

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



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)

DISCLOSEABLE TRANSACTION

MAJOR TRANSACTION

IN RELATION TO

(I) ACQUISITION OF BOOK PRINTING BUSINESS AND ASSETS;

AND

(II) SUBSCRIPTION OF CONVERTIBLE NOTE

The Lion Rock Board and the Left Field Board are pleased to announce that, after trading hours of the Stock Exchange on 24 May 2022, Left Field, OPUS (an indirectly non-wholly owned subsidiary of Lion Rock and a wholly-owned subsidiary of Left Field), and Ovato entered into the Acquisition Agreement, pursuant to which, among other things, OPUS has conditionally agreed to acquire, and Ovato has conditionally agreed to sell, the Business and the Assets (and OPUS assuming the Liabilities) at the aggregate initial consideration of A\$8.5 million (equivalent to approximately HK\$47.4 million) (subject to adjustments).

On the same date, OPUS and Ovato entered into the Subscription Agreement, pursuant to which OPUS has conditionally agreed to subscribe for, and Ovato has conditionally agreed to issue, the Convertible Note at the issue price of A\$2.5 million (equivalent to approximately HK\$13.9 million).

The Subscription Completion is conditional upon the Acquisition Completion.

LISTING RULES IMPLICATIONS

In respect of Lion Rock

The Subscription, on a standalone basis, does not constitute a notifiable transaction for Lion Rock under Chapter 14 of the Listing Rules, but when aggregated with the Loans, constitutes a discloseable transaction for Lion Rock under Chapter 14 of the Listing Rules. The Acquisition, on a standalone basis and when aggregated with the Loans and the Subscription, constitutes 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 are more than 5% but all are less than 25%. Accordingly, the Acquisition Agreement, the Subscription

Agreement and the respective transactions thereunder are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

In respect of Left Field

The Subscription, on a standalone basis and when aggregated with the Loans, constitutes a discloseable transaction for Left Field under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules are more than 5% but all are less than 25%. The Acquisition, on a standalone basis and when aggregated with the Loans and the Subscription, constitutes a major transaction for Left Field under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules are more than 25% but all are less than 100%. Accordingly, the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder are subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Left Field Directors having made all reasonable enquiries, no Left Field Shareholder or its/his/her associate(s) has a material interest in the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder and accordingly, no Left Field Shareholder is required to abstain from voting if Left Field were to convene a shareholders' meeting for approving the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder. As at the date of this joint announcement, Lion Rock is the controlling shareholder of Left Field beneficially interested in 296,396,954 Left Field Shares, representing approximately 59.4% of the issued share capital of Left Field. Left Field has obtained a written shareholder's approval from Lion Rock on 24 May 2022 for the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder. Pursuant to Rule 14.44(2) of the Listing Rules, the written shareholder's approval from Lion Rock will be accepted in lieu of holding a general meeting of the Left Field Shareholders. Accordingly, no physical shareholders' meeting will be held by Left Field to approve the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder.

A circular containing, among other things, (i) details of the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder; (ii) financial information of the Business and the Assets; and (iii) other general information of Left Field is expected to be despatched to the Left Field Shareholders for their information on or before 15 June 2022.

The Lion Rock Board and the Left Field Board are pleased to announce that, after trading hours of the Stock Exchange on 24 May 2022, Left Field, OPUS (an indirectly non-wholly owned subsidiary of Lion Rock and a wholly-owned subsidiary of Left Field), and Ovato entered into the Acquisition Agreement, pursuant to which, among other things, OPUS has conditionally agreed to acquire, and Ovato has conditionally agreed to sell, the Business and the Assets (and OPUS assuming the Liabilities) at the aggregate initial consideration of A\$8.5 million (equivalent to approximately HK\$47.4 million) (subject to adjustments). On the same date, OPUS and Ovato entered into the Subscription Agreement, pursuant to which OPUS has conditionally agreed to subscribe for, and Ovato has conditionally agreed to issue, the Convertible Note at the issue price of A\$2.5 million (equivalent to approximately HK\$13.9 million). The Subscription Completion is conditional upon the Acquisition Completion.

Details of each of the Acquisition Agreement and the Subscription Agreement are set out below.

