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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Allegro Culture Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any losses howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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) CONTINUING CONNECTED TRANSACTIONS  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee  
and Independent Shareholders**



**Alliance Capital Partners Limited**  
**同人融資有限公司**

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A letter from the Independent Board Committee is set out on pages 17 to 18 of this circular. A letter from Alliance Capital Partners Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 30 of this circular.

A notice convening the SGM of the Company to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 31 July 2025 at 11:00 a.m. is set out on pages 36 to 37 of this circular. A form of proxy for use at the special general meeting is enclosed.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the special general meeting if you so wish.

No refreshment or corporate souvenir will be provided at the SGM.

11 July 2025

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Articles”	at any time the memorandum and articles of association of the Company in force at that time
“associate”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“CIC”	China Insights Consultancy, a research firm primarily engaged in providing industry insights and strategic advisory services
“Company”	Allegro Culture Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 550)
“Competitive Rate”	the profit margin charged to other independent customers for similar marketing and promotional services, and such services are conducted in the same geographic area where the malls of the Service Receiver are located
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“connected transaction(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Financial Year”	financial year of the Company, being the twelve (12) months commencing from 1 January up to 31 December
“FY2023”	the financial year of the Company ended 31 December 2023
“FY2024”	the financial year of the Company ended 31 December 2024

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## DEFINITIONS

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“Greater Bay Area”	Guangdong- Hong Kong-Macao Greater Bay Area, a national development strategy of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the board, comprising all the independent non-executive Directors and established to advise the Independent Shareholders of the terms of the Promotion Cooperation Framework Agreement and the related proposed annual caps and the transactions contemplated thereunder
“Independent Financial Adviser”	Alliance Capital Partners Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Promotion Cooperation Framework Agreement and the related proposed annual caps
“Independent Shareholder(s)”	the shareholders of the Company who are not required to abstain from voting at the SGM for the relevant resolution with respect to the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder in accordance with the Listing Rules
“Independent Third Party(ies)”	person(s) or company(ies) who by themselves and together with their ultimate beneficial owner(s) (as the case may be) which is/are independent of and not connected with any of the Directors, chief executives, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Kingkey Group/ Service Receiver”	Kingkey Group Holdings Limited* (京基集團有限公司), a company incorporated in the PRC with limited liability and a company majority-owned by the father of a substantial shareholder of the Company
“Latest Practicable Date”	7 July 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio”	has the same meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“Promotion Cooperation Framework Agreement”	the Promotion Cooperation Framework Agreement dated 15 April 2025 entered into between the Service Provider and the Service Receiver with respect to the provision of advertising and promotional services by the Service Provider to the Service Receiver
“Proposed Annual Caps”	the annual caps in respect of the transactions contemplated under the Promotion Cooperation Framework Agreement for each of the three years ending 31 December 2027 respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Service Fee”	the service fee to be paid by the Service Receiver to the Service Provider for the promotion services pursuant to the Promotion Cooperation Framework Agreement
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, to approve the Promotion Cooperation Framework Agreement and the Proposed Annual Caps, including any adjournment thereof
“Share(s)”	the ordinary shares of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“SZ Allegro/Service Provider”	Shenzhen Allegro Culture Limited* (深圳市律齊文化有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company

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## DEFINITIONS

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“%” per cent

\* *For identification purposes only*

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**LETTER FROM THE BOARD**

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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)**

*Executive Director:*

Ms. Yiu Sze Wai

*Non-executive Directors:*

Ms. Chung Anita Mei Yiu

Ms. Sun Jing

*Independent non-executive Directors:*

Ms. Tang Po Lam Paulia

Mr. Chan Chiu Hung

Mr. Li Chaobo

Ms. Yang Wanning

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal place of business in*

*Hong Kong:*

Room 1506, 15/F

Wing On Centre

111 Connaught Road Central

Hong Kong

11 July 2025

*To the Shareholders*

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS**  
**AND**  
**(2) NOTICE OF SPECIAL GENERAL MEETING**

**I. INTRODUCTION**

References are made to the announcements of the Company dated 15 April 2025 and 23 April 2025 respectively in relation to, among other things, the entering into of the Promotion Cooperation Framework Agreement.

The purposes of this circular are to provide you with, among other things (i) principal terms of, and information relating to, the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder; (ii) information relating to the Proposed Annual Caps for the three years ending 31 December 2027; (iii) a letter from the Independent Board Committee, which sets out its recommendations to the Independent Shareholders on the terms and conditions of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder; (iv) a letter from the Independent Financial Adviser, which sets out its opinions and recommendations to the Independent Board Committee; and (v) a notice to the Shareholders on convening the SGM.

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## LETTER FROM THE BOARD

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### II. THE PROMOTION COOPERATION FRAMEWORK AGREEMENT

References are made to the announcements of the Company dated 14 March 2025 and 26 March 2025 respectively in relation to, among others, the business development update that the Company is considering to further develop the Services (as defined below) in the PRC to broaden the income sources of the Group. The Board is pleased to announce that, on 15 April 2025 (after trading hours), SZ Allegro (an indirect wholly owned subsidiary of the Company), being the Service Provider, and the Service Receiver entered into the Promotion Cooperation Framework Agreement, pursuant to which the Service Provider shall provide advertising and promotional services to the Service Receiver.

The principal terms of the Promotion Cooperation Framework Agreement are summarised as follows:

- |                   |   |
|-------------------|---|
| Date:             | 15 April 2025   |
| Parties:          | (1) SZ Allegro (as the Service Provider)<br><br>(2) Kingkey Group (as the Service Receiver)   |
| Term:             | From the date on which the Promotion Cooperation Framework Agreement becomes effective and ending on 31 December 2027, which is renewable for further period of three (3) years subject to compliance with applicable requirements of the Listing Rules   |
| Scope of service: | The Service Provider shall provide a wide range of advertising and promotional services (the “ <b>Services</b> ”) to the Service Receiver in relation to projects (the “ <b>Project(s)</b> ”) developed or under development by the Service Receiver from time to time within the term of the Promotion Cooperation Framework Agreement. The details of the provision of the Services are as follows:<br><br>(i) the Service Provider and the Service Receiver will enter into separate written confirmations before the Service Provider provide any Services to the Service Receiver;<br><br>(ii) in each of the written confirmations, the Service Receiver will specify the theme and the specific requirements (if any) for the Project (such as the promotion of the shopping malls of the Service Receiver); |

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## LETTER FROM THE BOARD

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- (iii) the Service Provider will then formulate a detailed execution plan and prepare a breakdown of the expected expenses for the Project;
- (iv) upon confirming with the Service Receiver on the detailed execution plan and the expenses, the Service Provider will arrange with external service providers for the preparation and execution of the plan for the Project; and
- (v) the Service Provider will be responsible for the overall management and supervision for the Project.

