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LION ROCK GROUP LIMITED

獅子山集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1127)

LEFT FIELD PRINTING GROUP LIMITED

澳獅環球集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1540)

JOINT ANNOUNCEMENT

**DISCLOSEABLE TRANSACTIONS
ACQUISITION OF CHATTEL MORTGAGE LOAN
AND PROVISION OF ADDITIONAL LOAN**

The Lion Rock Board and the Left Field Board are pleased to announce that, on 1 April 2022 (after trading hours of the Stock Exchange), OPUS, an indirectly non-wholly owned subsidiary of Lion Rock and a directly wholly-owned subsidiary of Left Field, acquired the Chattel Mortgage Loan from ScotPac at a consideration of A\$4.86 million (equivalent to approximately HK\$28.19 million) and granted an Additional Loan of A\$5.14 million (equivalent to approximately HK\$29.81 million) to Ovato by way of entering into the Deed of Assignment and the Priority Deed.

LISTING RULES IMPLICATIONS

In respect of Lion Rock

Each of the Acquisition and the Additional Loan, on a standalone basis, does not constitute a disclosable transaction for Lion Rock under Chapter 14 of the Listing Rules. However, the Acquisition and the Additional Loan, when aggregated as a whole, constitute a discloseable transaction for Lion Rock under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition and the Additional Loan, when aggregated as a whole, are more than 5% but less than 25%. Accordingly, the Acquisition and the Additional Loan are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

In respect of Left Field

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition and the Additional Loan, either on a standalone basis or when aggregated as a whole, are more than 5% but less than 25%, each of the Acquisition and the Additional Loan constitutes a discloseable transaction for Left Field under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION AND PROVISION OF ADDITIONAL LOAN

The Lion Rock Board and the Left Field Board are pleased to announce that, on 1 April 2022 (after trading hours of the Stock Exchange), OPUS, an indirectly non-wholly owned subsidiary of Lion Rock and a directly wholly-owned subsidiary of Left Field, acquired the Chattel Mortgage Loan from ScotPac and granted an Additional Loan to Ovato by way of entering into the Deed of Assignment and the Priority Deed.

Details of the Deed of Assignment are as follows:

Date: 1 April 2022 (after trading hours of the Stock Exchange)

Parties:

- (i) OPUS, as the new lender;
- (ii) ScotPac, as the existing lender;
- (iii) ScotPac BFS, as the nominee for ScotPac;
- (iv) Ovato, as the borrower; and
- (v) Ovato Group Companies, as the guarantors

To the best knowledge, information and belief of the Lion Rock Directors and the Left Field Directors, having made all reasonable enquiries, ScotPac, ScotPac BFS and Ovato Group and their ultimate beneficial owners are Independent Third Parties.

Assets acquired: Chattel Mortgage Loan, the outstanding amount of which as at 1 April 2022 was A\$4.86 million (equivalent to approximately HK\$28.19 million), which shall be repayable together with accrued interest by Ovato on a monthly basis at A\$274K (equivalent to approximately HK\$1.59 million) per month until November 2023. The Chattel Mortgage Loan bears an interest rate of 8.5% per annum.

Effect of the Acquisition: As a result of the Acquisition, OPUS shall assume all the rights and obligations of ScotPac as lender under the Chattel Mortgage Facility Agreement. The Chattel Mortgage Facility is a non-revolving loan facility with original facility limit of A\$17 million (equivalent to approximately HK\$98.6 million), made available to Ovato with Ovato Group Companies as guarantors and secured by the Secured Property.

Transfer of Security Interest: ScotPac and ScotPac BFS agreed to transfer to and assist OPUS to register the security interest over the Secured Property under the Chattel Mortgage Facility Agreement.

Consideration: A\$4.86 million (equivalent to approximately HK\$28.19 million), which is equivalent to the outstanding amount of the Chattel Mortgage Loan as at the date of the Acquisition. The Consideration was paid in cash to ScotPac.

Chattel Mortgage Facility amendment: Pursuant to the Deed of Assignment, OPUS granted an additional non-revolving loan of up to A\$5.14 million (equivalent to approximately HK\$29.81 million) to Ovato by increasing the Chattel Mortgage Facility limit under the Chattel Mortgage Facility Agreement. The Additional Loan bears an interest rate of 8.5% per annum.

