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EGL Holdings Company Limited
東瀛遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6882)

**CONTINUING CONNECTED TRANSACTIONS –
TERMINATION AGREEMENT
AND
NEW TENANCY AGREEMENT**

**CONTINUING CONNECTED TRANSACTIONS – THE TERMINATION AGREEMENT
AND THE NEW TENANCY AGREEMENT**

For the re-arrangement of the tenancies of the premises under the Existing SFP Tenancy Agreements, on 20 November 2015, EGL Tours, an indirect wholly-owned subsidiary of the Company, and Great Port entered into the following agreements:

- (i) the Termination Agreement to terminate the Existing SFP Tenancy Agreements in respect of the properties located at Units 2101, 2102 and 2103 on the 21st Floor, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong with effect from 20 November 2015; and
- (ii) the New Tenancy Agreement to lease the properties located at Units 2101 and 2102 on the 21st Floor, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong under the Existing SFP Tenancy Agreements from Great Port for a term commencing from 1 January 2016 to 31 October 2017 (both days inclusive).

IMPLICATIONS UNDER THE LISTING RULES

Great Port is a majority-controlled company owned by Mr. Yuen Man Ying as to approximately 26.70%, Mr. Huen Kwok Chuen as to approximately 23.08%, Mr. Leung Shing Chiu as to approximately 9.95% and Ms. Lee Po Fun as to approximately 0.90%, all being the executive Directors. The executive Directors together controlled approximately 60.63% voting power of Great Port, and therefore Great Port is an associate of the executive Directors and thus a

connected person of the Company. Accordingly, the entering into of the New Tenancy Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The Group has also leased certain premises from Great Port pursuant to the Existing Tenancy Agreements. Pursuant to Rule 14A.81 of the Listing Rules, the New Tenancy Agreement and the Existing Tenancy Agreements would have to be aggregated for the purpose of considering the Company's compliance obligations under the Listing Rules.

As the highest applicable percentage ratio in respect of the Aggregate Annual Caps for the Existing Tenancy Agreements and the New Tenancy Agreement will, on an annual basis, be 0.1% or more but less than 5%, the New Tenancy Agreement and the Aggregate Annual Caps would be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules only but exempt from the independent shareholders' approval requirements under the Listing Rules.

TERMINATION AGREEMENT

Reference is made to the announcement of the Company dated 20 July 2015 (“**Announcement**”) in relation to, among others, the entering into of the Existing SFP Tenancy Agreements between Great Port, as landlord, and EGL Tours (an indirect wholly-owned subsidiary of the Company), as tenant, in respect of the properties located at Units 2101, 2102 and 2103 on the 21st Floor, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong for terms commencing from 1 August 2015 to 31 October 2017, both days inclusive. The Existing SFP Tenancy Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules, details of which were disclosed in the Announcement.

The parties to the Existing SFP Tenancy Agreements proposed to vary the properties under lease. As such, on 20 November 2015, Great Port and EGL Tours entered into the Termination Agreement, pursuant to which both of the SFP 2101 Tenancy Agreement and the SFP 2102 and 2103 Tenancy Agreement shall cease and be terminated with effect from 20 November 2015.

Pursuant to the Termination Agreement, apart from the refund of the deposit paid by EGL Tours under the Existing SFP Tenancy Agreements, no party is required to pay any penalty or compensation to any other party in respect of the termination of the Existing SFP Tenancy Agreements and both parties shall release each other from all liabilities and obligations respectively thereof.

THE NEW TENANCY AGREEMENT

On 20 November 2015, EGL Tours entered into the New Tenancy Agreement with Great Port. Principal terms of the New Tenancy Agreement are set out below:

Landlord : Great Port

Tenant	:	EGL Tours
Term	:	One (1) year and ten (10) months commencing on 1 January 2016 to 31 October 2017 (both days inclusive)
Premises	:	Units 2101 and 2102 on the 21 st Floor, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong
Gross floor area	:	1,699 square feet
Use	:	Office
Rent/fees	:	HK\$76,500 each calendar month, exclusive of rates, government rent, management charges and other outgoings.

There is a rent free period from 1 January 2016 to 31 January 2016.

A sum of HK\$153,000, which is equivalent to two months' rent payable in respect of the premises, shall be paid as deposit by EGL Tours.

The terms of the New Tenancy Agreement have been agreed by the parties after arm's length negotiations and are on normal commercial terms. The monthly rental under the New Tenancy Agreement was determined with reference to the prevailing market rent of other premises with conditions comparable to those under the New Tenancy Agreement.

ANNUAL CAPS

As disclosed in the Prospectus, the Group has also leased certain premises from Great Port pursuant to the Existing Tenancy Agreements. As all the continuing connected transactions contemplated under the Existing Tenancy Agreements and the New Tenancy Agreement are in the same nature and entered into with the same connected person, being Great Port, the annual caps of all such continuing connected transactions are aggregated in accordance with Rule 14A.81 of the Listing Rules.

Taking into account the termination of the Existing SFP Tenancy Agreements with effect from 20 November 2015 and the entering into of the New Tenancy Agreement with effect from 1 January 2016 as described above, the Aggregate Annual Caps for the Existing Tenancy Agreements and the New Tenancy Agreement for each of the two years ending 31 December 2016 and 2017 will be as follows:

For the year ending 31 December

	2016	2017
	<i>HK\$</i>	<i>HK\$</i>
Existing Tenancy Agreements	15,070,000	15,070,000
New Tenancy Agreement	930,000	800,000
Aggregate Annual Caps	<u>16,000,000</u>	<u>15,870,000</u>

The Directors have mainly taken into account of the maximum aggregate annual rental payable for the two years ending 31 December 2016 and 2017 in respect of all the leased premises under the Existing Tenancy Agreements and New Tenancy Agreement when estimating the above Aggregate Annual Caps.

