

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

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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK\$81.1 million, representing an increase of 157.2% as compared with 2024.
- Gross profit was approximately HK\$32.1 million, representing an increase of 76.3% as compared with 2024. Gross profit margin was approximately 39.6% in 2025.
- Loss for the year attributable to equity shareholders of the Company was approximately HK\$5.4 million, representing a decrease of 56.5% as compared with 2024. The reduction in loss, was primarily attributable to the increase in revenue in the FY2025, but was partially offset by non-operational and non-recurring items such as loss on disposal of associate, legal and professional costs in relation to litigation proceedings and resumption.

The Board resolved not to recommend any dividend for the year ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Allegro Culture Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**” or “**us**”) prepared according to the HKFRS Accounting Standards (“**HKFRSs**”) for the year ended 31 December 2025 with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | <i>Notes</i> | 2025 <i>HK\$’000</i> | 2024 <i>HK\$’000</i> |
|--|--------------|--------------------------------|-------------------------|
| Revenue | 4 | 81,066 | 31,515 |
| Direct operating costs | | <u>(48,975)</u> | <u>(13,313)</u> |
| Gross profit | | 32,091 | 18,202 |
| Other income | 5 | 1,439 | 1,640 |
| Selling and distribution costs | | (9,280) | (10,234) |
| Administrative expenses | | (24,406) | (23,524) |
| Impairment on trade and other receivables and loan receivables, net of reversal | | (767) | 1,743 |
| Impairment on intangible assets | | (105) | – |
| Loss on disposal of subsidiaries, net | | – | (186) |
| Loss on disposal of an associate, net | 6 | (3,972) | – |
| Unrealised (loss)/gain on revaluation of financial assets at fair value through profit or loss | | (320) | 2 |
| Finance costs | 7 | <u>(100)</u> | <u>(137)</u> |
| Loss before income tax | 8 | (5,420) | (12,494) |
| Income tax | 9 | <u>(13)</u> | <u>–</u> |
| Loss for the year | | <u>(5,433)</u> | <u>(12,494)</u> |

| | <i>Note</i> | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------------|--------------------------------|------------------------------|
| Other comprehensive expense | | | |
| <i>Item that will not be reclassified to profit or loss:</i> | | | |
| Fair value loss on equity instruments at fair value through other comprehensive income | | (10) | (49,511) |
| <i>Item that may be reclassified to profit or loss:</i> | | | |
| Exchange differences arising on translation of foreign operations | | <u>167</u> | <u>(32)</u> |
| Other comprehensive income/(expense) for the year, net of tax | | <u>157</u> | <u>(49,543)</u> |
| Total comprehensive expense for the year | | <u>(5,276)</u> | <u>(62,037)</u> |
| Loss for the year attributable to: | | | |
| Equity shareholders of the Company | | <u>(5,433)</u> | <u>(12,494)</u> |
| | | <u>(5,433)</u> | <u>(12,494)</u> |
| Total comprehensive expense attributable to: | | | |
| Equity shareholders of the Company | | <u>(5,276)</u> | <u>(62,037)</u> |
| | | <u>(5,276)</u> | <u>(62,037)</u> |
| Loss per share | | | |
| – Basic and diluted | 11 | <u>(HK1.19 cents)</u> | <u>(HK2.75 cents)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Intangible assets | | 155 | 260 |
| Property, plant and equipment | | 306 | 284 |
| Right-of-use assets | | 1,070 | 2,682 |
| Investment in an associate | | – | 13,922 |
| Equity instruments at fair value through other comprehensive income | | 118 | 128 |
| Financial asset at fair value through profit or loss | | 5,256 | 5,576 |
| Deposits and prepayments | | 891 | – |
| | | <u>7,796</u> | <u>22,852</u> |
| Current assets | | | |
| Trade receivables | 12 | 8,862 | 2,255 |
| Other receivables, deposits and prepayments | | 775 | 2,784 |
| Loan receivables | | 416 | 908 |
| Cash and cash equivalents | | 41,095 | 37,042 |
| | | <u>51,148</u> | <u>42,989</u> |
| Current liabilities | | | |
| Contract liabilities | | 712 | 754 |
| Trade and other payables | 13 | 9,920 | 9,748 |
| Current portion of lease liabilities | | 854 | 1,784 |
| | | <u>11,486</u> | <u>12,286</u> |
| Net current assets | | <u>39,662</u> | <u>30,703</u> |
| Total assets less current liabilities | | <u>47,458</u> | <u>53,555</u> |

