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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) ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025; AND (2) CONTINUED SUSPENSION OF TRADING

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK\$21.8 million for the six months ended 30 June 2025, representing an increase of 57.6% as compared with the same period in 2024.
- Gross profit was approximately HK\$6.3 million for the six months ended 30 June 2025, representing a decrease of 41.7% as compared with the same period in 2024. Gross profit margin was approximately 29.1% for the six months ended 30 June 2025.
- Loss for the six months ended 30 June 2025 was approximately HK\$10.8 million, representing an increase of 45.2% as compared with the same period in 2024. Loss for the six months ended 30 June 2025 attributable to equity shareholders of the Company was approximately HK\$10.8 million, representing a decrease of 79.6% as compared with the same period in 2024.

The Board resolved not to declare any interim dividend for the six months ended 30 June 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Allegro Culture Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**” or “**us**”) prepared according to the Hong Kong Financial Reporting Standards (“**HKFRS**”) for the six months ended 30 June 2025 (the “**Interim Period**” or “**1H2025**”) with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	4	21,797	13,829
Direct operating costs		(15,451)	(2,948)
Gross profit		6,346	10,881
Other income		891	645
Selling and distribution costs		(4,424)	(5,070)
Administrative expenses		(9,620)	(13,954)
Provision of impairment on trade and other receivables and loan receivables, net of reversal		(7)	291
Loss on disposal of subsidiaries		–	(207)
Finance costs	5	(61)	(57)
Loss on disposal of an associate		(3,972)	–
Loss before income tax	6	(10,847)	(7,471)
Income tax	7	–	–
Loss for the period		(10,847)	(7,471)
Other comprehensive (loss)/income			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on equity instruments at fair value through other comprehensive loss		(18)	(45,388)
<i>Items that are reclassified or may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		90	–
Other comprehensive income/(loss) for the period, net of tax		72	(45,388)
Total comprehensive loss for the period		(10,775)	(52,859)

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
<i>Notes</i>		HK\$'000	HK\$'000
Loss for the period attributable to:			
Equity shareholders of the Company		(10,847)	(7,471)
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>(10,847)</u>	<u>(7,471)</u>
Total comprehensive loss attributable to:			
Equity shareholders of the Company		(10,775)	(52,859)
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>(10,775)</u>	<u>(52,859)</u>
Loss per share			
– Basic and diluted	8	<u>(HK2.38 cents)</u>	<u>(HK1.64 cents)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Intangible assets		260	260
Property, plant and equipment		292	284
Right-of-use assets		1,836	2,682
Investment in an associate		–	13,922
Equity instruments at fair value through other comprehensive income		110	128
Financial asset at fair value through profit or loss		5,576	5,576
		<u>8,074</u>	<u>22,852</u>
Current assets			
Trade receivables	9	2,316	2,255
Other receivables, deposits and prepayments		2,131	2,784
Loan receivables		908	908
Cash and cash equivalents		41,018	37,042
		<u>46,373</u>	<u>42,989</u>
Current liabilities			
Contract liabilities		823	754
Trade and other payables	10	9,901	9,748
Current portion of lease liabilities		1,390	1,784
		<u>12,114</u>	<u>12,286</u>
Net current assets		<u>34,259</u>	<u>30,703</u>
Total assets less current liabilities		<u>42,333</u>	<u>53,555</u>

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Non-current liabilities		
Non-current portion of lease liabilities	<u>840</u>	<u>1,287</u>
Net assets	<u>41,493</u>	<u>52,268</u>
EQUITY		
Share capital	91,107	91,107
Reserves	<u>(49,614)</u>	<u>(38,839)</u>
Total equity	<u>41,493</u>	<u>52,268</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company on 13 March 2000 and redomiciled to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda, with limited liability on 29 January 2003. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Room 1506, 15/F, Wing On Centre, 111 Connaught Road Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK").

The Company acts as an investment holding company and provides corporate management services. The Group is principally engaged in (i) provision of advertising services, (ii) sale of medical and health products, (iii) e-commerce (mainly sales of household and personal care products), and (iv) provision of intellectual property ("IP") development design services.