Conditions Precedent:

The Promotion Cooperation Framework Agreement will be effective upon:

- (1) the passing of the resolution by the Independent Shareholders at the SGM approving the Promotion Cooperation Framework Agreement and the transactions contemplated hereunder; and
- (2) all necessary consents, authorisations and approvals required to be obtained on the part of the parties thereof in respect of the Promotion Cooperation Framework Agreement having been obtained.

None of the above conditions could be waived. If the conditions set out above have not been satisfied on or before 31 May 2025 (or such other date as the Service Provider and the Service Receiver may agree), the Promotion Cooperation Framework Agreement shall cease and terminate and the parties shall no longer have any obligations and liabilities towards each other under the Promotion Cooperation Framework Agreement save for any antecedent breaches of the terms thereof.

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## LETTER FROM THE BOARD

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Pricing basis:

The Service Fee to be paid by the Service Receiver to the Service Provider shall be determined between the Service Provider and the Service Receiver on normal commercial terms after arm's length negotiations on a cost-plus basis, taking into consideration the cost to be borne by the Service Provider with the Competitive Rate for providing similar services. The Company will use 5.0% as the margin for determining the service fee charged to the Service Receiver.

### III. PROPOSED ANNUAL CAPS AND BASIS

In accordance with the Promotion Cooperation Framework Agreement, the proposed annual caps for the Services during the term of the Promotion Cooperation Framework Agreement are as follows:

	<b>From 1 May 2025 to 31 December 2025</b>	<b>From 1 January 2026 to 31 December 2026</b>	<b>From 1 January 2027 to 31 December 2027</b>
(RMB)	10,500,000	16,000,000	16,000,000

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## LETTER FROM THE BOARD

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Despite the Proposed Annual Caps being greater than the historical service amount of RMB2.4 million with Kingkey Group for the year ended 31 December 2024, which was mainly related to the provision of advertising and promotional services on newly launched residential projects of Kingkey Group (the “**Previous Cooperation**”), the management of the Company believes that the nature of the services provided in the Previous Cooperation differs from those under the Promotion Cooperation Framework Agreement, which pertain to the advertising and promotional services for existing shopping malls of Kingkey Group. Therefore, the historical transaction amount is not a suitable reference for determining the Proposed Annual Caps. The Proposed Annual Caps for the Services are determined with reference to the historical incurred cost of advertising and promotional services work of Kingkey Group’s five major shopping malls in the Greater Bay Area for the two financial years ended 31 December 2024 (the “**Historical Costs**”), with details as follows:

**The incurred cost of advertising  
and promotional services work of  
Kingkey Group for the two  
financial years ended  
31 December 2024  
(RMB)**

Shopping mall A	6,110,000 (Note 1)
Shopping mall B	6,110,000 (Note 2)
Shopping mall C	4,090,000 (Note 3)
Shopping mall D	11,890,000 (Note 4)
Shopping mall E	4,080,000 (Note 5)
<b>The total incurred cost for the two financial years ended 31 December 2024</b>	<b>32,280,000 (Note 6)</b>
<b>The average incurred cost for a financial year</b>	<b>16,140,000 (Note 7)</b>

*Notes:*

1. The amount represents the aggregate of the actual promotion service expenses of approximately RMB3.0 million for FY2023; and approximately RMB3.1 million for FY2024 for shopping mall A.
2. The amount represents the aggregate of the actual promotion service expenses of approximately RMB2.9 million for FY2023; and approximately RMB3.2 million for FY2024 for shopping mall B.
3. The amount represents the aggregate of the actual promotion service expenses of approximately RMB1.9 million for FY2023; and approximately RMB2.2 million for FY2024 for shopping mall C.
4. The amount represents the aggregate of the actual promotion service expenses of approximately RMB7.3 million for FY2023; and approximately RMB4.6 million for FY2024 for shopping mall D.
5. The amount represents the aggregate of the actual promotion service expenses of approximately RMB2.0 million for FY2023; and approximately RMB2.08 million for FY2024 for shopping mall E.

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## LETTER FROM THE BOARD

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6. The amount represents the sum of the actual promotional services expenditure for the two financial years ended 31 December 2024 for shopping malls A, B, C, D and E.
7. The amount represents the average of the sum of the actual promotional services expenses of shopping malls A, B, C, D and E for the two financial years ended 31 December 2024 (i.e. RMB32.28 million ÷ 2).

The reason of using the Historical Costs to determine the Proposed Annual Caps is that the Service Provider will mainly provide the Services for the said five major shopping malls under the Promotion Cooperation Framework Agreement.

Upon assessing the Proposed Annual Caps, the Board is of the view that, Kingkey Group has a significant contribution over the revenue of the Group in the advertising segment, yet the Company does not have material reliance on Kingkey Group, and any change in relationship with Kingkey Group will not have a material adverse impact on the business of the Group for the following reasons:

- (i) given that the Company is in its initial stage in developing its business in the PRC in relation to the provision of the Services, it is expected that there will be more customers in the near future and will contribute material proportions of the revenue of the Group;
- (ii) even though there are other service providers available in the market, the Board believes that it might not be in the best interest of Kingkey Group to select and engage those other service providers considering the familiarity of the Group with the business of Kingkey Group, and the amount of time and relevant experience required for other service providers to provide the Services that are of comparable standard and quality to that of the Group. Also, Kingkey Group has formally committed in writing to using SZ Allegro as a service provider for any upcoming advertising and promotional activities for their five major shopping malls for the entire period of the Promotion Cooperation Framework Agreement. As such, the Board considers that it is unlikely that the business relationship between the Group and Kingkey Group will materially and adversely change in the foreseeable future; and
- (iii) even if the revenue from the provision of the Services under the Promotion Cooperation Framework Agreement were to decrease, the Board believes that the Group would be able to cushion it by utilizing the resources thereby left open to provide services to other customers.

