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WING ON TRAVEL (HOLDINGS) LIMITED

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

DISCLOSEABLE TRANSACTION

Disposal of a Subsidiary and related Shareholder's Loan

On 30 June 2006, ITS (a wholly owned subsidiary of the Company) as seller, SinoBVI as buyer and SinoUSA as the buyer's guarantor entered into the Agreement under which the parties agreed that, subject to the fulfilment of certain conditions precedent, ITS will sell the Sale Shares, representing a 100% equity interest in GZTI, and the Shareholder's Loan to SinoBVI for a total consideration of US\$7,500,000. Pursuant to the Agreement, the Consideration will be satisfied by SinoUSA issuing to ITS (or as it may direct) a total of 32,608,696 Consideration Shares at the issue price of US\$0.23 each. The Consideration Shares represent approximately 38.99% of the issued share capital of SinoUSA as enlarged by the Consideration Shares.

GZTI is currently a wholly-owned subsidiary of ITS and is principally engaged in the development of travel management systems in the PRC. Following Completion, ITS will no longer hold any interest in GZTI and GZTI will cease to be a subsidiary of the Company.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing further information on the Disposal and the Agreement will be despatched to shareholders of the Company as soon as practicable.

THE AGREEMENT

Date: 30 June 2006

Parties:

1. ITS, a wholly owned subsidiary of the Company, as seller;
2. SinoBVI, a wholly owned subsidiary of SinoUSA, as buyer; and
3. SinoUSA, a company whose shares are listed and traded on the OTCBB, as guarantor for the buyer.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SinoBVI, SinoUSA and their ultimate controlling shareholders, being Mr. Chen and his associates, are Independent Third Parties; SinoUSA is a US Pink Sheets listed company and is principally engaged in the provision of travel and related services offering a complete, flexible and personalised travel service to travellers all over the world; and the principal business activities of SinoBVI are investment holdings.

Disposal

Subject to the fulfilment of the conditions precedent summarised below, ITS will sell to SinoBVI the Sale Shares, representing a 100% equity interest in GZTI, and the benefits of the Shareholder's Loan amounting to HK\$51,502,815 due from GZTI to ITS.

Consideration

The Consideration is US\$7,500,000 (equivalent to approximately HK\$58,500,000), as to US\$900,000 (equivalent to approximately HK\$7,020,000) for the Sale Shares and US\$6,600,000 (equivalent to approximately HK\$51,480,000) for the Shareholder's Loan.

Method of satisfaction

The Consideration is to be satisfied by SinoUSA issuing to ITS (or as it may direct) 32,608,696 shares of common stock in SinoUSA at an issue price of US\$0.23 each.

Deposit

Pursuant to the Agreement, ITS will receive a deposit of HK\$500,000 within 14 days following the signing of the Agreement to be paid or satisfied by SinoBVI or SinoUSA in one of the following manners as selected by ITS:

- (a) by SinoBVI paying or procure the payment of the Deposit to ITS (or as it may direct) in cash; or
- (b) by SinoUSA issuing to ITS (or as it may direct) the Deposit Shares at an issue price of US\$0.23 each.

In the event that (i) ITS rescinds the Agreement by reason of a breach or default by SinoBVI and/or SinoUSA of its warranties and obligations in the Agreement on or prior to Completion; or (ii) Completion fails to take place by reason of a default on the part of SinoBVI and/or SinoUSA, ITS may forfeit and retain any cash Deposit or the Deposit Shares received by it as liquidated damages pursuant to the Agreement.

Any cash amount received by ITS representing the Deposit will be refunded to SinoBVI without interest and, if applicable, all Deposit Shares will be surrendered to SinoUSA if (i) the Agreement is rescinded by SinoBVI by reason of a breach or default by ITS of its warranties and obligations in the Agreement on or prior to Completion; or (ii) if Completion fails to take place by reason of any of the conditions precedent not being fulfilled on or before the Long Stop Date. Upon Completion and SinoBVI and SinoUSA having performed their respective obligations (including the issuance of the Consideration Shares) on Completion, any cash Deposit received by ITS will be refunded to SinoBVI without interest and, if Deposit Shares are received in lieu of cash, they will automatically be applied to satisfy the corresponding amount of the Consideration and the balance of the Consideration Shares is to be delivered to ITS on Completion.

