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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF QUARTO SHARES**

The Board is pleased to announce that during the period from 6 August 2021 to 6 January 2022 (both dates inclusive) 1010 Printing, an indirect wholly-owned subsidiary of the Company, acquired an aggregate of 1,185,000 Quarto Shares in the open market of the London Stock Exchange for an aggregate consideration of approximately £1,404,950 (equivalent to approximately HK\$14,892,470) (excluding stamp duty and related expenses) and at an average price of approximately £1.19 (equivalent to approximately HK\$12.57) per Quarto Share.

Reference is made to the Company's announcement dated 11 October 2021 in relation to the acquisition of 1,679,743 Quarto Shares by 1010 Printing from Mr. Lau, an executive Director and substantial Shareholder, at a consideration of £1,511,769 (equivalent to approximately HK\$16,024,748) (excluding stamp duty and related expenses).

Immediately before the Open Market Acquisition and the 2021 Acquisition, 1010 Printing held approximately 36.7% of the issued share capital of Quarto. Immediately after the Open Market Acquisition and the 2021 Acquisition, 1010 Printing hold approximately 43.7% of the issued share capital of Quarto.

While each of the acquisitions under the Open Market Acquisition, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, the Open Market Acquisition and the 2021 Acquisition, when aggregated as a whole, constitute as a discloseable transaction for the Company under Chapter 14 of the Listing Rules as the percentage of ratios in respect of the Open Market Acquisition and the 2021 Acquisition, when aggregated as a whole, are more than 5% and below 25% and are accordingly subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

THE OPEN MARKET ACQUISITION

The Board is pleased to announce that during the period from 6 August 2021 to 6 January 2022 (both dates inclusive) 1010 Printing, an indirect wholly-owned subsidiary of the Company, acquired an aggregate of 1,185,000 Quarto Shares in the open market of the London Stock Exchange.

As all the Quarto Shares acquired by 1010 Printing under the Open Market Acquisition were acquired in the open market of the London Stock Exchange, the Company is not aware of the identities of the seller(s)

of such Quarto Shares and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the seller(s) of such Quarto Shares and their ultimate beneficial owners is an Independent Third Party.

Consideration

The aggregate consideration for the 1,185,000 Quarto Shares was approximately £1,404,950 (equivalent to approximately HK\$14,892,470) (excluding stamp duty and related expenses) and at an average price of approximately £1.19 (equivalent to approximately HK\$12.57) per Quarto Share. As the Open Market Acquisition was conducted in the open market of the London Stock Exchange, the price of each trade represented the then market price of the Quarto Shares at the relevant time of the Open Market Acquisition.

The consideration of the Open Market Acquisition has been funded by the Group's internal resources.

Completion

Settlement for 185,000 Quarto Shares acquired by 1010 Printing before 6 January 2022 has been duly completed. Settlement for 1,000,000 Quarto Shares acquired by 1010 Printing on 6 January 2022 will take place on the second trading day after the orders regarding such acquisition have been made.

THE 2021 ACQUISITION

Reference is made to the Company's announcement dated 11 October 2021 in relation to the acquisition of 1,679,743 Quarto Shares by 1010 Printing from Mr. Lau, an executive Director and substantial Shareholder, at a consideration of £1,511,769 (equivalent to approximately HK\$16,024,748) (excluding stamp duty and related expenses). The transaction constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

SHARES ACQUIRED

Immediately before the Open Market Acquisition and the 2021 Acquisition, 1010 Printing held approximately 36.7% of the issued share capital of Quarto. Immediately after the Open Market Acquisition and the 2021 Acquisition, 1010 Printing hold approximately 43.7% of the issued share capital of Quarto.

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 for the two years ended 31 December 2019 and 31 December 2020:

	Profit before tax (excluding exceptional items)	Profit before tax	Profit after tax
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
For the year ended 31 December 2019	4,263	3,844	2,882
For the year ended 31 December 2020	7,035	6,589	4,569

The unaudited consolidated total asset value and net asset value of Quarto as at 30 June 2021 were approximately US\$140,087,000 and US\$46,127,000 respectively.

REASONS FOR AND BENEFITS OF THE OPEN MARKET ACQUISITION

The Group is principally engaged in the provision of printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies. One of the driving forces for the Group in moving forward is diversification.

Quarto, an associate of the Company, is a leading global illustrated non-fiction book publisher and one of the Group's top five customers which has been trading with the Group since 2007.

The Open Market Acquisition enables the Group to further increase its shareholding in Quarto in order to maximize the economic benefits through the Group's interest in Quarto.

Given that all the Quarto Shares acquired under the Open Market Acquisition were acquired in the open market of the London Stock Exchange, the Directors (including the independent non-executive Directors) consider that such Quarto Shares were acquired at the then prevailing market prices and terms of the Open Market Acquisition are on normal commercial terms and are fair and reasonable, and the Open Market Acquisition are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

While each of the acquisitions under the Open Market Acquisition, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, the Open Market Acquisition and the 2021 Acquisition, when aggregated as a whole, constitute as a discloseable transaction for the Company under Chapter 14 of the Listing Rules as the percentage of ratios in respect of the Open Market Acquisition and the 2021 Acquisition, when aggregated as a whole, are more than 5% and below 25% and are accordingly subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

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
"2021 Acquisition"	the acquisition of 1,679,743 Quarto Shares by 1010 Printing from Mr. Lau for a consideration of £1,511,769 (equivalent to approximately HK\$16,024,748) (excluding stamp duty and related expenses) on 11 October 2021
"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)
"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
"Independent Third Party"	third party independent of the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Lau"	Mr. Lau Chuk Kin, an executive Director and substantial Shareholder and an executive director of Quarto
"Open Market Acquisition"	the acquisition of an aggregate of 1,185,000 Quarto Shares by 1010 Printing in the open market of the London Stock Exchange for an aggregate consideration of approximately £1,404,950 (equivalent to approximately HK\$14,892,470) (excluding stamp duty and related expenses) during the period from 6 August 2021 to 6 January 2022 (both dates inclusive)
"Quarto"	The Quarto Group, Inc., an associate of the Company, incorporated in the United States and the issued shares of which are listed on the London Stock Exchange (LSE: QRT)
"Quarto Share(s)"	share(s) of US\$0.1 each in the issued share capital of Quarto
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"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
Yeung Ka Sing
Chairman

Hong Kong, 7 January 2022

For the purpose of illustration only and unless otherwise stated, conversion of £ to HK\$ in this announcement is based on the exchange rate of £1.00 to HK\$10.6. 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 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