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S U N N Y S I D E U P  
光 尚 文 化

**Sunny Side Up Culture Holdings Limited**  
**光尚文化控股有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
**(Stock Code: 8082)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

## CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board of directors (the “Directors”) presents the consolidated results of Sunny Side Up Culture Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 December 2023*

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
REVENUE	4	<b>223,583</b>	35,758
Cost of sales		<u>(132,528)</u>	<u>(27,438)</u>
Gross profit		<b>91,055</b>	8,320
Other income and gains		<b>1,519</b>	1,432
Selling, marketing and distribution expenses		<b>(6,162)</b>	(9,419)
General and administrative expenses		<b>(67,327)</b>	(59,252)
Other expenses, net	6	<b>(47,641)</b>	(1,370)
Finance costs		<b>(3,061)</b>	(1,327)
Share of losses of joint ventures		<u>(675)</u>	<u>(62)</u>
LOSS BEFORE TAX		<b>(32,292)</b>	(61,678)
Income tax credit/(expense)	5	<u>673</u>	<u>(914)</u>
LOSS FOR THE YEAR	6	<u><b>(31,619)</b></u>	<u>(62,592)</u>
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		<u>(617)</u>	<u>(3,008)</u>
Total comprehensive loss for the year		<u><b>(32,236)</b></u>	<u>(65,600)</u>
Loss for the year attributable to:			
Owners of the Company		<b>(31,614)</b>	(58,452)
Non-controlling interests		<u>(5)</u>	<u>(4,140)</u>
		<u><b>(31,619)</b></u>	<u>(62,592)</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Year ended 31 December 2023

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Total comprehensive loss for the year attributable to:			
Owners of the Company		<b>(32,110)</b>	(61,317)
Non-controlling interests		<u>(126)</u>	<u>(4,283)</u>
		<b><u>(32,236)</u></b>	<b><u>(65,600)</u></b>
Basic and diluted loss per share (HK cents)	<i>8</i>	<b><u>(1.51)</u></b>	<b><u>(2.79)</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>16,404</b>	19,667
Right-of-use assets		<b>1,122</b>	1,479
Intangible assets		<b>11,373</b>	12,341
Investments in joint ventures		<b>2,375</b>	1,088
Investment in associate		–	–
Investment in a film production project		–	1,157
Prepayments, deposits and other assets		–	13,420
		<hr/>	<hr/>
Total non-current assets		<b>31,274</b>	49,152
<b>CURRENT ASSETS</b>			
Inventories		<b>299</b>	380
Investments in concert, other entertainment event, film and TV drama production projects		<b>49,904</b>	14,583
Trade receivables	<i>9</i>	<b>11,818</b>	9,924
Prepayments, deposits and other receivables		<b>23,685</b>	22,155
Cash and cash equivalents		<b>33,308</b>	47,490
		<hr/>	<hr/>
Total current assets		<b>119,014</b>	94,532
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables, accruals and other financial liabilities	<i>10</i>	<b>39,497</b>	33,797
Other borrowings		<b>30,000</b>	–
Deferred income		<b>934</b>	459
Lease liabilities		<b>852</b>	1,641
Tax payable		<b>7,459</b>	8,284
		<hr/>	<hr/>
Total current liabilities		<b>78,742</b>	44,181
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>40,272</b>	50,351
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>71,546</b>	99,503
		<hr/>	<hr/>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Other borrowings	35,000	35,000
Deferred income	2,616	2,098
Lease liabilities	309	95
Deferred tax liabilities	<u>2,216</u>	<u>2,277</u>
Total non-current liabilities	<u>40,141</u>	<u>39,470</u>
Net assets	<u><u>31,405</u></u>	<u><u>60,033</u></u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	52,400	52,400
Reserves	<u>(23,387)</u>	<u>10,138</u>
	29,013	62,538
Non-controlling interests	<u>2,392</u>	<u>(2,505)</u>
Total equity	<u><u>31,405</u></u>	<u><u>60,033</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2023*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 12 July 2001 and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda.

