

**THE LEGACY OF THE PAST,
LEFT FOR BANK OF CHINA TO CLEAN UP**

It is only too apparent, today, that just prior to the time that the Government of the People's Republic of China (PRC) assumed sovereignty over the 416 square miles that constitute, what is, now, legally referred to as the Hongkong Special Administrative Region (HSKAR) of the PRC, there was widespread hanky-panky between certain officials of select PRC-domiciled banks, which operated in offices in the old British Colony of Hongkong, and certain PRC businessmen and cadres of certain PRC provinces.

And, now, it would appear that the PRC banks are paying the price for the malfeasance of former bank management, which Bank of China (Hongkong) Ltd has inherited.

Over the past 4 years or so, Bank of China has issued writ after writ after writ in various Courts of the HKSAR, naming once, high-ranking and cadre, many of whom are long gone from the territory, and many of whose whereabouts is unknown, today.

According to the database of **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), from 2001, Bank of China has issued:

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| High Court Actions | 902 Cases |
| District Court Actions | 690 Cases |
| Small Claims Tribunal Actions | 40 Cases |
| Winding-Up Petitions | 1,087 Cases |
| Bankruptcy Petitions | 1,959 Cases |

Some of the Defendants in the above-mentioned Writs and other Actions were material investors in HKSAR publicly listed companies of days of yore, but the vast majority of them were players in the HKSAR property market, according to **TARGET's** investigations.

As an example, recently Bank of China issued legal Proceedings in the HKSAR High Court, naming Messrs Li Nan and Fang Wei Qi as the 2 Defendants.

The Writ and its accompanying Statement of Claim stated that the addresses of the Defendants were:

| Name of Defendant | Address |
|-------------------|---|
| Mr Li Nan | 1. Far East Consortium Building, 17 th Floor, Numbers 113-123, Des Voeux Road, Central, Hongkong; 2. Chun Wo Commercial Centre, 24 th Floor, Numbers 23-29, Wing Wo Street, Central, Hongkong; 3. Flat 508, Block L, Kornhill, Hongkong; 4. Flat 5, 26 th Floor, Block A, Parkway Court, Number 4, Park Road, Hongkong; |

| | |
|----------------|---|
| | 5. Flat 3301, Block E, Mount Parker Road; Number 10, Hong Pak Path, Quarry Bay, Hongkong |
| Mr Fang Wei Qi | 1. Far East Consortium Building, 17 th Floor, Numbers 113-123, Des Voeux Road, Central, Hongkong; 2. Chun Wo Commercial Centre, 24 th Floor, Numbers 23-29, Wing Wo Street, Central, Hongkong; 3. Flat 5, 22 nd Floor, Block A, Midland Centre, Number 328, Queen's Road, Central Hongkong |

It would appear that the bank does not know the address or addresses to which its Writ may be sent in order to execute 'good service' so it used the shotgun tactic –sending its Writ of Summons to every known address of the Defendants.

The Statement of Claim, attached to Writ of Summons Number 1535, alleges that Bank of China is the successor of Hua Chiao Commercial Bank Ltd and that Hua Chiao Commercial Bank lent money to Longxing Development Company Ltd.

The 2 Defendants are said to have been the Guarantors of Longxing Development's liabilities to the PRC bank, the purported Deed of Guarantee, having been dated February 28, 1995.

The British Crown Colony of Hongkong was handed back to the PRC Government on July 1, 1997, just 2 years and 5 months after the ink had dried on the purported Deed of Guarantee.

As at June 30, 2005, Longxing Development was allegedly indebted to Bank of China in the sum of \$HK53,426,961.71, it is claimed at Paragraph 7 of the Statement of Claim.

Particulars of this claim are:

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|---|---------------------------------|
| Overdraft and accrued interest (within limit) | \$HK12,804,789.73 |
| Overdraft (out of limit) | \$HK10,052,885.51 |
| Trust Receipt | <u>\$HK30,569,286.47</u> |
| TOTAL: | <u>\$HK53,426,961.71</u> |

The Bank of China claims that it has written to the Defendants, but they have failed and/or refused to pay those sums of money, claimed by the bank.

