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WING ON TRAVEL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1189)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF 90% INTEREST IN THE ISSUED SHARE CAPITAL OF HKWOT (BVI) LIMITED; AND RESUMPTION OF TRADING

DISPOSAL AGREEMENT

The Board announces that, on 3 February 2010, the Company entered into the Disposal Agreement with the Purchaser pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing a 90% interest in the issued share capital of HKWOT, at a consideration of US\$88 million (equivalent to approximately HK\$684 million) (subject to adjustment) to be satisfied by way of cash at Completion. The Guarantor has been joined as a party to the Disposal Agreement to guarantee the payment obligations of the Purchaser under the Disposal Agreement.

HKWOT is an investment holding company and its subsidiaries are principally engaged in the provision of package tours, travel and other related services. Following Completion, the Company will retain 10% interest in the issued share capital of HKWOT and HKWOT will cease to be a subsidiary of the Company and the results of the Disposal Group will no longer be consolidated into the financial statements of the Group. Accordingly, following the Disposal, it is expected that the principal business of the Group will include

investment and operation of hotel properties. There are some uncertainties with respect to the development of the Group's luxury train business as disclosed under paragraph headed "Use of proceeds and financial effect of the Disposal" below. Assuming there is no pre Completion adjustment and there is to be an Assumed Post Completion Adjustment of approximately HK\$214.8 million (please refer to the paragraph headed "Post Completion Adjustment" below), the adjusted Consideration will amount to approximately HK\$469.2 million and the net proceeds from the Disposal is estimated to be approximately HK\$462.2 million which are proposed to be used as to (i) approximately HK\$80 million to partly finance further acquisitions of 4-star rated business hotels in respect of the Group's Rosedale hotel chain; (ii) approximately HK\$150 million for the expansion of its Square Inn budget hotel chain in the PRC through leasing and acquisitions; (iii) approximately HK\$200 million for repayment of the Group's borrowings (including but not limited to the repayment of the Notes); and (iv) approximately HK\$32.2 million for the general working capital of the Group.

In conjunction with the Disposal, certain documents, including the Shareholders' Agreement, the Share Charge, the Deed of Indemnity and the Trademarks Assignment will be entered into by the Company at Completion. The Shareholders' Agreement contains provisions relating to, among other things, the right of appointment of one director to the board of HKWOT by the Vendor, the restriction on transfer of shares in HKWOT by the Vendor, the Call Option, the Put Option, the Drag-Along Right and Tag-Along Right, details of which are set out in the paragraph headed "Shareholders' Agreement" below. Moreover, the Company will charge by way of a first fixed charge over all rights, title and interests in the Charged Shares in favour of the Purchaser pursuant to the terms of the Share Charge and the Trademarks will be assigned and transferred by the Company to the Purchaser under the Trademarks Assignment. Under the Deed of Indemnity, the Company will indemnify the Purchaser against any losses, expenses and costs incurred in connection with (i) litigation claims which may be made against members of the Disposal Group; (ii) claims in relation to amounts made (or required or ought to be made) by members of the Disposal Group in relation to mandatory provident funds; and (iii) claims in relation to taxation, subject to exclusions in the Deed of Indemnity, the details of which are set out in the paragraph headed "Deed of Indemnity" below.

GENERAL

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules. Given that the exercise of the Call Option and the Drag-Along Right is not at the Company's discretion, pursuant to Rule 14.74 of the Listing Rules, the Call Option and the Drag-Along Right under the Shareholders' Agreement will be classified as if they had been exercised and therefore the Disposal (including the Call Option and the Drag-Along Right) will be subject to Shareholders' approval at the SGM. The SGM will be convened by the Company at which resolutions will be proposed to the Shareholders to consider and, if thought appropriate, to approve the transactions contemplated under the Disposal Agreement, as well as the Call Option and the Drag-Along Right under the Shareholders' Agreement. As none of the Shareholders has a material interest in the Disposal, no Shareholder is required to abstain from voting at the SGM.

A circular containing, among other things, further details of the Disposal, financial information of the Group and the Disposal Group, together with the notice of the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Given that the actual monetary value of the Put Option and the Tag-Along Right under the Shareholders' Agreement cannot be determined as at the date of the Disposal Agreement, the Company will comply with the applicable requirements of the Listing Rules should it exercise any such rights under the Put Option and the Tag-Along Right as stipulated in the Shareholders' Agreement.

SUSPENSION AND RESUMPTION OF TRADING

Dealing in the shares of the Company on the Stock Exchange has been suspended at the request of the Company with effect from 9:30 a.m. on 3 February 2010 pending the release of this announcement. Application has been made by the Company for the resumption of dealing in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 4 March 2010.

The Board announces that, on 3 February 2010, the Company entered into the Disposal Agreement with the Purchaser pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing a 90% interest in the issued share capital of HKWOT, at a consideration of US\$88 million (equivalent to approximately HK\$684 million) (subject to adjustment) to be satisfied by way of cash at Completion. The Guarantor has been joined as a party to the Disposal Agreement to guarantee the payment obligations of the Purchaser under the Disposal Agreement. Until late evening on 2 February 2010, the Company was not certain that all the terms of the Disposal Agreement and ancillary documents could be agreed and that the Disposal can proceed. Further information regarding the terms of the Disposal are set out below.

DISPOSAL AGREEMENT

Date

3 February 2010

Parties

Vendor: the Company

Purchaser: C-Travel International Limited, a company incorporated under the laws of the Cayman Islands with limited liability and a wholly-owned subsidiary of Ctrip.com International, Ltd. The principal business of C-Travel International Limited is travel services.

Guarantor: Ctrip.com International, Ltd., as the guarantor of the Purchaser.

The Guarantor has agreed to guarantee the performance of the payment obligations of the Purchaser under the Disposal Agreement. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser, the Guarantor, and their respective directors and ultimate beneficial owners are third parties independent of and not connected with the Group and its connected persons. There are no prior transactions entered into between the Group and the Purchaser and the Guarantor.

Assets to be disposed of

The Sale Shares, representing 90% of the issued share capital of HKWOT.

For further details on HKWOT and the Disposal Group, please refer to the paragraphs headed “Information on the Disposal Group” below.

Consideration

The Consideration of US\$88 million (equivalent to approximately HK\$684 million) (subject to adjustment) will be paid by the Purchaser to the Company on the Completion Date by way of cash. If the Assumed Post-Completion Adjustment is made (details of which please refer to the paragraph headed “Post Completion Adjustment” below), the adjusted Consideration will amount to approximately HK\$469.2 million. The Consideration was determined after arm’s length negotiations between the Purchaser and the Company after taking into consideration (i) the historical financial performance of the Disposal Group; and (ii) the adjustment mechanism on the Consideration, details of which are set out in the section headed “Adjustment to Consideration” below. Based on a net profit after taxation of HK\$40 million of the Disposal Group (the “Benchmarked Net Profit”) for the year ended 31 December 2009 which is the benchmark used to calculate any pre Completion adjustment to the Consideration, the Consideration of US\$88 million (equivalent to approximately HK\$684 million) for the Sale Shares (representing 90% interest in the issued share capital of HKWOT), before taking into account any pre and post Completion adjustments, represents a price-to-earnings multiple of 19 times.

