David Tang was sued by Chesterfield Ltd for about \$HK124.88 million, that amount of money, it was alleged at the time, being for an Amount Due.

And, now, Ms Susanna Cheung Suk Yee, the former wife of Mr David Tang, has gone after this multi-millionaire in an attempt to wrest about \$HK24.33 million from him.

According to the Statement of Claim, attached to High Court Action Number 420, an Order was made in the HKSAR High Court on April 12, 1994, whereby Mr David Tang was Ordered to transfer to Ms Susanna Cheung Suk Yee the following property:

Flat B on the 8th Floor,
Villa Veneto,
Number 3, Kotewall Road,
The HKSAR.

In addition to this flat, there was Car Park Space Number 228 on the 2nd Floor, which was part of the Order.

It is alleged, at Paragraph 3 of this Statement of Claim, that Ms Susanna Cheung Suk Yee, the Plaintiff in this Action, continued to live in this flat, but Mr David Tang *'failed to transfer or cause the Premises to be transferred to the Plaintiff.'*

The Statement of Claim, then, continues:

‘4. *On 10 March 1999, the Plaintiff's solicitors ... sent a letter to the Defendant which contained the following proposal ("the Proposal"):-*

(1) Subsequent to the Plaintiff moving out the Premises, the Defendant do pay to the Plaintiff a sum of HK\$87,500 per month which represented the income element of her interests in the Premises as follows:

HK\$21,000,000 (capital value of the Premises) x 5% per annum, i.e. HK\$87,500 per month

(2) In the event the Premises was sold for whatever consideration, any amount less than or over HK\$21,000,000 is to the Defendant's account and the Plaintiff was to receive the capital value of HK\$21,000,000.

'5. The Proposal was accepted by the Defendant late March 1999.

'6. Thereafter, the Defendant made the monthly payment of HK\$87,000 to the Plaintiff but the payment pattern assumed a sporadic manner from late 2001 onwards. The Plaintiff failed to receive payments in the following months:-

(1) September 2001;

(2) November to December 2001;

(3) February to April 2002;

(4) July to November 2002;

(5) January to December 2003;

(6) January to December 2004; and

(7) January to March 2005.

*In the premises, the total amount outstanding is:-
HK\$87,500 X 38 = HK\$3,325,000*

'7. On 25 May 2004 and 9 August 2004, ... wrote twice to the Defendant requesting him to settle the outstanding payments due to the Plaintiff.

'8. On 20 December 2004, the Defendant wrote ... in the said letter he acknowledged his liability of the monthly payment of HK\$87,500 in relation to the Premises. However, up to date he has still failed to settle all outstanding amounts due to the Plaintiff.

'9. On 31 March 1999, the Premises was sold to Stortford Enterprises Limited at HK\$13,000,000. In the premises, the Plaintiff was entitled to receive HK\$21,000,000 as the agreed capital value of the Premises pursuant to the Proposal.

'10. Wrongfully and in breach of the Proposal, the Defendant has failed to pay the monthly payments of HK\$87,500 in accordance with the terms of the Proposal. In the premises, the Defendant is liable to the Plaintiff for a total sum of HK\$3,325,000 and the sum of HK\$87,500 per month until the Defendant has paid the agreed capital value of the Premises.

'11. Further, in wrongful breach of the Proposal, the Defendant failed and still fails to pay the agreed capital value of the Premises, i.e. HK\$21,000,000 to the Plaintiff.

'12. The Plaintiff further claims interest pursuant to section 48 of High Court Ordinance (Cap.4), at such rate and for such period as the Court thinks fit.

AND, The Plaintiff's claims:-

1. The sum of HK\$3,325,000 pursuant to paragraph 10;

2. The sum of HK\$87,500 per month from March 2005 until payment of the agreed capital value of the Premises;

3. The sum of HK\$21,000,000 pursuant to paragraph 11;

4. Interests pursuant to paragraph 12;

5. Costs; and

6. Further and/or other relief.'

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