Unless otherwise stated, this condensed consolidated interim financial information for the six months ended 30 June 2025 ("**Interim Financial Information**") is presented in Hong Kong Dollars thousand ("**HK'000**") and has been approved for issue by the Board on 20 August 2025.

This Interim Financial Information has been reviewed, not audited.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

This unaudited Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting" and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This unaudited Interim Financial Information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants. HKFRSs comprise HKFRS Accounting Standards ("**HKFRSs**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of this unaudited Interim Financial Information are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2024.

Application of new and amendments to HKFRSs

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendments to HKAS 21

Lack of Exchangeability

The application of these new or amended HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's unaudited condensed consolidated financial statements and amounts reported for the current period and prior years.

The Group has not early adopted the new or amended HKFRSs that have been issued but are not yet effective. The directors of the Company are currently assessing the impact of these new or amended HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

The chief operating decision-maker has been identified as senior executive management. Senior executive management reviews the Group's internal reporting in order to assess performance and allocate resources. Senior executive management has determined the operating segment based on these reports.

The Group is principally engaged in (i) the provision of advertising services; (ii) the sale of medical and health products; (iii) e-commerce (mainly the sales of household and personal care products); and (iv) the provision of IP development design service.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that unallocated corporate income, unallocated corporate expenses, and finance costs are excluded from such measurement.

Segment assets exclude intangible assets, property, plant and equipment, right-of-use assets, investment in an associate, equity instruments at fair value through other comprehensive income ("FVOCI"), financial asset at fair value through profit or loss ("FVTPL"), loan receivables, other receivables, deposits and prepayments, and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude lease liabilities and other payables as these liabilities are managed on a group basis.

	Provision of advertising services HK\$'000	Sale of medical and health products HK\$'000	E-commerce HK\$'000	Provision of IP development design service HK\$'000	Total HK\$'000
Six months ended					
30 June 2025					
Segment revenue	21,797	–	–	–	21,797
Segment results	(778)	–	(7)	–	(785)
Reconciliation:					
Unallocated corporate income					859
Unallocated corporate expenses					(10,860)
Finance costs					(61)
Loss before income tax					(10,847)
As at 30 June 2025					
Segment assets	12,654	–	2,400	–	15,054
Reconciliation:					
Intangible assets					260
Property, plant and equipment					10
Right-of-use assets					392
Equity instruments at FVOCI					110
Financial asset at FVTPL					3,267
Loan receivables					908
Other receivables, deposits and prepayments					991
Cash and cash equivalents					33,455
Total assets					54,447
As at 30 June 2025					
Segment liabilities	4,159	–	–	–	4,159
Reconciliation:					
Lease liabilities					427
Trade payable					11
Other payables					8,357
Total liabilities					12,954
Six months ended					
30 June 2025					
Other segment information					
Depreciation and amortisation	429	–	–	–	429
Impairment on trade and other receivables and loan receivables, net of reversal	7	–	–	–	7
Interest income	(19)	–	–	–	(19)

	Provision of advertising services <i>HK\$'000</i>	Sale of medical and health products <i>HK\$'000</i>	E-commerce <i>HK\$'000</i>	Provision of IP development design service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended					
30 June 2024 (“1H2024”)					
Segment revenue	13,829	–	–	–	13,829
Segment results	1,662	–	(114)	–	1,548
Reconciliation:					
Unallocated corporate income					480
Unallocated corporate expenses					(9,442)
Finance costs					(57)
Loss before income tax					(7,471)
As at 31 December 2024					
Segment assets	13,606	–	2,401	–	16,007
Reconciliation:					
Intangible assets					260
Property, plant and equipment					13
Right-of-use assets					865
Investment in an associate					13,922
Equity instruments at FVOCI					128
Financial asset at FVTPL					3,267
Loan receivables					908
Other receivables, deposits and prepayments					1,201
Cash and cash equivalents					29,270
Total assets					65,841
As at 31 December 2024					
Segment liabilities	4,261	–	–	–	4,261
Reconciliation:					
Lease liabilities					841
Other payables					8,471
Total liabilities					13,573
Six months ended					
30 June 2024					
Other segment information					
Depreciation and amortisation	92	–	–	–	92
Impairment on trade and other receivables and loan receivables, net of reversal	(291)	–	–	–	(291)
Interest income	(5)	–	–	–	(5)