The Company noted that there are three companies listed on the Stock Exchange (the “**Comparables**”) which are principally engaged in travel agency business with revenue from travel agency related businesses representing not less than 50% of their total revenues for their latest financial year, which the Company considers to be comparable to the principal business of the Disposal Group. The Company made reference to the price-to-earnings multiple of the Comparables in assessing the fairness and reasonableness of the Consideration. Two of the Comparables recorded a loss in their respective last financial year which have therefore been excluded from the price-to-earnings analysis. The Company notes that the price-to-earnings multiple of the remaining Comparable, being China Travel International Investment Hong Kong Limited, is approximately 22.9 times (based on its results for the last financial year ended 31 December 2008 and its closing price per share as at 2 March 2010). The Consideration (before taking into account any pre and post Completion adjustments) represents a price-to-earnings multiple of 19 times (based on the Benchmarked Net Profit of the Disposal Group for the year ended 31 December 2009), which the Directors consider is generally in line with the price-to-earnings multiple of the single Hong Kong listed comparable company referred to above. In view of the aforesaid, the Directors consider that the Consideration which was determined after arms’ length negotiation between the Company and the Purchaser is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustment to Consideration

Pursuant to the Disposal Agreement, the Consideration is subject to the following potential adjustments.

1. Pre Completion adjustment

If the Actual Net Profit of the Disposal Group for the year ended 31 December 2009 is less than HK\$40 million, the portion of the Consideration to be paid by the Purchaser at Completion shall be reduced by the US\$ equivalent (translated into US\$ at the fixed rate of HK\$7.766 = US\$1.00) of an amount equal to 20 times the difference between HK\$40 million and the Actual Net Profit of the Disposal Group.

Based on the audited financial statements of HKWOT, the Actual Net Profit of the Disposal Group for the year ended 31 December 2009 was approximately HK\$42.6 million. Accordingly, the Directors expect that there will not be any pre Completion adjustment in this regard.

2. Post Completion Adjustment

The Company shall prepare and deliver to the Purchaser and the Purchaser's Accountant the Vendor's Completion Date Accounts within twenty five (25) Business Days following the Completion Date. Within ten (10) Business Days after the Purchaser and the Purchaser's Accountant having received the Vendor's Completion Date Accounts and the Vendor's Completion Date Value, the Purchaser may request the Purchaser's Accountant to perform a review of the Vendor's Completion Date Accounts and prepare the Purchaser's Completion Date Value. If the Purchaser (i) does not notify the Company of its intention to review the Vendor's Completion Date Accounts within twenty (20) Business Days of receiving the Vendor's Completion Date Accounts, or (ii) does not object to the Vendor's Completion Date Value within thirty (30) Business Days of its receipt, the Purchaser will be deemed to have accepted the Vendor's Completion Date Value and the Vendor's Completion Date Value shall be deemed to be the final Net Current Asset Value as at the Completion Date (the "**Final Net Current Asset Value**"). If the Purchaser delivers to the Company the Purchaser's Completion Date Value which does not equal to the Vendor's Completion Date Value in respect of the Disposal Group, the parties shall attempt to reconcile their differences.

If after ten (10) Business Days from notification to the Company of the Purchaser's objections to the Vendor's Completion Date Accounts (including any variation to the Vendor's Completion Date Value), divergences subsist and the parties have not agreed on the Net Current Asset Value as at the Completion Date, the matter will be referred, at the request of either party, to the Third Accountant, who will issue a report in which it will present its determination of the Net Current Asset Value as at the Completion Date. In the event the Third Accountant is appointed, the Final Net Current Asset Value shall be deemed to equal to the simple average of the Third Accountant's calculation of the Net Current Asset Value as at the Completion Date, and the corresponding value which is closest to it from among the Vendor's Completion Date Value and the Purchaser's Completion Date Value. The Final Net Current Asset Value, so determined, is not subject to appeal or any other form of recourse.

If the Final Net Current Asset Value is less than zero as of the Completion Date, the Company shall repay to the Purchaser, as a reduction in the Consideration, the US\$ equivalent (translated into US\$ at the fixed rate of HK\$7.766 = US\$1.00) of an amount equivalent to such shortfall on a dollar-for-dollar basis. In any event, the total Consideration shall be adjusted within five Business Days following determination of the Final Net Current Asset Value.

As at 31 December 2009, the consolidated audited net current liabilities of HKWOT was approximately HK\$319.3 million, of which approximately HK\$104.5 million was due by the Disposal Group to the Company. The Company intends to waive such amounts due upon or immediately before Completion. Any remaining net current liabilities (which if Completion were to take place on 31 December 2009 would amount to approximately HK\$214.8 million, based on the audited financial statements of HKWOT for the year ended 31 December 2009) will be dealt with by way of a post Completion adjustment of the Consideration and an equal amount shall be repaid by the Company to the Purchaser. Therefore, if the Assumed Post Completion Adjustment is made, the adjusted Consideration will amount to approximately HK\$469.2 million.

For the avoidance of doubt, there will not be any upward adjustment to the Consideration.

Conditions precedent

Completion is conditional upon the satisfaction or waiver of the following conditions:

- (a) the passing by Shareholders who are permitted to vote at a general meeting of the Company of a resolution to approve the sale of the Sale Shares in accordance with the requirements of the Listing Rules;
- (b) all Authorisations which are required for the entering into or the performance of obligations under the Disposal Agreement by the parties thereto having been obtained including the following:
 - (i) the consent in writing from the Registrar of Travel Agents to the Transaction having been obtained in accordance with the Travel Agents Ordinance (Chapter 218 of the Laws of Hong Kong);
 - (ii) the consent in writing from the International Air Transport Association to the Transaction having been obtained;
 - (iii) the consent in writing from the holders of the 2% convertible exchangeable notes issued by the Company on 8 June 2006 to the Transaction having been obtained in accordance with the terms and conditions of such convertible exchangeable notes; and
 - (iv) the consent from the lessor under each of the relevant leases of the Disposal Group (“Lease”), if required by the terms of the relevant Leases, to the Transaction having been obtained in accordance with the terms of the relevant Lease;
- (c) no order or judgment (whether temporary, preliminary or permanent) of any authority having been issued or made prior to Completion, and no legal or regulatory requirements remain to be satisfied, which has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Sale Shares to the Purchaser, or any transaction contemplated by the Disposal Agreement and the other Transaction Documents;

- (d) the Purchaser being satisfied that no material adverse change (as defined in the Disposal Agreement) has arisen or occurred since 31 December 2009;
- (e) there having been no breach in any material respect by the Company of any of its obligations under the Disposal Agreement or any of the other Transaction Documents; and
- (f) there having been no breach of the Warranties (and no fact, event or circumstance having occurred which would make the Warranties untrue or inaccurate in any respect when repeated at Completion).

The Purchaser may waive any of the conditions above (other than the conditions in (a), (b)(i), (b)(iii) or (c)) at any time by written notice to the Company. Each of the Purchaser and the Company shall give notice to the other that a relevant condition has been satisfied as soon as practicable and in any event within two (2) Business Days of becoming aware of the fact.

