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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)

INSIDE INFORMATION

BUSINESS UPDATE IN RELATION TO THE IMPACTS OF COVID-19 OUTBREAK

This announcement is made by Lion Rock Group Limited (the “Company” together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Since the outbreak of the Coronavirus Disease 2019 (“COVID-19”), a number of countries and territories have imposed various levels of movement control and operation suspension. At the moment, the Group’s production facilities in China and Malaysia have resumed full operations. COS, the Group’s production plant in Singapore, has remained closed since early April 2020. Furthermore, some of the Group’s overseas customers have cut back on their printing orders due to the macroeconomic uncertainty.

As a result, the unaudited turnover of the Group for the four months ended 30 April 2020 decreased by approximately 30% compared to the same period last year. The profit margin of the Group also declined as our fixed direct and indirect costs are difficult to alter in the short term. Based on the information available at present, the management is expecting a decrease in turnover and profit for the six months ending 30 June 2020.

To minimize the COVID-19 disruption to our business and our employees, the Group is in the process of obtaining eligible subsidies from local governments. The Group’s management is taking proactive measures to mitigate our operational risk, enhance operational efficiency and reduce costs. We believe with our tight management of cash flow, our robust business will respond quickly to the challenges ahead.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the information currently available to the Group and is not based on any figures or information which has been audited or reviewed by the auditor. The Company will closely monitor the situation and provide further update when necessary. The Group's actual results for the interim period ending 30 June 2020 are subject to changes in market conditions and may differ from the information contained in this announcement. The results announcement of the Company for the interim period ending 30 June 2020 is expected to be published in August 2020.

Reference is made to the announcement issued by the Company on 13 March 2020, the Company is pleased to inform that Mr. Lau Chuk Kin, an executive director of the Company has fully recovered from COVID-19 and resumed work.

Potential investors and shareholders of the Company should exercise caution when dealing in shares of the Company.

By order of the Board
Lion Rock Group Limited
Yeung Ka Sing
Chairman

Hong Kong, 8 May 2020

As at the date of this announcement, the board of directors of the Company 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.

** For identification purpose only*