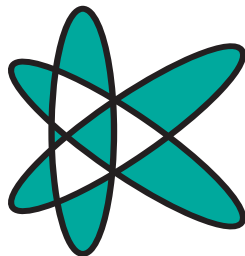


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Okura Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01655)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES

The Board is pleased to announce that on 7 April 2021, the Purchaser (an indirectly wholly-owned subsidiary of the Company) entered into the Acquisition Agreement, pursuant to which the Purchaser has agreed to purchase and the Vendors have agreed to sell the Properties situated in Nagasaki City, Japan, at a total consideration of JPY442 million (inclusive of consumption tax of JPY12 million).

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

INTRODUCTION

The Board is pleased to announce that on 7 April 2021, the Purchaser (an indirectly wholly-owned subsidiary of the Company) entered into the Acquisition Agreement, pursuant to which the Purchaser has agreed to purchase and the Vendors have agreed to sell the Properties situated in Nagasaki City, Japan, at a total consideration of JPY442 million (inclusive of consumption tax of JPY12 million).

THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are set out as follows:

Date	7 April 2021
Parties	(a) K's Property Co., Ltd.* (株式会社ケイズプロパティ), an indirectly wholly-owned subsidiary of the Company, as the purchaser; and (b) Takeda Kousan Ltd* (有限会社武田興産) and Mr. Yoshio Takeda (武田宜士), as the vendors.
Information on the Properties	The Properties consist of (i) a parcel of land with a total area of 649.85 square metres and (ii) a seven-storey building situated at 1517-1, 1517-2 and 1518-1, Sumiyoshimachi, Nagasaki City, Japan, with a total area of approximately 2,800 square metres, comprising residential units, clinics, banks and parking space.

As of the date of this announcement, a total gross floor area of approximately 2,360 square metres of the Properties are subject to subsisting leases. The following table sets out the financial information relating to such subsisting leases:

	For the year ended 31 October 2019	For the year ended 31 October 2020
Net profit generated from subsisting leases before taxation ¹	Approximately JPY39.9 million	Approximately JPY37.6 million
Net profit generated from subsisting leases after taxation ²	Approximately JPY39.9 million	Approximately JPY34.4 million

Note:

1. The net profit before taxation is calculated by the Directors with their best estimation by taking into account the estimated operation expenses assessed by an independent third party property valuer for the aforementioned period.
2. The net profit after taxation is calculated by the Directors with their best estimation by assuming the Vendors paid the profit tax at the maximum profit tax rate under applicable statutory requirements in Japan in respect of all rental income generated from the Properties for the aforementioned periods.

Consideration and
payment terms

The Consideration for the Properties is JPY442 million (inclusive of consumption tax of JPY12 million). The Consideration shall be settled by the Purchaser in a lump sum payment to the Vendors on the date of completion of the Acquisition.

The Consideration was determined between the parties after arm's length negotiations and on normal commercial terms, taking into account (i) the valuation of the Properties conducted by an independent third party property valuer of JPY410 million as at 22 January 2021, (ii) the current market conditions, (iii) the location and condition of the Properties, and (iv) the expected rental income and the potential growth of rental and value of the Properties. The Directors considered that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. The Consideration will be funded by bank loans.

Conditions precedent

The completion of the Acquisition is subject to among others, the Vendors novating the subsisting lease agreements to the Purchaser, who shall be the new lessor.

Completion

Completion of the Acquisition is expected to take place on or before 20 April 2021, following the satisfaction or waiver of the conditions precedent, or on such other date as the parties may agree.

REASONS FOR THE ACQUISITION

As disclosed in the Company's previous announcements, annual reports and interim reports, the Group has been actively exploring opportunities to enhance and diversify its revenue stream. The Directors, taking into account various factors such as the location, condition and potential appreciation in value of the Properties, consider that the Acquisition provides an excellent opportunity for the Group to (i) expand its property investment portfolio, which will allow the Group to benefit from any future capital appreciation and (ii) generate a new source of rental income which can serve as the Group's stable source of cash flow and revenue. Overall, the Board considers that the Acquisition will strengthen the Group's income base and is beneficial to the Group's financial position in the long run.

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

LISTING RULES IMPLICATIONS

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

INFORMATION ON THE VENDORS

Vendor 2 is a company incorporated under the laws of the Japan and headquartered in Nagasaki, Japan, principally engaged in real estate rental business in Japan. Based on information provided by the Vendors, the sole ultimate beneficial owner of Vendor 2 is Vendor 1. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Vendor 2 and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group is principally engaged in the business of operating pachinko halls in Japan. The Group is currently operating 17 pachinko halls in the Kyushu, Kanto, Kansai and Chugoku regions in Japan. The Purchaser was incorporated under the laws of Japan, and is an indirectly wholly-owned subsidiary of the Company mainly for holding the real estate property used in the Group's business operations.

DEFINITIONS

“Acquisition”	the acquisition of the Properties by the Purchaser from the Vendors pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 7 April 2021 entered into by the Purchaser and the Vendors in respect of the Acquisition
“Board”	the board of Directors
“Company”	Okura Holdings Limited
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of the Acquisition in the sum of JPY442 million (inclusive of consumption tax of JPY12 million)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	a parcel of land with a total area of 649.85 square metres and a seven-storey building situated at 1517-1, 1517-2 and 1518-1, Sumiyoshimachi, Nagasaki City, Japan, as described in “Information of the Properties” in this announcement
“Purchaser”	K’s Property Co., Ltd.* (株式会社ケイズプロパティ), an indirectly wholly-owned subsidiary of the Company
“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 1”	Mr. Yoshio Takeda (武田宜士), an independent third party of the Company
“Vendor 2”	Takeda Kousan Ltd* (有限会社武田興産), a company incorporated under the laws of Japan, an independent third party of the Company
“Vendors”	collectively, Vendor 1 and Vendor 2

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

Hong Kong, 7 April 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*