The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at 17th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

Pursuant to a special resolution passed at a special general meeting of the Company during the year, the name of the Company was changed from Yeah Yeah Group Holdings Limited to Sunny Side Up Culture Holdings Limited and the adoption of the Chinese name "光尚文化控股有限公司" in Hong Kong.

During the year, the Group was primarily involved in the following principal activities:

- organisation/production of and investments in concert, other entertainment event, film and TV drama production projects, and other media and entertainment related businesses; and
- provision of cremation and funeral services and deathcare related business.

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the media and entertainment segment primarily engages in the organisation/production of and investments in concert, other entertainment event, film and TV drama production projects, and other media and entertainment related businesses; and
- (b) the cremation and funeral services segment primarily engages in the provision of cremation and funeral services and deathcare related business.

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

Segment assets exclude certain property, plant and equipment, club membership and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2023/as at 31 December 2023

	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue</b>			
Revenue from contracts with external customers	196,257	14,525	210,782
Other revenue	6,732	6,069	12,801
	<u>202,989</u>	<u>20,594</u>	<u>223,583</u>
<b>Segment results</b>			
	(8,608)	11	(8,597)
<u>Reconciliation:</u>			
Corporate and other unallocated expenses, net			(20,634)
Finance costs			(3,061)
Loss before tax			<u>(32,292)</u>
<b>Segment assets</b>			
	112,243	33,899	146,142
<u>Reconciliation:</u>			
Corporate and other unallocated assets			4,146
Total assets			<u>150,288</u>
<b>Segment liabilities</b>			
	(37,865)	(9,295)	(47,160)
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			(71,723)
Total liabilities			<u>(118,883)</u>
<b>Other segment information</b>			
Share of losses of joint ventures	675	–	675
Depreciation and amortisation	1,961	2,864	4,825
Finance costs	1,829	7	1,836
Gain on disposal of property, plant and equipment	1	373	374
Impairment of trade and other receivables, net	1,559	74	1,633
Additions to property, plant and equipment	431	4,404	4,835
Investments in joint ventures	2,375	–	2,375



	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue</b>			
Revenue from contracts with external customers	17,337	11,985	29,322
Other revenue	(1,267)	7,703	6,436
	<u>16,070</u>	<u>19,688</u>	<u>35,758</u>
<b>Segment results</b>			
	(47,634)	1,640	(45,994)
<u>Reconciliation:</u>			
Corporate and other unallocated expenses, net			(14,357)
Finance costs			(1,327)
Loss before tax			<u>(61,678)</u>
<b>Segment assets</b>			
	86,747	31,349	118,096
<u>Reconciliation:</u>			
Corporate and other unallocated assets			25,588
Total assets			<u>143,684</u>
<b>Segment liabilities</b>			
	(27,382)	(15,178)	(42,560)
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			(41,091)
Total liabilities			<u>(83,651)</u>
<b>Other segment information</b>			
Share of losses of joint ventures	62	–	62
Depreciation and amortisation	3,541	122	3,663
Finance costs	92	9	101
Loss on disposal/write-off of property, plant and equipment	–	130	130
Impairment of trade and other receivables, net	2,061	13	2,074
Impairment of property, plant and equipment	2,680	–	2,680
Write-down of inventories to net realisable value	4,716	–	4,716
Additions to property, plant and equipment	66	3,946	4,012
Investments in joint ventures	1,088	–	1,088

## Geographical information

### (a) Revenue from contracts with external customers

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	45,224	14,623
Mainland China	11,568	10,607
Macau	151,163	1,047
Taiwan	–	3,045
Others	2,827	–
	<u>210,782</u>	<u>29,322</u>

The revenue information above is based on the locations where the relevant sales, concerts or other entertainment events took place/underlying services were rendered.

### (b) Non-current assets

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	4,537	5,586
Mainland China	23,571	22,777
Macau	–	4,997
Others	791	127
	<u>28,899</u>	<u>33,487</u>

The non-current assets information above is based on the locations of the assets/underlying assets and excludes financial instruments, amounts due from joint ventures, prepayments and other assets.