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Non-current liabilities | | |
| Non-current portion of lease liabilities | <u>466</u> | <u>1,287</u> |
| Net assets | <u>46,992</u> | <u>52,268</u> |
| EQUITY | | |
| Share capital | 91,107 | 91,107 |
| Reserves | <u>(44,115)</u> | <u>(38,839)</u> |
| Total equity | <u>46,992</u> | <u>52,268</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Allegro Culture Limited (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 Suite 701, Foyer, 625 King’s Road, North Point, 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) e-commerce (mainly in sales of household and personal care products).

The consolidated financial statements are presented in Hong Kong Dollars thousand (“**HK\$’000**”), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 31 March 2026.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include the applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK.

New or amended HKFRS Accounting Standard which are effective during the year

During the year, the Group has applied for the first time the following amendments to an HKFRS Accounting Standard issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025:

| | |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

The application of these amendments to an HKFRS Accounting Standard in the current year has no material impact on the Group’s financial performance and positions for the current or prior years and/or on the disclosures set out in these consolidated financial statements.

3. SEGMENT INFORMATION

The Executive Directors, being the chief operating decision maker (“**CODM**”), has identified that the Group has two (2024: three) reportable and operating segments. During the year ended 31 December 2025, the Group ceased generating revenue from the segment of provision of IP development design service (2024: segment of sales of medical and health products). However, this activity does not represent a separate major line of business or geographical area, nor does it constitute a strategic shift in the Group’s operations. Accordingly, it has not been classified as a discontinued operation under HKFRS 5. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

The Group is principally engaged in (i) the provision of advertising services; and (ii) e-commerce (mainly in sales of household and personal care products).

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.

For the year ended 31 December 2025

| | Provision of advertising services HK\$'000 | E-commerce HK\$'000 | Total HK\$'000 |
|---|---|--------------------------------|---------------------------|
| Segment revenue | 81,066 | – | 81,066 |
| Segment results | 14,724 | (20) | 14,704 |
| Reconciliation: | | | |
| Unallocated corporate income | | | 1,344 |
| Unallocated corporate expenses | | | (21,368) |
| Finance costs | | | (100) |
| Loss before income tax | | | <u>(5,420)</u> |
| Segment assets (Note a) | 27,804 | 2,387 | 30,191 |
| Reconciliation: | | | |
| Intangible assets | | | 155 |
| Property, plant and equipment | | | 7 |
| Equity instruments at FVOCI | | | 118 |
| Financial asset at FVTPL | | | 2,960 |
| Loan receivables | | | 416 |
| Other receivables, deposits and prepayments | | | 575 |
| Cash and cash equivalents | | | <u>24,522</u> |
| Total assets | | | <u>58,944</u> |
| Segment liabilities | 3,924 | – | 3,924 |
| Reconciliation: | | | |
| Other payables | | | <u>8,028</u> |
| Total liabilities | | | <u>11,952</u> |
| Other segment information | | | |
| Addition to non-current assets (Note b) | 174 | – | 174 |
| Depreciation | 879 | – | 879 |
| Impairment on trade and other receivables and loan receivables, net of reversal | 118 | – | 118 |
| Interest income | (26) | – | (26) |

Note a: All assets are allocated to operating segments, other than equity instruments at FVOCI and financial assets at FVTPL.

Note b: Non-current assets excluded those relating to financial instruments, deposits and prepayment.