Geographical information

(a) Revenue

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Hong Kong	9,202	13,829
Mainland China	12,595	–
	<u>21,797</u>	<u>13,829</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Hong Kong	2,322	3,226
Mainland China	66	–
	<u>2,388</u>	<u>3,226</u>

The non-current asset information above is based on the physical locations of the non-current assets, excludes investment in associate, equity instruments at fair value through other comprehensive income, financial asset at fair value through profit or loss, loan receivables, and deposits and prepayments.

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

		Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
	Operating Segment		
Customer A	Advertising	4,663	N/A*
Customer B	Advertising	4,115	N/A*
Customer C	Advertising	3,548	N/A*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective period.

4. REVENUE

An analysis of revenue is as follows:

Segment	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Provision of advertising services	21,797	13,829
	<u>21,797</u>	<u>13,829</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Interest on lease liabilities	61	57
	<u>61</u>	<u>57</u>

6. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Depreciation of property, plant and equipment	58	249
Depreciation of right-of-use assets	846	553
Employee benefit expense (including directors' emoluments)	6,509	4,088
Exchange loss	–	119
Provision of impairment on trade and other receivables and loan receivables, net of reversal	7	–
Interest income	(602)	(324)
Cost of inventories recognised in direct operating costs	–	2,948
	<u>–</u>	<u>2,948</u>

7. INCOME TAX

The Group is subject to Hong Kong Profits Tax under the two-tiered profits tax rate regime. Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of the qualifying group entity would be taxed at 8.25%, and profits above HK\$2 million would be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime would continue to be taxed at a flat rate of 16.5%.

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Hong Kong profits tax:		
Current tax	—	—

No Hong Kong profits tax had been provided as the Group had sufficient tax loss brought forward to set off against the estimated assessable profits during the six months ended 30 June 2025 and 2024.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the six months ended 30 June 2025 (31 December 2024: 25%).

8. LOSS PER SHARE

The calculation of basic and diluted loss per share for the six months ended 30 June 2025 is based on the loss for the period attributable to equity shareholders of the Company of HK\$10,847,000 (six months ended 30 June 2024: HK\$7,471,000) and the weighted average of 455,534,000 ordinary shares (six months ended 30 June 2024: 455,534,000 shares) in issue during the interim period.

For the six months ended 30 June 2025, diluted loss per share attributable to equity shareholders of the Company was the same as basic loss per share as there was no dilutive potential ordinary shares in existence.

For the six months ended 30 June 2024, the computation of diluted loss per share did not assume the exercise of the Company’s outstanding share options as the exercise price of these options was higher than the average market price of shares for the period.

9. TRADE RECEIVABLES

The Group allows a credit period from 3 days to 120 days (31 December 2024: 0 day to 120 days) to its trade customers.

Ageing analysis of trade receivables as at 30 June 2025, based on invoice date and net of provisions, is as follows:

	As at 30 June 2025 (Unaudited) <i>HK\$'000</i>	As at 31 December 2024 (Audited) <i>HK\$'000</i>
0–30 days	2,118	1,692
31–60 days	171	427
61–90 days	26	132
91–120 days	1	4
	<hr/>	<hr/>
Total trade receivables	2,316	2,255
	<hr/> <hr/>	<hr/> <hr/>

10. TRADE AND OTHER PAYABLES

As at 30 June 2025, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 30 June 2025 (Unaudited) <i>HK\$'000</i>	As at 31 December 2024 (Audited) <i>HK\$'000</i>
Within 1 month	11	–
1 to 3 months	–	–
Over 3 months but within 6 months	–	–
	<hr/>	<hr/>
Trade payables	11	–
Accruals	8,892	8,612
Other payables	998	1,136
	<hr/>	<hr/>
	9,901	9,748
	<hr/> <hr/>	<hr/> <hr/>

11. DIVIDENDS

No interim dividend was declared in respect of the six months ended 30 June 2025 and 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group is principally engaged in (i) provision of advertising services, (ii) sales of medical and health products, (iii) e-commerce (mainly in sales of household and personal care products), and (iv) IP development design service income.