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## LETTER FROM THE BOARD

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### IV. INTERNAL CONTROL PROCEDURES

The Company has adopted the following internal control measures to ensure that the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole:

- (i) the Company will enter into separate written confirmations with the Service Receiver to confirm the marketing proposal of a specific Project. Prior to entering into the written confirmations, the Company will first communicate with the Service Receiver to understand their requirement on the specific Project. The Company will then prepare a detailed execution plan, including the costs of each of the items to be used in the specific Project. Afterwards, as the Service Fee is determined on a cost-plus basis, the business operation department of the Company will check at least two quotations previously given to the independent customers of the Group in the course of provision of Services in the PRC to verify and compare the fee rates and profit margin for similar service scope conducted in the same geographic area and the corresponding levels of service content provided therein before submitting the execution plan (together with the Service Fee) to the Service Receiver. This process ensures that the Service Fee charged under the respective written confirmation is not inferior to the quoted rates of other independent customers in terms of the service content provided by the Group. At the same time, the business operation department of the Company will keep track of the provision of service and the collection of the fee from time to time to ensure that the interests of the Group will not be jeopardized;
- (ii) the finance and accounting department of the Company will conduct regular review and prepare a report on a quarterly basis, containing the connected transaction details, including but not limited to the types and specifications of services, total connected transaction amount recorded during the period, to consider (a) whether the transactions contemplated under the relevant continuing connected transactions are being conducted in accordance with the terms of the Promotion Cooperation Framework Agreement; (b) whether the price charged for a specific Project is no less favourable than other Independent Third Parties and in accordance with the pricing policy of the Group; and (c) whether the actual amount of the connected transaction has exceeded the amount of the Proposed Annual Cap. If the actual transaction amount reaches approximately 90% of the proposed annual caps or the major terms of the transactions have any changes at any time during the year, the finance department of the Company will report to the connected transactions officer of the Company, who will seek advice from the audit committee of the Company, and the Board will consider taking appropriate measures, including but not limited to revisiting and determining if the changes on the major terms are on normal commercial terms, further revisiting the annual caps amounts and complying with the relevant announcement and shareholders' approval requirements in accordance with the Listing Rules;

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## LETTER FROM THE BOARD

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- (iii) the Company will monitor and conduct periodic half-yearly reviews on the continuing connected transactions of the Company, to consider the (1) effective implementation of the pricing policies and the payment methods, evaluation of balances of annual caps; and (2) management weaknesses, and recommendation of improvement measures to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective and where any weaknesses are identified, the Company will take measures to address them as soon as practicable;
- (iv) the Company will designate the head of the finance and accounting department of the Company, currently being an executive Director to oversee the implementation and review of the internal control measures in relation to the transactions contemplated under the Promotion Cooperation Framework Agreement;
- (v) the Company's independent non-executive Directors and auditors will conduct annual reviews of the continuing connected transactions under the framework agreements and provide annual confirmations to ensure that, pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the transactions are conducted in accordance with the terms of the Promotion Cooperation Framework Agreement, on normal commercial terms and in accordance with the relevant pricing policies; and
- (vi) when considering any renewal or revisions to the Promotion Cooperation Framework Agreement, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be), and the independent non-executive Directors and independent Shareholders have the right to consider if the terms of such continuing connected transactions (including the corresponding annual caps) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. If the independent non-executive Directors' or independent Shareholders' approvals cannot be obtained, the Company will not continue the transactions under the Promotion Cooperation Framework Agreement to the extent that they constitute non-exempt continuing connected transactions under the Listing Rules.

The independent auditor of the Group will also conduct an annual review on the pricing terms and annual caps of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

## V. INFORMATION OF THE PARTIES

### **The Company**

The Group is principally engaged in investment holding while the subsidiaries of the Company are principally engaged in (i) the provision of advertising and promotional services; and (ii) sale of household and personal care products to e-commerce platform.

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## LETTER FROM THE BOARD

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### **The Service Provider**

The Service Provider is an indirect wholly owned subsidiary of the Company, which is principally engaged in the provision of advertising and promotional services.

### **The Service Receiver**

The Service Receiver is principally engaged in high-end technology investment, real estate, properties & hotel management, tourism, energy, transportation, food & beverages and other general entertainment businesses.

## **VI. REASONS FOR AND BENEFITS OF ENTERING INTO THE PROMOTION COOPERATION FRAMEWORK AGREEMENT**

As disclosed in the announcement of the Company dated 14 March 2025, the Company has been developing its business in the advertising and promotional segment in the PRC through providing advertising and promotional services to Kingkey Group, while the Company is satisfied with the progress of the development. The Group has been engaging in the provision of advertising and promotional services for over 20 years, and have extensive experience in managing projects and marketing campaigns, in particular, organising and managing large scale recruitment event which involves exhibition, decoration of shopping malls and exhibition halls and booth for employers and employees in Hong Kong. Given the success in the previous arrangement, the Company is confident that its knowledge and experience in the provision of advertising and promotional services in the Hong Kong market are applicable in the PRC market, and thus the Company would like to further expand its advertising and promotional business in the PRC. In light of the number of Projects held by Kingkey Group, the Promotion Cooperation Framework Agreement serves as a great opportunity for the Company to further develop its market in the PRC. On the other hand, anticipating the expansion into the PRC market, the Company has hired a project team leader in January 2025, who has over 15 years of experience in the advertising and promotional industry in the PRC, to coordinate and manage the provision of the Services. His experience includes planning and executing a wide range of advertising and promotional campaigns for renowned shopping malls in the PRC. Upon the appointment of the project team leader, there will be a team of three for SZ Allegro, comprising a director, the project team leader and a compliance officer, to provide advertising and promotional services in the PRC. The project team leader will be responsible for (i) the project execution by connecting with experienced downstream service providers in the PRC; and (ii) develop a clear and effective strategic vision for the development of business in the PRC. The director of SZ Allegro will be responsible for identifying new customers for SZ Allegro, and the compliance officer will be responsible for ensuring that the provision of services by SZ Allegro complies with the relevant requirement in the PRC. With the addition of the project team leader, the Company expects that the Company will be able to bring valuable market insights to PRC customers.