THE ACQUISITION AGREEMENT

Date

24 May 2022

Parties

- (i) OPUS, as purchaser;
- (ii) Left Field, as purchaser's guarantor guaranteeing the obligations and liabilities of OPUS under the Acquisition Agreement; and
- (iii) Ovato, as vendor.

Subject matter

Pursuant to the Acquisition Agreement, OPUS has conditionally agreed to acquire, and Ovato has conditionally agreed to sell, the Business and the Assets, and OPUS has also conditionally agreed to assume the Liabilities. Further details of the Business, the Assets and the Liabilities are disclosed in the section headed "Information of the Business, the Assets and the Liabilities" below.

Consideration and payment terms

The initial consideration for the Acquisition is A\$8,500,000 (equivalent to approximately HK\$47.4 million), subject to adjustments as further disclosed below, which is payable in cash upon the Acquisition Completion.

OPUS intends to settle the consideration partly by reallocating the unutilised proceeds from the initial public offering of Left Field Shares (as further disclosed in the section headed "Change of use of proceeds" below) and partly by its internal resources.

The consideration is determined after arm's length negotiations among the parties to the Acquisition Agreement with reference to the net book value of the Assets and the Liabilities of approximately A\$5.7 million (equivalent to approximately HK\$31.8 million) as at 31 March 2022 as shown in the management accounts of the Business. The premium of the initial consideration over the net book value of the Assets and Liabilities was determined after having considered, among other things, the scale of the Business, the established customer/supplier network of the Business, the experienced operating team for the Business and the market value of the machinery comprising the Assets.

Adjustments to the initial consideration

OPUS shall, as soon as reasonably practicable after the date on which the Acquisition Completion takes place (and in any event within 20 Business Days after that date) prepare the completion accounts for the Business in accordance with the principles and policies set out in the Acquisition Agreement (the “**Completion Accounts**”). Within two Business Days after the Completion Accounts are issued, OPUS shall prepare a report (the “**Completion Report**”) setting out the calculation of the working capital of the Business (i.e. the sum of trade debtors, inventories and other current assets, less the sum of trade creditors, employee provisions, current accruals, current provisions and non-current provisions).

The initial consideration will be subject to the following adjustments on the date which is the earliest of the dates on which the Completion Accounts and the Completion Report are finally accepted by Ovato, agreed or determined under the terms of the Acquisition Agreement (the “**Completion Accounts Settlement Date**”):

- (i) if the completion working capital amount exceeds A\$7.1 million (equivalent to approximately HK\$39.6 million), the initial consideration will be increased by A\$2.0 million (equivalent to approximately HK\$11.2 million);
- (ii) if the completion working capital amount exceeds A\$5.1 million (equivalent to approximately HK\$28.5 million) and is less than or equal to A\$7.1 million (equivalent to approximately HK\$39.6 million), the initial consideration will be increased by the amount by which the completion working capital amount exceeds A\$5.1 million (equivalent to approximately HK\$28.5 million);
- (iii) if the completion working capital amount is less than A\$5.1 million (equivalent to approximately HK\$28.5 million), the initial consideration will be decreased by the amount by which the completion working capital amount is less than A\$5.1 million (equivalent to approximately HK\$28.5 million); and
- (iv) if the completion working capital amount is equal to A\$5.1 million (equivalent to approximately HK\$28.5 million), then the initial consideration will not be adjusted.

On the date that is ten Business Days after the Completion Accounts Settlement Date:

- (a) if the initial consideration is adjusted in accordance with (i) or (ii) above, OPUS must pay to Ovato the amount of the increase in the initial consideration in cash; and
- (b) if the initial consideration is adjusted in accordance with (iii) above, Ovato must repay to OPUS the amount of the decrease in the initial consideration in cash.

Conditions precedent

The Acquisition Completion is subject to and conditional on each of the following conditions precedent having been satisfied or waived:

- (i) certain employees operating the Business (as specified in the Acquisition Agreement) having accepted OPUS's offer of employment;
- (ii) OPUS having received the written consent of each counterparty to the HP Equipment Rental Agreement(s) (on terms acceptable to OPUS acting reasonably, and if required by the counterparties, signed by OPUS and/or Ovato) to the transactions relating to the HP Equipment Rental Agreement(s) provided for in the Acquisition Agreement;
- (iii) renewal of certain existing business/lease contracts and OPUS having received a counterpart of the transfer deeds of certain existing business/lease contracts for the Business specified in the Acquisition Agreement;
- (iv) Ovato obtaining consent from its financier for the transactions contemplated under the Acquisition Agreement;
- (v) notice from the Australian Competition & Consumer Commission having been received to the effect that the Australian Competition & Consumer Commission does not propose to oppose the Acquisition; and
- (vi) no material adverse change as specified in the Acquisition Agreement having occurred (the "**No MAC Condition**").