The revenue of the Group increased by approximately 57.6% from approximately HK\$13.8 million in 1H2024 to approximately HK\$21.8 million in 1H2025. The increase in revenue was mainly attributable to the increase in revenue of advertising business, mainly driven by the Group's expansion of the advertising business into mainland China.

Provision of advertising services

The Group engaged in provision of advertising services, mainly through operating the Recruit Magazine. The Group expanded the advertising business through different digital platform in Mainland China. The revenue of provision of advertising services was approximately HK\$21.8 million for 1H2025, representing an increase of approximately 57.6% compared to that of 1H2024.

Sales of medical and health products

The Group engaged in sales of medical and health products, mainly through operating its 51% owned subsidiary, namely KK Wecheck. However, as announced by the Company on 21 February 2024 and 23 February 2024, the former executive director failed and/or refused to provide assistance to deliver full document records regarding KK Wecheck after his departure since September 2023. The Company believes it has lost its control on such subsidiary and therefore de-consolidated since July 2023. Since then, the Company recorded nil revenue in this segment (1H2024: Nil).

E-commerce

The Group engaged in e-commerce in sales of household and personal care products, mainly through operating one of its subsidiaries, namely Kingkey E-Commerce Limited (“KKEC”). However, as announced by the Company on 21 February 2024 and 23 February 2024, the former executive director failed and/or refused to provide assistance to deliver full document records, having said that the Company managed to retrieve document records (including accounting records) of KKEC prior to September 2023. However, extensive management efforts were spent by the Company to review the pre-existing operation and recover certain investments in this segment, such that the Company slowed down its pace on the development of new business in this segment and focused in recovering proceeds from various items of this segment, such as stock inventory and investments in concerts. In light of the above, the Company recorded nil revenue in 1H2025 (1H2024: Nil) in this segment.

IP development design service

The Group engaged in IP development design business mainly through Hopeful Top Limited (“**Hopeful Top**”), being a former subsidiary of the Group, since December 2022. However, the document records of this segment were affected by the delivery of documents involving a former executive Director after his departure since September 2023. In December 2024, the Group completed the disposal of Hopeful Top. Since then, the Company ceased development on new business in this segment. In light of the above, the Company recorded nil revenue in 1H2025 (1H2024: nil) in this segment.

Gross profit and gross profit margin

	Six months ended 30 June	
	2025	2024
Gross profit (HK\$'000)	6,346	10,881
Gross profit margin (%)	29.1	78.7

The gross profit of the Group decreased by approximately 41.7% from approximately HK\$10.9 million in 1H2024 to approximately HK\$6.3 million in 1H2025. This decrease in gross profit was primarily due to the Group’s expansion into the Mainland China market where we adopt a competitive pricing strategy with thin margin. The management believes that such pricing strategy at the early stage of expansion could enable us to attract more customers and expand our customer base. As such, the proportion of direct operating costs to revenue increased and the overall gross profit decreased.

In light of the above, the gross profit margin of the Group decreased from approximately 78.7% in 1H2024 to approximately 29.1% in 1H2025.

Other income

The other income of the Group increased to approximately HK\$891,000 in 1H2025 compared to that of approximately HK\$645,000 in 1H2024 due to increase in bank interest income.

Selling and distribution costs

The selling and distribution costs of the Group slightly decreased by approximately 12.7% from approximately HK\$5.1 million in 1H2024 to approximately HK\$4.4 million in 1H2025.

Administrative expenses

The administrative expenses of the Group decreased by approximately 31.1% from approximately HK\$14.0 million in 1H2024 to approximately HK\$9.6 million in 1H2025. The decrease in administrative expenses is mainly attributable to the decrease in professional fee and staff cost.

Finance cost

The finance cost of the Group increased from approximately HK\$57,000 in 1H2024 to approximately HK\$61,000 in 1H2025. The increase is mainly due to the increase in lease liabilities.