For the year ended 31 December 2024

| | Provision of advertising services <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> |
|---|--|-------------------------------|---|--------------------------|
| Segment revenue | 31,515 | – | – | 31,515 |
| Segment results | 1,297 | (123) | (12) | 1,162 |
| Reconciliation: | | | | |
| Unallocated corporate income | | | | 1,426 |
| Unallocated corporate expenses | | | | (14,945) |
| Finance costs | | | | (137) |
| Loss before income tax | | | | (12,494) |
| Segment assets (<i>Note a</i>) | 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 |
| Segment liabilities | 4,261 | – | – | 4,261 |
| Reconciliation: | | | | |
| Lease liabilities | | | | 841 |
| Other payables | | | | 8,471 |
| Total liabilities | | | | 13,573 |
| Other segment information | | | | |
| Addition to non-current assets (<i>Note b</i>) | 2,573 | – | – | 2,573 |
| Depreciation and amortisation | 520 | – | – | 520 |
| Impairment on trade and other receivables and loan receivables, net of reversal | (1,726) | – | – | (1,726) |
| Interest income | (23) | (12) | – | (35) |

Note a: All assets are allocated to operating segments, other than equity instruments at FVOCI and financial assets at FVTPL.

Note b: Non-current assets excluded those relating to financial instruments, deposits and prepayment.

The Group's revenue from external customers and its non-current assets other than financial instruments are divided into the following geographical areas.

| | Revenue from external customers | | Non-current assets | |
|----------------|---------------------------------|-------------------------|-------------------------|-------------------------|
| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
| Hong Kong | 48,193 | 23,943 | 1,394 | 3,226 |
| Mainland China | 32,873 | 7,572 | 137 | – |
| | 81,066 | 31,515 | 1,531 | 3,226 |

There is no inter-segment revenue earned by the segments in both years.

Sales by geographical markets are analysed based on the actual amount of work contributed respectively by Hong Kong and Shenzhen staff at the project level and the geographical location of non-current assets is based on the physical location of the assets or the location of the operation to which they are allocated.

Information about major customers

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Customer A (advertising services segment) | 17,042 | N/A* |

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

4. REVENUE

The principal activity of the Group is the provision of advertising services.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Revenue from contracts with customers within the scope of HKFRSs 15: | | |
| Provision of advertising services | 81,066 | 31,515 |

In the following table, revenue is disaggregated by major products and service lines and timing of revenue recognition for the advertising services segment. No revenue generated from other segments for the years ended 31 December 2025 and 2024.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Major products and service lines | | |
| Print media | 10,955 | 13,918 |
| Event organizing services | 8,254 | 6,091 |
| Online media | 61,857 | 11,506 |
| | <u>81,066</u> | <u>31,515</u> |
| Revenue from contracts with customers recognised over time: | | |
| Print media | 10,955 | 13,918 |
| Event organizing services | 8,254 | 6,091 |
| Online media in Hong Kong | 5,252 | 11,506 |
| | <u>24,461</u> | <u>31,515</u> |
| Revenue from contracts with customers recognised at a point in time: | | |
| Online media in PRC and Hong Kong | 56,605 | – |
| | <u>81,066</u> | <u>31,515</u> |

5. OTHER INCOME

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------------|-------------------------|-------------------------|
| Interest income | 863 | 1,012 |
| Rental income (<i>Note</i>) | 506 | 437 |
| Sundry income | 70 | 191 |
| | <u>1,439</u> | <u>1,640</u> |

Note: Amount represents subleasing of office premises.

