

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 announcement*



**LION ROCK GROUP LIMITED**

**獅子山集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

*(Stock code: 1127)*

**INSIDE INFORMATION**

**PROPOSED DE-LISTING OF QUARTO SHARES  
AND  
POTENTIAL DISCLOSEABLE TRANSACTION  
IN RESPECT OF INTENTION TO MAKE TENDER OFFER**

This announcement is made by the Board pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

On 30 November 2023 (after trading hours of the Stock Exchange), Quarto, an indirect subsidiary of the Company, announced its De-Listing proposal and intention to make the Tender Offer.

**PROPOSED DE-LISTING**

Quarto has today announced its proposal to seek Quarto Shareholders' approval at Quarto Special Meeting for the cancellation of the admission of Quarto Shares to the premium segment of the official list and to trading on the main market for listed securities of the London Stock Exchange.

The listing rules of London Stock Exchange require that, if a company wishes to cancel its listing on the official list, it must seek the approval of (i) a majority of not less than 75 per cent of votes attaching to Quarto Shares voted on the Resolution and (ii) a majority of the votes attaching to the Quarto Shares of Quarto Independent Shareholders who voted on the Resolution, in each case voting in person or by proxy. Conditional on the Resolution having been approved at Quarto Special Meeting, Quarto will request that (i) the United Kingdom Financial Conduct Authority cancel the listing of Quarto Shares on the official list, and (ii) the London Stock Exchange remove Quarto Shares from trading on the main market. If the De-listing proceeds in accordance with the De-listing proposal, it is expected that the cancellation of the listing of Quarto Shares on the official list will take effect from 18 January 2024.

**REASONS FOR THE DE-LISTING**

Quarto Directors unanimously believe that the De-listing is in the best interests of Quarto and Quarto Shareholders as a whole. In reaching their decision, Quarto Directors have considered the following key factors, amongst others:

- 1) the De-listing will result in certain costs savings, plus administrative and transactional efficiencies for Quarto;
- 2) Quarto will gain the flexibility to close future acquisitions more quickly without having to comply with the listing rules of the London Stock Exchange;
- 3) that Quarto Shares historically have a low average daily trading volume, which makes Quarto's share price susceptible to significant fluctuations after trades involving small numbers of shares; and
- 4) that Quarto Shares suffer from limited liquidity and a low free float which limits the benefits that Quarto can gain from accessing capital through the London Stock Exchange.

## **POTENTIAL TENDER OFFER**

The intention of the Quarto Board as at the date of this announcement is to launch the Tender Offer following completion of the De-listing. The current intention is that the Tender Offer will be for up to 10,000,000 Quarto Shares representing approximately 24.46% of the existing issued share capital of Quarto. The Tender Offer will provide Quarto Shareholders with a means to realise their investments in Quarto in cash after the De-listing. However, there can be no guarantee that Quarto will actually make the Tender Offer.

The current intention is that the tender price for the Tender Offer will be £1.50 (equivalent to approximately HK\$14.85) per Quarto Share (the "**Tender Price**"), being a premium of 25.0% to the closing price per Quarto Share on 28 November 2023, a premium of 28.7% to the three-month average closing share price per Quarto Share, a premium of 4.6% to the six-month average closing share price per Quarto Share and a premium of 0.8% to the nine-month average closing share price per Quarto Share. Tenders will only be accepted at the Tender Price.

The Tender Offer (if implemented) will be financed from Quarto's existing cash resources and paid out of distributable reserves.

## **EFFECT OF THE POTENTIAL 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 have given irrevocable undertakings (i) to vote in favour of the Resolution at Quarto Special Meeting; and (ii) not to accept the Tender Offer in the event that Quarto implement the Tender Offer. Set out below are the shareholding structure of Quarto (i) as at the date of this announcement; and (ii) after implementation of the Tender Offer based on the following assumptions: (a) there are no other changes to Quarto shareholdings other than as a result of the Tender Offer; and (b) Quarto acquires 10 million Quarto Shares, being the maximum number of Quarto Shares to be bought under the Tender Offer.