Conditions (i) to (v) may only be waived by agreement between OPUS and Ovato in writing. Condition (vi) may only be waived by OPUS in writing.

Either party may terminate the Acquisition Agreement at any time on or before the Acquisition Completion by giving notice in writing to the other party if any condition precedent other than the No MAC Condition:

- (a) is not fulfilled or waived by 30 November 2022;
- (b) becomes incapable of being fulfilled on or before 30 November 2022 and has not been waived within ten Business Days after notice is given of the fact that the condition precedent has become incapable of being fulfilled; or
- (c) having been satisfied on or before 30 November 2022, ceases to be satisfied before the Acquisition Completion.

OPUS may terminate the Acquisition Agreement at any time on or before the Acquisition Completion by giving notice in writing to Ovato if the No MAC Condition:

- (a) is not fulfilled or waived at the time immediately before the Acquisition Completion; or
- (b) becomes incapable of being fulfilled at any time before 30 November 2022 and has not been waived.

Upon termination, the Acquisition Agreement shall have no further effect and no party is liable to any other party except:

- (i) under any clause expressed to survive termination; or
- (ii) in respect of any breach of the Acquisition Agreement occurring before termination.

Acquisition Completion

The Acquisition Completion will take place on the later of (a) 15 June 2022; and (b) the date which is five Business Days after the last of the conditions precedent (i) to (v) set out in the section headed “Conditions precedent” above has been satisfied or waived, or at such other date agreed by Ovato and OPUS.

Other salient terms

Subject to the Acquisition Completion occurring,

- (i) to the extent permissible, Ovato shall licence all of its rights in and under each HP Equipment Rental Agreements to OPUS at and from the Acquisition Completion until the day before expiry of the term of the HP Equipment Rental Agreements;
- (ii) on the date of the Acquisition Completion, OPUS must pay to Ovato the fees payable under the HP Equipment Rental Agreements in advance as a lump sum payment for the remaining term of each such agreement, up to a maximum of A\$3.8 million (equivalent to approximately HK\$21.2 million); and
- (iii) on the day prior to expiry of the term of each of the HP Equipment Rental Agreements (or otherwise on a date to be agreed by each of Ovato and OPUS), Ovato will assign all of its rights, title and interest in and under the HP Equipment Rental Agreements to OPUS, and OPUS will accept such assignment.

THE SUBSCRIPTION AGREEMENT

Date

24 May 2022

Parties

- (i) OPUS, as subscriber; and
- (ii) Ovato, as issuer.

The Subscription

Pursuant to the Subscription Agreement, OPUS has conditionally agreed to subscribe for, and Ovato has conditionally agreed to issue, the Convertible Note with principal value of A\$2.5 million (equivalent to approximately HK\$13.9 million) at the issue price of A\$2.5 million (equivalent to approximately HK\$13.9 million). The subscription monies shall be payable by OPUS in cash upon the Subscription Completion.

Details of the Convertible Note are set out in the paragraph headed “Principal terms of the Convertible Note” below.

Condition precedent

The Subscription Completion is subject to and conditional on the Acquisition Completion having occurred.

The above condition may only be waived by the written agreement of OPUS and Ovato.

If the above condition is not fulfilled or waived (as the case may be) on or before 30 November 2022, or any later date agreed in writing by Ovato and OPUS, then all rights and obligations under the Subscription Agreement terminate on that date other than (a) under any clause expressed to survive termination; or (b) rights that accrue before that date.

Subscription Completion

The Subscription Completion will take place immediately after completion of the Acquisition Agreement or at any other date agreed by Ovato and OPUS.

Principal terms of the Convertible Note

Principal value:	A\$2,500,000
Issue price:	A\$2,500,000
Interest:	The Convertible Note does not bear any interest.
Maturity date:	25 November 2023
Transferability:	The Convertible Note may not be assigned or transferred without the prior written consent of Ovato.