## Information about a major customer

Revenue derived from transactions with a single external party contributing more than 10% of the total revenue of the Group, which is reported in the cremation and funeral services segment, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
External party	<u>6,732*</u>	<u>7,703</u>

\* Revenue from this customer did not exceed 10% of total revenue in the respective year. These amounts were shown for comparative purpose.

#### 4. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Provision of cremation and funeral services and sale of related goods	14,525	11,985
Concert and other entertainment event income and sale of related goods	189,687	11,578
Artiste management and performance services income	<u>6,570</u>	<u>5,759</u>
	<u>210,782</u>	<u>29,322</u>
<b>Revenue from other sources</b>		
Rendering of cremation service*	6,732	7,703
Gain/(loss) on investments in concert, other entertainment event, film and TV drama production projects, net	<u>6,069</u>	<u>(1,267)</u>
	<u>12,801</u>	<u>6,436</u>
	<u><b>223,583</b></u>	<u><b>35,758</b></u>

\* Being government subsidies received for the rendering of cremation services in certain location in Mainland China. There are no unfulfilled conditions or contingencies relating to these subsidies.

## Revenue from contracts with customers

### (i) Disaggregated revenue information

For the year ended 31 December 2023

Segments	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Types of goods or services</b>			
Sale of goods	775	316	1,091
Cremation and funeral services	–	14,209	14,209
Concert and other entertainment event organisation	183,852	–	183,852
Sponsorship	5,060	–	5,060
Artiste management and performance	6,570	–	6,570
	<u>196,257</u>	<u>14,525</u>	<u>210,782</u>
<b>Geographical markets</b>			
Hong Kong	42,267	2,957	45,224
Mainland China	–	11,568	11,568
Macau	151,163	–	151,163
Others	2,827	–	2,827
	<u>196,257</u>	<u>14,525</u>	<u>210,782</u>
<b>Timing of revenue recognition</b>			
At a point in time	775	316	1,091
Over time	195,482	14,209	209,691
	<u>196,257</u>	<u>14,525</u>	<u>210,782</u>
Total	<u>196,257</u>	<u>14,525</u>	<u>210,782</u>

For the year ended 31 December 2022

<b>Segments</b>	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Types of goods or services</b>			
Sale of goods	2,242	1,354	3,596
Cremation and funeral services	–	10,631	10,631
Concert and other entertainment event organisation	9,287	–	9,287
Sponsorship	49	–	49
Artiste management and performance	5,759	–	5,759
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>17,337</u>	<u>11,985</u>	<u>29,322</u>
<b>Geographical markets</b>			
Hong Kong	12,915	1,708	14,623
Mainland China	330	10,277	10,607
Macau	1,047	–	1,047
Taiwan	3,045	–	3,045
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>17,337</u>	<u>11,985</u>	<u>29,322</u>
<b>Timing of revenue recognition</b>			
At a point in time	2,242	1,354	3,596
Over time	15,095	10,631	25,726
	<hr/>	<hr/>	<hr/>
Total	<u>17,337</u>	<u>11,985</u>	<u>29,322</u>

## 5. INCOME TAX

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	–	6
Over-provision in prior years	<u>(17)</u>	<u>–</u>
	<u>(17)</u>	<u>6</u>
Current tax – Overseas		
Provision for the year	<b>229</b>	908
Over-provision in prior years	<u>(885)</u>	<u>–</u>
	<u>(656)</u>	<u>908</u>
	<b><u>(673)</u></b>	<b><u>914</u></b>

The income tax provision of the Group in respect of operations in Hong Kong is provided at 8.25% on assessable profits up to HK\$2,000,000, and the applicable tax rate is 16.5% on any part of assessable profits over HK\$2,000,000 based on the assessable profits for the years ended 31 December 2023 and 2022.

The income tax provision of the Group in respect of operations in the PRC was calculated at the tax rate of 25% on the assessable profits for the years ended 31 December 2023 and 2022, based on the existing legislation, interpretations and practices in respect thereof.