Repayment of the Additional Loan: The principal amount of the Additional Loan, together with any accrued interest thereon, are repayable on 25 November 2023

Governing law: The Chattel Mortgage Facility Agreement and the Deed of Assignment are governed by and shall be construed in accordance with the laws of Australia

The Chattel Mortgage Facility, which includes the Chattel Mortgage Loan and the Additional Loan, are secured by the Secured Property in accordance to the terms of the Priority Deed. The Consideration and the Additional Loan are funded by the internal resources of the Left Field Group.

The terms of the Deed of Assignment (including the Consideration, the Additional Loan amount and applicable interest rate) were arrived upon arm's length negotiations among the contracting parties, having taken into account, among others, the outstanding amount of the Chattel Mortgage Loan as at the date of the Acquisition, the net book value of the Secured Property, the recoverability of the Chattel Mortgage Loan and the Additional Loan and the prevailing market interest rates and local practices in Australia.

Details of the Priority Deed are as follows:

Date: 1 April 2022 (after trading hours of the Stock Exchange)

Parties: (i) OPUS, as the secured party 1;
(ii) HC Management, as the security trustee and the secured party 2; and
(iii) Ovato Group, as the grantors

To the best knowledge, information and belief of the Lion Rock Directors and the Left Field Directors, having made all reasonable enquiries, HC Management and its beneficiary (ScotPac), Ovato Group and their ultimate beneficial owners are Independent Third Parties.

Secured Property: legal charge/mortgage over certain machinery and equipment of Ovato Group in favour of OPUS and HC Management. The net book value of the machinery and equipment is about A\$29 million (equivalent to approximately HK\$168.2 million) as at the end of January 2022.

Priority: OPUS's security interest will have first priority for the outstanding amount due from Ovato to OPUS under the Chattel Mortgage Loan and the Additional Loan.

HC Management's security interest will have second priority for the amount due from Ovato Group to HC Management or its beneficiary.

In addition, OPUS's security interest will have third priority for the balance of the money (if any) due from Ovato after payment of the first priority amount and second priority amount stated above.

Governing Law: The Priority Deed is governed by and shall be construed in accordance with the laws of Australia

INFORMATION OF SCOTPAC AND SCOTPAC BFS

ScotPac and ScotPac BFS are companies incorporated in Australia and fellow subsidiaries to each other. ScotPac is principally engaged in the provision of working capital financing and trade finance in Australia and New Zealand. ScotPac BFS is principally engaged in financial, investment management and as fund operators in Australia and New Zealand. ScotPac BFS was nominee for ScotPac under the Chattel Mortgage Facility Agreement.

INFORMATION OF HC MANAGEMENT

HC Management, a company incorporated in Australia, is a trustee appointed by ScotPac. ScotPac is beneficiary of the trust.

INFORMATION OF OVATO GROUP

Ovato Group is primarily engaged in commercial printing, catalogue printing, magazine and newspaper printing and packaging printing. Ovato Group operates nationally in Australia and New Zealand with some of the biggest and most recognised retails brands in each country as print customers.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE PROVISION OF ADDITIONAL LOAN

The Lion Rock Directors and the Left Field Directors are of the view that the Acquisition and the Additional Loan provide the Left Field Group with better returns than fixed deposits generally offered by commercial banks in Australia and Hong Kong. In considering the Acquisition and the provision of the Additional Loan, the Lion Rock Directors and the Left Field Directors have taken into account the stable interest income generated or expected to be generated from the Acquisition and the Additional Loan, and the short term nature of the Chattel Mortgage Loan and the Additional Loan. The Acquisition and Additional Loan were funded by Left Field Group's surplus cash reserves, and thus would not affect Left Field Group's working capital position or business operations. The Chattel Mortgage Loan and the Additional Loan are secured by the Secured Property. Accordingly, the Lion Rock Directors and the Left Field Directors consider that the terms of the Acquisition and the Additional Loan are on normal commercial terms which are fair and reasonable and in the interests of the shareholders of Lion Rock and Left Field as a whole, respectively.

GENERAL

Lion Rock is principally engaged in the provision of printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies. Lion Rock (through its wholly-owned subsidiary) is interested in 59.4% of the issued share capital of Left Field.

Left Field is an investment holding company and the principal business activities of the Left Field Group are the provision of printing solutions and services in Australia.