Conversion right: The noteholder may require conversion of, at any time prior to the maturity date, the Convertible Note into the Conversion Shares, by giving a conversion notice to Ovato together with the note certificate in respect of the Convertible Note.

On or before the issue of the Conversion Shares, Ovato must apply to ASX and use its best endeavours to obtain official quotation of the Conversion Shares on and from the date of conversion.

Initial Conversion Price: A\$0.14 per Conversion Share, subject to customary anti-dilutive adjustments upon occurrence of certain events such as consolidation or subdivision of Ovato Shares, buy back of Ovato Shares, bonus issue of Ovato Shares, and issue of new Ovato Shares at an issue price that is less than the prevailing Conversion Price.

The initial Conversion Price is determined after arm's length negotiations between OPUS and Ovato with reference to the recent market price of the Ovato Shares.

The initial Conversion Price represents:

- (i) 16.7% premium over the closing price per Ovato Share of A\$0.12 as quoted on ASX on 23 May 2022;
- (ii) 13.8% premium over the average of the closing prices of the Ovato Shares as quoted on ASX for the five trading days up to and including 23 May 2022 of A\$0.123; and
- (iii) 33.3% discount to the net asset value per Ovato Shares of A\$0.21 as at 31 December 2021 (based on the audited net asset value of Ovato of A\$25,179,000 as at 31 December 2021 divided by 121,613,855 Ovato Shares in issue as at that date as disclosed in the half yearly report of Ovato).

Conversion Shares: Upon full conversion of the Convertible Note, 17,857,142 Conversion Shares shall be allotted and issued by Ovato to OPUS, which represents (i) approximately 14.7% of the issued share capital of Ovato as at the date of this announcement; and (ii) 12.8% of the issued share capital of Ovato as enlarged by the allotment and issue of the Conversion Shares.

No fractional Conversion Shares will be issued on the conversion of the Convertible Note and no cash adjustment will be made. Any fractional Conversion Shares will be disregarded.

Ranking of the Conversion Shares:	Each Conversion Share will be issued fully paid on the date of conversion and be free of any encumbrance and, as from the date of conversion, will rank <i>pari passu</i> in all respects with all other Ovato Shares then in issue.
Redemption:	Unless redeemed or converted before the maturity date in accordance with the terms of the Convertible Note, the Convertible Note must be redeemed on the maturity date.
No listing:	The Convertible Note is not, and is not proposed to be, listed for quotation on any stock exchange or market by Ovato.

INFORMATION OF OVATO

Ovato is a company incorporated in Australia, whose shares are listed on the ASX (ASX stock code: OVT).

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

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

Reference is made to the joint announcements of Lion Rock and Left Field dated 1 April 2022 and 8 April 2022 respectively in respect of the Loans. On 1 April 2022, OPUS acquired from an Independent Third Party a non-revolving financing facility granted to Ovato with outstanding loan amount of A\$4.86 million (equivalent to approximately HK\$27.1 million) and provided additional loan of A\$5.14 million (equivalent to approximately HK\$28.7 million) to Ovato. As at the date of this announcement, the total amount of outstanding loans provided by OPUS to Ovato amount to A\$9.8 million (equivalent to approximately HK\$54.7 million).

INFORMATION OF THE BUSINESS, THE ASSETS AND THE LIABILITIES

The Business

The Business refers to the book printing business being carried on by Ovato from the premises located at 168 Cross Keys Road, Salisbury South, SA 5106 as at the date of the Acquisition Agreement, which employs the Assets and incurred the Liabilities as further detailed below.

The Assets comprise assets employed for the conduct of the Business and include plant and equipment, goodwill, stock, receivables, prepayments and Ovato's right and title in certain business/lease/financing contracts and domain names in relation to the Business.

The Liabilities comprise liabilities incurred in the course of the Business and include trade payables, employees' entitlements, the performance of certain business/lease/financing contracts.

Financial information

Based on the management accounts provided by Ovato, the key financial information attributable to the Business and the Assets for the two financial years ended 30 June 2021 are set out below:

	For the year ended 30 June	
	2020	2021
	<i>A\$'000</i>	<i>A\$'000</i>
Net loss before taxation	1,189	980
	(HK\$6,634)	(HK\$5,468)
Net loss after taxation	926	702
	(HK\$5,167)	(HK\$3,917)

Based on the management accounts provided by Ovato, the book value of the Assets (net of the Liabilities) as at 31 March 2022 was approximately A\$5.7 million (equivalent to approximately HK\$31.8 million).

