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WING ON TRAVEL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1189)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

PLACING AGENT



KINGSTON SECURITIES LIMITED

On 14 November 2007, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, and the Placing Agent has agreed to procure on a fully underwritten basis, the placing of 300,000,000 Placing Shares to the Placees at a price of HK\$0.40 per Placing Share.

The 300,000,000 Placing Shares represent (i) approximately 19.73% of the existing issued share capital of the Company of 1,520,758,520 Shares; and (ii) approximately 16.48% of the Company's issued share capital of 1,820,758,520 Shares as enlarged by the Placing.

The gross proceeds from the Placing will be approximately HK\$120 million. The net proceeds from the Placing is approximately HK\$116.90 million after deducting an expense of approximately HK\$3.10 million for the placing commission, legal fee, documentation and printing fee. The use of proceeds is intended to be allocated as to HK\$78 million of the net proceeds for the expansion of its existing hotel business and branch network and HK\$38.90 million of the net proceeds for the general working capital of the Group which will be involving advertising and promotion of the Group's existing hotel business and luxury train business in the PRC. The net price of the Placing is approximately HK\$0.39 per Placing Share.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

On 14 November 2007, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, and the Placing Agent has agreed to procure on a fully underwritten basis, the placing of 300,000,000 Placing Shares to the Placees at a price of HK\$0.40 per Placing Share.

Date

14 November 2007

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 300,000,000 Placing Shares on a fully underwritten basis and will receive a placing commission of 2.5% on the gross proceeds of the Placing. The Directors (including the independent non-executive Directors) are of the view that the placing commission is a normal market rate and therefore it is fair and reasonable. The Placing Agent and its ultimate beneficial owners are independent third parties of and not connected persons (as defined in the Listing Rules) of the Company, any Director(s), chief executive or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its substantial Shareholders or their respective associates (as defined in Listing Rules).

Placees

The Placing Agent agreed to place the Placing Shares on a fully underwritten basis, to no less than six Placees who and whose ultimate beneficial owners will not be connected with the Company, any Director(s), chief executive or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its substantial Shareholder or their respective associates (as defined in the Listing Rules). None of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

Placing Shares

The 300,000,000 Placing Shares represent (i) approximately 19.73% of the existing issued share capital of the Company of 1,520,758,520 Shares; and (ii) approximately 16.48% of the Company's issued share capital of 1,820,758,520 Shares as enlarged by the Placing.

Ranking of Placing Shares

The Placing Shares under the Placing will, upon issue, rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price was fixed on the day of which the Company and the Placing Agent entered into the Placing Agreement, i.e. 14 November 2007. The Placing Price of HK\$0.40 (i) represents a premium of approximately 2.56% over the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) represents a premium of approximately 1.52% over the average closing price per Share of HK\$0.394 in the last five consecutive trading days prior to the date of the Placing Agreement; and (iii) represents a discount of approximately 1.72% to the average closing price per Share of HK\$0.407 in the last ten consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable as the recent stock market has shown strong sentiment and as such the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the SGM subject to the limit of up to 20% of the issued share capital of the Company as at the date of the SGM, being 304,151,704 Shares (representing 20% of 1,520,758,520 Shares in issue as at the date of the SGM). Up to the date of this announcement, no Share has been issued under the General Mandate since its grant.

Assuming immediately after the completion of the Placing, the General Mandate would be utilised by 98.63%, and thereafter, 4,151,704 Shares, representing 1.37% of the General Mandate remains un-utilised.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (ii) the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

Termination and force majeure

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date for completion of the Placing, there occurs any of the following force majeure events:

- (i) **the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not eiusdem generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudice the success of the placing of the Placing Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or**
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which will affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) and in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.**

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

Completion of the Placing

Completion of the Placing, in any event, will take place within four business days after the fulfilment of the conditions as set out in the Placing Agreement but not later than 21 December 2007 or such later date to be agreed between the Company and the Placing Agent.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reasons for the Placing

The Directors consider the timing of the fund raising by the Placing is appropriate as the recent stock market has shown strong sentiment and there is an interest indicating by the investors in view of the business prospect of the Company. The Directors also consider that notwithstanding that the Placing will result in the dilution of the existing shareholding interest of the Shareholders, the Placing represents an opportunity to raise additional capital for the Company to further expand the existing business and enhance the general working capital of the Group. As at the date of this announcement, no specific investment projects have been identified by the Group.

Notwithstanding that the Company had three funding activities in the past as disclosed in the section headed “Fund raising activities in the past twelve months” below, the intended use of such proceed had been utilized as specified in the section headed “Fund raising activities in the past twelve months” below. Accordingly, the Placing will provide the Company with stronger financial resources to finance any possible investment when opportunities arise which may require additional capital in the future.

Use of proceeds

The gross proceeds from the Placing will be approximately HK\$120 million. The net proceeds from the Placing is approximately HK\$116.90 million after deducting an expense of approximately HK\$3.10 million for the placing commission, legal fee, documentation and printing fee. The use of proceeds is intended to be allocated as to HK\$78 million of the net proceeds for the expansion of its existing hotel business and branch network and HK\$38.90 million of the net proceeds for the general working capital of the Group which will be involving advertising and promotion of the Group’s existing hotel business and luxury train business in the PRC. The net price of the Placing is approximately HK\$0.39 per Placing Share.