	<b>As at the date of this announcement</b>		<b>After the Tender Offer</b>	
	No. of Quarto Shares held	%	No. of Quarto Share held	%
1010 Printing	20,478,006	50.08	20,478,006	66.30
Mr. Andrea Giunti Lombardo	9,134,320	22.34	9,134,320	29.57
Mr. Ken Fund	24,000	0.06	24,000	0.08
Other Quarto Shareholders	11,252,774	27.52	1,252,774	4.05
Total	40,889,100	100.00	30,889,100	100.00

Upon completion of the proposed Tender Offer, 1010 Printing's interest in Quarto will increase from 50.08% to 66.30% (assuming there are no other changes to Quarto shareholdings other than as a result of the proposed Tender Offer).

## **LISTING RULES IMPLICATION**

As Quarto is a subsidiary of the Company, the Tender Offer, if it proceeds, will constitute a transaction of the Company under Chapter 14 of the Listing Rules. As the relevant applicable percentage ratios in respect of the proposed Tender Offer (calculated based on an acquisition price of £1.50 per Quarto Share) exceed 5% but are less than 25%, the Tender Offer, if it proceeds, will constitute a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, none of the Shareholders or any of their respective close associates has a material interest in the potential Tender Offer.

**As the Tender Offer may or may not proceed, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.**

## **INFORMATION OF QUARTO**

Quarto is a company incorporated in the United States and the issued shares of which are listed on the main market of the London Stock Exchange (LSE: QRT). Quarto is principally engaged in illustrated book publishing.

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:

	<b>For the year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(audited)</i>	<i>(audited)</i>
	<i>US\$ million</i>	<i>US\$ million</i>
<b>Revenue</b>	141.0	151.5
<b>Profit before tax</b>	20.9	14.2
<b>Profit after tax</b>	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\$53,209,000 and US\$67,340,000, respectively.

## **GENERAL**

The Company is an investment holding company and the principal business activities of the Group are the provision of printing and publishing.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings set out below:

"£"	British pound, the lawful currency of the United Kingdom
"1010 Printing"	1010 Printing Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors
"Company"	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)
"De-listing"	the cancellation of the admission of Quarto Shares to the premium segment of the official list and to trading on the main market for listed securities of the London Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Andrea Giunti Lornbardo"	Mr. Andrea Giunti Lornbardo, a non-executive Quarto Director and Quarto Shareholder
"Mr. Ken Fund"	Mr. Ken Fund, a non-executive Quarto Director and Quarto Shareholder
"Quarto"	The Quarto Group, Inc., incorporated in the United States and the issued shares of which are listed on the London Stock Exchange (LSE: QRT)
"Quarto Board"	the board of Quarto Directors
"Quarto Director(s)"	the director(s) of Quarto
"Quarto Independent Shareholders"	any Quarto Shareholder who does not exercise or control on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of Quarto

"Quarto Share(s)"	share(s) of US\$0.1 each in the issued share capital of Quarto
"Quarto Shareholder(s)"	shareholder(s) of Quarto
"Quarto Special Meeting"	the special meeting of Quarto Shareholders to be held on 14 December 2023
"Resolution"	the resolution to be proposed at Quarto Special Meeting to cancel the admission of the Quarto Shares from the official list and to trading on the London Stock Exchange's main market for listed securities
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tender Offer"	the proposed invitation by Quarto to qualifying Quarto Shareholders to tender their Quarto Shares on the terms and subject to the conditions that will be set out in a tender offer document and any associated forms if and when a tender offer is made by Quarto
"US\$"	United States dollars, the lawful currency of the United States
"United States"	the United States of America
"%"	per cent.

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

Hong Kong, 30 November 2023

*For the purpose of illustration only and unless otherwise stated, conversion of £ to HK\$ in this announcement is based on the exchange rate of £1.0 to HK\$9.9. 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 and Mr. Ho Tai Wai, David as independent non-executive directors.*

*\* For identification purpose only*