If one or more of the conditions in (a) to (f) above remains unsatisfied as at the Long Stop Date and has not been waived on or before the Long Stop Date in accordance with the Disposal Agreement, the Disposal Agreement will, other than the payment by the Company to the Purchaser of a break fee of HK\$7 million (without limiting the Purchasers' right to claim damages) and other surviving provisions (as specified under the Disposal Agreement which include, inter alia, announcement, confidentiality, notices, language, costs and expenses and governing law and jurisdiction), automatically terminate with immediate effect and each party's rights and obligations (other than those in respect of the surviving provisions in the Disposal Agreement) will cease immediately on termination. Such termination shall not affect the rights and obligations of any party existing prior to termination. The Directors considered that the requirement of a break fee in the terms of the Disposal Agreement is commercially common. After arm's length negotiation between the Purchaser and the Company and taking into account that the amount of the break fee of HK\$7 million represents approximately 1% of the Consideration and approximately 0.5% of the net assets value of the Company attributable to the Shareholders as at 31 December 2009 and the fact that the Purchaser would have to incur costs in connection with the transaction (including the time and resources spent on the Disposal, the due diligence work performed by the Purchaser and its professional advisers and the expenses on the preparation of various documents in relation to the Disposal), the break fee was determined at an amount of HK\$7 million.

Completion

Completion shall take place on the Completion Date, being the fifth Business Day immediately after the satisfaction or waiver of the conditions precedent in accordance with the Disposal Agreement or such other date as the Company and the Purchaser may agree in writing.

In conjunction with the Disposal, certain documents, including the Shareholders' Agreement, the Share Charge, Deed of Indemnity and the Trademarks Assignment will be entered into by the Company at Completion.

The Shareholders' Agreement contains provisions relating to, among other things, the right of appointment of one director to the board of HKWOT by the Vendor, the restriction on transfer of shares in HKWOT by the Vendor, the Call Option, the Put Option, the Drag-Along Right and Tag-Along Right, details of which are set out in the paragraph headed "Shareholders' Agreement" below. For the purposes of accounting for the payment, discharge and performance of all present and future obligations and liabilities (whether actual or contingent) of the Company to the Purchaser arising under or in respect of (i) any breach of Warranties; (ii) any breach of protective covenants or post Completion adjustment under the Disposal Agreement; (iii) the Deed of Indemnity; (iv) the Share Charge; and (v) any claims or other losses arising under or in connection with any of items (i) to (iv) above (inclusive) (including, without limitation, damages in respect of any such claims as determined by a court or arbitration of competent jurisdiction or amounts the subject of a settlement or otherwise agreed in writing between the Company and the Purchaser in respect of such claims (the "**Secured Liabilities**"), at Completion, the Company (as chargor) will charge by way of a first fixed charge over all rights, title and interests in the Charged Shares in favour of the Purchaser (as chargee) for a period beginning on the date of the Share Charge and ending on the date falling three (3) years after the date of the Share Charge.

The Trademarks Assignment will be executed by the Company (as assignor) and the Purchaser (as assignee) at Completion, pursuant to which all legal and beneficial rights, title, interests and property in the Trademarks will be assigned and transferred by the Company to the Purchaser. The Trademarks under the Trademarks Assignment represent certain trademarks and logos currently used by the Group's travel business (including, inter alia, "Wing On Travel" and "🌈") and by the Company as its corporate name and logo. The Company proposes to change its name to reflect its focus on the remaining business of the Group after Completion. Accordingly, the Directors do not expect the assignment of the Trademarks to have any material impact on the Group's remaining operation.

Under the Deed of Indemnity, the Company will indemnify the Purchaser against certain losses, expenses and costs incurred, details of which are set out in the paragraphs headed “Deed of Indemnity” below.

Protective Covenants

Pursuant to the Disposal Agreement, the Company covenants with the Purchaser for itself and as trustee for each member of the Disposal Group that it shall not, and shall procure that no member of the Group shall, directly or indirectly:

- (a) for a period of three years from Completion, carry on or otherwise be concerned in any business which is competitive or likely to be competitive with the Restricted Business, or any part of it, in the Restricted Territories; or
- (b) for a period of three years from Completion, induce or attempt to induce any director (other than a director resigning at Completion) or senior employee (as defined in the Disposal Agreement) of a member of the Disposal Group to leave the employment of or relationship with that member of the Disposal Group or enter into any employment or services agreement with the Company or any of its subsidiaries (otherwise than in response to a bona fide newspaper or trade advertisement where there has been no previous contact directly or indirectly in relation to the possible entry into such an agreement between the Company (or any member of the Group) and the individual concerned); or
- (c) for an unlimited period (except as required by applicable law or any competent regulatory body or recognised stock exchange) make use of or disclose or divulge to any third party any business, technical, financial, operational, administrative, staff management, marketing and economic information relating to the Disposal Group, the identities of customers and all other information of a secret and/or proprietary nature relating to the Disposal Group, excluding such information relating to the Disposal Group which is in, or which comes into, the public domain or is in a party’s possession other than as a result of (i) a breach of any obligation imposed by the Disposal Agreement or (ii) a breach of any other duty of confidentiality relating to that information; or
- (d) for a period of three years from Completion, canvass or solicit orders for services or goods being provided by any member of the Disposal Group at Completion from any of the customers of the Disposal Group as stipulated under the Disposal Agreement; or

- (e) for an unlimited period make use of any Intellectual Property Rights (including the Trademarks) owned by a member of the Disposal Group at or at any time after Completion or anything confusingly similar to them.

According to the Disposal Agreement, the Company or a member of the Group (as the case may be) will be concerned in a business if it carries on such business as a principal or agent or if it has any direct or indirect financial interest as a shareholder in or lender or consultant to any person who carries on the business. For the avoidance of doubt, the Company or a member of the Group is not restricted or precluded from holding, as a passive investor and together with the holdings of such person and their members in such company, not more than 5% of the issued share capital of any company whose shares are publicly traded or listed.

Since the Restricted Business are airline ticketing, hotel reservation, air/hotel packages, and inbound and outbound group tour operations which are not the areas of business in which the Group intend to develop, the Directors consider that the Protective Covenants (for a maximum period of three years, other than for confidentiality and Intellectual Property Rights obligations which does not have any limitation in time) do not limit the business scope and development potential of the remaining Group to a material extent so as to make the Disposal Agreement to be not in the interest of the Company and its Shareholders as a whole.

Shareholders' Agreement

Pursuant to the Shareholders' Agreement, the Company and the Purchaser have agreed to regulate their rights and obligations as between themselves in respect of certain matters pertaining to the ownership, operation, management and governance of HKWOT. The Guarantor will be a party to the Shareholders' Agreement solely to guarantee the obligations of the Purchaser, being its wholly-owned subsidiary, under the Shareholders' Agreement. The major provisions of the Shareholders' Agreement include, among other things, the following:

1. Appointment of directors

For so long as the Company and its Associated Companies collectively hold not less than 5% of the issued share capital in HKWOT, the Company shall have the right, exercisable by notice in writing to require the appointment of one director and by like notice in writing to require the removal of such director and the appointment of another person to act in place of such director.