Fund raising activities in the past twelve months

Date of announcement	Description	Net proceeds (Approximately)	Intended use of net proceeds as announced	Actual use of proceeds
14 May 2007	Tranche I Placing of 120,000,000 Shares	HK\$93 million	The Directors intended to apply approximately HK\$69.4 million to partially finance the acquisition of the 72% interest in Tangula Group Limited as disclosed in the announcement of the Company dated 1 June 2007. The remaining balance of approximately HK\$23.6 million will be used for the general working capital of the Group	<ul style="list-style-type: none"> – Approximately HK\$32 million were used as deposit for the acquisition of the 72% interest in Tangula Group as intended – HK\$48 million were used for the acquisition of Asia Times Limited completed in August 2007 – The balance of approximately HK\$13 million were used as general working capital of the Group as intended
14 May 2007	Tranche II Placing of 200,000,000 Shares	HK\$156 million	To be used to fund the acquisition of the entire issued share capital in Shenyang Limited which holds indirectly 92% ownership of the Time Plaza Shenyang Hotel for an aggregate consideration of HK\$178,000,000 as disclosed in the announcement of the Company dated 21 May 2007	<ul style="list-style-type: none"> – HK\$50 million were paid in August 2007 on completion of the acquisition of the entire issued share capital of Shenyang Limited as intended – Approximately HK\$50 million were utilised to repay loan due to certain related companies of the Group – Approximately HK\$30 million were utilised as the Group's general working capital

Date of announcement	Description	Net proceeds (Approximately)	Intended use of net proceeds as announced	Actual use of proceeds
27 June 2007	The placing of 130,000,000 Shares	HK\$101 million	The Directors intended that net proceeds of the placing be used to further expand existing business and enhance the general working capital of the Group	<ul style="list-style-type: none"> – HK\$10 million were utilized as the final payment for the acquisition of Asia Times Limited completed in August 2007 – Approximately HK\$60 million were utilized by the Group to finance the acquisition of a few domestic travel agents and budget hotels in the PRC – Approximately HK\$22 million were utilized as the Group's general working capital

The Directors intend that the balance of the net proceeds shall be used for general working capital of the Group.

Effects on shareholding structure

	As at the date of this announcement		Upon completion of the Placing	
	<i>Approximate</i>		<i>Approximate</i>	
	<i>Share</i>	<i>%</i>	<i>Share</i>	<i>%</i>
Cosmos Regent Ltd. (Note 1)	172,772,000	11.36%	172,772,000	9.49%
Mr. Kwok Ka Lap, Alva (Note 2)	150,000	0.01%	150,000	0.01%
Public:				
Placees (Note 3)	0	0.00%	300,000,000	16.48%
Other public Shareholders	1,347,836,520	88.63%	1,347,836,520	74.02%
	<u>1,520,758,520</u>	<u>100.00%</u>	<u>1,820,758,520</u>	<u>100.00%</u>

Notes:

- 1) Cosmos Regent Ltd. is the wholly-owned subsidiary of Hanny Magnetics (B.V.I.) Limited. Hanny Magnetics (B.V.I.) Limited is a wholly-owned subsidiary of Hanny Holdings Limited which in turn is owned as to approximately 49.93% by Famex Investment Limited. Famex Investment Limited is a wholly-owned subsidiary of Mankar Assets Limited which in turn is a wholly-owned subsidiary of ITC Investment Holdings Limited. ITC Investment Holdings Limited is a wholly-owned subsidiary of ITC Corporation Limited.
- 2) Director of the Company
- 3) Such Shares would be allotted and issued under the Placing.

As at the date of this announcement, there is an outstanding 2% convertible exchangeable note with principal amount of HK\$640 million convertible into 810,126,582 new Shares upon exercise in full at the conversion price of HK\$0.79 per Share and outstanding options attaching rights to subscribe for 50,885,000 Shares granted under the share option schemes of the Company.

GENERAL

The Group is principally engaged in the **provision of package tours, travel, hotel operation and other related services.**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Terms and definitions

“Board”	the board of Directors
“Company”	Wing On Travel (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the SGM, among other things, to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the SGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	14 November 2007, being the last trading day for the Shares as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	placing of 300,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a corporation licensed to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 14 November 2007 in relation to the Placing
“Placing Price”	HK\$0.4 per Placing Share

“Placing Share(s)”	an aggregate of 300,000,000 new Shares with an aggregate nominal value of HK\$30,000,000, to be placed through the Placing Agent pursuant to the Placing Agreement
“SGM”	the special general meeting of the Company held on 24 October 2007
“Share(s)”	ordinary share(s) of HK\$0.1 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Wing On Travel (Holdings) Limited
Lui Siu Tsuen, Richard
Executive Director

Hong Kong, 14 November 2007

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Yu Kam Kee, Lawrence

B.B.S., M.B.E., J.P. (Chairman)

Mr. Cheung Hon Kit (*Managing Director*)

Dr. Yap, Allan

Mr. Chan Pak Cheung, Natalis

Mr. Lui Siu Tsuen, Richard

Independent Non-Executive Directors:

Mr. Kwok Ka Lap, Alva

Mr. Poon Kwok Hing, Albert