6. DISPOSAL OF AN ASSOCIATE

In May 2025, the Group completed the disposal of its entire equity interest in Aurora at a cash consideration of HK\$9,950,000, resulting in a net loss on disposal of approximately HK\$3,972,000 to an independent third party.

| | 2025 <i>HK\$'000</i> |
|---|-------------------------|
| Consideration | 9,950 |
| Less: carrying amount of the investment in an associate | <u>(13,922)</u> |
| Loss recognised | <u>(3,972)</u> |

7. FINANCE COSTS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------------|-------------------------|-------------------------|
| Interest on lease liabilities | <u>100</u> | <u>137</u> |

8. LOSS BEFORE INCOME TAX

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss before income tax is arrived at after charging/(crediting): | | |
| Auditors' remuneration | | |
| – Audit services | 700 | 800 |
| – Non-audit services | 104 | – |
| Depreciation of property, plant and equipment | 138 | 306 |
| Depreciation of right-of-use assets | 1,612 | 1,399 |
| Employee benefit expense (including Directors' emoluments) | 14,233 | 14,228 |
| Exchange loss, net | 1 | 119 |
| Loss on disposals of property, plant and equipment | 12 | 995 |
| Production cost of online advertising (included in direct operating costs) | 43,678 | 7,479 |
| Distribution expenses (included in selling and distribution costs) | 2,837 | 3,342 |
| Legal and professional fee (included in administrative expenses) | <u>9,554</u> | <u>9,072</u> |

9. INCOME TAX

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------------------|-------------------------|-------------------------|
| PRC Enterprise Income Tax: | | |
| Current tax | <u>13</u> | <u>–</u> |

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%.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for both years.

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 subsidiaries is 25% for both years.

Reconciliation between income tax expense and accounting loss at applicable tax rates is as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss before income tax | (5,420) | (12,494) |
| Notional tax calculated at the rates applicable to the loss in the tax jurisdictions concerned | (732) | (2,062) |
| Effect of tax exemptions granted to PRC subsidiaries | (307) | – |
| Tax effect of non-taxable revenue | (337) | (1,511) |
| Tax effect of non-deductible expenses | 907 | 1,428 |
| Tax effect of tax losses not recognised | 487 | 2,393 |
| Utilisation of tax losses previously not recognised | (5) | (248) |
| Income tax | 13 | – |

10. DIVIDENDS

The Directors do not recommend the payment of dividend for the years ended 31 December 2025 and 2024.

11. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to equity shareholders of the Company is based on the following data:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss for the year attributable to equity shareholders of the Company | (5,433) | (12,494) |
| | Number of shares | |
| | 2025 | 2024 |
| | '000 | '000 |
| Weighted average number of ordinary shares for the purpose of basic loss per share | 455,534 | 455,534 |

The calculation of basic loss per share was based on the loss attributable to equity shareholders of the Company of approximately HK\$5,433,000 (2024: HK\$12,494,000) and the denominators used were the same as those detailed above for both basic and diluted loss per share.

As at 31 December 2025 and 2024, the diluted loss per share attributable to equity shareholders of the Company was the same as basic loss per share as there were no potential dilutive ordinary shares outstanding.

12. TRADE RECEIVABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------------------------|-------------------------|-------------------------|
| Trade receivables | 11,876 | 5,158 |
| Less: Provision for impairment | <u>(3,014)</u> | <u>(2,903)</u> |
| Trade receivables – net | <u>8,862</u> | <u>2,255</u> |

Movements in the provision for impairment loss on trade receivables are as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| At 1 January | 2,903 | 4,629 |
| Impairment loss recognised during the year | 112 | 1 |
| Impairment loss reversed during the year | <u>(1)</u> | <u>(1,727)</u> |
| At 31 December | <u>3,014</u> | <u>2,903</u> |

The Group recognised provision for impairment of trade receivables based on the accounting policy adopted for the years ended 31 December 2025 and 2024.

Ageing analysis of trade receivables, net of provision as at 31 December 2025, based on invoice dates, is as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------|-------------------------|-------------------------|
| 0–30 days | 8,240 | 2,119 |
| 31–60 days | 507 | 132 |
| 61–90 days | 102 | 4 |
| 91–120 days | 7 | – |
| 121–150 days | <u>6</u> | <u>–</u> |
| Total trade receivables | <u>8,862</u> | <u>2,255</u> |

The Group allows a credit period from 0 to 120 days (2024: 0 to 120 days) to its customers.

