

**GOLD-FACE HOLDINGS LTD:  
MR PAUL DANIEL EMERSON — IS THERE A CASE TO ANSWER ?**

Mr Paul Daniel Emerson (), a Consultant of the solicitors' firm of Burke, Fung and Li (), has just been taken to task by the Receivers and Managers of True Gold Investments Ltd in what appears to have been, on the face of it, an alleged scam, perpetrated by certain Directors of this property development company.

True Gold Investments was, as at March 31, 2005, a wholly owned subsidiary of Gold-Face Holdings Ltd () (Code: 396, Main Board, The Stock Exchange of Hongkong Ltd).

The details of this convoluted matter are outlined in some depth in Action Number 1932, recently filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

True Gold Investments is claiming from Mr Paul Daniel Emerson, formerly trading as the HKSAR solicitors' firm of Emersons, unspecified damages for, inter alia, alleged acts of negligence.

The Statement of Claim, attached to Writ of Summons, Number 1932, alleges that True Gold Investments was the developer of a residential site in Tuenmun, the New Territories of the HKSAR, known as Villa Pinada.

True Gold Investments's Board of Directors, it is alleged at Paragraph One of the Statement of Claim, attached to Writ of Summons, Number 1932, comprised, at the time of the development of this site:

1. Mr Leung Kwong Pok ()
2. Mr Lim Hau Chun ()
3. Mr Poon Chi Fai ()
4. Mr Tai Chi Wah ()
5. Mr Tai Kuen ()
6. Mr Robert Tai Yiu Wah ()
7. Mrs Tai Seow Yoke Peng ()

At that time, Mr Paul Daniel Emerson was the Principal Partner of the HKSAR firm of Emersons, Solicitors.

True Gold Investments obtained a syndicated loan on April 28, 2000, in order to fund the development of the Tuen Mun site, the Statement of Claim explains.

Mr Tai Chi Wah, it is alleged, '*executed the Loan Agreement on behalf of the Plaintiff*' (True Gold Investments).

The lending banks agreed to offer loan facilities to True Gold Investments '*up to \$(HK)385 million of which \$(HK)180 million was available to the Plaintiff for the construction costs of the Development,*' according to Paragraph 3 of the Statement of Claim.

At Paragraph 5, it is alleged that The Kwantung Provincial Bank, Hongkong Branch, now part of Bank of China (Hongkong) Ltd, was appointed as the Agent for the lending banks of the syndicate.

The Kwantung Provincial Bank, as Agent on behalf of the syndicated banks, also entered into a '*tri-parte Funding Agreement*', dated April 28, 2000, with True Gold Investments and the obligors, namely, Gold-Face Holdings Ltd, Mr Tai Kuen, and Mr Tai Chi Wah.

It is alleged at Paragraph 6, inter alia, that Mr Tai Chi Wah '*executed the Funding Agreement on behalf of himself*', Gold-Face Holdings Ltd, and True Gold Investments.

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