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Former Sun Hung Kai Properties chairman Walter Kwok in 2010. He was physically and emotionally scarred by his 1998 abduction, which marked the beginning of a decline in his relationship with the rest of his family. Photos: Jonathan Wong; SCMP Pictures; Sam Tsang; Robert Ng

Kwok kidnapping still CASTING A SHADOW

You may have thought the arrest last week by the ICAC of the billionaire brothers who head one of the world's richest property dynasties was audacious. But a look back at the brazen and bizarre kidnapping which plunged the powerful family into crisis more than a decade ago offers much-needed insight and perspective on what may have helped ignite the investigation, write Peggy Sito and Niall Fraser

On Tuesday, Sun Hung Kai Properties chairmen Thomas Kwok Ping-kwong and Raymond Kwok Ping-luen report back to the Independent Commission Against Corruption to answer more questions and face possible bribery and misconduct charges, along with former chief secretary Rafael Hui Si-yan – the highest-ranking ex-government official ever to be arrested in the anti-graft agencies' nearly four-decade history .

The return of the three men to the commission's North Point headquarters under the international media spotlight will unfold amid continued speculation over the estranged eldest Kwok brother – Walter Kwok Ping-sheung – and his role in the investigation which has rocked Hong Kong.

Reliable sources have told the *South China Morning Post* that the ICAC spoke to Walter Kwok, 61, prior to the arrest of his brothers. However, the exact nature, content and timing of the meetings are unclear. Other well-placed sources close to the investigation say the estranged brother was not the catalyst for the arrests.

The two scenarios are not mutually exclusive and one thing is certain: the well-publicised Kwok family split gave fresh impetus into what has been a long-running investigation into Hui.

The Hui inquiry is believed to include allegations of debts linked to him of more than HK$100 million, including an unsecured loan of HK$50 million, and involving alleged ties between the three men stretching back years.

Land deals also form part of the investigation and could be related to the arrest and release on bail last month of Sun Hung Kai executive director Thomas Chan Kui-yuen, the company's land-acquisition chief . None of those arrested have been charged.

"How could Walter not be spoken to? Omitting him from inquiries would be illogical, not to say a gross dereliction of investigative duty," said a source with a knowledge of the investigation.

So, when Thomas Kwok, 60, his brother Raymond, 58, and former chief secretary Hui, 64, sit down across the interview-room table from newly promoted ICAC assistant director of operations Ricky Yu Chun-cheong – who is leading the high-profile investigation – we wonder if minds might wander to the day 15 years ago when a group of very different men began secretly plotting to kidnap Hong Kong's top 10 tycoons, one by one.

The year was 1997 and the city had just been returned to China after 156 years of British colonial rule. No one, apart from police here and on the mainland, had heard of Cheung Tze-keung. But the man who was to become known as "Big Spender" was destined for criminal immortality, such was the scale and audacity of his plan.

Fresh from being acquitted over the world's biggest ever cash-in-transit robbery at the old Kai Tak airport in 1991, Cheung and his gang of notorious crime figures were eyeing another, bigger, prize.

At meetings in hotels across Guangdong which began in 1995, they plotted the acquisition of the automatic weapons and explosives they would require to execute a plan to extort billions out of Hong Kong's richest and most powerful families.

Top of their list was the Li family, headed by Asia's richest man, Li Ka-shing. Next came the Kwoks of Sun Hung Kai. Further down the list of targets was then chief secretary Anson Chan Fang On-sang.

As the plan came together, the gang identified Li's son, Victor Li Tzar-kuoi, and Walter Kwok as the men they would target first.

The run-up to the kidnaps was far from plain sailing. One of Big Spender's right-hand men, at the time Hong Kong's most wanted – Yip Kai-foon – arrived by boat in Western with a cache of weapons for use in the plot, but was intercepted by police and shot.

"Big Spender" Cheung Tze-keung in a Guangzhou courtroom in 1998.

If the three ... are charged by the ICAC, the board should consider who could run the company

A SOURCE CLOSE TO WALTER KWOK

Yip was jailed and remains in Stanley Prison, paralysed from the bullet he took that night. But Big Spender's plan remained on track.

On May 23, 1996, Victor Li's limousine was intercepted by three cars and the Cheung Kong number two and his chauffeur were forced into a car, blindfolded and driven to a run-down hut in Kam Tin. For good measure a shot was fired into the limousine to show that Big Spender meant business.

Within 24 hours, a ransom of HK$1.38 billion was paid and Victor Li was free. Big Spender Cheung kept most of it for himself. Later, during his trial on the mainland, he said he was satisfied with the way the Li family had handled the matter and pledged never to trouble them again.