As at 1 January 2024, trade receivables from contracts with customers amounted to HK\$1,878,000.

The Directors consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

The Group applies the simplified approach to provide the ECL prescribed by HKFRS 9.

At 31 December 2025 and 2024, the Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables.

13. TRADE AND OTHER PAYABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Trade payables | 186 | – |
| Accruals | 8,691 | 8,612 |
| Other payables | 1,043 | 1,136 |
| | <u>9,920</u> | <u>9,748</u> |

Included in trade and other payables are trade payables with the following ageing analysis, based on invoice date, as of the end of reporting period:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 1 month | 183 | – |
| 2 to 3 months | 3 | – |
| | <u>186</u> | <u>–</u> |

EXTRACT FROM INDEPENDENT AUDITOR’S REPORT

The Company’s independent auditor has issued the disclaimer of opinion on the Group’s consolidated financial statements for the year ended 31 December 2025, an extract of which is as follows:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

1. Limitation of Scope Concerning interest in an associate and loss on disposal of an associate

In April 2023, the Group entered into an investment agreement with an independent third party to acquire 45% interest in Aurora Medical Technology (HK) Corp. Limited (“**Aurora**”), for approximately HK\$16,044,000 (the “**Acquisition**”). The Group recognised its investment in Aurora as an interest in an associate upon initial recognition. The investment agreement granted the Group the right to appoint a director to Aurora’s board and there were two directors on Aurora’s board. The Group has not exercised this right since the date of the Acquisition.

As described in Note 34 to the consolidated financial statements and point 1 of the basis for disclaimer of opinion section in the auditor’s report on the consolidated financial statements for the year ended 31 December 2024 and based on the findings from the forensic investigation report prepared by an independent forensic investigator engaged by the Group in 2023, the Group was unable to obtain the audited financial statements and books and records of Aurora since the date of the Acquisition. Consequently, there is insufficient evidence to demonstrate that the Group had significant influence over Aurora, calling into question the appropriateness of classifying Aurora as an associate under HKAS 28 as at 31 December 2023 and 2024. However, a share of loss of the associate of HK\$2,122,000 was recognised for the year ended 31 December 2023 based on the unaudited financial information of Aurora. No further share of the results of the associate was recognised since 1 January 2024.

As detailed in Note 34A to the consolidated financial statements, in May 2025, the Group completed the disposal of its entire 45% equity interest in Aurora to an independent third party which ultimately owned by a shareholder of a subsidiary of Aurora at a cash consideration of HK\$9,950,000 (the “**Disposal**”), resulting in a net loss on disposal of approximately HK\$3,972,000.

During our audit, we were unable to obtain sufficient appropriate audit evidence to:

- (i) determine whether there was any misclassification of the Group's investment in Aurora since the date of the Acquisition;
- (ii) ascertain and verify the Group's share of Aurora's profit or loss and other comprehensive income for periods since the date of the Acquisition to the date of the Disposal;
- (iii) determine whether any impairment loss was required in respect of the Group's investment in Aurora prior to the Disposal; and
- (iv) verify the accuracy of the loss on disposal of the Group's investment in Aurora, including the impact resulting from the misclassification of such investment as an associate.

Any adjustments found to be necessary in respect thereof, had we obtained sufficient appropriate audit evidence, might have a consequential effect on the net assets of the Group as at 31 December 2024, on its net loss for the years ended 31 December 2025 and 2024, and the related disclosures in the consolidated financial statements for the years ended 31 December 2025 and 2024.

2. Opening Balances and Corresponding Figures

The audit opinion on the consolidated financial statements for the year ended 31 December 2024, which formed the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed due to the significance of the potential effect arising from the limitations on the scope of the audit in relation to the Group's investment in Aurora and the loss on disposal of subsidiaries, details of which are set out in the auditor's report on the consolidated financial statements for the year ended 31 December 2024 dated 6 August 2025.

We were not provided with sufficient appropriate audit evidence to enable us to assess the possible effects of the limitations on the scope of the audit.

