

**OKURA HOLDINGS LTD:  
THIS JAPANESE GAMBLING COMPANY  
IS NOT AS GOOD A GAMBLE AS PLAYING CRAPS IN MACAU**

With regard to Okura Holdings Ltd (Code: 1655, Main Board, The Stock Exchange of Hongkong Ltd), there is a number of aspects that prospective investors should be well aware, prior to making a definitive decision to purchase shares in this Company.

1. Firstly, during the 40 months, ended October 31, 2016, Management has seen material falls in respect of its Bottom Lines.
2. Secondly, in respect of the Current Financial Year, ending June 30, 2017, there is a certainty that there shall be a further, material fall in the Company's Bottom Line vis-à-vis the 2016 Financial Year.
3. Thirdly, the business, in which Okura Holdings Ltd is engaged, is one that has witnessed falling custom over the past three years ... and the situation appears to be exacerbating, apace.
4. Fourthly, it is highly unlikely that there will be any recommendation of a payment to Public Shareholders in the next two Financial Years, at least.

All of the above can be extrapolated and/or interpolated on scanning the Share Offer Prospectus of Okura Holdings Ltd.

**The Initial Public Offering (IPO) Of Okura Holdings Ltd**

Management of Okura Holdings Ltd pitched its story in a Share Offer Prospectus, dated April 28, 2017.

The Company Offered 125 million Shares at the Indicative Offer Price Per Share, ranging from a low of 90 cents to a high of \$HK1.20.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 12.50 million Shares and 112.50 million Shares were Placed, presumably with Professional and or Institutional Investors.

On May 12, 2017, Management announced that the Offer Price Per Share had been struck at \$HK1.20 and that the Company expected to net about \$HK74 million from the IPO.

This amount of money, one was told, would be utilised as follows:

1. Approximately, \$HK37.00 million, that is about 50.00 percent of the net proceeds, *'for establishing the new pachinko hall in the Kyushu region, including (a) approximately HK\$20.4 million (equivalent to approximately ¥289.7 million) being approximately 27.5% of the net proceeds for machine procurement; (b) approximately HK\$3.7 million (equivalent to approximately ¥52.5 million) being approximately 5.0% of the net proceeds for renovation; (c) approximately HK\$11.1 million (equivalent to approximately ¥157.6 million) being approximately 15.0% of the net proceeds for*

*pachinko related facilities; and (d) approximately HK\$1.8 million (equivalent to approximately ¥25.6 million) being approximately 2.5% of the net proceeds for promotional expenses’;*

2. Approximately, \$HK29.60 million, that is about 40.00 percent of the net proceeds, ‘*for renovating and enhancing facilities for six pachinko halls during the year ending 30 June 2018 and eight pachinko halls during the year ending 30 June 2019 (being two additional pachinko halls on top of the six halls during the year ending 30 June 2018), respectively. Out of approximately 40.0% of the net proceeds, approximately 14.0% and 26.0% of the net proceeds would be utilised during the years ending 30 June 2018 and 2019, respectively. Renovation work includes refurbishing the prize counter as well as exterior so as to enhance our customer experience; whilst upgrading our hardware facilities such as token dispensers will enhance our operation efficiency’; and,*
3. Approximately, \$HK7.40 million, that is about 10.00 percent of the net proceeds, ‘*for working capital and other general corporate purposes of our Group’.*

**Editor’s Note:**

The Share Offer Prospectus stated that the Hongkong dollar – Japanese yen translation rate is at the conversion of \$HK1.00 = ¥14.20. (Page 57)

The Public Offer tranche of 12.50 million Shares had been over-subscribed by about 1,017.60 times and the Placing Share tranche had been ‘*slightly over-subscribed*’, one was told in the May 12, 2017 announcement.

Ergo: The IPO, in terms of seeming investor interest, had been a roaring success, as far as Management was concerned.

**The Business Of Okura Holdings Ltd**

Okura Holdings Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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