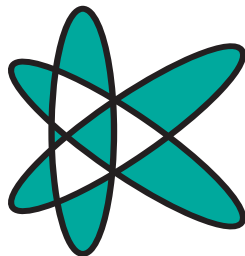


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Okura Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01655)

MAJOR TRANSACTION AMENDMENTS TO THE TERMS AND CONDITIONS OF THE SUBSCRIPTION OF THE 1ST SERIES BOND

AMENDMENTS TO THE 1ST SERIES BOND AGREEMENT

On 30 July 2021, the Company (as the subscriber), Sinwa (as the issuer), and the Guarantor (as the guarantor) entered into the 1st Series Bond Amendment Agreement to, among other things, (i) extend the maturity/redemption date of the 1st Series Bond Agreement from 31 July 2021 to 31 July 2024; (ii) increase the interest rate for the period from 1 August 2021 to 31 July 2024 to 4.00% per annum; and (iii) include the Guarantor as a party to the 1st Series Bond Amendment Agreement to guarantee the repayment obligations of Sinwa in respect of the 1st Series Bond.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction under the 1st Series Bond Amendment Agreement, when aggregated with the transaction under the Third Amendment Agreement, exceed 25% but are all less than 100%, the transaction contemplated under the 1st Series Bond Amendment Agreement when aggregated with the transaction under the Third Amendment Agreement constitutes a major transaction and is subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no shareholder of the Company or any of their respective associates have any material interest in the 1st Series Bond Amendment Agreement and the transaction contemplated thereunder, and as such, no shareholder of the Company would be required to abstain from voting if the Company were to convene a general meeting for the approval of 1st Series Bond Amendment Agreement and the transaction contemplated thereunder. In addition, the Company has obtained written approval for the transaction contemplated under the 1st Series Bond Amendment Agreement in accordance with Rule 14.44 of the Listing Rules from Mr. Katsuya YAMAMOTO, the controlling shareholder of the Company, which is beneficially interested in 375,000,000 shares of the Company, representing 75.00% of the entire issued capital of the Company as at the date of this announcement. On the basis that (i) no shareholder of the Company is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the transaction contemplated under the 1st Series Bond Amendment Agreement; and (ii) the written shareholder's approval of Mr. Katsuya YAMAMOTO for the transaction contemplated under the 1st Series Bond Amendment Agreement has been obtained, no extraordinary general meeting will be convened for the purpose of approving the transaction contemplated under the 1st Series Bond Amendment Agreement as permitted under Rule 14.44 of the Listing Rules.

A circular containing, amongst others, further information of the transaction contemplated under the 1st Series Bond Amendment Agreement is expected to be despatched to the shareholders of the Company within 15 business days after the publication of this announcement, that is, on or before 20 August 2021.

References are made to (i) the announcement (the “**Initial Announcement**”) of Okura Holdings Limited (the “**Company**”) dated 26 July 2018 in relation to the subscription of the 1st series bond (the “**1st Series Bond**”) and the 2nd series bond (the “**2nd Series Bond**”) having a face value of JPY500,000,000 each pursuant to the Bond Agreements, and (ii) the subsequent announcements of the Company dated 25 January 2019, 24 January 2020 and 25 January 2021 (the “**Subsequent Announcements**”, together with the Initial Announcement, the “**Announcements**”) in relation to, among other things, the extension of the maturity/redemption date and change of interest rate of the 2nd Series Bond subscribed by the Company under the 2nd Series Bond Agreement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

AMENDMENTS TO THE 1ST SERIES BOND AGREEMENT

Background

As set out in the Initial Announcement, the Company (as the subscriber) and Sinwa Co., Ltd.* (株式会社しんわ) (“**Sinwa**”) (as the issuer) entered into the Bond Agreements, pursuant to which, among other things, the Company had subscribed to the 1st Series Bond in the principal amount and face value of JPY500,000,000, with an interest rate of 3.00% per annum, and maturity/redemption date of 31 July 2021 (the “**1st Series Bond Agreement**”). The principal terms and conditions of the 1st Series Bond Agreement are set out in the Initial Announcement.