2. *Restriction on transfer of shares*

The Company shall not (a) encumber any of its shares in HKWOT or any interest in any of its shares in HKWOT (other than pursuant to the Share Charge); (b) sell, transfer or otherwise dispose of, or grant any option over, any of its shares in HKWOT or any interest in its shares in HKWOT; or (c) enter into any agreement in respect of the votes attached to any of its shares in HKWOT to a third party without the prior written consent from the Purchaser except that the Company may transfer its shares in HKWOT to an Associated Company if such shares are not subject to the Share Charge.

3. *Shareholder Reserved Matter*

For so long as the Company and/or any of its Associated Companies hold not less than 5% of HKWOT's issued shares, without the prior written consent of all shareholders of HKWOT, no member of the Disposal Group shall take certain actions (each a "**Shareholder Reserved Matter**"), including, among other things, any change to its articles or constitutional documents, change in its share capital or issue of shares or other securities, reduction of share capital or variation of rights attaching to shares or redemption or purchase of its shares, winding-up or liquidation, change in the scope or nature of a substantial part of the business of the Disposal Group, any sale or other transaction as a result of which HKWOT will cease to own directly or indirectly more than 50% of the voting and participating shares of WOTSL, or incur any debt obligations in excess of the actual or budgeted need or at interests rates exceeding market rate.

4. *Call Option*

If the Company and the Purchaser cannot reach an agreement on any Shareholder Reserved Matters within fourteen (14) Business Days of the relevant Shareholder Reserved Matters referred to them (each a "**Deadlock Matter**"), they must refer such Deadlock Matter to their respective chairmen for resolution. If such Deadlock Matter cannot be resolved by the chairmen within thirty (30) Business Days of the Deadlock Matter being referred to them, the Purchaser shall have the right to exercise the Call Option to purchase all (but not some only) of the Call Option Shares from the Company at an amount in Hong Kong dollars equal to 20 times of the consolidated net profit after tax of the Disposal Group as shown in the audited consolidated financial statements of the Disposal Group for the latest full financial year as at the date on which the option is exercised (the "**Option Exercise Price**").

The Call Option is exercisable in whole but not in part by serving a written notice from the Purchaser to the Company (the “**Call Option Notice**”) at any time following the failure to resolve the Deadlock Matter. Upon receipt of the Call Option Notice, the Company shall sell and the Purchaser shall purchase the Call Option Shares. A Call Option Notice shall be irrevocable and unconditional except for any Permitted Condition. The Company shall use its reasonable efforts to satisfy any Permitted Conditions as soon as practicable after the date of the Call Option Notice.

5. Put Option

If (i) HKWOT has not made a filing to commence an initial public offering (in accordance with the applicable rules of the relevant stock exchange) on or before the third anniversary of the date of the Shareholders’ Agreement; or (ii) there is any change in the scope or nature of a substantial part of the business of the Disposal Group whether by way of a disposal (in a single transaction or series of transactions) of a substantial part of the business (or the majority of the voting shares of subsidiaries of HKWOT holding such substantial part of the business) or an acquisition of another business so that the revenue of the business represents less than 50% of the aggregate revenue of the enlarged business as at the date on which such acquisition completes and on a pro forma basis for the immediately preceding financial year of the Disposal Group; or (iii) there is a disposal of a substantial part of the business of the Disposal Group or any transaction the effect of which is that either (a) HKWOT will cease to own (directly or indirectly through its wholly-owned subsidiaries) more than 50% of the shares of WOTSL carrying the right to vote in all circumstances and to share pro rata in all distributions of WOTSL; or (b) the Purchaser ceases (directly or indirectly through its wholly-owned subsidiaries) to be the legal and beneficial owner of more than 50% of the shares of HKWOT carrying the right to vote in all circumstances and to share pro rata in all distribution of HKWOT (either of these being a “**Disposal Event**”), except that the Company has given its written consent(s) on such matters as mentioned in (ii) and (iii) above, the Company shall have an option of requiring the Purchaser to purchase all (but not some only) the Put Option Shares from the Company at the Option Exercise Price.

The Put Option is exercisable in whole but not in part by serving a written notice from the Company to the Purchaser in relation to the exercise of the Put Option (the “**Put Option Notice**”) given (i) at any time from (and including) the day after the third anniversary of the date of the Shareholders’ Agreement to (and including) the date falling on the fourteenth (14) Business Day after the third anniversary of the date of the Shareholders’ Agreement; or (ii) in the case of a Disposal Event at any time after an agreement is entered into for such Disposal Event. Upon receipt of the Put Option Notice, the Company shall sell and the Purchaser shall purchase the Put Option Shares. A Put Option Notice shall be irrevocable and unconditional except for any Permitted Condition. The Company shall use its reasonable efforts to satisfy any Permitted Conditions as soon as practicable after the date of the Put Option Notice.

6. *Transfer of the Call Option Shares and Put Option Shares*

The sale and purchase of the Call Option Shares or Put Option Shares shall be completed seven (7) Business Days after the date of the satisfaction or waiver of all Permitted Conditions (the “**Transfer Date**”). If any of the Permitted Conditions is not satisfied or waived ninety (90) Business Days, or in the case of a regulatory approval, one hundred and fifty (150) Business Days, after service of either the Call Option Notice or the Put Option Notice, such notice shall lapse. The Purchaser shall pay the Option Exercise Price to the Company on the Transfer Date.

7. *Drag-Along Right*

If at any time the Purchaser proposes to transfer all (but not some only) of its shares in HKWOT to a bona fide third party transferee, the Purchaser may exercise the drag-along right (the “**Drag-Along Right**”) by giving a written notice to the Company requiring the Company to transfer all of its shares in HKWOT (and any shares in HKWOT held by an Associated Company of the Company) to the same third party transferee at the same time and on the same terms as the transfer by the Purchaser (except that the Company and (as the case may be) its Associated Company will not be required to give any representations and warranties or indemnities other than as to title to shares and right to sell such shares free of Encumbrances). The Company is obliged to transfer all of its shares in HKWOT when the Drag-Along Right is exercised by the Purchaser. The exercise of the Drag-Along Right by the Purchaser shall be irrevocable and unconditional except for any Permitted Condition (whether to be satisfied by the Purchaser or the Company).

8. Tag-Along Right

If the Purchaser proposes to transfer some or all of the Sale Shares held by it (the “**Ctrip Transfer**”) to a bona fide third party transferee, the Purchaser shall give notice in writing to the Company which notice shall state (i) the number of Sale Shares to be transferred (“**Ctrip Sale Shares**”); (ii) the price that the Purchaser is prepared to accept for the Ctrip Sale Shares; (iii) the name of the proposed purchaser (the “**Proposed Ctrip Sale Shares Purchaser**”); and (iv) other terms and conditions of the proposal transfer. In such circumstances, the Company will have the right (the “**Tag-Along Right**”) but not the obligation to require, and the Purchaser shall procure the agreement of, the Proposed Ctrip Sale Shares Purchaser in a Ctrip Transfer to purchase from such shareholder, for the same consideration per share and upon the same timing and terms and conditions as applies to the Purchaser under the Ctrip Transfer (except that the Company and (as the case may be) its Associated Company will not be required to give any representations and warranties or indemnities other than as to title to shares and right to sell free of Encumbrances), such number of the shares in HKWOT held by such shareholder as is (i) proportional to the number of Ctrip Sale Shares under the Ctrip Transfer; or (ii) (if upon completion of the Ctrip Transfer, the Purchaser will cease to own more than 50% of the issued ordinary share capital of HKWOT) all of the shares in HKWOT then held by such shareholder.