Consideration Shares

Pursuant to the Agreement, all Consideration Shares will be allotted and issued credited as fully paid, free from all options, liens, charges, pledges, encumbrances, equities and other third party rights, together with all rights attaching thereto as from the date of allotment and will rank pari passu in all respects with the shares of common stock of SinoUSA in issue as at the date of allotment, save as regards any dividend declared or paid by reference to a record date which is prior to the date of allotment.

The Consideration Shares are subject to the SEC Rule 144 and are therefore subject to a holding period of one year from the date that they are issued. It is a term of the Agreement that, upon Completion, SinoUSA will enter into a registration rights agreement with ITS (or such other person as may be designated by ITS as the holder of the Consideration Shares) to undertake certain registration and other obligations to facilitate the subsequent resale by ITS (or such person as aforesaid) of the Consideration Shares in accordance with applicable securities laws of the USA.

The Consideration Shares represent approximately 38.99% of the issued share capital of SinoUSA as enlarged by the Consideration Shares. According to the information provided by SinoUSA, as at the date of the Agreement, Mr. Chen and his associates collectively hold approximately 78% interests in the issued share capital of SinoUSA. Following the issue of the Consideration Shares, the shareholding of Mr. Chen and his associates in the enlarged share capital of SinoUSA shall be reduced to approximately 48%. It is expected that, following the issue of the Consideration Shares, ITS (or such other person as may be designated by ITS as the holder of the Consideration Shares) will become the second largest shareholder of SinoUSA. The present board of SinoUSA comprises two (2) executive directors namely, Mr. Chen and Mr. Wong. Pursuant to the Agreement, following Completion, ITS (or such person designated by it as the holder of all or any part of the Consideration Shares) has the right to appoint one individual to act as an executive director of SinoUSA. Any further issuance of shares, options, warrants, any other rights relating to shares or any other securities of SinoUSA, or any action that may result in ITS (or such person as aforesaid) holding a percentage interest in SinoUSA lower than that to be held by it on Completion, will require the approval of such nominee director of ITS. Subject as aforesaid, the Company does not expect the Group will, upon completion of the Disposal, have significant control or influence over the day-to-day operation and financial and operating policies of SinoUSA.

The Group's interest in SinoUSA after Completion shall be recorded as interest in associates and the results of SinoUSA shall be equity accounted for in the consolidated financial statements of the Group prepared in accordance with the requirements of Hong Kong Financial Reporting Standards.

Basis of determination

The Consideration was determined after arm's length negotiations between ITS and SinoUSA with reference to the outstanding principal amount of the Shareholder's Loan and the Directors' best estimation of the fair value of the technical know-how developed by GZTI as at the date of the Agreement.

The issue price per Consideration Share is US\$0.23, representing:

- (a) a premium of approximately 4.5% over the closing price of US\$0.22 per share of SinoUSA as quoted on the pink sheets of the OTCBB on 29 June 2006;
- (b) a premium of approximately 10.6% over the average closing price of approximately US\$0.208 per share of SinoUSA as quoted on the pink sheets of the OTCBB for the last 5 full trading days up to and including 29 June 2006; and
- (c) a premium of approximately 12.7% over the average closing price of approximately US\$0.204 per share of SinoUSA as quoted on the pink sheets of the OTCBB for the last 10 full trading days up to and including 29 June 2006.

The issue price per Consideration Share of US\$0.23 was determined after arm's length negotiations between ITS and SinoUSA with reference to historical trading price of the shares of SinoUSA and the Directors' best estimation of the fair value of the potential contribution that might arise from SinoUSA's established business network in Hong Kong and Guangzhou. (For further details, please refer to the section "Reasons for and benefits from the Disposal" below)

The Directors consider the Consideration, the issue price per Consideration Share and the method of satisfaction of the Consideration to be fair and reasonable.

