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WING ON TRAVEL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1189)

(Warrant Code: 774)

PLACING OF NEW SHARES UNDER GENERAL MANDATE AND PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

THE GENERAL MANDATE PLACING AND THE SPECIFIC MANDATE PLACING

After the trading hours on 14 July 2009, the Company and the Placing Agent entered into (i) the General Mandate Placing Agreement in relation to a best endeavour placing of a maximum of 1,800,000,000 General Mandate Placing Shares at a price of HK\$0.035 per Share; and (ii) the Specific Mandate Placing Agreement in relation to a best endeavour placing of not less than 20,000,000,000 Specific Mandate Placing Shares but not more than 30,000,000,000 Specific Mandate Placing Shares at a price of HK\$0.035 per Share.

The maximum of 1,800,000,000 General Mandate Placing Shares represent approximately (i) 19.74% of the existing issued share capital of the Company as at the date of this announcement; (ii) 16.48% of the issued share capital of the Company as enlarged by the issue of a maximum of 1,800,000,000 General Mandate Placing Shares; and (iii) 4.40% of the issued share capital of the Company as enlarged by the issue of a maximum of 31,800,000,000 Placing Shares.

The maximum of 30,000,000,000 Specific Mandate Placing Shares represent approximately (i) 328.95% of the existing issued share capital of the Company as at the date of this announcement; (ii) 76.69% of the issued share capital of the Company as enlarged by the issue of a maximum of 30,000,000,000 Specific Mandate Placing Shares; and (iii) 73.31% of the issued share capital of the Company as enlarged by the issue of a maximum of 31,800,000,000 Placing Shares.

Assuming the maximum of 31,800,000,000 Placing Shares are successfully placed by the Placing Agent pursuant to the Placing Agreements, the maximum net proceeds of approximately HK\$1.083 billion is intended to be used as to approximately (i) HK\$450 million for the construction cost of the Group's various existing hotel development projects located in Hong Kong and the PRC; (ii) HK\$300 million for further acquisitions of 4-star rated business hotels and budget hotels in the PRC (there is no identified target as at the date of this announcement); (iii) HK\$200 million for repayment of certain amounts due to related companies and other borrowings; and (iv) HK\$133 million for general working capital of the Group for its travel and hotel operations.

GENERAL

The General Mandate Placing is not subject to Shareholders' approval as the General Mandate Placing Shares will be issued under the existing General Mandate.

The SGM will be convened and held for the purpose of considering and, if thought fit, approving the Specific Mandate Placing. To the best knowledge of the Directors, no Shareholder has a material interest in the transactions contemplated under the Specific Mandate Placing Agreement. Accordingly, no Shareholder is required to abstain from voting at the SGM to approve the Specific Mandate Placing.

A circular containing, among other things, further details of the Specific Mandate Placing and a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Completion of the General Mandate Placing and the Specific Mandate Placing are not inter-conditional.

Shareholders and potential investors should note that completion of each of the General Mandate Placing and the Specific Mandate Placing is subject to fulfilment of the conditions under the General Mandate Placing Agreement and the Specific Mandate Placing Agreement respectively. As the General Mandate Placing and the Specific Mandate Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and the Warrants.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares and the Warrants was suspended with effect from 9:30 a.m. on 15 July 2009 pending the release of an announcement relating to issue of new Shares by the Company. Trading in the Shares and the Warrants will remain suspended pending the release of another announcement in relation to, among others, a proposal relating to the issue of new Shares to repurchase the Convertible Notes.

THE PLACING AGREEMENTS

Date

14 July 2009

Issuer

The Company

Placing Agent

Emperor Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Placees

The Placing Shares will be placed to the Placees, who are independent institutional, professional and/or individual investors and not concert parties with the controlling Shareholder(s) (as defined under the Takeovers Code issued by the SFC), and not connected with any directors, chief executive or substantial shareholder of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules).

