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WING ON TRAVEL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1189, also currently traded under the stock code of 2986)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE TERMINATION OF THE ROLLING STOCK PURCHASE AGREEMENT

AND

RESUMPTION OF TRADING

TERMINATION AGREEMENT

RPI (an indirect 72% owned subsidiary of the Company) has entered into the Termination Agreement with BST on 13 March 2010. Once the termination of the RSPA becomes effective in accordance with the terms of the Termination Agreement (described further below), all obligations of the parties under the RSPA will terminate, the Trains will belong to BST and BST will have paid US\$35,694,022 (less certain expenses of BST and the Escrow Agent fees) into the Escrow Account. The monies in the Escrow Account will be applied in and towards the payment of the debts of RPI.

As at the date of this announcement, an aggregate principal amount of approximately US\$9 million of secured mezzanine debt and accumulated interest and fees thereon in the amount of approximately US\$2.5 million is owed by RPI to FIL and approximately US\$2.2 million of unsecured debt is owed by RPI to FIL and the Company. So far as the Company is aware, the aggregate debt of RPI as at 13 March 2010 together with interests accrued thereon up to 30 April 2010 was approximately US\$34.8 million. Accordingly, all or substantially all of the proceeds arising from the Termination Agreement will be applied towards the repayment of debts of RPI.

GENERAL

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Termination Agreement exceeds 75%, the transactions constitute a very substantial disposal for the Company under the Listing Rules and is subject to Shareholders' approval at the SGM. The SGM will be convened by the Company at which the Proposed Resolution will be proposed to the Shareholders to consider and, if thought appropriate, to approve the Termination Agreement and the transactions contemplated thereunder.

The Company has obtained undertakings from each of Asia Will Limited and China Enterprises Limited which, as at the date of this announcement, directly and indirectly hold in aggregate 25.02% of the voting rights in the Company, to vote in favour of the Proposed Resolution. So far as the Company is aware, none of the Shareholders has a material interest in the transactions and therefore no Shareholder is required to abstain from voting at the SGM.

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

SUSPENSION AND RESUMPTION OF TRADING

Dealings in the Shares on the Stock Exchange has been suspended at the request of the Company with effect from 9:30 a.m. on 15 March 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 18 March 2010.

BACKGROUND

Reference is made to the Company's very substantial acquisition announcement and circular dated 1 June 2007 and 21 September 2007 respectively in respect of, among other things, the subscription by FIL (an indirect wholly-owned subsidiary of the Company) of 72% of interests in TGL, which indirectly wholly owns RPI, which in turn has a 49% beneficial interest in a sino-foreign cooperative joint venture ("CJV") to operate two luxury trains routes to run on the Qinghai-Tibet Railway from Beijing to each of Lhasa and Lijiang. TGL is an investment holding company whose principal asset then was and still is its indirect wholly-owned interests in RPI, which is not engaged in any other business and has no material assets other than the Trains and its 49% interests in the CJV. After completion of the very substantial acquisition, the then management of RPI who were also indirect shareholders of TGL (or its subsidiaries) have remained with RPI to continue to operate the company and liaise with BST in relation to the RSPA. They resigned from their directorships at RPI by 7 December 2009 but continue to be directors of TGL (and its other subsidiaries). As stated in the Company's 2009 results announcement dated 5 February 2010, 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.

RPI has entered into the RSPA pursuant to which BST has agreed to construct 3 trains and 4 reserve cars, including 38 suite cars, 7 dining and kitchen cars, and 4 lounge cars, for a total contract value of approximately RMB653.5 million (approximately US\$85.0 million based on the exchange rate as at the date of signing of the RSPA), payable in installments according to a delivery schedule specified under the RSPA. As at the date of this announcement, RPI has paid approximately US\$43.7 million (approximately HK\$339.5 million) of the construction costs to BST. The construction costs invoiced and payable by RPI to BST under the RSPA as at 31 December 2009 was approximately US\$27.7 million (approximately HK\$215.2 million) and together with the related late payment interest, it is estimated that approximately US\$32.3 million (approximately HK\$251 million) will further be required by RPI to obtain delivery of the Trains.

