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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)

PROFIT WARNING – REDUCTION IN LOSS

This announcement is made by EGL Holdings Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group expects to record an unaudited consolidated net loss attributable to owners of the Company of approximately HK\$57 million for the six months ended 30 June 2022 (the “**Period**”) as compared to an unaudited consolidated net loss attributable to owners of the Company of approximately HK\$69 million for the six months ended 30 June 2021.

During the Period, most of the Group’s travel related business and hotel business were still halted because of the continued impact of the Coronavirus Disease 2019 (“**COVID-19**”) pandemic. Nevertheless, the expected reduction in loss attributable to owners of the Company during the Period was mainly due to (i) an increase in revenue and a decrease in gross loss from the hotel business of the Group and (ii) a decrease in selling and administrative expenses as a result of the Group’s cost saving actions. Furthermore, after more than two years since the outbreak of the COVID-19 pandemic, the Group organized Hong Kong’s first package tour to Japan on 22 June 2022. As such, coupled with the recent relaxation of the mandatory quarantine requirements imposed by the Hong Kong Government, the management of the Group is cautiously optimistic that the financial performance of the Group will continue to improve going forward.

The management of the Group will continuously monitor the travel restrictions and traveller quarantine arrangements. It will also continue to explore additional sources of income and implement various cost control measures, including restructuring the workforce, enhancing staff cost saving measures and seeking rent concession from landlords.

In addition, as disclosed in the annual report of the Company for the year ended 31 December 2021, the Group's related company, Great Port Limited, agreed to arrange further credit facilities of not less than HK\$100 million upon request by the Group until 30 June 2023. In June 2022, HK\$30 million has been withdrawn. The Board is of the view that the Group will have sufficient working capital to finance its operations in 2022 and the first half of 2023. Depending on the duration of the COVID-19 pandemic and its continuing negative impact on economic activities, the Group may experience further negative results and liquidity restraints and incur additional impairments on its assets in the second half of 2022. Nevertheless, the management of the Group is unable to predict the exact financial impact of the COVID-19 pandemic on the Group in the remainder of the second half of 2022 and thereafter.

The information contained in this announcement is only based on the information currently available to the Board and the preliminary assessment by the Company's management with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 available to the Group up to the date of this announcement. Such information has not been finalised, audited or reviewed by the Company's independent auditor, and has not been confirmed by the audit committee of the Board, and thus is subject to change. Shareholders and potential investors are advised to refer to the details in the results announcement of the Company for the six months ended 30 June 2022, which is expected to be published in late August 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
EGL Holdings Company Limited
Yuen Man Ying
Chairman and Executive Director

Hong Kong, 12 August 2022

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