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ALLEGRO CULTURE LIMITED

律齊文化有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 550)

DISCLOSEABLE TRANSACTION – DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

The Board is pleased to announce that on 30 September 2024, the Company disposed on the open market a total of 11,574,000 Kingkey Financial Shares at an aggregate cash consideration of approximately HK\$9.5 million (exclusive of transaction costs).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 30 September 2024, the Company disposed on open market a total of 11,574,000 Kingkey Financial Shares at an aggregate consideration of approximately HK\$9.5 million (exclusive of transaction costs). The average selling price (exclusive of transaction costs) for the Disposal of each Kingkey Financial Share is approximately HK\$0.82.

Immediately after the Disposal, the Company ceased to hold any Kingkey Financial Shares.

Completion of the Disposal will take place on the second trading day from the date of this announcement. Upon completion of the Disposal, the Company will receive the cash value of the proceeds in its securities account.

INFORMATION OF KINGKEY FINANCIAL

Kingkey Financial, a company incorporated in the Cayman Islands with limited liability, has its issued shares listed on the Stock Exchange (Stock Code: 01468). Based on public information, Kingkey Financial is principally engaged in the provision of securities brokerage services.

The following financial information is extracted from the published annual report of Kingkey Financial for the financial years ended 31 March 2024 and 2023:

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Revenue	330,417	331,313
Loss before tax	(823,993)	(1,164,272)
Loss after tax	(687,420)	(1,162,989)
Total assets	866,601	1,784,307
Net assets value	405,015	373,838

INFORMATION OF THE PURCHASER

As the Disposal was conducted through cross trade on the open market, the Company was not aware of the identity of the purchaser of the Sale Shares.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the purchasers of the Sale Shares (including their ultimate beneficial owner(s), if applicable) are Independent Third Parties.

REASONS FOR THE DISPOSAL

The Group is principally engaged in the (i) provision of advertising services, (ii) sale of household and personal care products to e-commerce platform, and (iii) sale of medical and health products for health checks.

The Group will receive the proceeds of approximately HK\$9.5 million (excluding transaction costs) and recognise a loss of approximately HK\$3.4 million which is calculated on the basis of the difference between the fair value as at 30 June 2024 (excluding transaction costs).

As the Group has held the Sale Shares since 2016, and given the volatility of market condition and macro-economy, the uncertainty in the long-term economic performance of the market, and the improvement of market sentiment in the recent few days, the Company believes that it is beneficial to take this opportunity to dispose the Sale Shares to liquidate the investment and adjusting the composition of the investment portfolio of the Group according to the market changes.

As the Disposal was conducted at market prices of Kingkey Financial Shares at the time of the Disposal, the Directors are of the view that the Disposal was fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT AND USE OF PROCEEDS

The Company is expected to recognise a loss on disposal of approximately HK\$3.4 million with reference to the consideration (exclusive of transaction costs) of the Disposal and its fair value as at 30 June 2024.

The Group intends to use the proceeds from the Disposal for general working capital purpose.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 2 April 2024 and will remain suspended until further notice.

Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Board”	the board of Directors of the Company
“Company”	Allegro Culture Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the of the Stock Exchange (Stock Code: 00550)
“Director(s)”	the director(s) of the Company
“Disposal”	The disposal of the Sale Shares by way of on-market transactions at an aggregate consideration of approximately HK\$9.5 million (exclusive of transaction costs)
“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 PRC
“Independent Third Party(ies)”	an individual or a company who or which is independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Kingkey Financial”	Kingkey Financial International (Holdings) Limited, is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01468)
“Kingkey Financial Share(s)”	share(s) of par value of HK\$0.10 each in the share capital of Kingkey Financial
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sale Shares”	a total of 11,574,000 ordinary shares of HK\$0.10 each in the existing issued share capital of Kingkey Financial, representing approximately 1.05% of the issued share capital of Kingkey Financial as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Allegro Culture Limited
Yiu Sze Wai
Executive Director

Hong Kong, 30 September 2024

As at the date of this announcement, the Board comprises Ms. Yiu Sze Wai as executive Director; Ms. Chung Anita Mei Yiu and Ms. Sun Jing as non-executive Directors; and Ms. Tang Po Lam Paulia, Mr. Chan Chiu Hung Alex, Mr. Wong Kwok Kuen, Mr. Li Chaobo and Ms. Yang Wanning, as independent non-executive Directors.