Upon considering (i) the Group's experience and good reputation in the advertising and promotional industry; (ii) the heightened standard of corporate governance and compliance

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## LETTER FROM THE BOARD

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adopted by SZ Allegro, being a subsidiary of a listed company in Hong Kong, when comparing with other service providers in the industry; (iii) the good track record in the previous cooperation between SZ Allegro and Kingkey Group, an efficient communication channel has been established between SZ Allegro and Kingkey Group; and (iv) no extra tendering is required for Kingkey Group to identify suitable service provider, Kingkey Group is of the view that the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder is beneficial to Kingkey Group.

Also, to ascertain that the pricing basis under the Promotion Cooperation Framework Agreement is fair and reasonable, the Company has engaged CIC as an industry expert to conduct a market research report on profit margins charged for services in advertising and promotional industry in the PRC. According to the report conducted by CIC, the recent Competitive Rate for general contracting services in the advertising and promotional industry ranged from 2.0% and 5.0%. Given that the Company will use 5.0% as the margin for determining the service fee charged to the Service Receiver (i.e. the higher end as shown in the report conducted by CIC), the Directors are of the view that the pricing basis under the Promotion Cooperation Agreement is fair and reasonable.

Having considered the factors above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Promotion Cooperation Framework Agreement and the Proposed Annual Caps are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms or better and that the entering into of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

### VII. LISTING RULES IMPLICATION

As (i) Mr. Chen Jiajun (“**Mr. Chen**”) is indirectly holding 123,037,657 Shares (approximately 27.55% of the total issued share capital of the Company); and (ii) Mr. Chen’s father is the controlling shareholder of Kingkey Group. As such, Kingkey Group is a connected person of the Company and the transactions contemplated under the Promotion Cooperation Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the annual caps for the Services under the Promotion Cooperation Framework Agreement exceeds 5%, the provision of the Services shall be subject to the reporting, announcement, circular (including the independent financial advice), annual review and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has material interest in the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder and no Director was required under the

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## LETTER FROM THE BOARD

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Listing Rules to abstain from voting on the Board resolutions approving the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, Upsky Global Limited is interested in 123,037,657 Shares, representing approximately 27.55% of the total issued share capital of the Company. Upsky Global Limited is wholly-owned by Mr. Chen. Accordingly, Upsky Global Limited is deemed to have material interest in the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps. Upsky Global Limited and its associates shall, therefore, abstain from voting at the SGM on the resolution in relation to the entering into of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps.

### VIII. THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors having no material interest in these transactions, namely, Mr. Chan Chiu Hung Alex, Ms. Tang Po Lam Paulia, Mr. Li Chaobo and Ms. Yang Wanning, has been formed to advise the Independent Shareholders in relation to the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder.

### IX. SGM

Set out on pages 36 to 37 is a notice convening the SGM to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 31 July 2025 at 11:00 a.m. at which relevant resolution(s) will be proposed to the Shareholders to consider and if thought fit, approve the relevant Continuing Connected Transactions. The voting on the resolution(s) will be taken by way of poll.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

The register of members of the Company will be closed, for the purpose of determining Shareholders' entitlement to attend and vote at the meeting, from Monday, 28 July 2025 to Thursday, 31 July 2025 (both days inclusive), during this period no transfer of shares will be registered. The record date for ascertaining right to attend the SGM is Thursday, 31 July 2025. In order to attend and vote at the meeting, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, not later than 4:30 p.m. on Friday, 25 July 2025.

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## LETTER FROM THE BOARD

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### X. RECOMMENDATION

The Board considers that the terms of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM.

Your attention is also drawn to (i) the letter from the Independent Board Committee set out on pages 17 to 18 of this circular; and (ii) the letter of advice from the Independent Financial Adviser set out on pages 19 to 30 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

### XI. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

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

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## LETTER FROM INDEPENDENT BOARD COMMITTEE

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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)**

11 July 2025

*To the Independent Shareholders*

Dear Sir or Madam,

#### CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 11 July 2025 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you as to whether, in our opinion, the Promotion Cooperation Framework Agreement was entered in the ordinary and usual course of business of the Group on normal commercial terms, the terms of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder and the respective annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole and how to vote on the resolutions approving the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder and the relevant annual caps.

Alliance Capital Partners Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Promotion Cooperation Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned, whether such terms are in the interests of the Company and the Shareholders as a whole. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, is set out on pages 19 to 30 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 16 of the Circular and the additional information set out in the appendix of the Circular.

Having considered the terms of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder, we are of the opinion that the Promotion Cooperation Framework Agreement was entered into in the ordinary and usual course of business of the Group on normal commercial terms, the terms of the Promotion Cooperation Framework Agreement and the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the

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**LETTER FROM INDEPENDENT BOARD COMMITTEE**

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resolution to be proposed at the SGM to approve the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder, and the respective annual caps.

Yours faithfully,

*Independent Board Committee of*  
**Allegro Culture Limited**

**Mr. Chan Chiu Hung**  
**Alex**

*Independent*

*non-executive Director*

**Ms. Tang Po Lam**  
**Paulia**

*Independent*

*non-executive Director*

**Mr. Li Chaobo**

*Independent*

*non-executive Director*

**Ms. Yang**  
**Wanning**

*Independent*

*non-executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter of advice from Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in connection with the proposed continuing connected transactions under the Promotion Cooperation Framework Agreement for the purpose of inclusion in the Circular:*



**Alliance Capital Partners Limited**  
同人融資有限公司

Room 03  
7/F, Worldwide House  
Des Voeux Road  
Central  
Hong Kong

11 July 2025

*To: The Independent Board Committee and the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE PROMOTION COOPERATION FRAMEWORK AGREEMENT**

#### **A. INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders of the Company on whether the terms of the continuing connected transactions contemplated under the Promotion Cooperation Framework Agreement and the relevant Annual Caps are fair and reasonable, and on a normal commercial terms and in the interests of the Company and its shareholders as a whole. Details of which are set out in the section headed “**LETTER FROM THE BOARD**” contained in the Circular, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 15 April 2025 and 23 April 2025, the Company announced that SZ Allegro (an indirect wholly-owned subsidiary of the Company), being the Service Provider, and the Service Receiver entered into the Promotion Cooperation Framework Agreement, pursuant to which the Service Provider shall provide advertising and promotional services to the Service Receiver from the date on which the Promotion Cooperation Framework Agreement becomes effective to 31 December 2027.