But he still wasn't finished, and turned his attention to Walter Kwok.

What happened next could, for many, be a key component in what lies ahead for both the ICAC investigation and the future of one of the world's most successful property-development companies.

Using a similar modus operandi, Big Spender's heavily-armed gang intercepted Walter Kwok's limousine on the evening of September 26, 1997 in Beach Road, Repulse Bay. At first the kidnapping followed along the same lines as Li's had: Walter Kwok was blindfolded and taken to a hut in the New Territories.

However, the elder Kwok refused to call his family to prepare a ransom. As a result he was stripped to his underwear, beaten and forced into a makeshift wooden cage. Eventually he capitulated and called his wife.

What followed was a murky series of ransom negotiations over a period of days, with Cheung and his gang communicating with Kwok family matriarch Kwong Siu-hing, Walter Kwok's wife Wendy Li Tin-wing, brothers Thomas and Raymond, and other trusted Sun Hung Kai executives.

All we know for sure is that Walter was released after seven days on October 4, 1997, after a sum of HK$600 million was paid to Big Spender and his gang. What we also know is that Walter Kwok emerged from the kidnapping a scarred man, physically and mentally, and did not play a serious part in the company's operations for some time.

When he did return to work, the relationship among the trio turned sour. Walter Kwok clashed with his siblings on the company's strategy and investment decisions.

In February 2008, SHKP announced that Walter Kwok would take a temporary leave of absence for personal reasons.

In May of that year, Walter Kwok – after 18 years in the top job – lost the battle for control of the property giant. He was demoted to non-executive director, and family matriarch Kwong replaced him as the chairman after he lost a legal fight to stop the board discussing his ousting. Walter Kwok was sidelined amid accusations – which he denies – that he was mentally ill.

The clash then intensified, triggering a court injunction and allegations about irregularities and breaches of corporate-governance standards within the company.

On October 4, 2010 – 13 years after Walter Kwok was released from the kidnappers – the clash reached a new height, with his mother Kwong removing him as a beneficiary of a key trust that holds a controlling stake in the HK$251.17 billion Sun Hung Kai Properties empire.

$20b

The amount, in Hong Kong dollars, offered to Walter Kwok by his siblings to settle their feud – an offer he refused

Walter Kwok was excluded in a reorganisation of the family trust that holds about 42.42 per cent of Sun Hung Kai Properties, according to an announcement issued by the property developer in October 2010 on behalf of Kwok's mother, who had become the company's chairwoman.

A third of the shareholding of the trust is now held for the benefit of "Walter Kwok's family", not Walter Kwok and his family. His two younger brothers – Thomas Kwok and Raymond Kwok – are each a beneficiary of a third of the trust, along with their families.

"When Walter Kwok was forced to leave the company, his eldest son Jeffrey still worked there. But he was sidelined and finally left the company some time ago," the source close to the Walter Kwok camp said.

Walter Kwok's close female friend, Ida Tong Kam-hing, has been suggested as a cause of the decision by Kwong to remove Walter Kwok from the group.

Kwong was reportedly afraid that the interests of Walter Kwok's family would be damaged because of Tong's interference in his business.

The love story between Tong and Kwok can be traced back to the kidnapping 13 years ago.

After his release, Kwok's emotional health deteriorated, but in Tong he found a ready and understanding listener. Henderson Land Development chairman Lee Shau-kee, a long-time family friend, confirmed in 2008 that the Kwok-Tong relationship had been a cause of the family feud.

Lee said Kwok liked to talk to Tong because nobody else talked to him. "It is natural that you would like to talk to someone who listens to you," Lee said.

"She sometimes gives Walter advice. When you listen too much to a woman, your mind gets confused."

In an interview with the *South China Morning Post* in late October of 2010, Walter Kwok confirmed that his siblings had offered him HK$20 billion to settle the family feud, but the eldest scion did not accept.

"HK$20 billion is not a fair valuation," Walter Kwok had said.

A source close to Walter Kwok said that the negotiations among the family were continuing.

Asked whether Walter Kwok would have a chance to go back to run the property empire again, the source said: "It is not his decision, it is the board's decision.

"But if the three executive directors are charged by the ICAC, the board should consider who could run the company in the best interests of minority shareholders."

As for Big Spender Cheung, planning – crucially, much of it on the mainland – and carrying out one of the most audacious kidnapping plots in Hong Kong's criminal history had a predictable end.

He was executed by firing squad after standing trial in Guangzhou in October 1998.

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SHKP directors (left, from left) Raymond Kwok, Thomas Kwok, and Thomas Chan Kui-yuen announcing results in February of last year; former chief secretary Rafael Hui (above) in 2005.