Amendments to the 1st Series Bond Agreement

The Board is pleased to announce that on 30 July 2021, the Company (as the subscriber), Sinwa (as the issuer) and Everglory Capital Co., Ltd. (株式会社エバークローリー・キャピタル) (the “**Guarantor**”) (as the guarantor) entered into an amendment agreement to the 1st Series Bond Agreement (the “**1st Series Bond Amendment Agreement**”), pursuant to which certain terms and conditions of the 1st Series Bond Agreement were amended as follows:

- (i) the maturity/redemption date shall be extended from 31 July 2021 to 31 July 2024 with no early redemption option, provided that the interests accrued prior to 31 July 2021 shall be payable to the Company on or before 31 July 2021;
- (ii) the interest rate for the period from 1 August 2021 to 31 July 2024 shall be increased to 4.00% per annum; and
- (iii) the Guarantor, which is an independent third party of the Company and its connected persons, shall be included as a party to the 1st Series Bond Amendment Agreement and shall guarantee the repayment obligations of Sinwa in respect of the 1st Series Bond.

Condition Precedent

The 1st Series Bond Amendment Agreement will take effect subject to the fulfilment of the condition precedent that the Company has obtained shareholders’ approval in relation to the transaction contemplated under the 1st Series Bond Amendment Agreement in accordance with Rule 14.44 of the Listing Rules on or before 31 July 2021.

As at the date of this announcement, Mr. Katsuya YAMAMOTO is the controlling shareholder of the Company and is beneficially interested in 375,000,000 shares of the Company, representing 75.00% of the entire issued share capital of the Company. As at the date of this announcement, the Company has obtained a written shareholder’s approval from Mr. Katsuya YAMAMOTO approving the 1st Series Bond Amendment Agreement and the transaction contemplated thereunder in lieu of holding a general meeting of the Company for the approval of the 1st Series Bond Amendment Agreement

and the transaction contemplated thereunder in accordance with Rule 14.44 of the Listing Rules. As such, the condition precedent has been fulfilled, and the 1st Series Bond Amendment Agreement has become effective on 30 July 2021.

Others

Based on the original interest rate of the 1st Series Bond of 3.00% per annum, the interest received by the Company during the two financial years ended 30 June 2021 is approximately JPY15,000,000 per year. Based on the new interest rate of 4.00% per annum, which is payable bi-annually and determined by negotiation with Sinwa and with reference to interest rate of similar bonds in the market, the amount of interest expected to be received by the Company during the period from 1 August 2021 to 31 July 2024 is JPY60,000,000.

The terms of the 1st Series Bond Amendment Agreement were determined by the parties after arm's length negotiations and are on normal commercial terms. Save for the amendments above, all other terms and conditions of the 1st Series Bond under the 1st Series Bond Agreement remain unchanged.

REASONS FOR THE AMENDMENTS

As mentioned in the Announcements, the Company expects that the subscription of the Bonds will allow the Group to capture foreign exchange gains and to earn a higher yield. In light of the ongoing uncertainty in the pachinko industry, which has been worsened by the outbreak of the Coronavirus Disease 2019 (“**COVID-19**”) as disclosed in the Group's interim report for the six months ended 31 December 2020 and annual report for the year ended 30 June 2020, the Directors consider the additional amount of interest to be received by the Group pursuant to the extension of the maturity date and the increase in interest rate under the 1st Series Bond Amendment Agreement will continue to generate a stable source of cash flow and income for the Group, which are beneficial to the Group's financial position, particularly when the Group's pachinko business has been struggling to cope with the continuing disruption caused by COVID-19. The addition of the Guarantor to guarantee the repayment obligations of Sinwa in respect of the 1st Series Bond is also favourable to the Company. The Directors considered that the terms of the 1st Series Bond Amendment Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the 1st Series Bond Amendment Agreement, on a standalone basis, constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules since one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction under the 1st Series Bond Amendment Agreement exceed 5% but are all below 25%.