Any adjustments to the opening balances as at 1 January 2025 found to be necessary, had we obtained sufficient appropriate audit evidence, might have a consequential effect on the Group's accumulated losses as at 1 January 2025, its net assets as at 31 December 2024, its net loss for the years ended 31 December 2025 and 2024, and the related disclosures in the notes to the consolidated financial statements for the years then ended. Consequently, the comparative figures presented in the consolidated financial statements may not be comparable with the current year's figures.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

In 2024 and 2025, the Group generated revenue only from the advertising segment.

The revenue of the Group increased by approximately 157.2% from approximately HK\$31.5 million in 2024 to approximately HK\$81.1 million in 2025. The increase in revenue was primarily attributable to growth in the Group's online media and event advertising business, driven by the expanded scale and enhanced scope of its comprehensive advertising and promotional services across Hong Kong and the mainland China, particularly the cities in the Greater Bay Area (the "GBA").

A breakdown of the advertising services revenue generated from different media is set out below:

| | 2025 | 2024 |
|---------------------------|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Print media | 10,955 | 13,918 |
| Event organizing services | 8,254 | 6,091 |
| Online media | 61,857 | 11,506 |
| Total | 81,066 | 31,515 |

Gross profit and gross profit margin

The gross profit of the Group increased by approximately 76.3% from approximately HK\$18.2 million in 2024 to approximately HK\$32.1 million in 2025. The increased in gross profit was mainly attributable to the growth in advertising business.

The gross profit margin of the Group decreased from approximately 57.8% in 2024 to approximately 39.6% in 2025. The decrease was primarily attributable to the growth and expansion of the Group's online advertising services, which the market is highly competitive.

Other income

The other income of the Group remained at similar level of approximately HK\$1.6 million in 2024 and approximately HK\$1.4 million in 2025.

Selling and distribution costs

The selling and distribution costs of the Group decreased by approximately 9.3%, from approximately HK\$10.2 million in 2024 to approximately HK\$9.3 million in 2025. The decrease was primarily due to the decrease in the MTR licensing fee for print distribution after negotiation by the Company with the supplier.

Administrative expenses

Administrative expenses for the periods included certain significant one-off, non-recurring items that are not indicative of the Group's underlying operational performance. These primarily comprised substantial legal fees and one-off professional fees incurred in connection with various ongoing litigation proceedings, the application for the resumption of trading of the Company's shares on The Stock Exchange of Hong Kong Limited, an independent forensic investigation and internal control review, and the disposal of subsidiaries/associates. The Directors consider these to be exceptional items that are not expected to recur in the normal course of business. Excluding the impact of these discrete items (approximately HK\$8.0 million in 2024 and approximately HK\$7.7 million in 2025), underlying administrative expenses amounted to approximately HK\$15.5 million in 2024 and approximately HK\$16.7 million in 2025, representing an increase of 7.7%.

Loss on disposal of an associate

The Group recorded a loss on disposal of associate of approximately HK\$4.0 million in 2025 (2024: nil), representing the loss from disposal of the Group's entire interests in Aurora Medical Technology Holdings Limited. For further details of the transaction, please refer to the announcement of the Company dated 7 May 2025.

Finance cost

The finance cost of the Group decreased by approximately 27.0% from approximately HK\$137,000 in 2024 to approximately HK\$100,000 in 2025. The decrease is mainly due to the decrease in the lease liabilities.

Loss before income tax

In light of the above, the Group recorded a loss before income tax of approximately HK\$5.4 million in 2025, representing a decrease of approximately 56.6%, compared to the loss before income tax of approximately HK\$12.5 million in 2024.

BUSINESS REVIEW

The year ended 31 December 2025 (“**FY2025**”) was a transformative year for the Group, defined by a successful strategic repositioning that reinforced its focus on the core advertising business and broadened the scale and scope of its comprehensive advertising and promotional services across Hong Kong and the mainland China, particularly the cities in the GBA.