Within twenty (20) Business Days following the giving of the transfer notice by the Purchaser to the Company with respect to a Ctrip Transfer, the shareholders who elects to exercise its Tag-Along Right shall deliver a written notice of such election to the Purchaser and HKWOT, specifying the number of shares in HKWOT with respect to which it has elected to exercise its Tag-Along Right. Such notice shall be irrevocable and shall constitute a binding agreement by such shareholder to transfer such shares on the terms and conditions set forth in the transfer notice. The exercise of the Tag-Along Right by the Company shall be irrevocable and unconditional except for any Permitted Condition (whether to be satisfied by the Company or the Purchaser).

Deed of Indemnity

Under the Deed of Indemnity, the Company agrees to indemnify the Purchaser against the following:

- (a) any tax liability of any member of the Disposal Group resulting from income, profits or gains of the Disposal Group earned or alleged to have earned on or before the Completion Date;
- (b) any loss or reduction in the amount of (i) tax relief which would have been available to any member of the Disposal Group; and (ii) a right to repayment of tax which has been treated as an asset of any member of the Disposal Group in preparing the accounts of the Disposal Group;
- (c) any tax liability of any member of the Disposal Group that arises after Completion as a result of an act, omission or transaction by a person other than a member of the Disposal Group and which liability to tax falls upon the relevant member of the Disposal Group as a result of its having been in the same group for tax purposes as that person at any time before Completion;
- (d) any tax liability of any member of the Disposal Group that would not have been payable had there been no breach of any Warranties; and
- (e) all losses, costs and expenses which are incurred by the Purchaser or any member of the Disposal Group in connection with or arising from any of the matters referred to in the Deed of Indemnity, including (i) liabilities incurred in connection with the investigation, assessment or the contesting or settlement of any tax liability; (ii) settlement of any tax liability which is the subject of (a) to (d) above; (iii) any legal proceedings in which the Purchaser claims under or in respect of the Deed of Indemnity and in which judgment is given in favour of the Purchaser and/or (iv) the enforcement of any settlement of such legal proceedings.

In addition, the Company has also agreed to provide indemnity in favour of the Purchaser in respect of the following:–

- (f) all losses, costs and expenses incurred by any member of the Disposal Group in connection with any claims or actions commenced by or against any member of the Group (i) on or before the Completion Date; and/or (ii) after the Completion Date but in respect of any act, omission or transaction at any time before the Completion Date excluding any losses, costs and expenses in connection with the case of *Lam Pik Shan v Hong Kong Wing On Travel Service Limited* to the extent that provisions have been made in the accounts. *Lam Pik Shan v Hong Kong Wing On Travel Service Limited* was a case in which the Hong Kong courts ruled in favour of Ms. Lam Pik Shan (“Ms. Lam”) against Hong Kong Wing On Travel Service Limited, among other matters, that tips received by Ms. Lam as a tour guide are to be recognised as part of her wage under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and therefore falling within the statutory entitlements of Ms. Lam; and
- (g) all losses, costs and expenses incurred by the Purchaser or any member of the Disposal Group in connection with any claim or action commenced at any time before, on or after the Completion Date against any member of the Disposal Group in relation to contributions made (or required or ought to be made) by a member of the Disposal Group as employer on or before the Completion Date pursuant to the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

The above indemnities do not cover any liability:–

- (a) as a result of transactions entered into by the Disposal Group in the ordinary and usual course of the business after the date of the Disposal Agreement;
- (b) to the extent that provision or reserve in respect thereof has been duly made in the accounts or if insufficient, it is only by reason of any increase in rates of tax made after the Completion Date with retrospective effect;
- (c) which would not have arisen out but for any voluntary act of the relevant member of the Disposal Group without the prior consent of the Company; and

- (d) to the extent that such tax liability arises or is incurred or increased as a result of the imposition of tax as a consequence of any retrospective change in any applicable law or interpretation or practice or an increase in rates of tax.

INFORMATION ON THE DISPOSAL GROUP

HKWOT is an investment holding company and its subsidiaries are principally engaged in the provision of package tours, travel and other related services.

Set out below is the key audited consolidated financial information of the Disposal Group for the two years ended 31 December 2009.

	For the year ended	
	31 December	
	2008	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	1,901,537	1,709,500
Profit before taxation	9,661	42,838
Profit attributable to Shareholders	9,342	42,564

As at 31 December 2009, the audited consolidated net liabilities of the Disposal Group amounted to approximately HK\$306.2 million. Pursuant to the terms of the Disposal Agreement, the Company shall deliver to the Purchaser the audited consolidated financial statements of the Disposal Group for the year ended 31 December 2009 within seven (7) Business Days from the date of the Disposal Agreement, prepared in accordance with HKFRS and comprising a consolidated statement of financial position, a consolidated statement of comprehensive income, a consolidated statement of cash flows, notes to the consolidated financial statements and an auditors' report.

According to the terms of the Disposal Agreement, the Company has undertaken, among other things, (i) to use all reasonable endeavors to procure that no amount will be outstanding under existing secured facilities from a licensed Hong Kong bank at Completion other than the letters of guarantee in issue and valid as at Completion; (ii) to procure that, as of the Completion Date, there are no (a) accounts and notes payables by members of the Disposal Group to the Group that are reflected in the books and records of the members of the Disposal Group at Completion (other than rent and other charges in respect of any leased premises that are currently leased from the Company or a member of the Group and continue to be leased following Completion); or (b) accounts and notes receivable that are reflected in the books and records of the Disposal Group at Completion (other than those arising from and are to be settled in the normal course of business of the Disposal Group) by a member of the Disposal Group from the Group; and (iii) maintain the level of non-current assets of the Disposal Group (including property, plant and equipment but excluding interests in associates) at not less than HK\$10 million, without taking into account any depreciation charge for the period from 1 January 2010 to the Completion Date.

INFORMATION ON THE PURCHASER AND THE GUARANTOR

C-Travel International Limited is principally engaged in travel services.

Ctrip.com International, Ltd., a company incorporated in the Cayman Islands, is a company listed on NASDAQ stock market. According to the annual report of Ctrip.com International, Ltd. for the year ended 31 December 2009, the group is principally engaged in the provision of travel related services including hotel reservation, air-ticketing, packaged-tour services and other related services. It has branch offices in Beijing, Guangzhou, Shenzhen and Hong Kong and maintains a network of sales offices in more than 45 cities in the PRC.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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 and provision of leisure services in the PRC, the operation of luxury train services and trading of securities.