According to **TOLFIN**, as at January 2003, the Directors Longxing Development were:

| | |
|--------------------|---------------|
| Lin Qi Wei (林啟偉) | Li Qiang (李強) |
| Luo En Sheng (羅恩生) | Li Nan (李楠) |

The Issued and Fully Paid-Up Share Capital of this private company was owned as to:

| | |
|---------------|---------------|
| Mr Li Nan | 33.33 percent |
| Mr Li Qiang | 33.33 percent |
| Mr Lin Qi Wei | 33.33 percent |

Between 1994 and 2002, Longxing Development was active in the property market of the HKSAR, as the following **TOLFIN** database records indicate:

| Memorial Number | Instrument Date(I_Date) Registration Date(R_Date) Nature of Instrument | Assignor | Assignee | Lot Number/ Location | Amount |
|-----------------|--|----------|----------|-------------------------|--------|
| | | | | | |

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|-----------|--|---|---|--|----------------|
| 5290143 | I_Date: 05/05/1992 R_Date: 01/06/1992 Agreement for Sale and Purchase | Chu, Wing Nin Richard (and another) | Longxing Development Company Ltd | ML277SC and other properties Flat B, 18th Floor, Nam Fung Court, Harbour Heights | HK\$4,200,000 |
| 7021025 | I_Date: 03/12/1996 R_Date: 18/04/1997 Agreement for Sale and Purchase | Longxing Development Company Ltd | Law, Mei (and) Zheng, Mao Sheng | ML277SC and other properties Flat B, 18th Floor, Nam Fung Court, Harbour Heights, Number 1, Fook Yum Road, Hongkong | HK\$4,600,000 |
| 5311390 | I_Date: 15/05/1992 R_Date: 19/06/1992 Agreement for Sale and Purchase | Wong, Oi Sing Irene | Longxing Development Company Ltd | IL8717 Flat D, 16th Floor, Number 1, Tai Hang Road | HK\$3,400,000 |
| 5345005 | I_Date: 10/06/1992 R_Date: 15/07/1992 Assignment | Wong, Oi Sing Irene | Longxing Development Company Ltd | IL8717 Flat D, 16th Floor, Number 1, Tai Hang Road | HK\$3,400,000 |
| 5354800 | I_Date: 11/06/1992 R_Date: 21/07/1992 Assignment | Chu, Wing Nin Richard (and another) | Longxing Development Company Ltd | ML277SC and other properties Flat B, 18th Floor, Nam Fung Court, Harbour Heights | HK\$4,200,000 |
| 5582453 | I_Date: 22/02/1993 R_Date: 11/03/1993 Agreement for Sale and Purchase | Fast Plan Development Ltd 快毅發展有限公司 | Longxing Development Company Ltd | IL8557 Unit 3 on 26th Floor, Tower A, Fortress Metro Tower | HK\$3,100,000 |
| 5616006 | I_Date: 25/03/1993 R_Date: 24/04/1993 Assignment | Fast Plan Development Ltd 快毅發展有限公司 | Longxing Development Company Ltd | IL8557 Unit Number 3 on 26th Floor, Tower A, Fortress Metro Tower, Numbers 238-240, King's Road, Hongkong | HK\$3,100,000 |
| UB8010385 | I_Date: 26/01/2000 R_Date: 04/03/2000 Provisional Agreement for Sale and Purchase | Longxing Development Company Ltd | Lee, Siu Hing Kwong, Suk Man Anne (and) | Unit 3 On 26th Floor Of Tower A, Fortress Metro Tower, Number 238, King's Road, Hongkong | HK\$3,080,000 |
| UB8047582 | I_Date: 18/03/2000 R_Date: 10/04/2000 Agreement for Sale and Purchase | Longxing Development Company Ltd | Lee, Siu Hing Kwong, Shuk Man Anne (and) | Unit 3 On 26th Floor Of Tower A, Fortress Metro Tower, Number 238, King's Road, Hongkong | HK\$3,080,000 |
| 6154762 | I_Date: 01/11/1994 R_Date: 08/11/1994 Agreement for Sale and Purchase | Wealtry Luck Ltd | Longxing Development Company Ltd | IL5476 Offices A and B, 24th Floor, Chun Wo Commercial Centre, Numbers 23-29, Wing On Street and Number | HK\$20,437,500 |

