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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)

UPDATE ON RESUMPTION PROGRESS – FORMATION OF INDEPENDENT INVESTIGATION COMMITTEE AND ENGAGEMENT OF INDEPENDENT FORENSIC INVESTIGATOR

This announcement is made by Allegro Culture Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 18 March 2024 and 28 March 2024 respectively in relation to the delay in the completion of the 2023 Audit and the delay in the publication of the 2023 Annual Results, the announcement of the Company dated 6 May 2024 in relation to the resignation of the auditor, the announcement of the Company dated 6 June 2024 in relation to the appointment of the auditor, the announcement of the Company dated 24 June 2024 in relation to the Resumption Guidance, the quarterly update announcement dated 25 September 2024, and the announcements of the Company dated 21 February 2024 and 18 April 2024 respectively in relation to the litigation against a former director of the Company (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATE ON THE INVESTIGATION PROGRESS AND FORMATION OF INDEPENDENT INVESTIGATION COMMITTEE

As mentioned in the announcement of the Company dated 25 September 2024, the Company has engaged an investigator to conduct an independent investigation into the Allegations as well as other issues that relates to certain Audit Issues.

After considering the initial findings of the investigation, the Board resolved that it would be prudent to conduct a further independent forensic investigation on certain matters to address the resumption conditions under the Resumption Guidance and to prepare for the ongoing legal proceedings against the former director of the Company, Mr. Tsang Hing Bun (“**Mr. Tsang**”) and Rambler Corporate Consultancy Limited (“**Rambler**”). Moreover, the Board has resolved to form an independent investigation committee of the Board (the “**Independent Investigation Committee**”) to undertake the investigation on the matters pertaining to the Allegations, the Transactions under Litigation, KK Wecheck, Hopeful Top and Aurora (the “**Subject Matters**”). The Independent Investigation Committee is comprised of non-executive Directors and independent non-executive Directors who are independent from the Subject Matters and have joined the Company after the financial year ended 31 December 2023, namely Ms. Chung Anita Mei Yiu, Ms. Sun Jing, Mr. Li Chaobo and Ms. Yang Wanning, and is empowered to (i) retain independent third party professional institutions to assist the review on the Subject Matter; (ii) report to the Board on its findings; and (iii) make recommendations to the Board on appropriate actions to be taken, if any.

APPOINTMENT OF INDEPENDENT FORENSIC INVESTIGATOR

The Independent Investigation Committee has resolved to appoint Frank Forensic and Corporate Recovery Limited as the Forensic Investigator, who will conduct the forensic investigation in the following material scope:

- (i) whether the entities referred to in the Allegations are entities within the Group;
- (ii) whether the Allegations were related to any transactions undertaken by the Group;
- (iii) whether certain alleged misappropriation of funds from the Company and problematic transactions involving a former executive Director and a substantial shareholder of the Company as mentioned in the Allegations were true, valid and relevant to the Group;
- (iv) whether the alleged payment by the Group to Allied Charm Creation Limited (a wholly owned subsidiary of Jimu Group Limited) in June 2023 was unauthorised and without commercial substance constituting fraud or misappropriation of funds of the Company;
- (v) whether the alleged payments by the Company to Mr. Tsang and Rambler were unauthorised and without commercial substance constituting fraud or misappropriation of funds of the Company;
- (vi) the reasons for the loss of control over KK Wecheck and Hopeful Top, whether the loss contributed to the unavailability of books and records, and whether there were any suspicious transactions involving KK Wecheck and Hopeful Top in the fiscal year of 2023;
- (vii) the reasons for the unavailability of books and records for Aurora, and whether there were any suspicious transactions involving Aurora in the fiscal year of 2023.

The Board will make further announcement(s) in relation to the results of the investigation of the Independent Investigation Committee as and when appropriate.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 2 April 2024, pending the publication of the Company's announcement of its annual results for the year ended 31 December 2023.

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

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

Hong Kong, 28 October 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. Li Chaobo and Ms. Yang Wanning, as independent non-executive Directors.