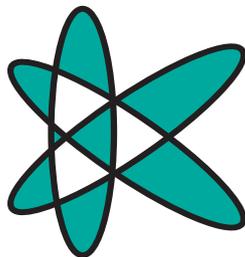


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Okura Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01655)

DISCLOSEABLE TRANSACTION FURTHER AMENDMENTS TO THE TERMS AND CONDITIONS OF THE 2ND SERIES BONDS

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE 2ND SERIES BONDS

On 27 January 2023, the Company (as the subscriber), Sinwa (as the issuer) and the Guarantor (as guarantor) entered into the Fifth Amendment Agreement to (i) further extend the maturity/redemption date of the 2nd Series Bond (having a principal amount and face value of JPY500 million) from 31 January 2023 to 31 January 2024, and (ii) specify that the interest accrued from the day following the 5th Interest Payment Date (being 31 January 2023) to 31 January 2024 shall be payable on or before the 6th Interest Payment Date (being 31 January 2024).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Fifth Amendment Agreement exceed 5% but are all below 25%, the entering into of the Fifth Amendment Agreement constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

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 million each pursuant to the Bond Agreements, and (ii) the subsequent announcements of the Company dated 25 January 2019, 24 January 2020, 25 January 2021 and 25 January 2022 (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.

Background

On 26 July 2018, 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 2nd 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 January 2019 (the “**2nd Series Bond Agreement**”). On 25 January 2019, the Company, Sinwa and Everglory Capital Co., Ltd. (株式会社エバークローリー・キャピタル) (the “**Guarantor**”) entered into an amendment agreement to extend the maturity/redemption date of the 2nd Series Bond to 31 January 2020 and include the Guarantor as a guarantor to guarantee the obligations of Sinwa under the 2nd Series Bond. On 24 January 2020, the Company, Sinwa and the Guarantor entered into an amendment agreement to further extend the maturity/redemption date of the 2nd Series Bond to 31 January 2021 and increase its interest rate to 4.00% per annum. On 25 January 2021, the Company, Sinwa and the Guarantor entered into an amendment agreement to further extend the maturity/redemption date of the 2nd Series Bond to 31 January 2022. On 25 January 2022, the Company, Sinwa and the Guarantor entered into an amendment agreement to further extend the maturity/redemption date of the 2nd Series Bond to 31 January 2023.

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE 2ND SERIES BONDS

The Board is pleased to announce that on 27 January 2023, the Company (as the subscriber), Sinwa (as the issuer) and the Guarantor (as guarantor) entered into a fifth amendment agreement to the 2nd Series Bond Agreement (the “**Fifth Amendment Agreement**”) to (i) further extend the maturity/redemption date of the 2nd Series Bonds from 31 January 2023 to 31 January 2024, and (ii) specify that the interest accrued from the day following the 5th Interest Payment Date (being 31 January 2023) to 31 January 2024 shall be payable on or before 31 January 2024 (the “**6th Interest Payment Date**”).

The terms of the Fifth Amendment Agreement were determined by the Company and Sinwa after arm's length negotiations and are on normal commercial terms. Save for the amendments above, all other principal terms and conditions of the 2nd Series Bond under the 2nd Series Bond Agreement as disclosed in the Announcements remain unchanged, and that:

- (a) the 2nd Series Bond remains to be JPY denominated, unsecured and unlisted, transferrable only with the consent of the directors of Sinwa, and having a principal amount and face value of JPY500 million, as disclosed in the Initial Announcement; and
- (b) the interest rate for the period from the day following the 5th Interest Payment Date to the 6th Interest Payment Date continues to be 4.00% per annum, as disclosed in the Company's announcements dated 24 January 2020, 25 January 2021 and 25 January 2022.

Based on the interest rates of the 2nd Series Bond of 4.00% per annum from 1 February 2020 to 31 January 2021, from 1 February 2021 to 31 January 2022 and from 1 February 2022 to 31 January 2023, the amount of interests received by the Company under the 2nd Series Bond during the two financial years ended 30 June 2022 were approximately JPY20 million and JPY20 million, respectively. Besides, based on the existing interest rate of 4.00% per annum, which was determined by negotiation between the Company and Sinwa and with reference to the interest rate of similar bonds in the market, the amount of interest expected to be received by the Company through bank transfer on or before each of the 5th Interest Payment Date and the 6th Interest Payment Date is approximately JPY20 million.

REASONS FOR THE AMENDMENTS TO THE TERMS AND CONDITIONS OF THE 2ND SERIES BONDS

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 and increasing competition in the pachinko industry, which has been worsened by the outbreak of the Coronavirus Disease 2019 (“COVID-19”) in the past three years as disclosed in the Group's annual report for the year ended 30 June 2022, the Directors consider the additional amount of interest to be received by the Group pursuant to the extension of the maturity/redemption date of the 2nd Series Bond will continue to generate a stable source of cash flow and income for the Group, which is beneficial to the Group's financial position, particularly when the Group's pachinko business is still recovering following the disruption caused by COVID-19. The Directors also considered that the terms of the Fifth Amendment Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Before entering into the Fifth Amendment Agreement, the Company had performed various due diligence checks to ensure the credibility of Sinwa and the Guarantor in terms of their ability to repay the 2nd Series Bond, such checks include obtaining the latest financial information of Sinwa to review its financial and cash position and ensure that it has sufficient cash to repay the 2nd Series Bond, independently interviewing senior officers of Sinwa and the Guarantor to question them on the business operations and financial positions of Sinwa and the Guarantor (where applicable), and conducting independent background checks and online searches to ascertain that there are no negative news concerning the financial positions and management of Sinwa and the Guarantor based on those searches.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Fifth Amendment Agreement exceed 5% but are all below 25%, the entering into of the Fifth Amendment Agreement constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

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 having made all reasonable enquiries, Sinwa and its ultimate beneficial owners (i.e., CHANG Cheng Wen and the other beneficial owners as aforementioned) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

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 owners (i.e., CHANG Cheng Wen and the other beneficial owners as aforementioned) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

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 12 pachinko halls in the Kyushu, Kanto, Kansai and Chugoku regions in Japan under the trading names “Big Apple.” and “K’s Plaza”.

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

Hong Kong, 27 January 2023

As at the date of this announcement, the Board comprises six Directors, of which (i) three are executive Directors, namely Mr. Katsuya YAMAMOTO, 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*