Loss before income tax

In light of the above, the Group recorded a loss before income tax of approximately HK\$10.8 million in 1H2025, representing an increase of approximately 45.0%, compared to the loss before income tax of approximately HK\$7.5 million in 1H2024.

BUSINESS REVIEW

The first half of 2025 continued to be shaped by a complex macroeconomic environment in Hong Kong. While the local economy maintained its gradual post-pandemic recovery, growth momentum remained moderate amid persistent global uncertainties, fluctuating interest rates, and ongoing geopolitical tensions. Hong Kong's employment market stayed broadly stable, but key consumer-facing sectors, such as retail and food and beverage, remained restrained due to shifts in spending patterns and continued strength of the local currency. Despite these challenges, corporate confidence showed signs of improvement, and digital transformation trends accelerated across multiple industries. Against this backdrop, the Group demonstrated resilience and agility, focusing on strategic growth in its core advertising operations and capitalising on emerging opportunities in both Hong Kong and Mainland China.

Advertising Business

Beginning in 2024, we expanded our service scope to Mainland China. The expansion includes integrated advertising packages that leverage key local channels such as Douyin, providing clients with comprehensive, large-scale promotion plans. Leveraging our expertise, we help clients effectively engage their target audiences and achieve their marketing objectives within the fast-evolving digital landscape. Additionally, by capitalising on our shareholder's network, we have entered into a continuing business promotion cooperation agreement with Kingkey Group Holdings Limited (“**Kingkey**”) to manage and organise promotional events in designated shopping malls. For further details, please refer to the announcement dated 15 April 2025 and the circular dated 11 July 2025 of the Company. As a result of these initiatives, we recorded approximately HK\$12.6 million in revenue derived from China market during the first half of 2025, marking a promising start of our development in China market.

While we recorded promising growth in Mainland China, revenue from Hong Kong declined to approximately HK\$9.2 million in 1H2025 (1H2024: HK\$13.8 million). This decrease was primarily driven by (i) ongoing uncertainties in the Hong Kong market environment, particularly the shifting consumption patterns locally, and (ii) a strategic shift in management focus and resources toward accelerating growth in the China market.

Other Business Segments

The Group's activities in medical and health products, e-commerce, and IP development and design services remained largely inactive during 1H2025. These segments recorded nil revenue contributions, mainly reflecting the historical issues arising from the former executive director's departure. Management efforts during the period primarily focused on reviewing past operations, retrieving past data, and recovering outstanding investments rather than pursuing new business development in these areas. Having said that, the Group successfully disposed its investment in associate company in May 2025. The proceeds from this disposal could strengthened the Group's working capital position, providing additional financial flexibility to support ongoing operations and growth initiatives.

Despite the ongoing challenges affecting non-core businesses and the macroeconomic volatility, the Group achieved remarkable revenue growth by deepening its focus on core advertising activities and accelerating its strategic expansion into the Mainland China market. This performance demonstrates the Group's fundamental resilience and adaptability. The Group will continue to drive operational excellence, strengthen its competitive positioning, and pursue opportunities for sustainable growth through digital innovation and geographical diversification.

PROSPECT

Looking ahead to the second half of 2025 and beyond, the Group remains cautiously optimistic about its prospects, grounded in its strengthened advertising business foundation and geographical expansion across Hong Kong and Mainland China. The broader macroeconomic landscape continues to pose uncertainties, including fluctuating global economic conditions and geopolitical issues.

The Group will continue to expand its footprint in the Mainland China advertising market, capitalising on the substantial growth opportunities that the region presents. Supported by national policies of the PRC such as the "14th Five-Year Plan" and the Digital Economy Development Plan, which emphasise the accelerated digital transformation of industries and the growth of new digital consumption models, China's digital advertising sector is expected to experience sustainable growth. Initiatives promoting the integration of digital technologies with traditional industries, as well as favourable regulatory frameworks encouraging innovation in online media, help build a vibrant advertising business environment. Platforms like Douyin remain at the forefront of China's digital media landscape, providing effective channels for brand engagement and customer acquisition. The Group's capability to advertise on Douyin, along with its continuing promotion cooperation agreement with Kingkey to operate events in high-traffic key shopping malls, positions it well to benefit from the region's rising consumer spending and experiential marketing trends. These initiatives are well aligned with the evolving commercial ecosystem of the Greater Bay Area, creating broad opportunities for integrated advertising and promotional services.