The income tax provision of the Group in respect of operations in the PRC were qualified as “Small Low-Profit Enterprise” for the years ended 31 December 2023 and 2022 and were entitled to a preferential income tax rate. From 1 January 2022 to 31 December 2022, the first RMB1 million of profits of qualifying corporation are taxed 2.5%, and profits between RMB1 million and RMB3 million are taxed at 5%. From 1 January 2023 to 31 December 2027, the profits no more than RMB3 million are taxed 5%.

The tax on the Group’s loss before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to losses of the consolidated entities as follows:

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Loss before tax	<u>(32,292)</u>	<u>(61,678)</u>
Tax credit at the Hong Kong statutory tax rate of 16.5% (2022: 16.5%)	<b>(5,328)</b>	(10,177)
Effect of difference in tax rate for specific locations or enacted by local authority	<b>186</b>	2,843
Income not subject to tax	<b>(248)</b>	(184)
Expenses not deductible for tax	<b>3,776</b>	3,051
Tax losses not recognised	<b>2,886</b>	5,413
Tax effect of utilisation of tax losses not previously recognised	<b>(1,043)</b>	–
Over-provision in prior years	<b>(902)</b>	–
Others	<u>–</u>	<u>(32)</u>
Tax (credit)/charge at the Group’s effective rate	<b><u>(673)</u></b>	<b><u>914</u></b>

## 6. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of inventories sold	314	112
Depreciation of property, plant and equipment	4,285	3,492
Depreciation of right-of-use assets	1,973	2,631
Amortisation of intangible assets	223	223
Auditor's remuneration	1,100	2,850
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, bonuses and other benefits	30,969	27,497
Equity-settled share-based payment expense, net	3,660	1,326
Pension scheme contributions (defined contribution schemes)	780	583
	35,409	29,406
(Gain)/loss on disposal/write-off of property, plant and equipment	(374)	130
Gain on lease termination	(238)	(5)
Impairment of trade receivables, net	1,940	2,306
Reversal of impairment of other receivables, net	(307)	(232)
Impairment of intangible assets	500	200
Impairment of property, plant and equipment	–	2,680
Write-down of inventories to net realisable value	–	4,716
Fair value losses/(gains), net:		
Financial liabilities at fair value through profit or loss – designated as such upon initial recognition*	36,252	(617)
Equity-settled share option expense in respect of share options granted to consultants*	–	1,987
Amortization of prepayment for other share based payment arrangement*	11,389	–
	47,641	1,370
Foreign exchange differences, net	94	283
Amortisation of deferred income in respect of government grants	(617)	(610)

\* Included in "Other expenses, net" in the consolidated statement of profit or loss and other comprehensive income.

## 7. DIVIDENDS

The board of directors of the Company does not recommend the payment of any dividend in respect of the year (2022: Nil).

## 8. LOSS PER SHARE

### Basic loss per share

The basic loss per share for the year ended 31 December 2023 is calculated based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss attributable to owners of the Company:	<u><u>(31,614)</u></u>	<u><u>(58,452)</u></u>
	<b>2023</b> <i>'000</i>	2022 <i>'000</i>
Weighted average number of ordinary shares for the year ended 31 December	<u><u>2,095,416</u></u>	<u><u>2,095,416</u></u>

### Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary sharing during the years ended 31 December 2023 and 2022.



## 9. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	22,622	18,788
Provision for loss allowance	<u>(10,804)</u>	<u>(8,864)</u>
Carrying amount	<u><u>11,818</u></u>	<u><u>9,924</u></u>

The Group's trading terms with its credit sales customers for cremation and funeral services businesses are generally 30 days. For media and entertainment businesses, other than ticket sales and certain sponsorship arrangements whereby payments in advance are normally required, the credit period is generally 30 to 60 days from the date of billing, while ticketing agencies and/or other relevant parties normally settle the corresponding amounts received by them attributable to the Group within 60 to 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date or equivalent and net of loss allowance, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	7,924	8,276
31 to 60 days	773	740
61 to 90 days	1,775	745
Over 90 days	<u>1,346</u>	<u>163</u>
	<u><u>11,818</u></u>	<u><u>9,924</u></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At 1 January	8,864	6,558
Increase in loss allowance for the year	<u>1,940</u>	<u>2,306</u>
At 31 December	<u><u>10,804</u></u>	<u><u>8,864</u></u>

