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LEFT FIELD PRINTING GROUP LIMITED

澳獅環球集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1540)

**CONNECTED TRANSACTION
LEASE AGREEMENT WITH D.M.R.A. PROPERTY**

THE RENEWED LEASING AGREEMENT

The Board is pleased to announce that, on 31 December 2021, Ligare (as tenant), an indirect wholly-owned subsidiary of the Company, entered into the 2022 Lease Agreement with D.M.R.A. Property (as landlord) to renew the terms of the connected transaction contemplated under the 2021 Lease Agreement for a term commencing from 1 January 2022 and ending on 31 December 2022, where the Group will continue to lease such premises from D.M.R.A. Property.

As D.M.R.A. Property is wholly-owned by Mr. Celarc. D.M.R.A. Property is an associate of Mr. Celarc and hence a connected person of the Company. Accordingly, the transaction contemplated under the 2022 Lease Agreement constitutes an one-off connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the rent payable under the 2022 Lease Agreement are more than 0.1% but less than 5%, the transaction contemplated under the 2022 Lease Agreement is exempted from the circular and shareholders' approval requirements but is subject to the announcement, disclosure and reporting requirements under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated 31 December 2020 in relation to the continuing connected transactions contemplated under the leases of premises from D.M.R.A. Property. The 2021 Lease Agreement relating to the continuing connected transactions provided thereunder will expire on 31 December 2021. The Board is pleased to announce that, on 31 December 2021, the Company entered into the 2022 Lease Agreement with D.M.R.A. Property to renew the terms of the connected transaction contemplated under the 2021 Lease Agreement for a term commencing from 1 January 2022 and ending on 31 December 2022, where the Group will continue to lease such premises from D.M.R.A. Property.

PRINCIPAL TERMS OF THE 2022 LEASE AGREEMENT

- Date: 31 December 2021
- Landlord: D.M.R.A. Property
- Tenant: Ligare
- Use: Factory and office for Property A (as defined below) and factory for Property B (as defined below)
- Location: (i) 138 – 152 Bonds Road, Riverwood, New South Wales, Australia (“Property A”)
(ii) 23 – 25 Skinner Avenue, Riverwood, New South Wales, Australia (“Property B”)
- Term: From 1 January 2022 to 31 December 2022
- Rental: Aggregated AUD727,409 (equivalent to approximately HK\$4.07 million) for Property A and Property B, payable in advance by 7 January 2022
- Outgoings: Ligare responsible for 100% payment of water sewerage and drainage charges

The lease was entered into by Ligare in its ordinary and usual course of business after having considered, among other things, the location of these properties and the terms offered by D.M.R.A. Property. The rental paid or payable by Ligare was determined after arm’s length negotiations with D.M.R.A. Property with reference to the prevailing market conditions, the rental rate of similar properties in the vicinity and the floor area the Group leases.

The rental payment made by Ligare will be funded by the Group’s internal resources.

HISTORICAL TRANSACTION AMOUNTS AND THE VALUE OF RIGHT-OF-USE ASSETS

Upon implementation of IFRS 16 “Lease” effective from 1 January 2019, the Group, when entering into a lease transaction as lessee, may recognise the right-of-use assets in the consolidated statement of financial position of the Group according to IFRS 16. The value of the right-of-use assets to be recognised by the Group for such transactions under the 2022 Lease Agreement represents the present value of the estimated aggregate rental payments for such transactions payable by the Group to D.M.R.A. Property in accordance with IFRS 16 “Leases”, being the aggregate amount of AUD 727,409 (equivalent to approximately HK\$4.07 million) in respect of Property A and Property B.

The rental made by Ligare to D.M.R.A. Property recognised as expenses in the consolidated statement of profit or loss of the Group for the two years ended 31 December 2020 and the nine months ended 30 September 2021 were approximately AUD0.74 million (equivalent to approximately HK\$3.98 million), AUD0.70 million (equivalent to approximately HK\$3.61 million) and AUD0.53 million (equivalent to approximately HK\$3.07 million), respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2022 LEASE AGREEMENT

In view of past operational convenience and benefits brought to the Group, such continuing relationships are expected to bring synergies to the parties.

The Directors (including the independent non-executive Directors but excluding Mr. Celarc) consider that the terms of the 2022 Lease Agreement have been negotiated on an arm's length basis and entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Celarc, the chairman of the Board and an executive Director, has a material interest in the 2022 Lease Agreement, and he has therefore abstained from voting on the Board resolution approving the 2022 Lease Agreement.

GENERAL

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

Ligare is principally engaged in the production of quick turnaround time education books and catalogues, operating manuals and promotional leaflets.

D.M.R.A. Property is principally engaged in property investment and holdings.

LISTING RULES' IMPLICATIONS

As D.M.R.A. Property is wholly-owned by Mr. Celarc, who is an executive Director and the Chairman of the Company, D.M.R.A. Property is an associate of Mr. Celarc and hence a connected person of the Company. Accordingly, the transaction contemplated under the 2022 Lease Agreement constitutes an one-off connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the rent payable under the 2022 Lease Agreement are more than 0.1% but less than 5%, the transaction contemplated under the 2022 Lease Agreement is exempted from the circular and shareholders' approval requirements but is subject to the announcement, disclosure and reporting requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"2021 Lease Agreement"	the lease agreement dated 31 December 2020 entered into between Ligare and D.M.R.A. Property
"2022 Lease Agreement"	the lease agreement dated 31 December 2021 entered into between Ligare and D.M.R.A. Property
"AUD"	Australian dollars, the lawful currency of Australia
"Board"	the Company's board of Directors
"Company"	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)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"D.M.R.A. Property"	D.M.R.A. Property Pty Limited, a company incorporated in Australia with limited liability, is a Shareholder and wholly-owned by Mr. Celarc
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standard Board
"Ligare"	Ligare Pty Ltd, a company incorporated in Australia with limited liability, is an indirect wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Celarc"	Mr. Richard Francis Celarc, the chairman of the Board and an executive Director and Shareholder
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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

Hong Kong, 31 December 2021

For the purpose of illustration only and unless otherwise stated, conversion of AUD to HK\$ in this announcement is based on the exchange rate of AUD1.00 to HK\$5.6. 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 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*