As at the Latest Practicable Date, (i) Mr. Chen Jiajun is indirectly holding 123,037,657 Shares (approximately 27.55% of the total issued share capital of the Company); and (ii) Mr. Chen’s father is the controlling shareholder of Kingkey Group. As such, Kingkey Group is a connected person of the Company. Accordingly, the entering into of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As one or more of the applicable percentage ratios (other than profits ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the annual caps for the Services under the Promotion Cooperation Framework Agreement exceeds 5%, the provision of the Services shall be subject to the reporting, announcement, circular (including the independent financial advice), annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has material interest in the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder and no Director was required under the Listing Rules to abstain from voting on the Board resolutions approving the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, Upsky Global Limited is interested in 123,037,657 Shares, representing approximately 27.55% of the total issued share capital of the Company. Upsky Global Limited is wholly-owned by Mr. Chen. Accordingly, Upsky Global Limited is deemed to have material interest in the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps. Upsky Global Limited and its associates shall, therefore, abstain from voting at the SGM on the resolution in relation to the entering into of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Tang Po Lam Paulia, Mr. Chan Chiu Hung, Alex, Mr. Li Chaobo and Ms. Yang Wanning, has been established by the Company to advise and make recommendations to the Independent Shareholders in respect of the transactions contemplated under the Promotion Cooperation Framework Agreement and the relevant Annual Caps.

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, we are independent from, and not associated with the Company or any other party to the Promotion Cooperation Framework Agreement, or their respective substantial shareholder(s) or other connected person(s), as defined under the Listing Rules and accordingly, are considered eligible to give independent advice on the terms of the Promotion Cooperation Framework Agreement and the relevant Annual Caps. There was no engagement between the Company and Alliance Capital in the past two years. Apart from this normal professional fee for our services to the Company in connection with the engagement as the Independent Financial Adviser, no other arrangements exist whereby we will receive any fees and/or benefits from the Company or any other party to the Promotion Cooperation Framework Agreement or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### B. BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the annual report of the Company for the year ended 31 December 2022;
- (ii) the interim report of the Company for the six months ended 30 June 2023;
- (iii) the voluntary announcement dated 14 March 2025 issued by the Company;
- (iv) the quarterly update on resumption progress dated 26 March 2025 issue by the Company;
- (v) the Promotion Cooperation Framework Agreement; and
- (vi) other information as set out in the Circular.

We have relied on (i) the statements, information and opinions contained or referred to in the Circular and/or the information and representations as provided to us by the Directors and the management of the Company (the “**Management**”); (ii) the information and facts supplied by the Company and its advisers; and (iii) our review of the relevant public information. We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true, complete, and accurate in all material respects at the time when they were made and continue to be so as at the date of the dispatch of the Circular. We have also assumed that all statements of belief, opinion, expectation, and intention made by the Management in the Circular are reasonably made after due enquiries and careful considerations.

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquires, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading. We have no reasons to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or Directors, which have been provided to us.

We consider that we have reviewed sufficient information to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation in compliance with Rule 13.80 of the Listing Rules. We have not, however, carried out any independent verification of the information, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or its respective subsidiaries or associates.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the continuing connected transactions under the Promotion Cooperation Framework Agreement, we have considered the following principal factors and reasons:

#### 1. Background information of the Company, the Service Provider and the Service Receiver

##### *1.1 Information of the Company*

The Group is principally engaged in investment holding while the subsidiaries of the Company are principally engaged in (i) the provision of advertising and Promotion services; and (ii) sale of household and personal care products to e-commerce platform.

##### *1.2 Information of the Service Provider*

The Service Provider is an indirect wholly-owned subsidiary of the Company, which is principally engaged in the provision of advertising and Promotion services.

##### *1.3 Information of the Service Receiver*

The Service Receiver is principally engaged in high-end technology investment, real estate, properties & hotel management, tourism, energy, transportation, food & beverages and other general entertainment businesses.

#### 2. Reasons for and benefits of the continuing connected transactions

As mentioned in the Letter from the Board, the Management is of the view that the Company stands to benefit from the Promotion Cooperation Framework Agreement, as this enables further expansion of its advertising and Promotion business in the PRC, leveraging the recognition of Kingkey Group, being a well-established property management company in the PRC.

As disclosed in the Announcement, the Company has been actively developing its advertising and promotional business in the PRC by providing online and offline advertising and promotional services to Kingkey Group since March 2024, and the Company is satisfied with the progress made thus far. Given the success for the previous cooperation, the Company intends to further expand its advertising and promotional business in the PRC. In addition, the Group has been engaging in the provision of advertising and promotional services for over 20 years, and have extensive experience in managing projects and marketing campaigns, in particular, organising and managing large scale recruitment event which involves exhibition, decoration of shopping malls and exhibition halls and booth for employers and employees in Hong Kong. Antipating the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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expansion into the PRC market and in supporting this potential cooperation, the Company has hired a project team leader with over 15 years of experience in the advertising and promotional industry in the PRC in January 2025. This key personnel will manage and oversee the project execution team. His extensive experiences, include planning and executing a wide range of advertising and promotional campaigns for renowned shopping malls such as Wanda Plaza, COCO Park, and INJOY in the PRC. Upon the appointment of the project team leader, there will be a team of three for SZ Allegro, comprising a director, the project team leader and a compliance officer, to provide advertising and promotional services in the PRC. The project team leader will be responsible for (i) the project execution by connecting with experienced downstream service providers in the PRC; and (ii) develop a clear and effective strategic vision for the development of business in the PRC. The director of SZ Allegro will be responsible for identifying new customers for SZ Allegro, and the compliance officer will be responsible for ensuring that the provision of services by SZ Allegro complies with the relevant requirement in the PRC. With the addition of the project team leader, the Company expects that the Company will be able to bring valuable market insights to customers like Kingkey Group. Therefore, considering (i) the Company's well-established reputation in the advertising and promotional industry, (ii) the addition of an experienced and professional team leader, and (iii) the number of projects held by Kingkey Group where the Company will be able to strengthen its reputation in the PRC and reach more customers of a similar scale as Kingkey after this cooperation, the Promotional Cooperation Framework Agreement serves as a great opportunity for the Company to enhance its market presence in the PRC.

