

**ANANDA WING ON TRAVEL (HOLDINGS) LTD:
SINGAPORE PUBLIC COMPANY SUES FOR \$HK28 MILLION**

A Singapore-registered company has lodged a \$HK28-million claim against a wholly owned subsidiary of publicly listed [Ananda Wing On Travel \(Holdings\) Ltd](#) (Code: 1189, Main Board, The Stock Exchange of Hongkong Ltd).

The Singapore company is Comfort Group Ltd, which, itself, is a public company in the Republic of Singapore where the word of Minister-Without-Portfolio Lee Kuan Yew is law, de facto.

According to Action Number 1825, filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Comfort Group agreed to sell and Ananda Wing On Travel (BVI) Ltd agreed to purchase 25 Fully Paid-Up Shares of \$HK10 each and 75,000 Non-Voting Deferred Shares of \$HK100 each in the Share Capital of Trans-Island Limousine Service Ltd for a total consideration of \$HK40 million.

The deal was said to have been struck on July 24, 2002, allegedly evidenced by a Share Sale Agreement.

The Statement of Claim, attached to the Writ of Summons, alleges, at Paragraph 4, that the consideration for the shares of Trans-Island Limousine Service would be satisfied by payments, according to the following schedule:

1. Payment of \$HK10 million on July 10, 2002;
2. Payment of \$HK10 million on or before October 9, 2002; and,
3. Payment of \$HK20 million on or before January 9, 2003.

Paragraph 5 of the Statement of Claim alleges that Ananda Wing On Travel agreed to pay an interest rate of 20 percent per annum on any outstanding balance *'from the due date of each instalment until the date of payment.'*

Paragraph 10 states that Ananda Wing On Travel paid the instalment of \$HK10 million of July 10, 2002, but failed in its obligations in respect of the October 9, 2002 instalment and the January 9, 2003 instalment: It was \$HK30 million shy of that which it owed to Comfort Group.

In addition to the Share Sale Agreement, it is alleged at Paragraph 6 of the Statement of Claim that, on September 19, 2002, Comfort Group and Ananda Wing On Travel entered into a Deed of Indemnity.

Picking up from the second line of Paragraph 6:

'... whereby the Defendant (Ananda Wing On Travel) covenanted to keep the Plaintiff (Comfort Group) fully indemnified against all claims, damages, losses, expenses, demands, causes of action (whether legal or equitable in nature) asserted by Oversea-Chinese Banking Corporation Limited (Hongkong) (the "Bank") relating to a guarantee of the lower of HK\$9,000,000.00 or 25% of drawn down facilities (the "Proportionate Guarantee") given by the Plaintiff in favour of the Bank as security for a term loan and money market loan facilities (the "Facility") of up to HK\$36,000,000.00 granted by the Bank to the Company (Trans-Island Limousine Service Ltd).'

What this Paragraph appears to mean is that Comfort Group wanted to wash its hands of Trans-Island Limousine Service Ltd as soon as control passed to Ananda Wing On Travel; and, to this end, it demanded that Ananda Wing On Travel hold Comfort Group innocent of any and all of the financial arrangements that Oversea-Chinese Banking Corporation Ltd had afforded to Trans-Island Limousine Service Ltd, including any prior guarantees that Comfort Group had given to Oversea-Chinese Banking Corporation on behalf of Trans-Island Limousine Service Ltd.

It was required, according to the terms of the Deed of Indemnity that Ananda Wing On Travel deliver to Oversea-Chinese Banking Corporation documents which, in essence, discharged the Proportionate Guarantee of Comfort Group to Oversea-Chinese Banking Corporation.

Those documents were supposed to have been lodged with Comfort Group not later than January 9, 2003, it is alleged.

It was further ... [CLICK TO ORDER FULL ARTICLE](#)

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