As disclosed in the Company's announcement dated 12 February 2010, TZG Holdings Limited and TIL (a 18.1% shareholder of TGL), issued a winding-up Petition against RPI and the Petition will be heard at High Court on 14 April 2010. Based on information available to the Company, TZG Holdings Limited holds 79.9% of TIL. Save as disclosed above, there is no other relationship between any member of the Group and the Petitioners. The Company has not been informed of the intentions of TIL with respect of its shareholding in TGL.

TERMINATION AGREEMENT

Date : 13 March 2010

Parties : (i) BST
(ii) RPI

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, each of BST and its ultimate beneficial owners is an Independent Third Party. Save as disclosed above, the Directors have no knowledge of any relationship between any of the Petitioners and BST.

Effective Date of Termination : The RSPA will terminate on payment of consideration by BST into the Escrow Account, or, if later, the earlier of 30 April 2010 and the date of the SGM.

BST has informed RPI that if by the date of the hearing of the Petition on 14 April 2010 the Company has not scheduled a shareholder vote that would allow the Termination Agreement to be fully completed without extension, BST will support the appointment of a liquidator at that hearing.

Effect of Termination : Upon the termination of the RSPA becoming effective:—

- (i) each party will release and discharge the other parties to the RSPA and their respective directors, officers and employees from any and all claims that it may have in relation to the RSPA;
- (ii) RPI will waive all and any claims to title or ownership over and any other rights in whatsoever form to the Trains; and

(iii) RPI will waive all rights to any claims against BST (including any claims to refund of the amounts paid by RPI to BST in excess of the aggregate amount of the Payment Guarantees) and The Transportation Bureau of the Ministry of Railways of the PRC (which was a party to the RSPA as a supervisor).

The Guarantees will expire on 15 April 2010 and BST has agreed to extend the Guarantees to 25 May 2010. RPI has undertaken not to call or demand payment under the Guarantees unless BST fails to pay the consideration into the Escrow Account or fails to extend the Guarantees to 25 May 2010.

Consideration and Escrow : An aggregate of US\$35,694,022, which is equal to the
Arrangement outstanding amount of Payment Guarantees.

Within 10 days after signing of the Termination Agreement, BST will enter into the Escrow Agreement with the Escrow Agent in respect of the escrow arrangement of the consideration paid.

The consideration will be paid into the Escrow Account by the earlier of (i) 5 days after the earlier of 30 April 2010 and the date of SGM, and (ii) 30 days after the Escrow Agent confirming receipt of the relevant documentations. BST is entitled to deduct (a) the fees for BST's extension of the Guarantees to 25 May 2010 as mentioned above, (b) legal costs in the amount of US\$50,000 incurred by BST in relation to the Termination Agreement and documents ancillary thereto, and (c) fees of the Escrow Agent, from the consideration to be paid into the Escrow Account.

Both RPI and BST will be required to deliver certain documents to the Escrow Agent (including, among other things, written confirmation from RPI and BST that they have no claims against each other, and irrevocable payment instructions to the creditors of RPI).

Payment by BST into the Escrow Account is subject to:–

- (i) the granting of a validation order (“Validation Order”) from a competent court in Hong Kong for the authorisation and approval of the Termination Agreement; and
- (ii) the confirmation from the Escrow Agent of receipt of all relevant documentation.

The Petitioners have confirmed their willingness to support the application for the said Validation Order.

The monies in the Escrow Account will be applied in the following manner:–

- (i) on the later of (a) the Escrow Agent’s receipt of the escrow monies and (b) the earlier of 30 April 2010 and the date of the SGM, payment of the debts of RPI (including the Petitioners and other members of the Group) as at 13 March 2010 (the “First Payment”). To the best of RPI’s knowledge and belief after due and careful enquiry, the aggregate debt of RPI as at 13 March 2010 together with interests accrued thereon up to 30 April 2010 was approximately US\$34.8 million;

- (ii) on Escrow Agent's receipt of a court order dismissing the Petition (which Petition will remain on foot for a period of 45 days after the date of the First Payment), payment of amounts which are (a) claimed within 30 days after the First Payment and (b) agreed between the relevant creditors and RPI or (if the amount claimed by such creditors is disputed) determined by the court; and
- (iii) after payment of amounts referred to in (ii) above, release of any remaining amount to RPI.

