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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)

**UPDATE ON DISCLOSEABLE TRANSACTION
CLOSE OF QUARTO'S TENDER OFFER**

Reference is made to the announcements of the Company dated 30 November 2023, 14 December 2023 and 18 January 2024 in relation to Quarto's Tender Offer (the "Announcements"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

CLOSE OF TENDER OFFER

On 18 January 2024, the Quarto Board announced to launch the Tender Offer. The Tender Offer is offering to purchase up to 11,276,774 Quarto Shares, representing approximately 27.58% of the existing issued share capital of Quarto, at Tender Price of £1.50 per Quarto Share from Quarto Shareholders. On 13 February 2024, the Quarto Board announced to extend the expiration date of the Tender Offer from 15 February 2024 to 29 February 2024.

As at the date of this announcement, 10,639,491 Quarto Shares have been validly tendered in the Tender Offer and Quarto has agreed to accept all of such tendered Quarto Shares at total consideration of £15,959,236.5 (equivalent to approximately HK\$158 million). Quarto will complete the payment of the Tender Offer on 28 March 2024.

The Tender Offer is financed from Quarto's existing cash resources and paid out of distributable reserves.

EFFECT OF THE TENDER OFFER

As at the date of this announcement, 1010 Printing, an indirect wholly-owned subsidiary of the Company, holds 20,478,006 Quarto Shares and Mr. Andrea Giunti Lombardo, a Quarto Director, is interested in 9,134,320 Quarto Shares. Both 1010 Printing and Mr. Andrea Giunti Lombardo did not accept the Tender Offer. Set out below are the shareholding structure of Quarto (i) as at the date of this announcement; and (ii) after completion of the Tender Offer on 28 March 2024.

	As at the date of this announcement		After completion of the Tender Offer	
	No. of Quarto Shares held	%	No. of Quarto Share held	%
1010 Printing	20,478,006	50.08	20,478,006	67.70
Mr. Andrea Giunti Lombardo	9,134,320	22.34	9,134,320	30.20
Other Quarto Shareholders	11,276,774	27.58	637,283	2.10
Total	40,889,100	100.00	30,249,609	100.00

Upon completion of the Tender Offer, 1010 Printing's interest in Quarto will increase from 50.08% to 67.70%.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Other Quarto Shareholders and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

INFORMATION OF QUARTO

Quarto is a company incorporated in the United States.

Set out below is a summary of certain audited consolidated financial information of Quarto extracted from the published documents of Quarto for the year ended 31 December 2021 and 2022, respectively:

	For the year ended 31 December	
	2022 <i>(audited)</i> <i>US\$ million</i>	2021 <i>(audited)</i> <i>US\$ million</i>
Revenue	141.0	151.5
Profit before tax	20.9	14.2
Profit after tax	16.6	9.9

Based on the audited consolidated financial statements of Quarto for the year ended 31 December 2021 and 2022, the net asset value of Quarto as at 31 December 2021 and 2022 was approximately US\$53.2 million and US\$67.3 million, respectively. The unaudited net asset value of Quarto as at 30 June 2023 was approximately US\$69.7 million.

REASONS FOR AND BENEFITS OF THE TENDER OFFER

The Company is an investment holding company and the principal business activities of the Group are the provision of printing and publishing. Quarto is a leading global illustrated non-fiction book publisher. The Tender Offer provides Quarto Shareholders with a means to realise their investments in Quarto in cash after the De-listing. The Tender Offer also enables the Group to further increase its shareholding in Quarto in order to maximize the economic benefits through the Group's interest in Quarto.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Tender Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As Quarto is a subsidiary of the Company, the Tender Offer constitutes a transaction of the Company under Chapter 14 of the Listing Rules. As the relevant applicable percentage ratios in respect of the Tender Offer exceed 5% but are less than 25%, the Tender Offer constitutes a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

By order of the Board
Lion Rock Group Limited
Lau Chuk Kin
Chairman

Hong Kong, 1 March 2024

For the purpose of illustration only and unless otherwise stated, conversion of £ to HK\$ and US\$ to HK\$ in this announcement is based on the exchange rate of £1.0 to HK\$9.9 and US\$1 to HK\$7.8 respectively. 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 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; Prof. Lee Hau Leung, Dr. Ng Lai Man, Carmen, Mr. Ho Tai Wai, David and Mr. Ng Siu On as independent non-executive directors.

** For identification purpose only*