REASONS FOR, AND BENEFITS OF, THE TERMINATION AGREEMENT AND THE NEW TENANCY AGREEMENT

Having considered its current operational requirements, the Group decided to reduce the size of the Central branch office, and hence proposed to terminate the lease of Unit 2103 on the 21st Floor, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong. Accordingly, the Group entered into the Termination Agreement and the New Tenancy Agreement with Great Port for the re-arrangement of the tenancies of the premises under the Existing SFP Tenancy Agreements. The Board considers that the Termination Agreement will not have any adverse impact on the business operation and the financial position of the Group.

In addition, the Board (including independent non-executive Directors) considered that the Termination Agreement and the New Tenancy Agreement have been entered into on normal commercial terms in the ordinary and usual course of business of the Group, and that the terms of the Termination Agreement and the New Tenancy Agreement including the annual caps under the New Tenancy Agreement and the Aggregate Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE COMPANY, EGL TOURS AND GREAT PORT

The Company is an investment holding company.

EGL Tours, an indirect wholly-owned subsidiary of the Company, is primarily engaged in provision of package tours, free independent travellers packages, individual travel elements and ancillary travel related products and services.

Great Port, a company incorporated in Hong Kong with limited liability, is primarily engaged in property investment.

IMPLICATIONS UNDER THE LISTING RULES

Great Port is a majority-controlled company owned by Mr. Yuen Man Ying as to approximately 26.70%, Mr. Huen Kwok Chuen as to approximately 23.08%, Mr. Leung Shing Chiu as to approximately 9.95% and Ms. Lee Po Fun as to approximately 0.90%, all being the executive Directors. The executive Directors together controlled approximately 60.63% voting power of Great Port, and therefore Great Port is an associate of the executive Directors and thus a connected person of the Company. As such, the transactions under the New Tenancy Agreement constitutes continuing connected transactions of the Company under the Listing Rules.

The Group has also leased certain premises from Great Port pursuant to the Existing Tenancy Agreements, all of which will expire on 31 October 2017. Pursuant to Rule 14A.81 of the Listing Rules, the New Tenancy Agreement and the Existing Tenancy Agreements would have to be aggregated for the purpose of considering the Company's compliance obligations under the Listing Rules.

As the highest applicable percentage ratio in respect of the Aggregate Annual Caps for the Existing Tenancy Agreements and the New Tenancy Agreement will, on an annual basis, be 0.1% or more but less than 5%, the New Tenancy Agreement and the Aggregate Annual Caps would be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules only but exempt from the independent shareholders' approval requirements under the Listing Rules.

To avoid any possible conflict of interest, the abovementioned executive Directors (namely, Mr. Yuen Man Ying, Mr. Huen Kwok Chuen, Mr. Leung Shing Chiu and Ms. Lee Po Fun) have abstained from voting on the relevant Board resolution(s) approving the New Tenancy Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the New Tenancy Agreement and was required to abstain from voting on the relevant Board resolution(s) approving the New Tenancy Agreement and the transactions contemplated thereunder.

DEFINITIONS

Capitalised terms used in this announcement shall, unless the context requires otherwise, have the following meanings:

“Aggregate Annual Cap(s)”	the proposed maximum aggregate annual rental payable by the Group to Great Port under the Existing Tenancy Agreements and the New Tenancy Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Company”	EGL Holdings Company Limited, a company incorporated in the Cayman Islands on 24 July 2014 as an exempted company with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGL Tours”	EGL Tours Company Limited (東瀛遊旅行社有限公司) (formerly known as Evergloss Tours Company Limited), a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Existing Tenancy Agreements”	the property lease agreements set out in the section headed “Continuing Connected Transactions” of the Prospectus
“Existing SFP Tenancy Agreements”	collectively, the SFP 2101 Tenancy Agreement and the SFP 2102 and 2103 Tenancy Agreement
“Great Port”	Great Port Limited (大寶行有限公司), a company incorporated in Hong Kong with limited liability on 15 October 1996
“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 People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Tenancy Agreement”	the tenancy agreement dated 20 November 2015 and entered into between EGL Tours and Great Port in respect of the lease of Units 2101 and 2102 on the 21 st Floor, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong
“Prospectus”	the prospectus of the Company dated 18 November 2014

“SFP 2101 Tenancy Agreement”	the tenancy agreement dated 20 July 2015 and entered into between EGL Tours and Great Port in respect of the lease of Unit 2101 on the 21 st Floor, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong
“SFP 2102 and 2103 Tenancy Agreement”	the tenancy agreement dated 20 July 2015 entered into between EGL Tours and Great Port in respect of the lease of Units 2102 and 2103 on the 21 st Floor, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	the termination agreement dated 20 November 2015 and entered into between EGL Tours and Great Port in respect of the termination of the SFP 2101 Tenancy Agreement and the SFP 2102 and 2103 Tenancy Agreement

By Order of the Board
EGL Holdings Company Limited
Yuen Man Ying
Chairman

Hong Kong, 20 November 2015

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Yuen Man Ying (Chairman), Mr. Huen Kwok Chuen, Mr. Leung Shing Chiu and Ms. Lee Po Fun, together with three Independent Non-Executive Directors, namely Mr. Chan Kim Fai, Mr. Tang Koon Hung Eric and Ms. Wong Lai Ming.