Further, as discussed with the Management, we noted that Kingkey Group used to engage third-party service providers for advertising and promotional services through an independent open tender process for each project. Due to the varying scale, business models and internal policies of each service provider, the selection, negotiation, and coordination process were time-consuming. Given the numerous projects managed by Kingkey Group, dedicating such extensive human and time resources to the implementation of the relevant promotional activities each year was not efficient. In contrast, having previously cooperated with Kingkey Group, an efficient communication channel has been established between the Company and Kingkey Group, which streamlines communication and facilitates smoother project execution. In addition, as a listed company in Hong Kong, the Company adheres to elevated standards of corporate governance and compliance when compared to other small-scale service providers in the industry. This commitment ensures better compliance and greater transparency, thereby enhancing trust and credibility in the cooperations with Kingkey Group. In conclusion, the transaction contemplated under the Promotion Cooperation Framework Agreement is reciprocal, as it aims to not only expand the Company's advertising and promotional business in the PRC but also to provide Kingkey Group with a more stable and efficient service process.

In addition, as confirmed by the Company, having considered the inconveniences associated with hiring third-party service providers and taken into account the experience and track record of the Company's project execution team, Kingkey Group has formally committed in writing to hire the Company as the service provider for any upcoming

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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advertising and promotional activities of their five major shopping malls under the contract period of the Promotion Cooperation Framework Agreement. Details of the provision of Services are set out in the section headed “**THE PROMOTION COOPERATION FRAMEWORK AGREEMENT**” in the “**LETTER FROM THE BOARD**” in the Circular.

In light of the above, the Directors are of the view and we concur that it is beneficial to continue its business relationship with Kingkey Group with an aim to expand the Company’s business footprint in the PRC and entering into the Promotion Cooperation Framework Agreement is in the interests of the Company and its Shareholders as a whole.

### 3. Principal terms of the Promotion Cooperation Framework Agreement

Details of the terms of the Promotion Cooperation Framework Agreement are set out in the section headed “**THE PROMOTION COOPERATION FRAMEWORK AGREEMENT**” in the “**LETTER FROM THE BOARD**” in the Circular.

#### (a) Annual Caps

Set out below are the Annual Caps under the Promotion Cooperation Framework Agreement:

	<b>Annual Caps</b> <i>(RMB'000)</i>
From 1 May 2025 to 31 December 2025	10,500
	<i>(Note 1)</i>
For the year ending 31 December 2026	16,000
For the year ending 31 December 2027	16,000

*Note:*

- (1) This amount is calculated by dividing the proposed annual cap of RMB16.0 million by 12 months, multiplying by 8 months (i.e., from 1 May to 31 December 2025), and rounding down of the result.

The Management is of the view that the proposed Annual Caps should be determined at RMB10.5 million, from 1 May 2025 to 31 December 2025, and further increase to RMB16.0 million and RMB16.0 million for the two years ending 31 December 2027, respectively. Despite the proposed Annual Caps are greater than the historical service amount of RMB2.4 million with Kingkey Group for the year ended 31 December 2024, which were mainly related to the provision of advertising and promotional services on newly launched residential projects of Kingkey Group (the “**Previous Cooperation**”), the Management is of the view and we concur that the nature of the services provided in the Previous Cooperation differs from those under the Promotion Cooperation Framework Agreement, which will primarily focus on the provision of advertising and promotional services for existing shopping malls of

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Kingkey Group, therefore, the historical transaction amount is not a suitable reference for determining the proposed Annual Caps.

The Annual Caps for the advertising and promotional services outlined in the Promotion Cooperation Framework Agreement are determined with reference to the historical average annual costs incurred for advertising and promotional services work at Kingkey Group's five major shopping malls in the Greater Bay Area for the two years ended 31 December 2024, which amounted to approximately RMB16.2 million. The Management believes that the proposed Annual Cap of RMB16.0 million, determined based on the advertising and promotional costs of Kingkey Group over the two-year period, most accurately reflects the market's return to normal conditions following the end of the pandemic and the resumption of cross-border travel. In this connection, we concur that the basis and assumption for the proposed Annual Caps are fair and reasonable.

We have discussed with Management and obtained the statistical report on the historical incurred cost of advertising and promotional services work for each of the five major shopping malls of Kingkey Group from their purchasing department, through the Company (the "Statistical Report"). Additionally, we reviewed Kingkey Group's official website to verify the accuracy of the information regarding each shopping mall listed in the Statistical Report and to understand their market positioning. We also compared the historical advertising and promotional services costs mentioned in the Statistical Report with publicly available information on their geographic locations, sizes, mall positioning, opening dates, and marketing strategies from the past two years. This analysis helped us assess whether the cost structure stated in the Statistical Report is reasonable. Set out below is the quantitative analysis in arriving at the Proposed Annual Caps:

	<b>The incurred cost of advertising and promotional services work of Kingkey Group for the two financial years ended 31 December 2024 (RMB)</b>
Shopping mall A	6,110,000 (Note 1)
Shopping mall B	6,110,000 (Note 2)
Shopping mall C	4,090,000 (Note 3)
Shopping mall D	11,890,000 (Note 4)
Shopping mall E	4,080,000 (Note 5)
<b>The total incurred cost for the two financial year ended 31 December 2024</b>	<b>32,280,000 (Note 6)</b>
<b>The average incurred cost for a financial year</b>	<b>16,140,000 (Note 7)</b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Notes:*

1. The amount represents the aggregate of the actual promotion service expenses of approximately RMB3.0 million for FY2023; and approximately RMB3.1 million for FY2024 for Shopping mall A.
2. The amount represents the aggregate of the actual promotion service expenses of approximately RMB2.9 million for FY2023; and approximately RMB3.2 million for FY2024 for Shopping mall B.
3. The amount represents the aggregate of the actual promotion service expenses of approximately RMB1.9 million for FY2023; and approximately RMB2.2 million for FY2024 for Shopping mall C.
4. The amount represents the aggregate of the actual promotion service expenses of approximately RMB7.3 million for FY2023; and approximately RMB4.6 million for FY2024 for Shopping mall D.
5. The amount represents the aggregate of the actual promotion service expenses of approximately RMB2.0 million for FY2023; and approximately RMB2.08 million for FY2024 for Shopping mall E.
6. The amount represents the sum of the actual promotional services expenditure for the two financial years ended 31 December 2024 for Shopping malls A, B, C, D and E.
7. The amount represents the average of the sum of the actual promotional services expenses of Shopping malls A, B, C, D and E for the two financial years ended 31 December 2024 (i.e. RMB32.28 million  $\div$  2).

