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## **WING ON TRAVEL (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1189)**

### **DISCLOSEABLE TRANSACTIONS**

The Lender, a wholly-owned subsidiary of the Company, provided a loan of HK\$20,000,000 to each of Aimtron and Acechoice, both are third parties independent of the Company and its connected persons and they are independent of each other, in July 2006. Details of the Loans are set out in this announcement.

The profit ratio calculated in accordance with Chapter 14 of the Listing Rules in respect of each of Aimtron Loan and Acechoice Loan is 5.31% while other applicable percentage ratios are all below 5%. Accordingly, the granting of loan to each of Aimtron and Acechoice constituted a discloseable transaction for the Company and should have been subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

No notification and publication of announcement and circular were made and Rules 14.34 and 14.38 of the Listing Rules have not been complied with by the Company when the loans were provided as the Company considered the discount on acquisition of subsidiaries recognized in the profit and loss account of the Group as an extraordinary item and an adjustment was made to the profit of the Group for such item in the calculation of the profit ratio, which was calculated as below 5% after the adjustment. Upon recent review of the transactions, it was revealed that such adjustment should not have been made and the granting of loan to each of Aimtron and Acechoice should have constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Company will send to the Shareholders for their information a circular containing, among other things, details of the Loans to Aimtron and Acechoice as soon as practicable in accordance with the requirements of the Listing Rules.

## THE LOANS

The Lender, a wholly-owned subsidiary of the Company, provided a loan to each of Aimtron and Acechoice in July 2006. Further details of the Loans are set out below:

<b>Borrower</b>	<b>Date of loan agreement</b>	<b>Initial loan amount (HK\$'000)</b>	<b>Interest rate (% p.a.)</b>	<b>Repayment term</b>
Acechoice	13 July 2006	20,000	The prime lending rate announced from time to time by The Hongkong and Shanghai Banking Corporation Limited	Repayable on demand
Aimtron	19 July 2006	20,000	The prime lending rate announced from time to time by The Hongkong and Shanghai Banking Corporation Limited	Repayable on demand

The terms of the Loans were determined after arm's length negotiation between the Lender and each of the borrowers by reference to the then prevailing terms of commercial loans.

Prior to the entering into of the loan agreements, the Group has performed a preliminary credit assessment on Aimtron and Acechoice by reviewing their financial statements and checking reference of Aimtron and Acechoice with other industry players. Given that (i) Aimtron and Acechoice are associates of the business partners of the Group which have a good business relationship with the Group; and (ii) satisfactory results were noted from the preliminary credit assessments carried out by the Group, a security for each of the Loans was waived by the Company after arm's length negotiations between the Group and each of Aimtron and Acechoice. Taking into account the results of the credit analysis on Aimtron and Acechoice, the Board considered that the waiver of a security for each of the Loans to Aimtron and Acechoice by the Company is commercially justifiable and fair and reasonable to the Company.

In December 2007, the Lender demanded for repayment of the outstanding loans and interest receivables but Aimtron and Acechoice requested for a further extension of the loan repayment date. As at 31 December 2007, the loan receivables from Aimtron and Acechoice amounted to approximately HK\$1.9 million and HK\$1.8 million respectively. Such amounts together with the outstanding interest receivables of approximately HK\$1.2 million and HK\$1.4 million due from Aimtron and Acechoice respectively as at 31 December 2007 have not been received by the Group despite repetitive requests for repayment were made subsequently. In view of the fact that the outstanding loans and interest receivables have been due for more than twelve months, impairment losses of approximately HK\$3.1 million and HK\$3.2 million were made for the Aimtron Loan and Acechoice Loan respectively for the year ended 31 December 2007 in accordance with the accounting policy of the Group. As at the date hereof, the outstanding loan and interest receivables due from Aimtron and Acechoice to the Lender were approximately HK\$3.1 million and HK\$2.5 million respectively. The Lender shall continue to pursue the recovery of the outstanding amounts of the Loans and corresponding impairment previously provided for shall be reversed and recorded in the financial statements of the Group for any amount recovered.

Save for the Loans, the Company has not provided any other loan or credit facility to Aimtron, Acechoice and their respective associates.

## **INFORMATION OF THE BORROWERS**

Aimtron is a company incorporated under the laws of British Virgin Islands and it is mainly engaged in investment in tourism related business in Singapore.

Acechoice is a company incorporated under the laws of British Virgin Islands and it is mainly engaged in investment in hospitality and other tourism related business in Taiwan.

The Group has conducted tourism-related business with the associates of Aimtron and Acechoice in the ordinary course of business. Save for the normal business relationships disclosed above, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, Aimtron and Acechoice are independent of each other and each of Aimtron, Acechoice and their respective ultimate beneficial owner(s) is third party independent of the Company and its connected persons for the purposes of Chapter 14A of the Listing Rules.

## **REASONS FOR THE PROVISION OF THE LOANS**

The Group is mainly engaged in the provision of package tours, travel and other related services, hotel operation in Hong Kong and the PRC and trading of securities.

As at 30 June 2006, the Group had unaudited cash and bank balances of approximately HK\$295.6 million, which was in excess of the general working capital need of the Group at the relevant time. Having considered that (i) the provision of the Loans could generate interest income and thus higher return to the Group for the excess funding; (ii) the provision of the Loans to Aimtron and Acechoice, which are associates of the business partners of the Group, could further enhance the business relationship and cooperation between the Group and the business partners; and (iii) the terms of the Loans are in line with the general market practice, the Directors were of the opinion that the Loans were offered on normal commercial terms which are fair and reasonable and were in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

The profit ratio calculated in accordance with Chapter 14 of the Listing Rules in respect of each of Aimtron Loan and Acechoice Loan is 5.31% while other applicable percentage ratios are all below 5%. Accordingly, the granting of loan to each of Aimtron and Acechoice constituted a discloseable transaction for the Company and should have been subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

No notification and publication of announcement and circular were made and Rules 14.34 and 14.38 of the Listing Rules have not been complied with by the Company when the loans were provided as the Company considered the discount on acquisition of subsidiaries recognized in the profit and loss account of the Group as an extraordinary item and an adjustment was made to the profit of the Group for such item in the calculation of the profit ratio, which was calculated as below 5% after the adjustment. Upon recent review of the transactions, it was revealed that such adjustment should not have been made and the granting of loan to each of Aimtron and Acechoice should have constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In order to avoid any future non-compliance of disclosure obligations under the Listing Rules, the Company will pay timely attentions to the compliance issues and seek advice from professional advisers and/or the Stock Exchange as and when necessary.

The Company will send to the Shareholders for their information a circular containing, among other things, details of the Loans to Aimtron and Acechoice as soon as practicable in accordance with the requirements of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings stated below unless the context otherwise requires:–

“Acechoice”	Acechoice Group Limited, a company incorporated in the British Virgin Islands and the borrower for the Acechoice Loan
“Aimtron”	Aimtron Limited, a company incorporated in the British Virgin Islands and the borrower for the Aimtron Loan
“Acechoice Loan”	the loan provided by the Lender to Acechoice pursuant to the loan agreement dated 13 July 2006 entered into between the Lender and Acechoice
“Aimtron Loan”	the loan provided by the Lender to Aimtron pursuant to the loan agreement dated 19 July 2006 entered into between the Lender and Aimtron
“Board”	the board of Directors
“Company”	Wing On Travel (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Lender”	Wing On Travel Finance Limited, a wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	Acechoice Loan and Aimtron Loan
“Shareholder(s)”	The holder(s) of the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 15 August 2008

As at the date of this announcement, the Directors are as follows:

*Executive Directors:*

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  
Mr. Sin Chi Fai