Conditions

Completion is conditional on the fulfilment of the following conditions precedent on or before the Long Stop Date:

- (a) the shareholder(s) (if necessary) and the board of directors of ITS having adopted resolutions for the approval of the Agreement and other ancillary agreements and documents and all matters contemplated thereunder in accordance with its articles of association;
- (b) the shareholders (if necessary) and the board of directors of each of SinoBVI and SinoUSA having adopted resolutions for the approval of the Agreement and other ancillary agreements and documents, the issue of the Consideration Shares and all other transactions contemplated thereunder in accordance with its bylaws and other constitutional documents and such rules, regulations and laws in USA and elsewhere as may apply to it and to the performance and compliance by it of the Agreement and other ancillary agreements and documents;

- (c)

if required under the Listing Rules, the shareholders of the Company having approved the Agreement and the transactions contemplated thereunder and the Company having complied with any other applicable requirements imposed under the Listing Rules or by the Stock Exchange which are required to be complied with by it prior to Completion; and
- (d)

such permission, consent or approval as may be required from the SEC, the relevant stock exchange, any other applicable securities, regulatory or other authorities in the USA or elsewhere having been obtained for the Agreement and other ancillary agreements and documents and the performance and compliance by SinoBVI and SinoUSA of the terms thereof (including but not limited to the issuance of the Consideration Shares on and subject to the terms and conditions of this Agreement).

If the conditions precedent are not fulfilled on or before the Long Stop Date, then subject to the liability of any party to the others in respect of any antecedent breaches and save for applicable provisions concerning the refund of the cash Deposit or return of the Deposit Shares, the Agreement will lapse and be of no further effect.

Completion

Completion is expected to take place within three (3) business days from the day on which all conditions precedent are fulfilled.

Information on GZTI

GZTI is a wholly foreign owned enterprise established in the PRC in October 2004 and a wholly owned subsidiary of ITS. GZTI commenced business in January 2005 and is principally engaged in the development of travel management systems in the PRC. Following Completion, ITS will no longer hold any interest in GZTI and GZTI will cease to be a subsidiary of the Company.

As at the date of this announcement, the total registered and paid-up capital of GZTI is HK\$1,000,000. Based on the management accounts of GZTI, for the year ended 31 December 2005, GZTI recorded an unaudited net loss before tax of approximately RMB690,558 (equivalent to approximately HK\$663,998). As at 31 December 2005, its unaudited net assets amounted to approximately RMB350,132 (equivalent to approximately HK\$336,665). As a result of the Disposal, a gain of approximately HK\$6.7 million is expected to accrue to the Company, represents the excess of the Consideration over the carrying value of GZTI as at 31 December 2005.

Information on SinoUSA

SinoUSA is a US Pink Sheets listed company offering a complete, flexible and personalised travel service to travellers all over the world. SinoUSA was at development stage and did not carry on any business in and prior to 2004. In about August 2005, SinoUSA acquired the then Hong Kong based business-to-business hotel rooms reservation and wholesale unit as described below from Mr. Chen and his associates, pursuant to which Mr. Chen and his associates became the controlling shareholders of SinoUSA. For the year ended 31 December 2005, SinoUSA recorded audited net losses before tax and extraordinary items of approximately US\$1,153,160 (equivalent to approximately HK\$8,994,648), which was mainly due to a one-off acquisition costs incurred in the aforesaid acquisition in the amount of approximately US\$1.19 million (equivalent to approximately HK\$9,282,000). As at 31 December 2005, its audited net assets amounted to approximately US\$923,483 (equivalent to approximately HK\$7,203,167). According to the information published by SinoUSA, SinoUSA recorded an unaudited turnover of approximately US\$1.52 million (equivalent to approximately HK\$11,856,000) and an unaudited net profit of approximately US\$41,600 (equivalent to approximately HK\$324,480) for the first quarter of 2006. In October 2005, SinoUSA further acquired a Guangzhou based company, now being its operating arm in the PRC holding a hotel and air ticket booking website. This Guangzhou based operating unit has booked over 100,000 hotel rooms in 2004 and 2005 in aggregate while the Hong Kong based business-to-business hotel rooms reservation and wholesale operating unit has generated a turnover of approximately HK\$41.7 million and HK\$46.8 million for 2004 and 2005 respectively.

REASONS FOR AND BENEFITS FROM THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in the business of providing package tours, travel and other related services with branches in Hong Kong, Macau, Canada and the United Kingdom, and hotel operation business in Hong Kong and the PRC.