As set out in the announcement of the Company dated 25 January 2021, the Company, Sinwa and the Guarantor entered into the Third Amendment Agreement to, among other things, further extend the maturity/redemption date of the 2nd Series Bond. As the Third Amendment Agreement and the 1st Series Bond Amendment Agreement are entered into by the Company with the same parties within a 12-month period of each other, the transactions contemplated under the Third Amendment Agreement and the 1st Series Bond Amendment Agreement will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction under the 1st Series Bond Amendment Agreement, when aggregated with the transaction under the Third Amendment Agreement, exceed 25% but are all less than 100%, the transaction contemplated under the 1st Series Bond Amendment Agreement when aggregated with the transaction under the Third Amendment Agreement constitutes a major transaction and is subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no shareholder of the Company or any of their respective associates have any material interest in the 1st Series Bond Amendment Agreement and the transaction contemplated thereunder, and as such, no shareholder of the Company would be required to abstain from voting if the Company were to convene a general meeting for the approval of 1st Series Bond Amendment Agreement and the transaction contemplated thereunder. In addition, the Company has obtained written approval for the transaction contemplated under the 1st Series Bond Amendment Agreement in accordance with Rule 14.44 of the Listing Rules from Mr. Katsuya YAMAMOTO, the controlling shareholder of the Company, which is beneficially interested in 375,000,000 shares of the Company, representing 75.00% of the entire issued capital of the Company as at the date of this announcement. On the basis that (i) no shareholder of the Company is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the transaction contemplated under the 1st Series Bond Amendment Agreement; and (ii) the written shareholder's approval of Mr. Katsuya YAMAMOTO for the transaction contemplated under the 1st Series Bond Amendment Agreement has been obtained, no extraordinary general meeting will be convened for the purpose of approving the transaction contemplated under the 1st Series Bond Amendment Agreement as permitted under Rule 14.44 of the Listing Rules.

A circular containing, amongst others, further information of the transaction contemplated under the 1st Series Bond Amendment Agreement is expected to be despatched to the shareholders of the Company within 15 business days after the publication of this announcement, that is, on or before 20 August 2021.

INFORMATION ON SINWA

Sinwa is a company incorporated under the laws of Japan and headquartered in Fukuoka, Japan, engaging in the business of commercial and consumer finance. Based on information provided by Sinwa to the Company, Sinwa is an indirect wholly-owned subsidiary of Everglory Group Pte. Ltd. (“**Everglory Group**”), a company incorporated in Singapore, which in turn is held as to 45% by CHANG Cheng Wen, and each of all the other beneficial owners of Everglory Group hold less than 30% of the issued shares of Everglory Group. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Sinwa and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

INFORMATION ON THE GUARANTOR

The Guarantor is a company incorporated under the laws of Japan and headquartered in Tokyo, Japan, principally engaged in investment and financial advisory businesses in Japan. Based on information provided by the Guarantor to the Company, the Guarantor is a direct wholly-owned subsidiary of Everglory Group, which in turn is held as to 45% by CHANG Cheng Wen, and each of all the other beneficial owners of Everglory Group hold less than 30% of the issued shares of Everglory Group. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Guarantor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

INFORMATION ON THE GROUP

The Company is an investment holding company. The Group is principally engaged in the business of operating pachinko halls in Japan. The Group is currently operating 15 pachinko halls in the Kyushu, Kanto, Kansai and Chugoku regions in Japan.

For and on behalf of the Board

Okura Holdings Limited

Katsuya YAMAMOTO

*Chief Executive Officer, Executive Director and
Chairman of the Board*

Hong Kong, 30 July 2021

As at the date of this announcement, the Board comprises seven Directors, of which (i) four are executive Directors, namely Mr. Katsuya YAMAMOTO, Mr. Fumihide HAMADA, Mr. Yutaka KAGAWA and Mr. Toshiro OE; and (ii) three are independent non-executive Directors, namely Mr. Mitsuru ISHII, Mr. Yuji MATSUZAKI and Mr. Kazuyuki YOSHIDA.

* *For identification purpose only*