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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)**

## **(1) QUARTERLY UPDATE ON RESUMPTION PROGRESS; AND (2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Allegro Culture Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 18 March 2024 and 28 March 2024 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 20 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 announcement of the Company dated 25 September 2024 in relation to the quarterly update on resumption progress of the Company, the announcement of the Company dated 28 October 2024 in relation to the formation of the Independent Investigation Committee and the engagement of the Independent Forensic Investigator and the announcement of the Company dated 4 November 2024 in relation to the Modified Resumption Guidance (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

### **UPDATE ON RESUMPTION PROGRESS**

As disclosed in the announcement of the Company dated 24 June 2024 and 4 November 2024, the Stock Exchange has set out the following Resumption Guidance on 20 June 2024 (and modified the Resumption Guidance on 30 October 2024) for the Company:

- (i) Conduct an appropriate independent forensic investigation into each of the Audit Issues, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;

- (ii) Demonstrating that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (iii) Conducting an independent internal control review and demonstrating that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;
- (iv) Publishing all outstanding financial results required under the Listing Rules and addressing any audit modifications;
- (v) Demonstrating the Company's compliance with Rule 13.24 of the Listing Rules; and
- (vi) Informing the market of all material information for Shareholders and investors to appraise the Company's position.

Pursuant to Rule 13.24A of the Listing Rules, the Company would like to provide to the shareholders and potential investors of the Company with the following updates on the latest resumption progress as at the date of this announcement:

### **Independent Investigation**

As disclosed in the announcement of the Company dated 28 October 2024, to address the Modified Resumption Guidance, the Company has resolved to form the Independent Investigation Committee to undertake the investigation in relation to the Subject Matters. The Independent Investigation Committee has also resolved to appoint Frank Forensic and Corporation Recovery Limited as the Forensic Investigation to conduct forensic investigation (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; and
- (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.

As at the date of this announcement, the Forensic Investigator is still in the course in conducting the forensic investigation. The Company will make further announcement(s) in relation to the results of the forensic investigation as and when appropriate.

### **Internal Control Review**

As the Forensic Investigator is still in the course of conducting the Forensic Investigation, the Company is of the view that it will be appropriate to conduct an internal control review when the Forensic Investigation is completed in principle, such that a comprehensive internal control review can be conducted based on the outcome of the Forensic Investigation. The Company will make further announcement(s) in relation to the internal control review as and when appropriate.

### **Publication of all outstanding financial results required under the Listing Rules**

The Company is currently taking action to resolve the Audit Issues and is working closely with the Auditor for the audit of the Company's consolidated financial statements for the year ended 31 December 2023. The Company will use its best endeavours to publish the outstanding financial results and reports, and is closely working with the professional parties towards the expected timeline for fulfilment of the Resumption Conditions.

### **Business Operation of the Group**

While the trading of the Shares has been suspended, the major and principal business of the Company, namely the advertising business, has not been affected and is operating normally. The publication and digital advertising platform operated by the Company, known as "Recruit" and "Like magazine" remain unaffected and are publishing and distributing normally.

### **Other resumption conditions**

The Company is taking appropriate steps to fulfill the other conditions in the Resumption Guidance and will update the shareholders and potential investors on the progress as and when appropriate.

## **CONTINUED SUSPENSION OF TRADING OF SHARES**

Trading in the shares of the Company on the Stock Exchange of Hong Kong Limited 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.**

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

Hong Kong, 6 January 2025

*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.*