The Group was previously engaged in a diversified range of business segments, including advertising services, sales of medical and health products, e-commerce, and intellectual property design services. Following disruptions in certain non-core operations during 2024, the Group implemented a strategic realignment of its resources to strengthen its core competencies in advertising services. Through the concerted efforts of the management team, the Group revitalized its advertising business and extended its market reach beyond Hong Kong to capture emerging opportunities in China. As a result, the Group’s advertising revenue increased from approximately HK\$31.5 million in 2024 to approximately HK\$81.1 million in FY2025, while the loss attributable to shareholders narrowed from approximately HK\$12.5 million in 2024 to approximately HK\$5.4 million in FY2025.

The Group is now focusing on the provision of advertising and promotional services across multiple media channels, including print media, event organizing services, and online media. The Group continues to leverage its well-established brands/proprietary channels, Recruit Magazine and Like Magazine, alongside actively deploying popular marketing platforms and social media channels to drive growth. This balanced integration of traditional brand assets and contemporary digital marketing strategies has strengthened the Group’s competitive position within the highly dynamic and evolving advertising landscape.

In FY2025, Hong Kong’s economy registered modest growth, underpinned by a gradual recovery in domestic consumption and business activities. That said, overall market sentiment stayed cautious amid persistent global economic uncertainties. While the global economy continued to face headwinds from deglobalization trends, geopolitical tensions, and an uneven recovery across regions, the Group remained resilient. Through disciplined cost management, improved operating efficiency, and a strengthened market position, the Group effectively navigated these external challenges.

OUTLOOK

Looking ahead to 2026, the global and regional economic environments are expected to remain complex and uncertain. The Group will continue to implement a prudent and disciplined approach while consolidating and expanding its core advertising business. Priority will be given to developing digital and cross-border promotional services, where market potential continues to grow. The Group will also consider investment or partnership opportunities only if they are deemed appropriate, commercially sound, and capable of delivering sustainable value to shareholders.

In parallel, the Group will uphold high standards of corporate governance, ensure cautious financial management, and continue to strengthen risk control mechanisms to support long-term development.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had net current assets of approximately HK\$39.7 million (2024: HK\$30.7 million). The Group's current ratio as at 31 December 2025, which is defined as current assets over current liabilities, was 4.5 (2024: 3.5). As at 31 December 2025, the Group had a total cash and bank balance of approximately HK\$41.1 million (2024: HK\$37.0 million).

The Group has no bank loan nor other borrowing as at 31 December 2025 (2024: nil). The gearing ratio of the Group was 0% (2024: 0%).

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.

The Group has limited exposure to currency risk, as most transactions are denominated in Renmibi or Hong Kong dollars, with certain US dollars bank balances held for capital preservation. The Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant.

CAPITAL STRUCTURE

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

CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have any significant capital commitments (2024: nil).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no contingent liabilities (2024: nil).

DIVIDENDS

The Board does not recommend any payment of final dividend in respect of the reporting period (2024: nil).

EVENT AFTER REPORTING PERIOD

Save as disclosed elsewhere in this announcement, there were no significant events after the end of the reporting period.

LITIGATIONS

Reference is made the Company's announcements dated 21 February 2024, 23 February 2024, 18 March 2024 and 18 April 2024 regarding, among others, the litigations between the Company and its former director. The following is a summary of the pending litigations or claims:

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 Company is actively pursuing the claim against the former director and his controlled company and proceeding with the necessary actions for case management. No hearing date has been fixed for the proceedings as at the date of this report.

DCCJ 1940/2024

Subsequent after the Company commenced HCA 281/2024, the 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. The Company is actively defending the claim against the former director's claim and proceeding with the necessary actions for case management. No hearing date has been fixed for the proceedings as at the date of this report.

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 due to substantial documents involved, the Company is reviewing the same.

The Group will continue to seek legal advice and will take such further or other actions as may be appropriate to safeguard its interests and uphold its position.

