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WING ON TRAVEL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 1189)

THE ISSUE OF HK\$260 MILLION CONVERTIBLE NOTES
CONNECTED TRANSACTION
APPLICATION FOR THE GRANTING
OF THE WHITEWASH WAIVER

Financial adviser to
China Enterprises Limited



Independent financial adviser to the independent Shareholders



MasterLink Securities (Hong Kong) Corporation Limited

The Circular containing, among other things, further details of the CN Agreements, the Whitewash Waiver, the letter from MasterLink to independent Shareholders and the notice of the SGM has been despatched to the Shareholders on 24 May 2004.

As stated in the Circular, upon Completion and after the redemption and/or cancellation of the outstanding portion of the 2002 CN and the deduction of the estimated fees to be incurred by the Company in connection with the Issue, net proceeds of approximately HK\$54.4 million will be available to the Company arising from the Issue, which will be used for additional working capital and repayment of certain borrowings of the Group.

Reference is made to the announcements of Wing On Travel (Holdings) Limited (the “Company”) dated 17 March 2004 (the “Announcement”), 7 April 2004, 4 May 2004 and 10 May 2004 respectively in relation to the issue of HK\$260 million convertible notes. Capitalised terms used in this announcement have the same meanings as defined in the Announcement.

Despatch of the circular of the Company

The Directors announce that a circular (the “Circular”) containing, among other things, further details of the CN Agreements, the Whitewash Waiver, the letter from MasterLink to independent Shareholders and the notice of the SGM has been despatched to the Shareholders on 24 May 2004 together with the relevant form of proxy for use at the SGM.

Shareholders are encouraged to read the Circular carefully, and in particular the letter from MasterLink to independent Shareholders contained therein before voting on the relevant resolutions at the SGM to be held at 8th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Tuesday, 8 June 2004 at 10:00 a.m..

Net proceeds arising from the Issue

The aggregate outstanding principal amount of the 2002 CN was HK\$254,124,640 as at the date of the Announcement. As stated in the Announcement, upon Completion and after the redemption and/or cancellation of the outstanding portion of the 2002 CN of HK\$254,124,640 and the deduction of the estimated fees of approximately HK\$1 million to be incurred by the Company in connection with the Issue from the gross proceeds of HK\$260,000,000, net proceeds of approximately HK\$5 million would be available to the Company arising from the Issue, which would be used for additional working capital of the Group.

As at the Latest Practicable Date, the 2002 CN issued to SWHL with principal amount of HK\$50,000,000 had been redeemed and therefore the aggregate outstanding principal amount of the 2002 CN was reduced to HK\$204,124,640. Besides, the estimated fees incurred by the Company in connection with the Issue increased from approximately HK\$1 million to approximately HK\$1.5 million due to extension of time for the Completion. As a result, net proceeds of approximately HK\$54.4 million will be available to the Company arising from the Issue as at the Latest Practicable Date, which are intended to use for additional working capital and repayment of certain borrowings of the Group. Apart from the aforesaid, the Board did not have any specific plan or project identified to use the proceeds.

Unaudited proforma adjusted consolidated net tangible assets statement of the Group

The following is the statement of the unaudited proforma adjusted consolidated net tangible assets of the Group as extracted from the Circular.

	HK\$'000
Audited consolidated net tangible asset value of the Group as at 31 December 2003	293,321
Purchase consideration of the shares in Apex acquired under the Apex Offer	(13,255)
Net assets acquired under the Apex Offer	81,428
Negative goodwill in Apex attributable to the Group	12,076
Unaudited proforma adjusted consolidated net tangible asset value of the Group immediately after the closing of the Apex Offer	373,570
Estimated expenses for the Issue	(1,500)
Unaudited proforma adjusted consolidated net tangible asset value of the Group after the closing of the Apex Offer and the Issue but before any conversion of the Convertible Notes	372,070
Issue of new Shares upon conversion of the Convertible Notes	260,000
Unaudited proforma adjusted consolidated net tangible asset value of the Group assuming full conversion of the Convertible Notes	632,070
Unaudited proforma adjusted consolidated net tangible asset value per Share after the closing of the Apex Offer and the Issue (but before conversion of the Convertible Notes) based on 18,316,732,770 Shares in issue as at the Latest Practicable Date	2.031 cents
Unaudited proforma adjusted consolidated net tangible asset value per Share after the closing of the Apex Offer and the Issue based on 31,316,732,770 Shares in issue as at the Latest Practicable Date and to be issued assuming full conversion of the Convertible Notes at HK\$0.02 each	2.018 cents
Unaudited proforma adjusted consolidated net tangible asset value per Share after the closing of the Apex Offer and the Issue based on 35,650,066,103 Shares in issue as at the Latest Practicable Date and to be issued assuming full conversion of the Convertible Notes at HK\$0.015 each	1.773 cents

The Board comprises of:

Executive Directors:

Mr. Yu Kam Kee, Lawrence M.B.E., J.P. (Chairman)
Mr. Cheung Hon Kit (Managing Director)
Dr. Chan Kwok Keung, Charles
Dr. Yap, Allan
Mr. Chan Pak Cheung, Natalis
Mr. Lui Siu Tsuen, Richard
Ms. Luk Yee Lin, Ellen

Non-Executive Directors:

Mr. Chan Yeuk Wai (Honorary Chairman)
Mr. Fok Kin-ning, Canning
Ms. Shih, Edith
(alternate to Mr. Fok Kin-ning, Canning)

Independent Non-Executive Directors:

Mr. Lai Hing Chiu, Dominic
Mr. Kwok Ka Lap, Alva

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

Hong Kong, 24 May 2004

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.