In addition, the Group's efforts to expand event management and promotional services in China market are set to accelerate. The launch of a PRC-based workshop in July 2025 will drive cost efficiencies and enhance quality control through vertical integration of event-related material production. Supported by the Group's strengthened project management team, which brings extensive experience in large-scale Mainland China events, these developments further enhance the Group's competitive edge in this sector.

Meanwhile, the Hong Kong market remained challenging amid ongoing macroeconomic uncertainties and evolving consumer behaviours. Nevertheless, the Group intends to leverage its long-established brands, including Recruit Magazine and Like Magazine, to explore value-added services that can enhance client offerings and attract new customers. By continuously optimising content and delivery across print, digital, and social media platforms, the Group seeks to maintain strong relationships with advertisers and adapt to shifting market demands. This balanced approach enables the Group to sustain a solid revenue stream in Hong Kong while focusing growth efforts on the promising Mainland China market.

While other business segments remain inactive due to historical operational disruptions, the Group will selectively consider revitalisation opportunities when they align with strategic priorities and operational readiness.

Despite certain disruptions on business segments other than the core advising business of the Group that were mainly caused by the failure to deliver document records involving a former executive Director, the Group is entering a promising period of transformation and is recording a remarkable growth in its core advertising segment. By reinforcing its core advertising business, leveraging digital and social media platforms, and expanding its footprint in the PRC through promotional campaigns and event services, the Group is laying the foundation for sustainable value creation. Supported by a solid financial position, experienced team, and diversified business model, the Group is confident in achieving long-term success and delivering enhanced returns to its shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had net current assets of approximately HK\$34.3 million (31 December 2024: HK\$30.7 million). The Group's current ratio was approximately 3.8 (31 December 2024: 3.5) while the Group's net assets was approximately HK\$41.5 million compared with those of approximately HK\$52.3 million as at 31 December 2024. Total cash and bank deposits was approximately HK\$41 million (31 December 2024: HK\$37 million).

There was no bank loan nor other borrowing as at 30 June 2025 and 31 December 2024.

The Group adopts centralised financing and treasury policies in order to ensure the Group's funding is utilised efficiently. Conservative approach is adopted on monitoring foreign exchange exposure and interest rate risk. Forward contracts were used to hedge the foreign currency exposure in trading and capital expenditure when it was considered appropriate.

CAPITAL STRUCTURE

As at 30 June 2025, the total issued shares of the Company (“**Shares**”) was 455,534,000 (31 December 2024: 455,534,000 Shares) at HK\$0.2 each.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITY

As at 30 June 2025, the Group did not have any capital commitment (31 December 2024: Nil). The Group had no significant contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Save as disclosed, the Group did not have any material acquisition or disposal of subsidiaries during the six months ended 30 June 2025.

CHARGE ON GROUP ASSETS

As at 30 June 2025, there was no charge on the Group’s assets.

EVENT AFTER REPORTING PERIOD

Saved as otherwise disclosed in this announcement, there were no significant events affecting the Group which have occurred after 30 June 2025 and up to the date of this announcement.

Litigation

HCA 281/2024

The Company and certain of its subsidiaries commenced an action against a former Director and his controlled company for damages and equitable compensation arising out of, among others, the said Director’s breach of fiduciary duties and/or knowing receipt of benefits from such breaches. The former Director and his controlled company had filed a defence and counterclaim. The Company had subsequently filed a reply and defence to counterclaim. As pleadings have now closed, the case shall proceed to the case management stage for further directions. No hearing date has been fixed for the proceedings as at the date of this results announcement.

HCA 241/2024

The Company commenced an action against another company concerning a dispute arising out of a subscription agreement. In the amended statement of claim, the Company sought (i) a declaration that the said subscription agreement was null and void and of no legal effect, (ii) rescission of the subscription agreement, and (iii) return of the consideration paid for the subscription of shares in the defendant. The defendant had filed a defence.