As disclosed in the annual report of the Company for the year ended 31 December 2008, the Directors believe that the PRC would continue to be the world tourism focus on both domestic and international travel. In this connection, from 2007 onwards, the Group had acquired several hotels and leisure services businesses with a view to expanding its PRC network through the expansion of its hotel portfolio. As stated in the announcement on the financial results of the Company for the year ended 31 December 2009 (the “**2009 Results Announcement**”), the hotel and leisure business of the Group principally comprised the three “Rosedale” branded 4-star rated hotels, the Times Plaza Hotel, Shenyang, the Luoyang Golden Gulf Hotel and the Square Inn budget hotel chain. Moreover, in May 2009, the Group completed the acquisition of a company with an operation right to a 3-star hotel located in the Henan Province, the PRC and commenced business in August 2009. The Square Inn branded hotel located at Macau shall commence operation in May 2010. For the year ended 31 December 2009, the hotel and leisure services segment generated a turnover of approximately HK\$258 million. Apart from the operation of hotel and leisure services in the PRC, the Group has a controlling stake in Tangula Group Limited which has a 49% beneficial interest in a sino-foreign cooperative joint venture to operate two luxury trains routes to run on the Qinghai-Tibet Railway from Beijing to each of Lhasa and Lijiang. As stated in the 2009 Results Announcement, the commercial operation of the train service has been delayed pending the economic recovery of the United States and European nations and it is expected that it will be in operation in the first quarter of 2011. With the effort spent in the past few years, the Directors consider that the Group had already equipped itself to get its share in the flourishing PRC market and are confident that its PRC section would provide enormous contributions to the Group other than its traditional Hong Kong based travel business.

In respect of the travel business of the Group, as disclosed in the 2009 Results Announcement, the spread of human swine flu had weighed heavily on tourism industry. Although the domestic markets in Hong Kong have benefited from the relatively stabilised global economic environment, and particularly, the revival in the Mainland’s growth momentum, the Group’s results for the year ended 31 December 2009 was still affected by the financial tsunami and human swine flu pandemic to a certain extent. For the year ended 31 December 2009, the travel business segment of the Group recorded a turnover of approximately HK\$1,709.5 million. Although the PRC market is flourishing and continues to be the world’s tourism focus, the domestic PRC travel industry is still protected by the current legislation which provides that non-PRC owned operators may only operate outbound PRC travel tours for PRC residents from the Guangdong province to Hong Kong and Macau. The Directors believe that such regulatory requirements are unlikely to be removed or relaxed in the foreseeable future and therefore the Disposal Group’s ability to expand its outbound PRC travel business and accordingly the pace of its overall development will be impeded. Moreover, although the

travel business is the only profitable business segment of the Group in last financial year, it has operated under a net deficit position for at least the past five years. As at 31 December 2009, HKWOT recorded an audited net liability of approximately HK\$306.2 million which was principally due to the accumulated losses arising from the operations of the Disposal Group during the past years and it might take a few years for the Disposal Group to return to a positive net asset position. Despite the fact that the Disposal Group is in a net deficit position, the Group recorded an audited net asset value of approximately HK\$1,875.0 million as at 31 December 2009 which was principally attributed to the hotel operation of the Group. Moreover, as set out in the paragraph headed “Use of proceeds and financial effect of the Disposal” below, it is expected that the Consideration would give rise to an estimated gain of approximately HK\$663.9 million (assuming that the Assumed Post Completion Adjustment is made) which is considered to be substantial to the Group and the net asset value of the Group will also be enhanced by such gain on disposal, as compared to the financial performance of the Disposal Group for the year ended 31 December 2009. Moreover, upon Completion of the Disposal, the Group is still be able to enjoy the benefits (if any) of the travel business by retaining a 10% interest in HKWOT. The Directors believe that after Completion, the Group and the Purchaser can build upon their mutual interest in HKWOT to create opportunities for business cooperation between the two groups that benefits the Group’s hotel and leisure business through the Purchaser’s booking and customers network in the PRC. In addition, given the Consideration was determined after arm’s length negotiation with reference to the price-to-earnings multiple of approximately 19 times (based on the Consideration before taking into account any pre and post Completion Adjustments and the Benchmarked Net Profit), the Directors consider that it is fair and reasonable to the Company and the Shareholders as a whole. In view of the foregoing and taking into account that such a price-to-earnings multiple represented by the Consideration is in line with the price-to-earnings multiple of the comparable company engaged in similar travel business of the Group (details of which are disclosed under the paragraph headed “Consideration” above), the Directors decided that it is in the interest of the Group to cash in the travel business of the Group by carrying out the Disposal.

In light of the aforesaid, the Directors consider the Disposal would allow the Group to focus its resources into its hotel and leisure services segment which the Directors believe to have better prospects. However, if the Disposal does not become unconditional before the Long Stop Date, the Company intends to continue with its travel business. The Company does not, however, preclude the possibility of future disposals if it receives offers on terms acceptable to it.

USE OF PROCEEDS AND FINANCIAL EFFECT OF THE DISPOSAL

Based on the Consideration of HK\$684 million (assuming there is no pre Completion adjustment and the Assumed Post-Completion Adjustment is made) and the associated cost of the Disposal of approximately HK\$7 million, the Company estimates that the adjusted Consideration will amount to approximately HK\$469.2 million and the net proceeds from the Disposal is approximately HK\$462.2 million.

After taking into account the termination of the underwriting agreement in respect of the rights issue as announced by the Company on 2 March 2010 and in light of the recent winding-up petition against RailPartners, Inc. (“RPI”) in respect of debts alleged due in the total sum of US\$14,645,705.54 (details of which are set out in the announcement of the Company dated 12 February 2010) (the “**Tangula Announcement**”), the Group intends to apply the net proceeds as to (i) approximately HK\$80 million to partly finance further acquisitions of 4-star rated business hotels in respect of the Group’s Rosedale hotel chain; (ii) approximately HK\$150 million for the expansion of its Square Inn budget hotel chain in the PRC through leasing and acquisitions; ; (iii) approximately HK\$200 million for repayment of the Group’s borrowings (including but not limited to the repayment of the Notes); and (iv) approximately HK\$32.2 million for the general working capital of the Group. Further announcement will be made by the Company if it should decide to make any material change in its proposed use of proceeds after the issue of this announcement. As at 31 December 2009, the Group (other than the Disposal Group) had cash and cash equivalent of approximately HK\$344.5 million.

In this connection, the Company is seeking opportunities to acquire a 4-star rated hotel in Shanghai, the PRC in a price range of HK\$150 million to HK\$200 million for its Rosedale hotel chain. The Company intends to partly finance such acquisition cost from internal resources of the Group. Up to the date of this announcement, no investment target has been identified by the Company. The Company is also in discussions with various budget hotel owners and/or lessors (all of whom are independent third parties) for the possible acquisition of hotel leases in the PRC. It targets to use the allocated proceeds towards acquiring leases for about 20 to 25 hotels for its budget hotel chain over a period of six to nine months. The Board plans to enlarge the Company’s budget hotel portfolio in the Southern China region mainly in the major cities of the Guangdong Province and the adjacent provinces such as Guangxi and Fujian.