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE SUBSCRIPTION

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 296,396,954 Left Field Shares (representing approximately 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.

The Lion Rock Directors and the Left Field Directors are of the view that the Acquisition provides the Left Field Group with a good opportunity to increase market share. Through the Acquisition, the Left Field Group will be able to acquire the business connection established with several renowned publishers and consolidate its strong presence in the book printing industry in Australia. The Lion Rock Directors and the Left Field Directors also consider that the Acquisition will increase the revenue source for and create synergy with the existing printing business of the Left Field Group, thereby supporting its further development in the printing industry in Australia.

The Lion Rock Directors and the Left Field Directors further consider that the Subscription provides an opportunity for OPUS, at its discretion, to acquire equity interest in Ovato through the exercise of the conversion rights attaching to the Conversion Note should that be considered beneficial to the Left Field Group. Should the conversion occur, Ovato will become 12.8% owned by OPUS and Ovato will be accounted for as an investment of the Left Field Group. Lion Rock and Left Field will comply with the applicable Listing Rules requirements upon conversion of the Convertible Note. Further announcement(s) will be made by Lion Rock and/or Left Field as and when appropriate and in accordance with the Listing Rules.

Based on the above, the Lion Rock Board and the Left Field Board consider that the terms of the Acquisition Agreement and the Subscription Agreement are on normal commercial terms which are fair and reasonable, and the respective transactions contemplated thereunder are in the interests of the respective shareholders of Lion Rock and Left Field as a whole.

CHANGE OF USE OF PROCEEDS

Reference is made to (i) the prospectus issued by Left Field dated 20 September 2018 (the “**Prospectus**”) in relation to the initial public offering of the Left Field Shares (the “**LF Share Offer**”), which sets out the intended use of the net proceeds (the “**Net Proceeds**”) from the issue of new Left Field Shares at the time of preparing the Prospectus; and (ii) the annual report of Left Field for the year ended 31 December 2021 (the “**LF Annual Report**”), in which the utilisation of the actual Net Proceeds up to 31 December 2021 was disclosed.

The Left Field Board hereby announces that it has resolved to change the use of the Net Proceeds.

Use of proceeds as stated in the Prospectus

As disclosed in the section headed “Future plans and proposed use of proceeds” in the Prospectus, the Net Proceeds were intended to be used in the following manner:

- (i) approximately HK\$41.9 million (equivalent to approximately A\$7.5 million) or approximately 57.2% of the estimated Net Proceeds from the LF Share Offer would be utilised for the expansion of production capacity and enhancing efficiency by purchasing machinery. Left Field intended to utilise approximately (a) HK\$7.1 million (equivalent to approximately A\$1.3 million) to purchase three digital printing presses, two binding machines and one pre-press machine to replace certain existing machines which are performing with low efficiency and incurring higher maintenance costs, which has impacted their performance; and (b) HK\$34.8 million (equivalent to approximately A\$6.2 million) to purchase one new digital printing press, two binding machines and warehousing equipment to expand the Left Field Group’s capacity as well as to reduce binding related sub-contracting works;
- (ii) approximately HK\$17.7 million (equivalent to approximately A\$3.2 million) or approximately 24.1% of the Net Proceeds would be utilised for upgrading the Left Field Group’s enterprise resource planning (“**ERP**”) system and the Integrated Print and Logistics Management Pty Ltd (“**IPALM**”) platform. The Left Field Group intended to upgrade its ERP system and IPALM platform in order to improve their general functionality with the aim of maximizing the efficiency of its production and operations as well as enhancing product offerings to its customers. Such overall upgrades would involve the purchase and installation of equipment, such as servers, wifi networks and radio frequency identification equipment at the Left Field Group’s warehouses, as well as the development and/or purchase of software and new applications, which could be integrated into its ERP system and IPALM platform;

- (iii) approximately HK\$6.4 million (equivalent to approximately A\$1.1 million) or approximately 8.7% of the Net Proceeds would be utilised for expansion of the Left Field Group’s warehousing facilities and/or streamlining of its printing facilities. Such improvements may include enhancements to the Left Field Group’s existing facilities or potential relocations to larger premises; and
- (iv) approximately HK\$7.3 million (equivalent to approximately A\$1.3 million) or approximately 10.0% of the estimated Net Proceeds would be utilised as general working capital of the Left Field Group.