An impairment analysis is performed at each reporting date using a probability of default approach to measure expected credit losses. The probabilities of default are estimated based on certain comparable companies with published credit ratings. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information/forecasts of future economic conditions. As at 31 December 2023, the probability of default applied ranged from 0.18% to 100% (2022: 0.18% to 100%) and the loss given default was estimated to range from 97.91% to 100% (2022: 97.91% to 100%).

The increase in the loss allowance for the current year was mainly due to an increase in the gross carrying amount of the trade receivables which were past due for certain periods.

## 10. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND OTHER LIABILITIES

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Trade payables	<i>(a)</i>	<b>2,901</b>	3,072
Contract liabilities	<i>(b)</i>	<b>1,155</b>	7,393
Other payables and accruals	<i>(c)</i>	<b>29,004</b>	17,672
Financial liabilities at fair value through profit or loss	<i>(d)</i>	<b>6,437</b>	5,660
		<b>39,497</b>	33,797

### Notes:

- (a) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date or equivalent, is as follows:

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Within 30 days	<b>107</b>	53
31 to 60 days	<b>35</b>	37
61 to 90 days	<b>22</b>	25
Over 90 days	<b>2,737</b>	2,957
	<b>2,901</b>	3,072

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

- (b) Details of contract liabilities are as follows:

	<b>31 December</b> <b>2023</b> <b>HK\$'000</b>	31 December 2022 <i>HK\$'000</i>	1 January 2022 <i>HK\$'000</i>
Short-term advances received from customers:			
Funeral services	<b>4</b>	307	307
Media and entertainment related services	<b>1,151</b>	7,086	2,751
	<b>1,155</b>	7,393	3,058
Contract receivables (included in trade receivables)	<b>11,818</b>	9,924	4,988

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:		
– 2023	N/A	7,393
– 2024	<u>1,155</u>	<u>–</u>
	<u><b>1,155</b></u>	<u><b>7,393</b></u>
<b>Year ended 31 December</b>	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	<u><b>7,393</b></u>	<u><b>3,058</b></u>
Significant changes in contract liabilities during the year:		
Increase due to operations in the year	<b>21,272</b>	12,457
Transfer of contract liabilities to revenue	<u><b>27,510</b></u>	<u><b>8,122</b></u>

- (c) Included in the Group's other payables are amounts due to non-controlling shareholders of subsidiaries and related companies of approximately HK\$853,000 (2022: HK\$1,228,000) and HK\$74,000 (2022: HK\$1,209,000), respectively, which are unsecured, non-interest-bearing and repayable on demand. A director of the Company is a beneficial owner of the related companies. Except for the above, other payables are unsecured, non-interest-bearing and repayable within 1 year.
- (d) The amounts mainly represent investments made by certain investors in projects relating to concerts and other entertainment events organised/to be organised by the Group. In accordance with the terms of the respective agreements, the investors are entitled to the rights to recoup their investment amounts as appropriate and to share the net profit or loss of the respective concert and other entertainment event projects. The financial liabilities were designated upon initial recognition as at fair value through profit or loss, as such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise and/or the financial liabilities form part of a group of financial assets or financial liabilities or both, which are managed and their performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis. The net changes in fair values of these financial liabilities during the year of HK\$36,252,000 were debit to profit or loss (2022: HK\$617,000 credited to profit or loss).

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

For the year ended 31 December 2023, the total revenue of the Group (which was mainly arising from (i) media and entertainment businesses; and (ii) cremation and funeral services businesses) was approximately of HK\$223,583,000 which was 525.27% higher than the corresponding period of last year of approximately of HK\$35,758,000. Gross profit increased from approximately of HK\$8,320,000 to HK\$91,055,000. The substantial increase in both revenue and gross profit was mainly due to (i) more concerts invested and organized by the Group; and (ii) significant improvement on the attendance of the concerts held during the current year.