In order to assess whether the basis for determining the proposed Annual Caps is fair and reasonable, we discussed with the Management for the rationale behind. From the Statistical Report, we noted that the historical annual advertising and promotional expenditure for the five major shopping malls of Kingkey Group accumulated to approximately RMB17.1 million and RMB15.2 million for the two years ended 31 December 2024, respectively, with annual average of approximately RMB16.2 million. Further, we are also advised that Kingkey Group has committed hire the Company as the service provider for any upcoming advertising and promotional activities of their five major shopping malls under the contract period of the Promotion Cooperation Framework Agreement. In this connection, the Management is of the view, and we concur that the basis and assumption for the proposed Annual Caps are fair and reasonable.

In light of the above, we concur with the view of the Management that the proposed Annual Caps have taken into account the average annual costs incurred for advertising and promotional services work at Kingkey Group for the two years ended 31 December 2024, are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(b) Pricing policy*

As mentioned in the Letter from the Board, the service fee charged by the Company under the Promotion Cooperation Framework Agreement will be determined by both parties based on normal commercial terms after arm's length negotiations. The fee will be calculated on a cost-plus basis, taking into account several factors, including the latest competitive rates available, which is defined as the profit margin charged for similar marketing and promotional services in the PRC market, where such services are conducted in the same geographic area where Kingkey's malls are located ("**Competitive Rate**").

In assessing the fairness and reasonableness of the pricing policy under the Promotion Cooperation Framework Agreement, we obtained and reviewed a market research report on profit margins charged for general contracting services in the marketing and promotional industry in the PRC (the "**Industry Report**") from an industry expert, China Insights Consultancy ("**CIC**"). CIC is a research firm primarily engaged in providing industry insights and strategic advisory services. They had participated in over 3,000 due diligence projects for Initial Public Offering, covering over 800 subdivided industries, with over 1,000,000 experts to compile industry data for their reports. According to the Industry Report, the recent Competitive Rate for general contracting services in the advertising and promotional industry ranged from 2.0% to 5.0%. We had conducted below due diligence works about the rationale behind in arriving at the said range in the Industry Report.

- (1) We interviewed CIC regarding the research methodology and process. We noted that the methodology primarily consisted of interviews with (i) Shenzhen-based shopping malls and (ii) service providers engaged in providing marketing and promotional contracting services for Shenzhen-based shopping malls in order to benchmark the Competitive Rate. The research process included (i) questionnaire design, (ii) interviews with Shenzhen-based shopping malls and services providers, (iii) all gathered information undergoes rigorous validation, cross-referenced against CIC's proprietary databases to ensure data reliability, (iv) CIC produces detailed industry research reports based on authenticated information and data obtained through this methodology.
- (2) We obtained and reviewed the underlying interview notes compiled by CIC, which included interviews with four marketing and procurement principals of Shenzhen-based shopping malls. We noted that all the interviewed shopping malls have previously procured marketing and promotion services similar to the Scope of service, and the corresponding interviewees were directly responsible for procurement decisions.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (3) We obtained and reviewed the underlying interview notes compiled by CIC, which included interviews with six service providers engaged in providing marketing and promotional contracting services for Shenzhen-based shopping malls. We noted that all the interviewed service providers have previously provided marketing services to Shenzhen-based shopping malls under Kingkey Group and also delivered similar services with identical scopes to other shopping malls in Shenzhen.

In light of the above, CIC is of the view and we concur that the research methodology and process, and the selection of these interviewees is representative, capable of accurately and objectively reflecting the Competitive Rate for marketing and promotional services rendered to Shenzhen shopping malls, which are directly comparable to those provided by the Company to Kingkey Group.

Since the services provided by the Company are not commoditised and may vary significantly on a case-by-case basis – depending on factors such as mall positioning, the scale of the marketing campaigns, and macroeconomic conditions at that time – the Company will use 5.0% from this range as the indicative profit margin for determining the service fee charged to Kingkey Group in the future (“**Indicative Profit Margin**”), as this represents the highest Competitive Rate available thus far. In any case, the Company will not charge Kingkey Group a profit margin lower than the Indicative Profit Margin. As far as we understand, the Management would regularly review comparable prices for similar services offered to independent customers, and obtain quotations from other service providers with similar scale as the Company for price comparison.

In light of the above, the Management is of the view and we concur that the Indicative Profit Margin to be provided by the Company to Kingkey Group under the Promotion Cooperation Framework Agreement is fair and reasonable.

Despite the fact that the revenue ratio of the proposed Annual Caps represents over 31% of the Group’s total revenue for the year ended 31 December 2022, after taking into account the Indicative Profit Margin of 5% as disclosed above, the annual gross profit is expected to be approximately RMB0.8 million under the proposed Annual Caps, which only represents approximately 2.8% of the Group’s total gross profit for the year ended 31 December 2022. In addition, the Company believes that as the cooperation with Kingkey Group increases, it can leverage this track record to maximize the resources invested, providing this service to more independent customers in the foreseeable future and further expanding its customer base. As such, the Management is of the view and we concur that the Promotion Cooperation Framework Agreement would not lead to material reliance of the Company on Kingkey Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(c) Periodic review and internal control*

To ensure the Company's conformity with the above pricing policy in relation to the transactions contemplated under the Promotion Cooperation Framework Agreement and the proposed Annual Caps will not be exceeded, we have reviewed the internal control policies of the Company in relation to connected transaction. Details of the policies are set out in the section headed "**INTERNAL CONTROL PROCEDURES**" in the "**LETTER FROM THE BOARD**" in the Circular.

By implementing the procedures set out therein, the Directors consider that, and we concur that the Company has established appropriate internal control measures to ensure (i) the proposed Annual Caps will not be exceed, and (ii) the transactions contemplated under the Promotion Cooperation Framework Agreement will be on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

In addition, we have obtained (i) three quarterly reports for the connected transactions conducted during March 2024 to December 2024, and (ii) a meeting minutes of the Board dated 3 March 2025 containing details of the connected transactions with Kingkey Group during the year ended 31 December 2024, which are in line with the protocol stated in the section headed "**INTERNAL CONTROL PROCEDURES**" in the "**LETTER FROM THE BOARD**" in the Circular. Therefore, we are of the view that the Company has sufficient and effective internal control policy to ensure the proposed Annual Caps will not be exceed and the pricing policy are on normal commercial terms, fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

### **D. RECOMMENDATION**

In conclusion, we are of the view that the entering into the Promotion Cooperation Framework Agreement is in ordinary course of business, on normal commercial terms, which are fair and reasonable so far as the Company's Independent Shareholders are concerned and in the interests of the Company and its shareholders as a whole. Accordingly, we advise the Company's Independent Board Committee to recommend, and we ourselves recommend, that the Company's Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the relevant continuing connected transactions and the Annual Caps under the Promotion Cooperation Framework Agreement.