Utilised Net Proceeds

As set out in section headed “Use of proceeds” in the LF Annual Report, the total Net Proceeds from the LF Share Offer was approximately HK\$66.5 million after the deduction of related listing expenses. With reference to the proposed use of the Net Proceeds as stated in the Prospectus and in light of the difference between the actual amount of the Net Proceeds and estimated amount of the Net Proceeds as stated in the Prospectus (which was disclosed based on an offer price of HK\$1.05 per Left Field Share, being the mid-point of the then indicative offer price range of HK\$1.00 to HK\$1.10 per Left Field Share, net of the estimate listing expenses), the Left Field Group adjusted the intended use of the actual amount of the Net Proceeds proportionately as disclosed in the LF Annual Report.

As at the date of the LF Annual Report, the amount of Net Proceeds which has been utilised in the manner set out in the LF Annual Report was approximately HK\$47.0 million.

As disclosed in the LF Annual Report, the Left Field Group’s plan of purchasing the remaining machinery had been delayed in view of the challenging economic conditions, the reduction of printing demand from various government agencies and quick turnaround time educational book publishers as a result of the adverse impact of the COVID-19 pandemic on the local and global economic environment. Given the impacts of the COVID-19 pandemic on the printing industry and the local and global economy as a whole, Left Field would adopt a more conservative approach for utilising the remaining Net Proceeds effectively and efficiently for its long-term benefit and development. As at the date of the LF Annual Report, Left Field planned to prolong the timeline for using the remaining Net Proceeds up to the year ending 31 December 2024.

Change in use of proceeds

As at the date of this joint announcement, the aggregate amount of unutilised Net Proceeds is approximately HK\$19.5 million (equivalent to approximately A\$3.5 million). On 24 May 2022, the Left Field Board resolved to change the use of the unutilised Net Proceeds. An analysis of the utilisation of the Net Proceeds as at the date of this joint announcement and the proposed change in the use of the unutilised Net Proceeds is set out below:

	Original allocation of Net Proceeds as disclosed in the Prospectus	Revised allocation based on the actual Net Proceeds	Net Proceeds utilised as at the date of this joint announcement	Unutilised Net Proceeds as at the date of this joint announcement	Proposed application of the unutilised Net Proceeds
	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>
Purchasing machinery	41.9	38.0	19.8	18.2	-
Upgrading ERP system and IPALM platform	17.7	16.0	16.0	-	-
Expansion of the warehousing facilities and/or streamlining the printing facilities	6.4	5.8	4.5	1.3	-
General working capital of the Left Field Group	7.3	6.7	6.7	-	-
Payment of part of the initial consideration in respect of the Acquisition	-	-	-	-	19.5
Total	73.3	66.5	47.0	19.5	19.5

Save for the aforesaid changes, there is no other change in the use of the Net Proceeds.

Reasons for and benefits of the change in use of proceeds

As discussed above, Left Field's plan to purchase additional machinery had been delayed in view of, among other things, the challenging economic conditions as a result of the adverse impact of the COVID-19 pandemic on the local and global economic environment. Left Field considers that, as the Acquisition involves, among others, the purchase of digital printing presses, printing presses, binding machines and other machinery and equipment used by Ovato in its printing business, the Acquisition is expected to have a synergistic effect with the Left Field Group's existing printing business and will help Left Field to achieve its plans for the expansion of production capacity and enhancing efficiency as described in the Prospectus.

The Left Field Board confirms that there are no material changes in the nature of the business of the Left Field Group as described in the Prospectus. The Left Field Board considers the above change in the use of the Net Proceeds is fair and reasonable as this would allow Left Field to deploy its financial resources more effectively to enhance the profitability of the Left Field Group, is largely in line with the intended plan as stated in the Prospectus to expand production capacity, and is in the interests of the Left Field Group and the Left Field Shareholders as a whole.