### Other income and gains

Other income and gains slightly increased from approximately of HK\$1,432,000 to approximately of HK\$1,519,000, which is in line with last corresponding year.

### Selling, marketing and distribution expenses

Selling, marketing and distribution expenses for the year ended 31 December 2023 were approximately of HK\$6,162,000, which was 34.58% lower than the amount of corresponding period of last year of approximately of HK\$9,419,000. Such expenses as a percentage of revenue for the year was approximately 2.76% (2022: 26.34%). The decrease in selling, marketing and distribution expenses was mainly due to lower of marketing expenses spent on promoting Bookyay ticketing platform during the current year.

### General and administrative expenses

General and administrative expenses for the year ended 31 December 2023 amounted to approximately of HK\$67,327,000 which was 13.63% higher than the amount for the corresponding period of last year of approximately HK\$59,252,000. The increase was primarily attributable to (i) increase in employee benefit expense during the current year; and (ii) non-cash share-based payment expense enlarged to approximately of HK\$3,660,000.

### Other expenses, net

Other expenses mainly consist of (i) co-investors' share of net income/net loss from entertainment events organised by the Group of approximately HK\$36,252,000; and (ii) non-cash other share-based payment expense of approximately HK\$11,389,000 for the current year.

## **OPERATION REVIEW**

### **Media and entertainment businesses**

During the year ended 31 December 2023, the total revenue from media and entertainment businesses was approximately HK\$202,989,000, which was 1,163.15% higher than that of the corresponding period of last year of approximately HK\$16,070,000. The substantial increase was mainly due to (i) more entertainment events organized and invested; and (ii) significant improvement on the attendance of the concerts held during the current year. During the year, revenues were mainly derived from organisation of concert and other entertainment events, sponsorship income, and artiste management and performance, while offset by negative return on investments in concert, other entertainment event, film and TV drama production projects. The Group organised 8 concerts (2022: 2 concerts); invested 42 concerts (2022: 18 concerts); invested 2 dramas (2022: 1 drama) during the year.

### **Cremation and funeral services businesses**

Cremation, funeral and related business operations were enhanced during the year ended 31 December 2023 and their total revenue for the year (including relevant government subsidies recognised) was approximately HK\$20,594,000, which was 4.60% slightly higher than that of the corresponding period of last year of approximately HK\$19,688,000.

### **Prospects**

In year 2023, pandemic has subsided and the governments have relaxed anti-pandemic measures, the Group can look forward to a recovery in the economy and in the industries of concert and related artiste and event management. While the consumer sentiment might still be dampened by the worse-than-expected economic outlook in Hong Kong and the deterioration of global economic prospects, the Group remains cautiously optimistic about the fundamental demand for entertainment in the long run and continues to evaluate opportunities to maintain and enhance its market positioning as a leading concert and live entertainment operator in Hong Kong and Macau. In the beginning of 2024, the Group has participated in a number of shows including the Ronald Cheng world tour 2024, Eric Chou Odyssey Returns Macau 2024 and Mirror Feel The Passion Concert Tour 2024, etc. The Group will continue strengthening its core competencies, in order to seize the opportunities and bring sustainable returns to its shareholders.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2023, the Group had cash and cash equivalents of approximately HK\$33,308,000 (31 December 2022: HK\$47,490,000) and the total assets of the Group were approximately HK\$150,288,000 (31 December 2022: HK\$143,684,000). As at 31 December 2023, the net current assets of the Group were approximately HK\$40,272,000 (31 December 2022: HK\$50,351,000) and the Group's current ratio, which represents current assets over its current liabilities, was approximately 1.51 times (31 December 2022: 2.14 times). The gearing ratio of the Group as at 31 December 2023 (calculated as total liabilities of HK\$118,883,000 over equity attributable to owners of the Company of HK\$29,013,000) was 409.76% (31 December 2022: 133.76%).

