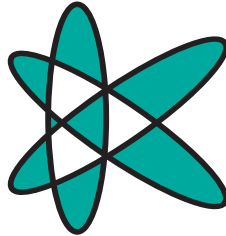


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OKURA HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 01655)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

The Board is pleased to announce that on 28 March 2018, the Vendor (an indirectly wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property situated in Furukomachi, Nagasaki-shi, Japan, at a consideration of JPY430 million (equivalent to approximately HKD30.1 million), including tax.

As one or more of the applicable percentage ratios in respect of the Sale and Purchase Agreement exceed 5% but are below 25%, the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 28 March 2018, the Vendor (an indirectly wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property, where one of the pachinko halls operated by the Group and ceased operation on 28 February 2018, which namely Big Apple Nagasaki (the “**BA Nagasaki Hall**”) and is situated in Furukomachi, Nagasaki-shi, Japan, at a consideration of JPY430 million (equivalent to approximately HKD30.1 million), including tax.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as follows:

(1) **Date**

28 March 2018

(2) **Parties**

- (a) Suzuki Motor Corporation, as purchaser; and
- (b) Okura Co., Ltd., an indirectly wholly-owned subsidiary of the Company as vendor.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

(3) **Information on the Property**

The particulars of the Property comprises the followings:

- (a) A parcel of land (the "**Land**") situated at Lots 21-2 to 25-2, Furukomachi, Nagasaki-shi, Japan, with a total area of approximately 2,314 square metres; and
- (b) A five-storey building with a basement floor and flat roof erected on the Land with a total gross floor area of approximately 4,007 square metres and a three-storey parking lot with a total gross floor area of approximately 1,274 square metres.

Prior to the Sale and Purchase Agreement, the Property was used by the Group as for the operation of the BA Nagasaki Hall and a car parking lot. The BA Nagasaki Hall ceased operation on 28 February 2018.

The below table shows the approximately net profit attributable to the Property for the two years ended 30 June 2016 and 2017:

	For the year ended 30 June	
	2016	2017
	<i>JPY</i>	<i>JPY</i>
	<i>(million)</i>	<i>(million)</i>
Net profit/(loss) before taxation	14.2	1.3

(4) Consideration and payment terms

The Consideration comprises an aggregate amount of JPY430 million (equivalent to approximately HKD30.1 million) in respect of the Property. The Consideration shall be settled in cash on or before 29 March 2018 at the same time as the handover of the Property and the delivery of documents necessary for applying for registration of transfer of ownership of the Property by the Vendor.

The Consideration was arrived at after arm's length negotiations and on normal commercial terms, taking into account (i) the book value of the Property of approximately JPY 428 million as at 31 December 2017 (ii) the prevailing market conditions; and (iii) the location and condition of the Property. The Directors considered that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

(5) Completion

Completion is expected to take place on or before 29 March 2018.

REASONS FOR THE DISPOSAL

After taking into account (i) that the recent performance of BA Nagasaki Hall has deteriorated and recorded a significant a drop in net profit of approximately JPY11.96 million from the year ended 30 June 2016 to the year ended 30 June 2017; (ii) the prevailing market conditions in the property market in Japan; and (iii) that the proceeds from the Disposal will further enhance the Group's financial position, the Board is of the view that the Disposal allows the Group to strategise its operations and consolidate its resources to focus on the development of the Group's other pachinko halls and to improve the liquidity of the Group.

The Board considers that the terms of the Sale and Purchase Agreement, including the Consideration, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

As a result of the Disposal, the Directors expect that the Group will record an unaudited estimated gain of approximately JPY2 million (before deducting relevant expenses and tax), being the difference between the Consideration of JPY430 million and the book value of the Property of approximately JPY428 million as at 31 December 2017. Such calculation is only an estimate provided for illustrative purposes and the accounting treatment of the Disposal will be subject to further review by the auditors of the Company.

The net proceeds from the Disposal is intended to be used for general working capital of the Group and repayment of bank borrowings.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Sale and Purchase Agreement exceed 5% but are below 25%, the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in Japan and is principally engaged in manufacture and sale of automobiles, motorcycles, etc.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

INFORMATION ON THE GROUP AND THE VENDOR

The Group is principally engaged in the business of operating pachinko halls in Japan. The Group is currently operating 18 pachinko halls in the Kyushu, Kanto, Kansai and Chugoku regions in Japan. The Vendor was incorporated under the laws of Japan, and is an indirectly wholly-owned subsidiary of the Company mainly for the operation of pachinko and pachislot business.

DEFINITION

“Board”	the board of directors of the Company
“Company”	Okura Holdings Limited (Stock Code: 01655)
“Consideration”	the total consideration of the Disposal in the sum of JPY430 million (equivalent to approximately HKD30.1 million)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HKD”	Hong Kong Dollar, the lawful currency of Hong Kong
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the land and the buildings erected on the land situated at lots 21-2 to 25-2, Furukomachi, Nagasaki-shi, Japan
“Purchaser”	Suzuki Motor Corporation, a company incorporated under the laws of Japan, and an independent third party of the Company
“Sale and Purchase Agreement”	the agreement dated 26 March 2018 entered into between the Purchaser and the Vendor in respect of the Disposal
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules

“Vendor” Okura Co., Ltd., (王藏株式會社) an indirectly wholly-owned subsidiary of the Company

“%” per cent.

For and on behalf of the Board
Okura Holdings Limited
Katsuya YAMAMOTO
*Chief Executive Officer, Executive Director and
Chairman of the Board*

Hong Kong, 28 March 2018

For the purpose of this announcement and for illustrative purpose only, amounts denominated in JPY in this announcement have been converted into HKD at an exchange rate of JPY1.00: HKD0.07.

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. Takamasa KAWASAKI.