The subsidiaries of ITS, including GZTI, are principally engaged in the businesses of development of travel management systems, on-line hotel and air tickets reservation network for use by travel operators primarily in Hong Kong and in the PRC, and investment in other travel related services. GZTI is principally engaged in the development of travel management systems. The Directors consider that the Disposal will provide GZTI the opportunity to apply its technical-knowhow on a ready and expanding business of SinoUSA. The Directors are also confident that through the investment in SinoUSA, the Group shall be immediately benefited in sharing the results of SinoUSA. The Directors are confident that both the Group and SinoUSA will be able to benefit from the synergy created by the Group's investment in SinoUSA and believe that (i) the performance of SinoUSA would be enhanced by the utilisation of the technical know-how developed by ITS and GZTI; and (ii) through the business cooperation between the Group and SinoUSA, the client base of the Group would be enlarged and strengthened and will become an important customer source to its existing travel and related business. In light of these reasons, the Directors agree to accept the Consideration Shares for settlement of the Consideration. Currently, the Company intends to hold the Consideration Shares as long term investments.

The Directors believe that the terms of the Agreement, which have been agreed after arm's length negotiations between the parties, are on normal commercial terms and fair and reasonable and in the interests of Company and its shareholders as a whole.

GENERAL

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing further information on the Disposal and the Agreement will be despatched to the shareholders of the Company as soon as practicable.

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

<i>Executive Directors:</i>	<i>Independent Non-Executive Directors:</i>
Mr. Yu Kam Kee, Lawrence, <i>B.B.S., M.B.E., J.P. (Chairman)</i>	Mr. Kwok Ka Lap, Alva
Mr. Cheung Hon Kit <i>(Managing Director)</i>	Mr. Sin Chi Fai
Dr. Yap, Allan	Mr. Wong King Lam, Joseph
Mr. Chan Pak Cheung, Natalis	
Mr. Lui Siu Tsuen, Richard	

DEFINITIONS

“Agreement”	a conditional sale and purchase agreement dated 30 June 2006 entered into among ITS as seller, SinoBVI as buyer and SinoUSA as buyer’s guarantor in respect of the Disposal
“Board”	board of Directors
“Company”	Wing On Travel (Holdings) Limited, a company incorporated in Bermuda with limited liability the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Agreement
“connected person”	has the meaning attributed to it in the Listing Rules
“Consideration”	US\$7,500,000, being the total consideration for the Disposal
“Consideration Shares”	32,608,696 shares of common stock in the capital of SinoUSA to be issued at a price of US\$0.23 each to satisfy the Consideration
“Deposit”	the HK\$500,000 deposit to be received by ITS in cash or by delivery of the Deposit Shares prior to Completion pursuant to the Agreement
“Deposit Shares”	278,707 shares of common stock in the capital of SinoUSA, representing part of the Consideration Shares, to be issued at a price of US\$0.23 each to satisfy the Deposit at the option of ITS
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares and the Shareholder’s Loan pursuant to the Agreement
“GZTI”	廣州市旅訊電子網絡系統有限公司 (Guangzhou Travel Information Systems Network Limited*), a limited liability company and a wholly foreign owned enterprise established under the laws of the PRC, the entire equity interest in which is held by ITS as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ITS”	International Travel Systems Inc., a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“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
“Long Stop Date”	30 September 2006 or such other date as may be agreed by the parties to the Agreement
“Mr. Chen”	Mr. Xia Chen, an Independent Third Party
“Mr. Wong”	Mr. Wong Chi Tat, Terence, an Independent Third Party
“OTCBB”	Over-The-Counter Bulletin Board of the National Association of Securities Dealers in the USA
“PRC”	the People’s Republic of China (and unless the context specifies or requires otherwise, excluding Hong Kong and the Macau Special Administrative Region of the PRC)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	a 100% equity interest held by ITS in GZTI
“SEC”	the Securities and Exchange Commission of the USA
“SinoBVI”	Sino Express Travel Limited, a company incorporated with limited liability in the British Virgin Islands and a wholly owned subsidiary of SinoUSA
“SinoUSA”	Sino Express Travel Limited, a company incorporated with limited liability in the state of Nevada, USA whose shares are listed and traded on the OTCBB
“Shareholder’s Loan”	an unsecured shareholder’s loan in the amount of HK\$51,502,815 due from GZTI to ITS
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USA” or “US”	United States of America
“US\$”	United States dollars, the lawful currency of USA

For the purpose of this announcement, the exchange rates of RMB1.04 = HK\$1.00 and US\$1.00 = HK\$7.8 has been used for currency translation where applicable. Such exchange rates are for the purpose of illustration only and do not constitute a representation that any amounts in HK\$, US\$ or RMB have been, could have been or may be converted at such or any other rates.

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

Hong Kong, 7 July 2006

* For identification purposes only