As at 31 December 2023, the Group borrowed loans with outstanding principal amounts of HK\$35,000,000 and HK\$30,000,000 at interest rate of 3.5% and 5.2% per annum from a former substantial shareholder of the Company and independent third party respectively.

## **INVESTMENT POSITION AND PLANNING**

The Group will continuously undertake researches and identify potential media and entertainment business and investment opportunities, as well as cremation and funeral services, and related business investment opportunities to enhance its business portfolio.

## **SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS**

Save as disclosed in the consolidated financial statements, there were no other significant investments held by the Group during the year, and save as disclosed in the consolidated financial statements, there were no other material acquisitions or disposals of subsidiaries of the Group during the year.

## **CURRENCY RISK EXPOSURE**

The Group has certain operations in Mainland China and Taiwan, whose net assets might be exposed to foreign currency exchange risk. The Group currently does not have a foreign currency policy to hedge its currency exposure arising from the net assets of the Group's foreign operations. Otherwise, the Group has no material exposure to foreign currency risk as the majority of the assets and liabilities of the Group's operating units are denominated in their respective functional currency of either Hong Kong Dollars, Renminbi or New Taiwan Dollars.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2023, the Group had 91 (31 December 2022: 89) employees and including Directors. During the year ended 31 December 2023, short term employee benefits, which represented a key component of the total staff costs for the year ended 31 December 2023, included salaries, wages, bonuses and allowances, Directors' remuneration and share-based payments. The Group's employee remuneration packages are mainly determined on the basis of individual performance and experience and also having industry expertise, which include basic wages and bonuses. The Group also provides provident fund schemes and medical insurance scheme for its employees. The Company also grants share awards to eligible persons under the Company's share award scheme and grants share options to the Directors and eligible employees.

## **CHARGES ON GROUP'S ASSETS AND CONTINGENT LIABILITIES**

There were no charges on the Group's assets and the Group did not have any significant contingent liabilities as at 31 December 2023.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

## **CORPORATE GOVERNANCE PRACTICES**

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is committed to achieving a high standard of corporate governance that can properly protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company.

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") contained in part 2 of the CG Code to the GEM Listing Rules during year ended 31 December 2023.

As of the date of this annual results announcement, the Company has a single gender Board. Noting that a single gender board will not be considered as having achieved board diversity, the Company will take appropriate measures to review the structure and composition of the Board and appoint a Director of a different gender on or before December 31, 2024.

## **DIRECTORS' SECURITIES TRANSACTIONS**

### **Securities transactions by Directors**

The Company has established written guidelines for the required standard of dealings in securities by Directors of the Company on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Required Standard of Dealings”). Having made specific enquiries of all Directors, the Directors confirmed that they have fully complied with the requirements under the Required Standard of Dealings and there was no other event of non-compliance during the year ended 31 December 2023.

## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

The audit committee of the Company reviewed the Group’s annual results announcement for the year ended 31 December 2023.

### **Scope of work of ZHONGHUI ANDA CPA Limited (“ZHONGHUI ANDA”)**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group’s auditors, ZHONGHUI ANDA, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA on the preliminary announcement.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The results announcement of the Group for the year ended 31 December 2023 is published on the website of the Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) (the “Stock Exchange Website”) and the website of the Company at [www.8082.com.hk](http://www.8082.com.hk). The 2023 Annual Report of the Company will be published on the above websites in due course.



## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the period. I would also like to express my appreciation to the continuous support of our shareholders and investors.

On behalf of the board of  
**Sunny Side Up Culture Holdings Limited**  
**Dong Choi Chi, Alex**  
*Chairman and executive Director*

Hong Kong, 28 March 2024

*As at the date of this announcement, the executive Directors are Mr. Dong Choi Chi, Alex (the chairman) and Mr. Chong Cho Lam (chief executive officer), and independent non-executive Directors are Mr. Chan Wai Man, Mr. Siu Hi Lam, Alick and Dr. Ip Wai Hung. This announcement will remain on the “Latest Listed Company Information” page of the of the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the day of its publication and on the website of the Company at [www.8082.com.hk](http://www.8082.com.hk).*