General Mandate Placing Shares

Pursuant to the General Mandate Placing Agreement, the Placing Agent agreed to procure, on a best endeavour basis, the Placees to subscribe for a maximum of 1,800,000,000 General Mandate Placing Shares at the Placing Price. The maximum of 1,800,000,000 General Mandate Placing Shares represent approximately (i) 19.74% of the existing issued share capital of the Company as at the date of this announcement; (ii) 16.48% of the issued share capital of the Company as enlarged by the issue of a maximum of 1,800,000,000 General Mandate Placing Shares; and (iii) 4.40% of the issued share capital of the Company as enlarged by the issue of a maximum of 31,800,000,000 Placing Shares. The aggregate nominal value of the maximum number of 1,800,000,000 General Mandate Placing Shares is HK\$18,000,000.

Specific Mandate Placing Shares

Pursuant to the Specific Mandate Placing Agreement, the Placing Agent agreed to procure, on a best endeavour basis, the Placees to subscribe for not less than 20,000,000,000 Specific Mandate Placing Shares but not more than 30,000,000,000 Specific Mandate Placing Shares at the Placing Price. The maximum of 30,000,000,000 Specific Mandate Placing Shares represent approximately (i) 328.95% of the existing issued share capital of the Company as at the date of this announcement; (ii) 76.69% of the issued share capital of the Company as enlarged by the issue of a maximum of 30,000,000,000 Specific Mandate Placing Shares; and (iii) 73.31% of the issued share capital of the Company as enlarged by the issue of a maximum of 31,800,000,000 Placing Shares. The aggregate nominal value of the maximum number of 30,000,000,000 Specific Mandate Placing Shares is HK\$300,000,000.

Ranking of Placing Shares

The Placing Shares will 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 of HK\$0.035 represents:

- (i) a discount of approximately 18.6% to the closing price of HK\$0.043 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 8.9% to the average closing price of HK\$0.0384 per Share in the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 3.6% to the average closing price of HK\$0.0363 per Share in the last ten consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreements with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable.

Conditions precedent to the Placing Agreements

Completion of the General Mandate Placing is conditional upon fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the General Mandate Placing Shares; and
- (ii) any other approvals as may be required for the General Mandate Placing.

Completion of the Specific Mandate Placing is conditional upon fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Specific Mandate Placing Shares;
- (ii) any other approvals as may be required for the Specific Mandate Placing; and
- (iii) the passing of an ordinary resolution by the Shareholders to approve the Specific Mandate Placing at the SGM.

Each of the Placing Agreements shall automatically become null and void and of no effect if the corresponding conditions set forth above remain unfulfilled on 30 September 2009 or such date mutually agreed by both the Company and the Placing Agent and in such event either party shall have no claim against each other and hold each other harmless, save for those expressly reserved and agreed in the corresponding Placing Agreements.

Completion of the General Mandate Placing and the Specific Mandate Placing are not inter-conditional.

Termination and force majeure

The Placing Agreements may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date of completion of the Placing Agreements, there occurs:

- (i) the introduction of any new laws or regulations 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 Company; 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 Agreements) 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 sui 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 Company or adversely prejudices the success of either the General Mandate Placing or the Specific Mandate Placing or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the General Mandate Placing or the Specific Mandate 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 affect the success of either the General Mandate Placing or the Specific Mandate Placing (such success being the completion of placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the General Mandate Placing or the Specific Mandate Placing; or
- (iv) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the corresponding Placing Agreements; or
- (v) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreements was, when given, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the General Mandate Placing or the Specific Mandate Placing.

Completion

Completion of each of the General Mandate Placing and the Specific Mandate Placing shall take place within two Business Days after all the conditions as set out in each of the corresponding Placing Agreements are fulfilled or such later date to be agreed between the Company and the Placing Agent.

Placing commission

The Placing Agent shall receive a placing commission of 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed.

General Mandate

The maximum of 1,800,000,000 General Mandate Placing Shares will be issued and allotted under the General Mandate. As at the date of this announcement, the General Mandate has not been utilized since it was granted and the number of new Shares that could be issued by the Company under the General Mandate is 1,823,968,987 Shares.

Specific mandate

The maximum of 30,000,000,000 Specific Mandate Placing Shares will be issued under a specific mandate to be sought at the SGM.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon completion of the General Mandate Placing; and (iii) upon completion of the General Mandate Placing and the Specific Mandate Placing, assuming a maximum of 31,800,000,000 Placing Shares are successfully placed by the Placing Agent.

