

**THE HONOURABLE LAU WONG FAT:
YOU BE THE JUDGE: GOOD MAN OR KNAVE ?**

The idea that top lawmakers of the West are beyond reproach has long been dashed to smithereens as more and more Senators/Congressmen and other high officials in the Administration of the Government of the United States of America and Great Britain are brought up on charges for one thing or another.

In the People's Republic of China (PRC), it is a similar story except, perhaps, that corruption is the biggest problem in that country, today, because it is so rife in the Middle Kingdom, with petty Government officials, being found out almost daily, their grubby little fingers, still in the cookie jar.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, as most residents are well aware, many of the Legislative Councillors are known to be whoremongers, some are felons, others are known to have lined their own pockets when armed with privileged information by virtue of insider knowledge of the Government's plans, while quite a number of Legislative Councillors have not the nous, perspicacity or wit to be termed, The Honourable Legislative Councillor.

And, then, there is The Honourable Lau Wong Fat (), sometimes known as one of the fattest fat cats of the New Territories.

Into which of the above categories one would place The Honourable Lau Wong Fat is for somebody else to determine, but whatever the nomenclature one decides to give to this gentleman, it, certainly, cannot be considered complimentary.

Recently, The Honourable Lau Wong Fat was sued in the HKSAR High Court for \$HK30 million and for alleged Breach of Contract and/or Breach of Trust and/or Breach of Fiduciary Duty and/or '*restitution in respect of two advances each in the sum of HK\$10,000,000 made by the First Plaintiff [Zhu Kuan (Hongkong) Company Ltd, now in Liquidation] to the First Defendant on 16 December 1996 and 23 December 1996 (totalling HK\$20,000,000).*'

High Court Action Number 160 is between:

Zhu Kuan (Hongkong) Company Ltd	First Plaintiff (In Liquidation)
Zhu Kuan Group Company Ltd	Second Plaintiff (In Liquidation)
and	
(Legislative Councillor) Lau Wong Fat	First Defendant
Million Options Incorporated	Second Defendant

The full Indorsement of Claim, attached to the Writ of Summons, reads as follows:

'1. The First Plaintiff claims against the First Defendant as follows:

- (a) For breach of a loan agreement entered into between the First Plaintiff and the First Defendant on 30 May 1994 (as subsequently varied by agreement between the First Plaintiff and the First Defendant) pursuant to which the First Plaintiff advanced to the First Defendant the sum of HK\$30,000,000;*
- (b) For breach of contract and/or breach of trust and/or breach of fiduciary duty and/or restitution in respect of two advances each in the sum of HK\$10,000,000 made by the First Plaintiff to the First Defendant on 16 December 1996 and 23 December 1996*

(totalling HK\$20,000,000).

‘The First Plaintiff claims HK\$78,068,443.07 in respect of these claims, being the balance of monies payable by the First Defendant to the First Plaintiff in respect of these claims, together with interest thereon to date as agreed between the parties. Alternatively, the First Plaintiff claims damages and/or an account of profits and/or equitable compensation in respect of these claims.

‘2. Further, the First Plaintiff claims against the First and/or Second Defendant for breach of contract and/or breach of trust and/or breach of fiduciary duty in respect of the sale in July 2000 of the 30% shareholding in Splendid Return Limited then held in the name of the Second Defendant (on trust for the First Plaintiff as to 18.53%) to Winwise Development Limited*. The First Plaintiff seeks damages and/or an account of profits and/or equitable compensation against the First and/or Second Defendants in respect of this claim.*

*‘3. Further, the First and/or Second Plaintiff claims against the First Defendant for breach of contract and/or breach of trust and/or breach of fiduciary duty in respect of (1) the transfer in 1994 to the First Defendant of the 70% shareholding in Tansonic Company Limited then held in the name of Second Plaintiff; and/or (2) the sale by the First Defendant (as agent of the First Plaintiff) in 1994 of land then owned by Tansonic Company Limited and/or Crown River Investment Limited**as described in Schedule 1. The First Plaintiff and/or Second Plaintiff claims damages and/or an account of profits and/or equitable compensation against the First Defendant in respect of this claim.*

‘4. The First and Second Plaintiffs also claim:

- (a) Interest;*
- (b) Costs; and*
- (c) Further and other relief.’*

* Splendid Return Ltd and Winwise Development Ltd are wholly owned subsidiaries of publicly listed China Overseas Land and Investment Ltd () (Code: 688, Main Board, The Stock Exchange of Hongkong Ltd)

** Crown River Investment Ltd was resolved to be wound up, voluntarily, on July 15, 1997.

This is not ... [CLICK TO ORDER FULL ARTICLE](#)

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