LISTING RULES IMPLICATIONS

In respect of Lion Rock

Each of the Acquisition and the Additional Loan, on a standalone basis, does not constitute a discloseable transaction for Lion Rock under Chapter 14 of the Listing Rules. However, the Acquisition and the Additional Loan, when aggregated as a whole, constitute a discloseable transaction for Lion Rock under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition and the Additional Loan, when aggregated as a whole, are more than 5% but less than 25%. Accordingly, the Acquisition and the Additional Loan are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

In respect of Left Field

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition and the Additional Loan, either on a standalone basis or when aggregated as a whole, are more than 5% but less than 25%, each of the Acquisition and the Additional Loan constitutes a discloseable transaction of Left Field under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless defined otherwise, the terms used in this announcement shall have the following meanings:

"A\$"	Australian dollars, the lawful currency of Australia
"Acquisition"	the acquisition of the Chattel Mortgage Loan by OPUS from ScotPac at a consideration of A\$4.86 million (equivalent to approximately HK\$28.19 million)
"Additional Loan"	an additional loan of A\$5.14 million (equivalent to approximately HK\$29.81 million) provided by OPUS to Ovato
"Chattel Mortgage Facility"	non-revolving financing facility with outstanding loan amount of A\$4.86 million provided by ScotPac as lender to Ovato as borrower under the Chattel Mortgage Facility Agreement

"Chattel Mortgage Facility Agreement"	the Chattel Mortgage Facility Agreement dated 18 December 2020 entered into between ScotPac as lender and Ovato as borrower and amended on 1 April 2022 under the Deed of Assignment
"Chattel Mortgage Loan"	the outstanding amount of A\$4.86 million owed by Ovato to ScotPac under the Chattel Mortgage Facility as at the date of the Acquisition
"Deed of Assignment"	the deed of assignment, novation and amendment entered into by ScotPac, ScotPac BFS, OPUS and Ovato Group on 1 April 2022 for the novation of the Chattel Mortgage Loan and amendment of the Chattel Mortgage Loan Facility
"HC Management"	HC Management Pty Ltd, a company incorporated in Australia
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Third Party"	(i) in respect of Lion Rock, third party independent of Lion Rock and its connected persons; and (ii) in respect of Left Field, third party independent of Left Field and its connected persons
"Left Field"	Left Field Printing Group Limited (澳獅環球集團有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1540)
"Left Field Board"	Left Field's board of directors
"Left Field Director(s)"	the director(s) of Left Field
"Left Field Group"	Left Field and its subsidiaries
"Lion Rock"	Lion Rock Group Limited (獅子山集團有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1127)
"Lion Rock Board"	Lion Rock's board of directors
"Lion Rock Director(s)"	the director(s) of Lion Rock
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"OPUS"	OPUS Group Pty. Ltd., a company incorporated in Australia, which is a indirectly non-wholly owned subsidiary of Lion Rock and a directly wholly-owned subsidiary of Left Field
"Ovato"	Ovato Limited, a company incorporated in Australia, whose shares are listed on the Australian Securities Exchange (ASX stock code: OVT)

"Ovato Group"	Ovato and Ovato Group Companies
"Ovato Group Companies"	subsidiaries of Ovato
"Priority Deed"	the priority deed entered into by OPUS, HC Management and Ovato Group on 1 April 2022 for the priority and subordination arrangement over the Secured Property
"ScotPac"	Scottish Pacific Business Finance Pty Ltd, a company incorporated in Australia
"ScotPac BFS"	Scottish Pacific (BFS) Pty Ltd, a company incorporated in Australia
"Secured Property"	certain machinery and equipment of Ovato Group
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By Order of the board of directors
Lion Rock Group Limited
Yeung Ka Sing
Chairman

By Order of the board of directors
Left Field Printing Group Limited
Richard Francis Celarc
Chairman

Hong Kong, 1 April 2022

For the purpose of illustration only and unless otherwise stated, conversion of A\$ to HK\$ in this announcement is based on the exchange rate of A\$1.00 to HK\$5.8. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.

As at the date of this announcement, the Lion Rock Board comprises Mr. Lau Chuk Kin, Ms. Lam Mei Lan and Mr. Chu Chun Wan as executive directors; Mr. Li Hoi David and Mr. Guo Junsheng as non-executive directors; Mr. Yeung Ka Sing, Prof. Lee Hau Leung and Dr. Ng Lai Man, Carmen as independent non-executive directors.

As at the date of this announcement, the Left Field Board comprises Mr. Richard Francis Celarc, Mr. Lau Chuk Kin and Ms. Tang Tsz Ying as executive directors; Mr. Paul Antony Young as non-executive director; Mr. David Ho, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph as independent non-executive directors.

* *For identification purpose only*