| | | | | | |
|-----------|--|--|--|---|----------------|
| | | | | 26, Wing Kut Street, Hongkong | |
| 6168739 | I_Date: 10/11/1994 R_Date: 26/11/1994 Assignment | Wealtry Luck Ltd | Longxing Development Company Ltd | IL5476 and other properties Offices A and B, 24th Floor, Chun Wo Commercial Centre, Numbers 23, 25, 27 and 29, Wing Wo Street, Number 26, Wing Kut Street, Hongkong | HK\$20,437,500 |
| 6263961 | I_Date: 03/04/1995 R_Date: 18/04/1995 Agreement for Sale and Purchase | Ng, Chun Ying (and others) | Longxing Development Company Ltd | IL591SERP and other properties Flat No.5, 26th Floor, Block A and Car Park Space Number 4 on 4th Floor, Parkway Court, Number 4, Park Road, Hongkong | HK\$7,500,000 |
| 6299969 | I_Date: 28/04/1995 R_Date: 25/05/1995 Assignment | Ng, Chun Ying (and others) | Longxing Development Company Ltd | IL591SERP and other properties Flat 5, 26th Floor, Block A and Car Park Space Number 4 on 4th Floor, Parkway Court, Number 4, Park Road, Hongkong | HK\$7,500,000 |
| UB7954959 | I_Date: 15/12/1999 R_Date: 12/01/2000 Agreement for Sale and Purchase | Longxing Development Company Ltd | Bright Gain Trading Ltd | Flat 5 On 26th Floor Of Block A, Parkway Court, Number 4, Park Road, Hongkong | HK\$6,000,000 |
| UB7992706 | I_Date: 28/01/2000 R_Date: 16/02/2000 Assignment | Longxing Development Company Ltd | Bright Gain Trading Ltd | Flat 5 On 26th Floor Of Block A, Parkway Court, Number 4, Park Road, Hongkong | HK\$6,000,000 |

Assignor Enquiry (Property Sales Transactions)

| Memorial Number | Instrument Date(I_Date) Registration Date(R_Date) Nature of Instrument | Assignor | Assignee | Lot Number/ Location | Amount |
|----------------------------|---|--|-----------------|---|---------------|
| 5965686 | I_Date: 24/02/1994 R_Date: 07/04/1994 Agreement for Sale and Purchase | Longxing Development Company Ltd | Leung, Sharifa | IL7184 and other properties Flat B1, 18th Floor, Viking | HK\$3,780,000 |

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|------------|--|--|--|--|----------------|
| | | | | Garden, Numbers 40-42, Hing Fat Street, Hongkong | |
| 5987282 | I_Date: 18/03/1994 R_Date: 28/04/1994 Assignment | Longxing Development Company Ltd | Leung, Sharifa | IL7184 and other properties Flat B1, 18th Floor, Viking Garden, Numbers 40-42, Hing Fat Street, Hongkong | HK\$3,780,000 |
| 6307587 | I_Date: 11/05/1995 R_Date: 03/06/1995 Mortgage | Longxing Development Company Ltd | Mitsubishi Bank Ltd, The, Hongkong Branch | IL8562 Units No.4 on 22nd and 33rd Floors, Southorn Garden, Number 2, O'Brien Road, Hongkong | HK\$30,000,000 |
| UB8142133 | I_Date: 12/07/2000 R_Date: 26/07/2000 Agreement for Sale and Purchase | Longxing Development Company Ltd | Cheung, Ming Fai | Unit 4 On 33rd Floor, Southorn Garden, Number 2, O'Brien Road, Hongkong | HK\$2,830,000 |
| UB8174305 | I_Date: 15/08/2000 R_Date: 30/08/2000 Assignment | Longxing Development Company Ltd | Cheung, Ming Fai | Unit 04 On 33rd Floor, Southorn Garden, Number 2, O'Brien Road, Hongkong | HK\$2,830,000 |
| UB08729650 | I_Date: 28/06/2002 R_Date: 13/07/2002 AGREEMENT FOR SALE AND PURCHASE | Longxing Development Company Ltd | Lam, Wan Ping | IL8562 Unit 04 On 22nd Floor Southorn Garden Number 2, O'Brien Road Hongkong | HK\$2,400,000 |
| UB08752287 | I_Date: 18/07/2002 R_Date: 10/08/2002 ASSIGNMENT | Longxing Development Company Ltd | Lam, Wan Ping | IL8562 Unit 04 On 22nd Floor Southorn Garden Number 2, O'Brien Road Hongkong | HK\$2,400,000 |

Aside from wheeling and dealing in properties in the HKSAR, Longxing Development was, also, engaged in trading and, in 1990, it purchased 45 container loads of Tudor Batteries for delivery to the PRC, proper.

The vendor of the batteries was Sociedade de Macau do Acumulador Tudor, Lda, a company, registered in Macau, a territory of the PRC, which is now known as the Macau Special Administrative Region of the PRC. The 45... [CLICK TO ORDER FULL ARTICLE](#)

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