

**ANANDA WING ON TRAVEL (HOLDINGS) LTD :  
SUBSIDIARY SUED FOR \$HK1.18 MILLION**

Although it is not mentioned in the Annual Report of Ananda Wing On Travel (Holdings) Ltd (Code: 1189, Main Board, The Stock Exchange of Hongkong Ltd) Ananda Wing On Advertising Company Ltd is a wholly owned subsidiary, or, at least, it was a wholly owned subsidiary as at last week.

And Ananda Wing On Advertising has just been hit with a claim of a little more than \$HK1.18 million.

According to Shun Po Company Ltd, trading as Hong Kong Economic Journal, Ananda Wing On Advertising has been placing advertisements in this Chinese-language medium for some time, but has neglected to pay the bills.

According to High Court Action Number 1122, it is alleged that Ananda Wing On Advertising has been placing advertisement in Hong Kong Economic Journal since at least last July, but has failed to honour its commitments in respect of 9 separate bills.

The total amount, allegedly owed, is \$HK1,185,228.40, Shun Po Company states in its Statement of Claim.

The parent company of this advertising subsidiary, Ananda Wing On Travel, is, as its name implies, in the business of travel and travel-related services. The Company is chaired by Mr Chan Yeuk Wai.

In the last Financial Year, ended March 31, 2001, this Company brought in a Net Profit Attributable to Shareholders of about \$HK82.68 million.

On the surface, that Result appeared to be very positive because it represented an increase of about 646 percent, compared with the 2000 Year's Results.

The increased profit for 2001, however, was brought about by the sale of a 20-percent interest in Wing On Travel.com Ltd. Formerly, Wing On Travel.com Ltd was wholly owned by Ananda Wing On Travel.

That sale brought in about \$HK144.82 million for the parent Company.

Had it not been for that one transaction, the Bottom Line would have been about \$HK62.13 million in the red – a complete downturn, compared with the 2000 Year.

In February, June and July 2001, Ananda Wing On Travel Placed New Shares, raising about \$HK116 million, after expenses.

As at January 31, 2002, the Company had outstanding bank borrowings of about \$HK125.12 million, which contrasted with the situation, as at March 31, 2001, when Management boasted of having '*a positive bank balance of HK\$40,434,000 ...*'.

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