The luxury train segment is operated under RPI, which is a 72% indirect non-wholly owned subsidiary of the Company and currently holds 49% equity interest in Tanggula Railtours Ltd., a cooperative joint venture established in the PRC that is engaged in the establishment of a luxury tourist train business in the PRC running between Beijing and Lhasa in Tibet and between Beijing and Lijiang in Yunnan province in the PRC. Based on the rolling stock purchase agreement (“**RSPA**”) entered into between, inter alios, RPI and Bombardier Sifang (Qingdao) Transportation Ltd. (“**BST**”), the manufacturer of the luxury trains commissioned by RPI, the construction costs invoiced and payable by RPI to BST as at 31 December 2009 was approximately US\$27.7 million (representing approximately HK\$215.2 million) and together with the related late payment interest, it is estimated that approximately US\$32.3 million (representing approximately HK\$251 million) will further be required by RPI to complete the construction.

Subsequent to the publication of the Tanggula Announcement, on 12 February 2010 (after business hours), RPI received an offer (the “**Offer**”) from BST for the termination of the train manufacturing contract and release of their respective obligations thereunder. If accepted by RPI such termination would effectively result in its disposal of the luxury trains it has commissioned for a consideration payable by BST to RPI (and in return for settlement of all sums outstanding to BST under the RSPA) amounting to approximately US\$35.7 million (equivalent to approximately HK\$277.3 million). RPI has informed BST in writing prior to the expiry of the Offer on each of 24 February 2010 and 1 March 2010 that RPI accepts in principle the price offered by BST for the disposal, subject to agreement of other terms of the disposal, including those to ensure legal and regulatory compliance by RPI, the Company and their respective directors. RPI and BST are continuing their dialogue on this matter. Based on the preliminary assessment by the Company, it is expected that the acceptance of the Offer by RPI would constitute, at least, a major transaction of the Company under the Listing Rules. The cash proceeds are expected to be utilised only for payment of outstanding debt obligations of RPI. As negotiations are still at a relatively preliminary stage, **Shareholders and investors should note that the transaction may or may not proceed on these or any other terms and should exercise caution when dealing in Shares.**

Further announcement will be made by the Company as and when appropriate to inform Shareholders and investors of the progress on the overall development on RPI and the related financing plan in this regard.

The Company does not have any substantive plan to raise funds or realise its assets for the hotel operation and the luxury train business development of the Group. Nevertheless, with the termination of the proposed placing of the convertible bonds, the rights issue and therefore the repurchase proposal (details of which are set out in the announcement of the Company dated 2 March 2010) and depending on the outcome of negotiation with BST, the Company will need to review the Group's business operation and monitor its working capital requirements (including the Group's needs for servicing and retirement of its debts when they fall due).

As at 31 December 2009, the audited consolidated net liabilities of the Disposal Group amounted to approximately HK\$306.2 million. Based on the audited financial statements for the year ended 31 December 2009, the Disposal Group recorded net current liabilities of approximately of HK\$319.3 million, of which approximately HK\$104.5 million was due by the Disposal Group to the Company. The Company intends to waive such amounts due upon or immediately before Completion. Any remaining net current liabilities (which if Completion were to take place on 31 December 2009 would amount to approximately HK\$214.8 million, based on the audited financial statements of HKWOT for the year ended 31 December 2009) will be dealt with by way of a post Completion adjustment of the Consideration and an equal amount shall be repaid by the Company to the Purchaser. Therefore, if the Assumed Post Completion Adjustment is made, the adjusted Consideration will amount to approximately HK\$469.2 million. Based on the aforesaid and assuming the expenses associated with the Disposal is approximately HK\$7 million, the Company is expected to record a gain on disposal of approximately HK\$663.9 million. Shareholders should note that the actual gain on disposal to be recorded by the Company will depend on the actual book value of the Disposal Group as at the Completion Date. Immediately upon Completion, the Company will retain 10% interest in the issued share capital of HKWOT and HKWOT will cease to be a subsidiary of the Company and the results of the Disposal Group will no longer be consolidated into the financial statements of the Group.

Subsequent to the entering into of the Disposal Agreement, on 5 February 2010, an indirectly wholly-owned subsidiary of the Company entered into an agreement to subscribe for the 45% equity interest in Business Action Holdings Limited (which is a special purpose vehicle established for the purpose of holding (through a Hong Kong incorporated company) a wholly foreign-owned enterprise in the PRC which will be principally engaged in the development and management of a resort project comprising marina, river sight-seeing and sport recreational facilities all located at the resort site in Hainan Province, the PRC), details of which are set out in the announcement of the Company dated 10 February 2010. Save for the aforesaid and the discussions on the budget hotels as referred to in the above, the principal business of the Group after Completion will include investment and operation of hotel properties and, depending on the overall development on RPI, the operation of luxury train business. The Group has not identified other specific acquisition or realization of its business or assets.

Taking into account the abovementioned and the estimated gain on disposal of approximately HK\$663.9 million (assuming the Assumed Post Completion Adjustment is made) as a result of the Disposal, the Directors consider that the terms of the Disposal and the transactions contemplated thereunder, as well as the Call Option and the Drag-Along Right under the Shareholders' Agreement, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules. Given that the exercise of the Call Option and the Drag-Along Right is not at the Company's discretion, pursuant to Rule 14.74 of the Listing Rules, the Call Option and the Drag-Along Right under the Shareholders' Agreement will be classified as if they had been exercised and therefore the Disposal (including the Call Option and the Drag-Along Right) will be subject to Shareholders' approval at the SGM. The SGM will be convened by the Company at which resolutions will be proposed to the Shareholders to consider and, if thought appropriate, to approve the transactions contemplated under the Disposal Agreement, as well as the Call Option and the Drag-Along Right under the Shareholders' Agreement. As none of the Shareholders has a material interest in the Disposal, no Shareholder is required to abstain from voting at the SGM.

A circular containing, among other things, further details of the Disposal (including the terms of the Shareholders' Agreement), financial information of the Group and the Disposal Group, together with the notice of the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Given that the actual monetary value of the Put Option and the Tag-Along Right cannot be determined as at the date of the Disposal Agreement, the Company will comply with the applicable requirements of the Listing Rules should it exercise any such rights under the Put Option and the Tag-Along Right as stipulated in the Shareholders' Agreement.

SUSPENSION AND RESUMPTION OF TRADING

Dealing in the shares of the Company on the Stock Exchange has been suspended at the request of the Company with effect from 9:30 a.m. on 3 February 2010 pending the release of this announcement. Application has been made by the Company for the resumption of dealing in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 4 March 2010.