The consideration was offered by BST and accepted by RPI after taking into account the carrying amount of the Trains in the books of RPI and the further amount (being the aggregate of invoiced and payable construction costs of approximately US\$27.7 million and estimated construction costs balance and late payment interest of approximately US\$32.3 million) that is required to be paid by RPI before it can take delivery of the Trains.

Break Fee : At any time before the earlier of 30 April 2010 and the date of the SGM, RPI may by written notice to terminate the Termination Agreement, in which case, in consideration of BST's entering into the Termination Agreement and BST's loss business opportunities, RPI will pay a break fee of US\$600,000 (approximately HK\$4.7 million) to BST.

REASONS FOR AND BENEFITS OF THE TERMINATION AGREEMENT

The Company is an investment holding company and its subsidiaries are principally engaged in the business of providing package tours, travel and other services (together, the "Travel Business"), hotel operation and provision of leisure services in the PRC, the operation of luxury train services and trading of securities. As disclosed in the Company's announcement dated 3 March 2010, the Company entered into the HKWOT Disposal Agreement in relation to the disposal of 90% of its interests in the Travel Business.

BST is a sino-foreign joint venture company established in the PRC and is principally engaged in the production of high speed trains and high-grade passenger coaches.

Since the Trains have not been put into operation, no profits had been attributable to the Trains. Based on the carrying value of the Trains (comprising the constructions costs paid, interests capitalised and other related costs incurred (such as design, lighting and interior decoration) less accumulated provision of impairment recognised) of approximately US\$45.3 million (approximately HK\$351.6 million) as at 31 December 2009 and the construction costs of approximately US\$27.7 million (approximately HK\$215.2 million) invoiced by BST and recorded in the books of the RPI as at 31 December 2009 (to be released and discharged pursuant to the Termination Agreement), the Company is expected to record (after netting off (i) the consideration of approximately US\$35.7 million and (ii) the difference between the carrying amount of the Trains of approximately US\$45.3 million and the constructions costs invoiced and payable of approximately US\$27.7 million) a gain on disposal of approximately US\$13 million (approximately HK\$101.2 million) attributable to its 72% beneficially interest in RPI. As mentioned above, the proceeds will primarily be applied in and towards the payment of the debts of RPI which to the best of RPI's knowledge and belief after due and careful enquiry, amounted to approximately US\$34.8 million in aggregate (including interests accrued thereon up to 30 April 2010) as at 13 March 2010. Any remaining balance (after payment of any expenses incurred in the implementation of the transactions contemplated under the Termination Agreement) will be deployed for general working capital purposes.

The Company intends as soon as practicable after completion of the Termination Agreement to consult with the shareholders of TGL for the future business plan of RPI (including whether or not to wind up RPI as it will no longer be able to perform the terms of the cooperative joint venture agreement ("CJV Agreement") in respect of the CJV). There is no assurance that QTRC, the 51% joint venture partner of the CJV, will not make any claim against RPI under the CJV Agreement in such circumstances. The Company will make further announcement as and when appropriate in respect of any major development in this regard.

Taking into account that the postponed commercial operation of the train service consequent on the prolonged political stress in Tibet and the economic downturn in USA and Europe, RPI's operation will not be able to generate revenue for the Group until at least 2011. To achieve the planned commencement of operation in 2011, RPI will require a further US\$32.3 million (approximately HK\$251 million) in addition to the construction costs invoiced by BST and recorded in the books of the RPI of approximately US\$27.7 million (approximately HK\$215.2 million) as at 31 December 2009 to obtain delivery of the Trains, the Company considers that the Termination Agreement represents a good opportunity to enable the Group to realise the value in the Trains and for the Company and its indirect wholly-owned subsidiary, FIL, to recover some or all of their loans to RPI. As at the date of this announcement, RPI owed approximately US\$9 million in principal amount of secured mezzanine debt and accumulated interest and fees thereon in the amount of approximately US\$2.5 million to FIL and unsecured debt of approximately US\$2.2 million to FIL and the Company.