Upon the completion of the agreement of sales and purchase for the shares in dispute, the Company has disposed of the shares in dispute. Consequently, parties signed a consent summons to discontinue the action which the court had approved.

DCCJ 1940/2024

A former Director commenced an action against the Company for alleged defamatory statements contained in the Company's announcements published in compliance of the Listing Rules of Hong Kong. The Company had filed a defence to contest the former Director's alleged defamatory claim. No hearing date has been fixed for the proceedings as at the date of this results announcement.

HCMP 1474/2024

The Company commenced taxation proceedings against its former solicitors in relation to the invoices for service rendered. The former solicitors have provided further itemized breakdown regarding the invoices and the Company is reviewing the same.

Please refer to the announcements of the Company dated 21 February 2024, 23 February 2024, 18 March 2024 and 18 April 2024 respectively for further details.

The Company will make further disclosure wherever appropriate or necessary.

OTHER SIGNIFICANT EVENTS

(1) Suspension of Trading on the Stock Exchange

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 pending the fulfillment of the Resumption Guidance as specified by the Stock Exchange.

(2) Resignation of Auditor

The Company's former auditor, BDO Limited, has tendered its resignation as the auditor of the Company with effect from 6 May 2024. For details of the resignation of BDO Limited, please refer to the announcement of the Company dated 6 May 2024.

(3) Resumption Guidance

On 20 June 2024, the Company received a letter from the Stock Exchange setting out the guidance for the resumption of trading in the shares of the Company on the Stock Exchange. On 30 October 2024, the Company received a letter from the Stock Exchange, in which the Stock Exchange notifies the Company to modify one of the guidance for the resumption of trading in the shares of the Company on the Stock Exchange. As a result, the latest resumption guidance (the “**Resumption Guidance**”) as at the date of this announcement is as follows:

- (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.

For details of the Resumption Guidance, please refer to the announcement of the Company dated 24 June 2024 and 4 November 2024.

(4) Progress of Fulfillment of the Resumption Guidance

For quarterly update on status of resumption and the Company’s resumption plan in fulfilling the Resumption Guidance, please refer to the announcements of the Company dated 24 June 2024, 25 September 2024, 6 January 2025, 26 March 2025 and 27 June 2025.

(5) Appointment of New Auditor

The Company appointed Confucius International CPA Limited (“**Confucius**”) as the new auditor of the Company with effect from 6 June 2024 and to hold office until the conclusion of the next annual general meeting of the Company. For details of the appointment of Confucius, please refer to the announcement of the Company dated 6 June 2024.

(6) Investigation and Independent Control Review

In line with the requirements set out in the Resumption Guidance, the Independent Investigation Committee has engaged Frank Forensic and Corporate Recovery Limited to conduct an independent investigation into the Allegations as well as other issues that relates to certain Audit Issues. For key findings of the Investigation, the opinions of Independent Investigation Committee and the Board, and the recommendations and their completion status, please refer to the announcement dated 5 August 2025.

Further, as previously announced by the Company, it has engaged Zhonghui Anda Risk Services Limited (the “**Internal Control Consultant**”) to conduct an independent review of the internal control procedures of the Company and all the subsidiaries identified in the Investigation (the “**Internal Control Review**”). Considerable progress has been made. The Company will publish an announcement in relation to the key findings of the Internal Control Review, rectification recommendations and the implementation of remedial actions in due course.

Save for the matters disclosed above, there were no other important events affecting the Company nor any of its subsidiaries since the end of the Reporting Period and up to the date of this interim results announcement.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the Interim Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Interim Period.

REVIEW OF INTERIM RESULTS

The audit committee of the Company, consisting of Ms. Yang Wanning, Mr. Chan Chiu Hung, Alex and Mr. Li Chaobo, has reviewed the interim results for the Interim Period before the results were submitted to the Board for approval.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company. As of 30 June 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

DIVIDENDS

The Board resolved not to recommend any dividend for the Interim Period.

PUBLICATION OF INTERIM RESULTS

This interim results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.allegroculture.com.hk).

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude to our shareholders and business partners for their continued support, and to our employees for their dedication and hard work.

CONTINUED SUSPENSION OF TRADING

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, 20 August 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.