LISTING RULES IMPLICATIONS

In respect of Lion Rock

The Subscription, on a standalone basis, does not constitute a notifiable transaction for Lion Rock under Chapter 14 of the Listing Rules, but when aggregated with the Loans, constitutes a discloseable transaction for Lion Rock under Chapter 14 of the Listing Rules. The Acquisition, on a standalone basis and when aggregated with the Loans and the Subscription, constitutes 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 are more than 5% but all are less than 25%. Accordingly, the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

In respect of Left Field

The Subscription, on a standalone basis, constitute a discloseable transaction for Left Field under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules are more than 5% but all are less than 25%. The Acquisition, on a standalone basis and when aggregated with the Loans and the Subscription, constitutes a major transaction for Left Field under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules are more than 25% but all are less than 100%. Accordingly, the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder are subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Left Field Directors having made all reasonable enquiries, no Left Field Shareholder or its/his/her associate(s) has a material interest in the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder and accordingly, no Left Field Shareholder is required to abstain from voting if Left Field were to convene a shareholders' meeting for approving the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder. As at the date of this joint announcement, Lion Rock is the controlling shareholder of Left Field beneficially interested in 296,396,954 Left Field Shares, representing approximately 59.4% of the issued share capital of Left Field. Left Field has obtained a written shareholder's approval from Lion Rock on 24 May 2022 for the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder. Pursuant to Rule 14.44(2) of the Listing Rules, the written shareholder's approval from Lion Rock will be accepted in lieu of holding a general meeting of the Left Field Shareholders. Accordingly, no physical shareholders' meeting will be held by Left Field to approve the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder.

A circular containing, among other things, (i) details of the Acquisition Agreement, the Subscription Agreement and the respective transactions thereunder; (ii) financial information of the Business and the Assets; and (iii) other general information of Left Field is expected to be despatched to the Left Field Shareholders for their information on or before 15 June 2022.

DEFINITIONS

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

“Acquisition”	the proposed acquisition by OPUS of the Business and the Assets (and assumption of the Liabilities) pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	The conditional acquisition agreement entered into among Left Field, OPUS and Ovato on 24 May 2022 in respect of the Acquisition
“Acquisition Completion”	completion of the Acquisition
“Assets”	the assets owned by Ovato and used in the Business which are subject to the Acquisition
“ASX”	Australian Securities Exchange
“Business”	the book printing business being carried on by Ovato
“Business Day(s)”	a day(s) that is (are) not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Sydney, NSW, Australia
“Conversion Price”	A\$0.14 per Conversion Share
“Conversion Shares”	the new Ovato Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Note
“Convertible Note”	the convertible note to be issued by Ovato to OPUS with principal value of A\$2.5 million
“HP Equipment Rental Agreements”	the rental agreements entered into between Ovato and HP Financial Services (Australia) Pty Limited in respect of the rental of certain printing presses and other related equipment

“Independent Third Parties”	(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 issued shares of which are listed on the main board of the Stock Exchange (stock code: 1540)
“Left Field Board”	the board of Left Field Directors
“Left Field Director(s)”	the director(s) of Left Field
“Left Field Group”	Left Field and its subsidiaries
“Left Field Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of Left Field
“Left Field Shareholder(s)”	holder(s) of the issued Left Field Share(s)
“Liabilities”	all of the obligations and liabilities of Ovato in respect of the Business to be assumed by OPUS pursuant to the Acquisition Agreement
“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 issued shares of which are listed on the main board of the Stock Exchange (stock code: 1127)
“Lion Rock Board”	the board of Lion Rock Directors
“Lion Rock Director(s)”	the director(s) of Lion Rock
“Lion Rock Group”	Lion Rock and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	the loans granted by OPUS to Ovato with aggregate outstanding amount of approximately A\$9.8 million as at the date of this joint announcement

“OPUS”	OPUS Group Pty. Ltd., a company incorporated in Australia, which is an indirect 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 issued shares are listed on the ASX (ASX stock code: OVT)
“Ovato Group”	Ovato and its subsidiaries
“Ovato Share(s)”	ordinary security(ies) of Ovato
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the proposed subscription of the Convertible Note by OPUS pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between OPUS and Ovato on 24 May 2022 in respect of the Subscription
“Subscription Completion”	completion of the Subscription
“A\$”	Australian dollars, the lawful currency of Australia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	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, 24 May 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\$5.58. 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 or at all.

As at the date of this joint 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; and 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 joint 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; and Mr. David Ho, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph as independent non-executive directors.

** For identification purpose only*