In view of the above, the Directors are of the view that the terms of the Termination Agreement are fair and reasonable, and transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Following completion of the Termination Agreement and the HKWOT Disposal Agreement, the principal business of the Group will include hotel operation and provision of leisure services in Hong Kong and the PRC, and trading of securities.

GENERAL

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Termination Agreement exceeds 75%, the transactions constitute a very substantial disposal for the Company under the Listing Rules and is subject to Shareholders' approval at the SGM. The SGM will be convened by the Company at which the Proposed Resolution will be proposed to the Shareholders to consider and, if thought appropriate, to approve the Termination Agreement and the transactions contemplated thereunder.

The Company has obtained undertakings from each of Asia Will Limited and China Enterprises Limited which, as at the date of this announcement, directly and indirectly hold in aggregate 25.02% of the voting rights in the Company, to vote in favour of the Proposed Resolution. So far as the Company is aware, none of the Shareholders has a material interest in the transactions and therefore no Shareholder is required to abstain from voting at the SGM.

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

SUSPENSION AND RESUMPTION OF TRADING

Dealings in the Shares on the Stock Exchange has been suspended at the request of the Company with effect from 9:30 a.m. on 15 March 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 18 March 2010.

DEFINITIONS

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

“Board”	the board of Directors
“BST”	Bombardier Sifang (Qingdao) Transportation Ltd. (formerly known as Bombardier Sifang Power (Qingdao) Transportation Ltd.), a sino-foreign joint venture company established in the PRC
“BVI”	the British Virgin Islands
“Company”	Wing On Travel (Holdings) Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Escrow Account”	an escrow account to be established in accordance with the Escrow Agreement to be entered into between BST and the Escrow Agent
“Escrow Agent”	the escrow agent to be selected by BST to receive and release the monies paid into the Escrow Account in accordance with the Escrow Agreement
“Escrow Agreement”	the escrow agreement to be entered into between BST and the Escrow Agent within 10 days after signing of the Termination Agreement
“FIL”	Fortuneup International Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantees”	Payment Guarantees and the performance guarantee delivered to RPI to secure the performance by BST of its obligations under the RSPA
“HKWOT Disposal Agreement”	a conditional agreement dated 3 February 2010 entered into between the Company (as vendor), C-Travel International Limited (as purchaser) and Ctrip.com International, Ltd. (as guarantor) in relation to the sale and purchase of 90% of the issued share capital of HKWOT (BVI) Limited, which is the subject of the Company’s announcement dated 3 March 2010
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Payment Guarantees”	the standby letters of credit delivered to RPI to secure the performance by BST of its obligations under the RSPA in respect of the down payment and interim payments made under the RSPA
“Petition”	the winding-up petition against RPI filed by the Petitioners, which was the subject of the Company’s announcement dated 12 February 2010
“Petitioners”	TZG Holdings Limited and TIL
“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
“Proposed Resolution”	the ordinary resolution to be proposed to the Shareholders at the SGM to approve the transactions contemplated under the Termination Agreement
“QTRC”	Qinghai-Tibet Railway Corporation (青 藏 鐵 路 公 司), a state-owned enterprise incorporated in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“RPI”	RailPartners, Inc., a company established and registered in the BVI, and an indirect 72% owned subsidiary of the Company
“RSPA”	the rolling stock purchase agreement dated 30 April 2007 (as amended by supplemental agreements dated 29 June 2007, 29 October 2008, 5 January 2009, 24 March 2009, 11 June 2009, 25 August 2009, 10 December 2009 and 9 March 2010 respectively) pursuant to which RPI contracted to purchase the Trains from BST
“SGM”	a special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, the transactions contemplated under the Termination Agreement

“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)
“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)
“TGL”	Tangula Group Limited, a company incorporated in the Cayman Islands and is owned as to 72% by FIL, 18.1% by TIL, and 9.9% by See Future Limited (a company incorporated in the BVI and to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, an Independent Third Party)
“TIL”	TIL Capital Corporation (formerly known as Tangula International, Ltd.), a company incorporated in the BVI
“Termination Agreement”	the termination agreement dated 13 March 2010 entered into between RPI and BST to terminate the RSPA
“Trains”	the luxury trains commissioned by RPI under the RSPA
“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
Chan Ling, Eva
Managing Director

Hong Kong, 17 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.