MATERIAL ACQUISITION AND DISPOSAL

Disposal of associate company

The Company disposed its entire interests in an investment of an associate company, namely Aurora Medical Technology (HK) Corp. Limited (“**Aurora**”), for the consideration of HK\$9,950,000. The transaction was completed in May 2025. Upon completion, the Company ceased to hold any interest in Aurora.

For further details of the transaction, please refer to the announcement of the Company dated 7 May 2025.

CHARGES ON GROUP ASSETS

The Group has no charges on group assets at the end of the reporting period (2024: nil).

CORPORATE GOVERNANCE

The Company and its management are committed to maintaining good corporate governance with an emphasis on the principles of transparency, accountability and independence to all Shareholders. The Company believes that good corporate governance is an essence for a continual growth and enhancement of the Shareholders’ value. The Company has complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules during the Reporting Period.

During the year and prior to the appointments of the chief executive officer on 19 September 2025 and the chairman of the Board on 20 January 2026 (the “**Appointments**”), those positions had been vacant. However, the executive Director(s) performed functions similar to those of the chief executive officer. In addition, the Board directly, and indirectly through its committees, led and provided direction to management by laying down strategies and overseeing their implementation. The Board monitored the Group’s operating and financial performance and ensured that effective governance and corporate social responsibility policies, as well as sound internal control and risk management systems, were in place. As such, the Board considered that sufficient measures had been taken prior to the Appointments to ensure that the Company’s corporate governance practices were comparable to those in the Code Provision.

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 C3 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 for the year ended 31 December 2025.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2025, the Group had 51 employees (2024: 41). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employees' benefits include provident fund, insurance and medical cover. The emoluments of the Directors are monitored by the Board and the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics.

MANAGEMENT'S POSITION AND ASSESSMENT ON THE DISCLAIMER OPINION

As disclosed in this announcement, the auditor of the Company issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2025 in relation to (i) the limitation of scope concerning interest in associate and loss on disposal of an associate; and (ii) the opening balances and corresponding figures.

The Company has discussed with auditor of the Company for actions taken. All underlying issues leading to the audit modifications have been fully resolved, and these matters will not have any continuing effect on the consolidated financial statements of the Group for the year ending 31 December 2027 and the subsequent years.

Further detail on the basis for the management's position and assessment on the disclaimer opinion will be disclosed in the annual report to be published in April 2026.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the "**Audit Committee**"), consisting of Ms. Yang Wanning, Mr. Li Chaobo and Mr. Li Ming, has reviewed the annual results for the year ended 31 December 2025 before the results were submitted to the Board for approval.

AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER OPINION

The Audit Committee had critically reviewed the facts and circumstances leading to the disclaimer opinion, discussed with the auditor and the management of the Company regarding each of the bases for disclaimer opinion, and taken into account the Board's response, actions taken and measures implemented to resolve the disclaimer opinion. Based on the actions taken and the measures implemented by the management to address each of the bases of disclaimer opinion, the Audit Committee agreed with the management position, and concurred with the view of the management that the bases for disclaimer have been fully addressed and resolved.

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 31 December 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

ANNUAL GENERAL MEETING

The date of annual general meeting of the Company (the “AGM”) will be stated in the notice of AGM which will be published and dispatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The timetable for the closure of the Register of Members for the purpose of determining the Shareholders’ eligibility to attend and vote at the AGM will be announced in separate announcement of the Company.

PUBLICATION OF ANNUAL RESULTS

This annual results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.allegroculture.com.hk). An annual report for the year ended 31 December 2025 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the websites mentioned above in due course.

APPRECIATION

The Directors would like to take this opportunity to express our sincere gratitude to our shareholders and business partners for their continued support, and to our employees for their dedication and hard work.

By order of the Board
Allegro Culture Limited
Ma Changwei
Chairman and Non-executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Gan Peng and Ms. Yiu Sze Wai as executive Directors; Mr. Ma Changwei as non-executive Director; and Mr. Li Chaobo, Mr. Li Ming and Ms. Yang Wanning as independent non-executive Directors.