	As at the date of this announcement		Upon completion of the General Mandate Placing		Upon completion of the General Mandate Placing and the Specific Mandate Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
China Enterprises Limited and its subsidiaries (<i>Note 1</i>)	1,170,208,488	12.83%	1,170,208,488	10.72%	1,170,208,488	2.86%
ITC Corporation Limited and its subsidiaries (<i>Note 2</i>)	1,529,230,000	16.77%	1,529,230,000	14.00%	1,529,230,000	3.74%
Mr. Kwok Ka Lap, Alva (<i>Note 3</i>)	150,000	–	150,000	–	150,000	–
Public Shareholders						
The Placees (<i>Note 4</i>)	–	–	1,800,000,000	16.48%	31,800,000,000	77.71%
Other public Shareholders	6,420,256,447	70.40%	6,420,256,447	58.80%	6,420,256,447	15.69%
Sub-total	6,420,256,447	70.40%	8,220,256,447	75.28%	38,220,256,447	93.40%
Total	<u>9,119,844,935</u>	<u>100.00%</u>	<u>10,919,844,935</u>	<u>100.00%</u>	<u>40,919,844,935</u>	<u>100.00%</u>

Notes:

1. Million Good Limited, Cosmos Regent Ltd. and Cyber Generation Limited hold 106,697,405 Shares, 866,511,083 Shares and 192,000,000 Shares respectively and are wholly-owned subsidiaries of China Enterprises Limited which also holds 5,000,000 Shares.
2. Asia Will Limited holds 1,529,230,000 Shares and is a wholly-owned subsidiary of Leaptop Investments Limited which is in turn a wholly-owned subsidiary of ITC Investment Holdings Limited. ITC Investment Holdings Limited is a wholly-owned subsidiary of ITC Corporation Limited.
3. Mr. Kwok Ka Lap, Alva is an independent non-executive Director.
4. Pursuant to the Placing Agreements, the Placing Agent agreed to procure that the Placees and their ultimate beneficial owners shall be third parties independent of and not connected with the Company and its connected persons. Therefore, the Placees are treated as public Shareholders.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds up to the date of this announcement
20 May 2008	4-for-1 rights issue at HK\$0.2 per rights share	approximately HK\$423.8 million	(i) approximately HK\$200 million for the expansion of the Group's travel and related business in the PRC; (ii) approximately HK\$200 million for investment opportunities in the hotel and/or leisure resort related properties both in Hong Kong and in the PRC; and (iii) approximately HK\$23.8 million for the general working capital of the Group	(i) approximately HK\$134 million were used for the refurbishment of the aged hotel chain of the Group; (ii) HK\$35 million were used for the acquisition of the entire issued share capital of and shareholder's loan to Sky Victory Resources Limited as announced by the Company on 10 May 2009; (iii) HK\$70 million were used for the acquisition of 8% equity interest in Apex Quality Group Limited as announced by the Company on 30 June 2009; (iv) approximately HK\$150.5 million were used to repay certain bank borrowings, loan from related companies and the outstanding amount of the promissory note due on 30 April 2009; and (v) the balance of approximately HK\$34.3 million were used for the general working capital of the Company

Save as disclosed above, the Company had not carried out any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement.

REASONS FOR THE GENERAL MANDATE PLACING AND THE SPECIFIC MANDATE PLACING

The Company is an investment holding company and its subsidiaries are principally engaged in the business of providing package tours, travel and other related services, hotel operation in Hong Kong and the PRC and trading of securities.

The Directors consider that the General Mandate Placing and the Specific Mandate Placing represent a good opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreements are fair and reasonable and the General Mandate Placing and Specific Mandate Placing are in the interest of the Company and the Shareholders as a whole.

Assuming all the 31,800,000,000 Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the General Mandate Placing and the Specific Mandate Placing will be approximately HK\$1.113 billion. After taking into account the estimated expenses of approximately HK\$30.0 million in relation to the General Mandate Placing and the Specific Mandate Placing, the maximum net proceeds of approximately HK\$1.083 billion is intended to be used as to approximately (i) HK\$450 million for the construction cost of the Group's various existing hotel development projects located in Hong Kong and the PRC; (ii) HK\$300 million for further acquisitions of 4-star rated business hotels and budget hotels in the PRC (there is no identified target as at the date of this announcement); (iii) HK\$200 million for repayment of certain amounts due to related companies and other borrowings; and (iv) HK\$133 million for general working capital of the Group for its travel and hotel operations. The net price per Placing Share is expected to be approximately HK\$0.034.