DEFINITIONS

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

“Actual Net Profit”	the audited consolidated net profit after taxation of the Disposal Group for the year ended 31 December 2009
“Associated Company”	in relation to a shareholder of HKWOT, any holding company, subsidiary or fellow subsidiary or any other subsidiaries of any such holding company
“Assumed Post Completion Adjustment”	a negative adjustment of HK\$214.8 million assumed, for the purposes of this announcement only, to be made to the Consideration as a result of the Final Net Current Asset Value adjustment requirement, such assumption having been based on the audited balance sheet of HKWOT as at 31 December 2009

“Authorisation”	any license, permit, consent, authorisation, permission, clearance, warrant, confirmation, certificate or approval of any authority or any other person
“Board”	the board of Directors
“Business Day”	means a day on which banks are generally open for business in Hong Kong (other than Saturday, Sunday, public holiday or a day on which typhoon signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“Call Option”	an option of purchasing all (but not some only) of the Call Option Shares
“Call Option Shares”	the shares in HKWOT held by the Company (and any shares in HKWOT held by an Associated Company of the Company)
“Charged Shares”	all shares in HKWOT from time to time issued to or held by the Company or held by any nominee on its behalf, as at the date of the Share Charge
“Company” or “Vendor”	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
“Completion”	completion of the Disposal
“Completion Date”	the date of Completion, being the fifth Business Day immediately following the day upon which the conditions set out in the Disposal Agreement shall have been fulfilled or such other date as the Company and the Purchaser may agree but in any event, no later than the Long Stop Date

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	The aggregate consideration payable by the Purchaser for the Sale Shares (subject to adjustment)
“Deed of Indemnity”	a deed of indemnity to be entered into between the Company and the Purchaser
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the terms and conditions of the Disposal Agreement and the other Transaction Documents
“Disposal Agreement”	a conditional agreement entered into between the Company, the Purchaser and the Guarantor on 3 February 2010 in connection with the sale and purchase of the Sale Shares
“Disposal Group”	HKWOT and its subsidiaries
“Encumbrance”	means any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or security interests of any kind (including retention arrangements or other encumbrances and any agreement to create any of the foregoing)
“Group”	the Company and its subsidiaries (including, until Completion, each member of the Disposal Group)
“Guarantor”	Ctrip.com International, Ltd., a company incorporated under the laws of the Cayman Islands and the beneficial owner of the entire issued share capital of the Purchaser

“HKFRS”	Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, Statements of Standard Accounting Practice, and Interpretations issued by the Hong Kong Institute of Certified Public Accountants
“HKWOT”	HKWOT (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intellectual Property Rights”	(a) copyright, patents, goodwill, know-how, trade secrets, data base rights, trade marks, trade names, business names, domain names, logos, get-up and designs (whether registered or unregistered); (b) applications for registration (including all corresponding foreign counterpart applications, re-issues, re-examinations, divisionals, continuations (including part and extensions thereof)) and the right to apply for registration for any of the same; and (c) all other intellectual property rights and equivalent or similar forms of protection, howsoever described, existing anywhere in the world
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2010
“Net Current Asset Value”	an amount in HK\$ equal to (i) all assets of the Disposal Group that, in accordance with HKFRS, are reflected as current assets on the applicable balance sheet; minus (ii) all liabilities of the Disposal Group that, in accordance with HKFRS, are reflected as current liabilities on the applicable balance sheet

“Notes”	the 2% convertible exchangeable notes due 7 June 2011 issued by the Company with an aggregate outstanding principal amount of HK\$640 million as at the date of this announcement
“Permitted Condition”	means a bona fide material consent, clearance, approval or permission necessary to enable the relevant person to be able to complete a transfer of shares in HKWOT under: (i) its constitutional documents; (ii) the rules or regulations of any stock exchange on which it or its parent company is quoted; or (iii) the rules or regulations of any authority in those jurisdictions where that person carries on business
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Purchaser”	C-Travel International Limited, a company incorporated under the laws of the Cayman Islands, with limited liability and a wholly-owned subsidiary of the Guarantor
“Purchaser’s Accountant”	PricewaterhouseCoopers
“Purchaser’s Completion Date Value”	a new calculation of the Vendor’s Completion Date Value to be prepared by the Purchaser’s Accountant
“Put Option”	an option of requiring the Purchaser to purchase all (but not some only) of the Put Option Share
“Put Option Share”	the shares in HKWOT held by the Company (and any shares held by an Associated Company of the Company)
“Restricted Business”	any or all of the businesses carried on at Completion by any member of the Disposal Group and any development thereof which is currently being implemented in any member of the Disposal Group, including all such businesses conducted online via the Internet (including, for the avoidance of doubt, airline ticketing, hotel reservation, air/hotel packages, and inbound and outbound group tour operations)

“Restricted Territories”	the People’s Republic of China including (for the purpose of the Disposal Agreement) Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Sale Shares”	90 ordinary shares of US\$1.00 each in the issued share capital of HKWOT, representing 90% of the issued share capital of HKWOT at Completion
“SGM”	a special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, the Disposal Agreement and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company from time to time
“Shareholder(s)”	the holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Company, the Purchaser, the Guarantor and HKWOT
“Share Charge”	the share charge to be executed by the Company (as chargor) and the Purchaser (as chargee)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Third Accountant”	a third accountant who shall be a reputable international accounting firm that the Company and the Purchaser mutually agree to accept for the purpose of determining the Net Current Asset Value as at the Completion Date
“Trademarks”	the trademarks applications and registrations (of which the Company is the applicant or the proprietor) in certain countries as set out in the Trademarks Assignment

“Trademarks Assignment”	the trademarks assignment to be entered into between the Company (as assignor) and the Purchaser (as assignee)
“Transaction”	the acquisition by the Purchaser of the Sale Shares pursuant to the terms and conditions of the Disposal Agreement and the other Transaction Documents
“Transaction Documents”	the Disposal Agreement, the Shareholders’ Agreement, the Deed of Indemnity, the Trademarks Assignment, the Share Charge and any other documents to be entered into pursuant to any such documents
“Vendor’s Accountant”	Deloitte Touche Tohmatsu
“Vendor’s Completion Date Accounts”	the consolidated accounts of the Disposal Group as at the Completion Date which shall include the Vendor’s Completion Date Value, prepared in accordance with applicable law and HKFRS using the same accounting policies and practices as adopted in the financial statements of the Disposal Group applied on a consistent basis and reviewed by the Vendor’s Accountant under the same “agreed upon procedures” as has been carried out by the Vendor’s Accountant in respect of the Vendor’s then latest published interim financial statements and, unless already taken into account, the following principles/ bases shall be observed: (i) any re-valuation of properties of the Disposal Group performed by a professional property valuer appointed with the consent of the Purchaser at the Company’s cost; and (ii) any provision of impairment loss, shall be made in accordance with the same accounting policies and practices of HKWOT as adopted in the Accounts
“Vendor’s Completion Date Value”	the Net Current Asset Value as at the Completion Date, based on the Vendor’s Completion Date Accounts
“Warranties”	the representations and warranties made by the Company pursuant to the Disposal Agreement

“WOTSL”	Hong Kong Wing On Travel Service Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of HKWOT
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
WING ON TRAVEL (HOLDINGS) LIMITED
Dr. Yap, Allan
Executive Director

Hong Kong, 3 March 2010

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

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

For the purpose of illustration only, amounts denominated in US\$ have been translated into HK\$ at the rate of US\$1 = HK\$7.77. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates at all.