Yours faithfully,  
For and on behalf of  
**Alliance Capital Partners Limited**  
**Ray Chan**  
*Executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Mr. Ray Chan is a licensed Type 1 & 6 person registered with the Securities and Futures Commission and as a responsible officer of Alliance Capital Partners Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry, including initial public offerings and transactions involving companies listed in Hong Kong and the provision of independent financial advisory services.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### **Directors' interests and short positions in the securities of the Company and its associated corporations**

As at the Latest Practicable Date, none of the Directors had any interests in the Shares or underlying Shares (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests which they were taken or deemed to have under such provisions of the SFO); (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange; or (iv) required to be disclosed under the Takeovers Code.

**Substantial shareholders' and other persons' interests and short position in shares and underlying shares**

As at the Latest Practicable Date, the following persons or entities had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

<b>Name of Shareholder</b>	<b>Nature of Interest</b>	<b>Number of Shares</b>	<b>Approximate percentage or attributable percentage of shareholding</b>
Upsky Global Limited ( <i>Note 1</i> )	Beneficial owner	123,037,657	27.55%
Chen Jiajun ( <i>Note 1</i> )	Interest through a controlled corporation	123,037,657	27.55%
Champion Ease Group Limited ( <i>Note 2</i> )	Beneficial owner	74,000,000	16.24%
Lei Ming ( <i>Note 2</i> )	Interest through a controlled corporation	74,000,000	16.24%

*Notes:*

1. The entire issued share capital of Upsky Global Limited is owned by Mr. Chen Jianjun. Accordingly, Mr. Chen Jiajun is deemed to be interested in 123,037,657 Shares by virtue of the SFO.
2. The entire issued share capital of Champion Ease Group Limited is owned by Mr. Lei Ming. Accordingly, Mr. Lei Ming is deemed to be interested in 74,000,000 Shares by virtue of the SFO.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of the Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### 3. DIRECTORS' SERVICE CONTRACTS

None of the Directors has any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

### 4. QUALIFICATION AND CONSENT OF EXPERT

The qualification of the expert who has provided its advice as contained in this circular is as follows:

<b>Name</b>	<b>Qualification</b>
Alliance Capital Partners Limited	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, Alliance Capital was not interested in any Shares or shares in any member of the Group nor does it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Shares or shares in any member of the Group.

Alliance Capital Partners Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 11 July 2025 for incorporation in this circular and reference to its name in the form and context in which they appear.

### 5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors themselves or their respective associates had any interests in a business which competes or may compete with the business of the Group or any other conflicts of interests with the Group.

### 6. MATERIAL ADVERSE CHANGE

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 audit of the Company for FY2023 and the delay in the publication of the annual results for FY2023, 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 announcements of the Company dated 25 September 2024 and 6 January 2025 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 of the Company

and the engagement of the independent forensic investigator for the Company, the announcement of the Company dated 4 November 2024 in relation to the modified resumption guidance, the announcement of the Company dated 14 March 2025 in relation to, among others, its voluntary business update, the announcement of the Company dated 31 March 2025 in relation to the delay in the publication of the annual results for FY2024 and the announcement of the Company dated 7 May 2025 in relation to the disposal of equity interest in Aurora Medial Technology (HK) Corp. Limited. Save as disclosed in the aforementioned announcements, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group was made up.

## 7. LITIGATION

References are made to the announcements of the Company dated 21 February 2024, 23 February 2024 and 18 April 2024 in relation to, among others, the litigation between the Company and one of its former directors. Save as disclosed in the abovementioned announcements, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 8. MISCELLANEOUS

- (a) No contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.
- (b) None of the Independent Financial Adviser and the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 December 2022, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.
- (c) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at Room 1506, 15/F., Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (d) The principal share registrar of the Company in Bermuda is Conyers Corporate Services (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

- (e) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) The company secretary of the Company is Ms. Ho Pui Ling Elaine.
- (g) The English text of this circular and the proxy form shall prevail over the Chinese text.

## **9. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection (i) on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and (ii) on the website of the Company ([www.allegroculture.com.hk](http://www.allegroculture.com.hk)) from the date of this circular for a period not less than 14 days:

- (a) The Promotion Cooperation Framework Agreement;
- (b) the written consent from the expert referred to in the paragraph headed “4. Qualification and consent of expert” in this appendix; and
- (c) the letter of advice from Alliance Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 19 to 30 in this circular.

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## NOTICE OF SGM

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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)**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**Meeting**”) of Allegro Culture Limited (the “**Company**”) will be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 31 July 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 11 July 2025 of which the notice convening the Meeting forms part.

#### ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the promotion cooperation framework agreement dated 15 April 2025 (the “**Promotion Cooperation Framework Agreement**”) entered into between SZ Allegro and Kingkey Group in relation to the provision of advertising and promotional services (copy of which have been produced at the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) and the terms thereof and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the annual caps for the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder for the financial years ending 31 December 2025, 31 December 2026 and 31 December 2027 be and are hereby approved; and
- (c) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider as necessary, expedient or desirable for the purpose of or in connection with the implementation of the Promotion Cooperation Framework Agreement and the

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## NOTICE OF SGM

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transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 11 July 2025

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of  
business in Hong Kong:*  
Room 1506, 15/F  
Wing On Centre  
111 Connaught Road Central  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
2. A form of proxy for use at the Meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the branch share registrar of the Company, at Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed, for the purpose of determining Shareholders' entitlement to attend and vote at the meeting, from Monday, 28 July 2025 to Thursday, 31 July 2025 (both days inclusive), during this period no transfer of shares will be registered. The record date for ascertaining right to attend the SGM is Thursday, 31 July 2025. In order to attend and vote at the meeting, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 25 July 2025.