GENERAL

The General Mandate Placing is not subject to Shareholders' approval as the General Mandate Placing Shares will be issued under the existing General Mandate.

The SGM will be convened and held for the purpose of considering and, if thought fit, approving the Specific Mandate Placing. To the best knowledge of the Directors, no Shareholder has a material interest in the transactions contemplated under the Specific Mandate Placing Agreement. Accordingly, no Shareholder will be required to abstain from voting at the SGM in respect of the resolution(s) relating to the Specific Mandate Placing.

A circular containing, among other things, further details of the Specific Mandate Placing and a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors should note that completion of each of the General Mandate Placing and the Specific Mandate Placing is subject to fulfilment of the conditions under the General Mandate Placing Agreement and the Specific Mandate Placing Agreement respectively. As the General Mandate Placing and the Specific Mandate Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and the Warrants.

ADJUSTMENTS TO CONVERSION PRICE OF THE CONVERTIBLE NOTES AND EXERCISE PRICE OF THE WARRANTS

Adjustments to the conversion price of the Convertible Notes and the exercise price of the Warrants in issue may be required under the relevant terms of the instrument constituting the Convertible Notes and the Warrants. Further announcement will be made by the Company in this regard.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares and the Warrants was suspended with effect from 9:30 a.m. on 15 July 2009 pending the release of an announcement relating to proposed issue of new Shares. Trading in the Shares and the Warrants will remain suspended pending the release of another announcement in relation to, among others, a proposal relating to the issue of new Shares to repurchase the Convertible Notes.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:–

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday and Sunday) on which banks generally are open for business in Hong Kong

“Company”	Wing On Travel (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability and the Shares and the Warrants of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Convertible Notes”	the 2% convertible notes due 7 June 2011 issued by the Company with an outstanding aggregate principal amount of HK\$640,000,000 as at the date of this announcement
“Directors”	directors of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 29 May 2009 to issue and allot up to 1,823,968,987 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date thereof
“General Mandate Placing”	the best endeavour placing of up to 1,800,000,000 General Mandate Placing Shares
“General Mandate Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 14 July 2009 in respect of the General Mandate Placing
“General Mandate Placing Shares”	a maximum of 1,800,000,000 Shares to be issued under the General Mandate Placing
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	14 July 2009, being the last full trading day of the Shares before the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any independent institutional, professional and/or individual investors who are not concert parties with the controlling Shareholder(s) (as defined under the Takeovers Code issued by the SFC), and not connected with any directors, chief executive or substantial shareholder of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules)
“Placing Agent”	Emperor Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreements”	together, the General Mandate Placing Agreement and the Specific Mandate Placing Agreement
“Placing Price”	HK\$0.035 per Placing Share
“Placing Share(s)”	together, the General Mandate Placing Share(s) and/or the Specific Mandate Placing Share(s)
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Specific Mandate Placing
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Specific Mandate Placing”	the best endeavour placing of not less than 20,000,000,000 Specific Mandate Placing Shares but not more than 30,000,000,000 Specific Mandate Placing Shares

“Specific Mandate Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 14 July 2009 in respect of the Specific Mandate Placing
“Specific Mandate Placing Shares”	not less than 20,000,000,000 new Shares but not more than 30,000,000,000 new Shares to be issued under the Specific Mandate Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Warrants”	1,823,967,547 warrants of the Company, each conferring the right in its registered form to the holders thereof to subscribe for a total of 1,823,967,547 new Shares at an exercise price of HK\$0.091 per Share
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Wing On Travel (Holdings) Limited
Cheung Hon Kit
Chairman

Hong Kong, 17 July 2009

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

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Ms. Chan Ling, Eva (*Managing Director*)
Dr. Yap, Allan
Mr. Chan Pak Cheung, Natalis

Independent Non-Executive Directors:

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai