

*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.*

*This announcement, for which the directors of Sunny Side Up Culture Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to Sunny Side Up Culture Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*



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 2024**

**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 2024

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 2024, together with the comparative figures for the year ended 31 December 2023 as follows:

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

Year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
REVENUE	4	148,899	223,583
Cost of sales		<u>(81,103)</u>	<u>(132,528)</u>
Gross profit		67,796	91,055
Other income and gains		1,656	1,519
Selling, marketing and distribution expenses		(5,690)	(6,162)
General and administrative expenses		(68,520)	(67,327)
Other expenses, net	6	(18,408)	(47,641)
Finance costs		(2,176)	(3,061)
Share of losses of joint ventures		<u>(560)</u>	<u>(675)</u>
LOSS BEFORE TAX		(25,902)	(32,292)
Income tax (expense)/credit	5	<u>(1,894)</u>	<u>673</u>
LOSS FOR THE YEAR	6	<u>(27,796)</u>	<u>(31,619)</u>
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Realisation of foreign currency translation reserves		1,382	–
Exchange differences on translation of foreign operations		<u>(589)</u>	<u>(617)</u>
Total comprehensive loss for the year		<u><u>(27,003)</u></u>	<u><u>(32,236)</u></u>
Loss for the year attributable to:			
Owners of the Company		(26,137)	(31,614)
Non-controlling interests		<u>(1,659)</u>	<u>(5)</u>
		<u><u>(27,796)</u></u>	<u><u>(31,619)</u></u>

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

Year ended 31 December 2024

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Total comprehensive loss for the year attributable to:			
Owners of the Company		(25,256)	(32,110)
Non-controlling interests		<u>(1,747)</u>	<u>(126)</u>
		<b><u>(27,003)</u></b>	<b><u>(32,236)</u></b>
Basic and diluted loss per share (HK cents)	8	<b><u>(1.10)</u></b>	<b><u>(1.51)</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>387</b>	16,404
Right-of-use assets		<b>823</b>	1,122
Intangible assets		<b>2,286</b>	11,373
Investments in joint ventures		<b>1,300</b>	2,375
Investment in an associate		<u>–</u>	<u>–</u>
Total non-current assets		<u><b>4,796</b></u>	<u>31,274</u>
<b>CURRENT ASSETS</b>			
Inventories		–	299
Investments in concert, other entertainment event, film and TV drama production projects		<b>41,123</b>	49,904
Trade receivables	<i>9</i>	<b>10,407</b>	11,818
Prepayments, deposits and other receivables		<b>23,950</b>	23,685
Cash and cash equivalents		<u><b>43,273</b></u>	<u>33,308</u>
Total current assets		<u><b>118,753</b></u>	<u>119,014</u>
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables, accruals and other financial liabilities	<i>10</i>	<b>65,333</b>	39,497
Other borrowings		<b>35,000</b>	30,000
Deferred income		–	934
Lease liabilities		<b>699</b>	852
Tax payable		<u><b>8,270</b></u>	<u>7,459</u>
Total current liabilities		<u><b>109,302</b></u>	<u>78,742</u>
<b>NET CURRENT ASSETS</b>		<u><b>9,451</b></u>	<u>40,272</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>14,247</b></u>	<u>71,546</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Other borrowings	–	35,000
Deferred income	–	2,616
Lease liabilities	165	309
Deferred tax liabilities	–	2,216
	<u>–</u>	<u>2,216</u>
Total non-current liabilities	<u>165</u>	<u>40,141</u>
Net assets	<u><b>14,082</b></u>	<u><b>31,405</b></u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	62,900	52,400
Reserves	<u>(44,612)</u>	<u>(23,387)</u>
	18,288	29,013
Non-controlling interests	<u>(4,206)</u>	<u>2,392</u>
Total equity	<u><b>14,082</b></u>	<u><b>31,405</b></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 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.

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 2024. 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 2024/as at 31 December 2024

	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	127,728	6,022	133,750
Other revenue	10,967	4,182	15,149
	<u>138,695</u>	<u>10,204</u>	<u>148,899</u>
<b>Segment results</b>	3,812	(16,820)	(13,008)
<u>Reconciliation:</u>			
Corporate and other unallocated expenses, net			(10,718)
Finance costs			(2,176)
Loss before tax			<u>(25,902)</u>
<b>Segment assets</b>	117,530	566	118,096
<u>Reconciliation:</u>			
Corporate and other unallocated assets			5,453
Total assets			<u>123,549</u>
<b>Segment liabilities</b>	(65,860)	(1,963)	(67,823)
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			(41,644)
Total liabilities			<u>(109,467)</u>
<b>Other segment information</b>			
Share of losses of joint ventures	560	–	560
Depreciation and amortisation	1,472	1,705	3,177
Finance costs	941	7	948
Loss on disposal/write-off of property, plant and equipment (Reversal of impairment)/impairment of trade and other receivables, net	– (535)	1,141 4	1,141 (531)
Additions to property, plant and equipment	219	702	921
Investments in joint ventures	1,300	–	1,300

	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			<u>(3,061)</u>
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			<u>4,146</u>
Total assets			<u>150,288</u>
<b>Segment liabilities</b>			
	(37,865)	(9,295)	(47,160)
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			<u>(71,723)</u>
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

## Geographical information

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	47,791	45,224
Mainland China	7,023	11,568
Macau	70,099	151,163
Thailand	3,670	–
Others	5,167	2,827
	<u>133,750</u>	<u>210,782</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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	3,157	4,537
Mainland China	–	23,571
Others	339	791
	<u>3,496</u>	<u>28,899</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.

## Information about a major customer

No individual customer exceed 10% of the total revenue of the Group during the years ended 31 December 2024 and 2023.

#### 4. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Provision of cremation and funeral services and sale of related goods	6,022	14,525
Concert and other entertainment event income and sale of related goods	122,109	189,687
Artiste management and performance services income	<u>5,619</u>	<u>6,570</u>
	<u>133,750</u>	<u>210,782</u>
<b>Revenue from other sources</b>		
Rendering of cremation service*	4,182	6,732
Gain on investments in concert, other entertainment event, film and TV drama production projects, net	<u>10,967</u>	<u>6,069</u>
	<u>15,149</u>	<u>12,801</u>
	<u><b>148,899</b></u>	<u><b>223,583</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 2024

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	235	101	336
Cremation and funeral services	–	5,921	5,921
Concert and other entertainment event organisation	108,660	–	108,660
Sponsorship	13,214	–	13,214
Artiste management and performance	5,619	–	5,619
	<u>127,728</u>	<u>6,022</u>	<u>133,750</u>
<b>Geographical markets</b>			
Hong Kong	47,791	–	47,791
Mainland China	1,001	6,022	7,023
Macau	70,099	–	70,099
Thailand	3,670	–	3,670
Others	5,167	–	5,167
	<u>127,728</u>	<u>6,022</u>	<u>133,750</u>
<b>Timing of revenue recognition</b>			
At a point in time	235	101	336
Over time	127,493	5,921	133,414
	<u>127,728</u>	<u>6,022</u>	<u>133,750</u>
Total	<u>127,728</u>	<u>6,022</u>	<u>133,750</u>

For the year ended 31 December 2023

<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	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
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<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
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<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
	<hr/>	<hr/>	<hr/>
Total	<u>196,257</u>	<u>14,525</u>	<u>210,782</u>

## 5. INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	1,172	–
Under-provision/(over-provision) in prior years	117	(17)
	<u>1,289</u>	<u>(17)</u>
Current tax – Overseas		
Provision for the year	605	229
Over-provision in prior years	–	(885)
	<u>605</u>	<u>(656)</u>
	<u><b>1,894</b></u>	<u><b>(673)</b></u>

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 2024 and 2023.

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 2024 and 2023, 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 2024 and 2023 and were entitled to a preferential income tax rate. From 1 January 2023 to 31 December 2027, the profits no more than RMB3 million are taxed 5%.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% PRC withholding tax.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before tax	<u>(25,902)</u>	<u>(32,292)</u>
Tax credit at the Hong Kong statutory tax rate of 16.5% (2023: 16.5%)	(4,274)	(5,328)
Tax effect of tax rate at lower tax regime	(165)	–
Effect of difference in tax rate for specific locations or enacted by local authority	47	186
Income not subject to tax	(303)	(248)
Expenses not deductible for tax	3,388	3,776
Tax losses not recognised	3,416	2,886
PRC withholding tax	551	–
Tax effect of one-off reduction	(2)	–
Tax effect of utilisation of tax losses not previously recognised	(881)	(1,043)
Under-provision/(over-provision) in prior years	117	(902)
Tax charge/(credit) at the Group’s effective rate	<u><b>1,894</b></u>	<u><b>(673)</b></u>

## 6. LOSS FOR THE YEAR

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of inventories sold	300	314
Depreciation of property, plant and equipment	1,872	4,285
Depreciation of right-of-use assets	1,128	1,973
Amortisation of intangible assets	223	223
Auditor's remuneration	1,100	1,100
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, bonuses and other benefits	34,850	30,969
Equity-settled share-based payment expense, net	343	3,660
Pension scheme contributions (defined contribution schemes)	681	780
	35,874	35,409
Loss/(gain) on disposal/write-off of property, plant and equipment	1,141	(374)
Loss on disposal of subsidiaries	9,595	–
Gain on lease termination	–	(238)
(Reversal of impairment)/impairment of trade receivables, net	(1,929)	1,940
Impairment/(reversal of impairment) of other receivables, net	1,398	(307)
Impairment of intangible assets	–	500
Fair value losses, net:		
Financial liabilities at fair value through profit or loss		
– designated as such upon initial recognition*	11,994	36,252
Amortization of prepayment for other share based payment arrangement*	6,414	11,389
	18,408	47,641
Foreign exchange differences, net	486	94
Amortisation of deferred income in respect of government grants	(445)	(617)

\* 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 (2023: Nil).

## 8. LOSS PER SHARE

### Basic loss per share

The basic loss per share for the year ended 31 December 2024 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>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss attributable to owners of the Company:	<u><u>(26,137)</u></u>	<u><u>(31,614)</u></u>
	<b>2024</b> <i>'000</i>	2023 <i>'000</i>
Weighted average number of ordinary shares for the year ended 31 December	<u><u>2,373,793</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 2024 and 2023.

## 9. TRADE RECEIVABLES

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Trade receivables	17,745	22,622
Provision for loss allowance	<u>(7,338)</u>	<u>(10,804)</u>
Carrying amount	<b><u>10,407</u></b>	<b><u>11,818</u></b>

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:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Within 30 days	4,146	7,924
31 to 60 days	896	773
61 to 90 days	1,706	1,775
Over 90 days	<u>3,659</u>	<u>1,346</u>
	<b><u>10,407</u></b>	<b><u>11,818</u></b>

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

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
At 1 January	10,804	8,864
(Reversal of impairment)/impairment, net	(1,929)	1,940
Amount written off	(1,463)	–
Disposal of subsidiaries	<u>(74)</u>	<u>–</u>
At 31 December	<b><u>7,338</u></b>	<b><u>10,804</u></b>

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 2024, the probability of default applied ranged from 2.86% to 100% (2023: 0.18% to 100%) and the loss given default was estimated to range from 63.91% to 100% (2023: 97.91% to 100%).

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

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	<i>(a)</i>	<b>2,698</b>	2,901
Contract liabilities	<i>(b)</i>	<b>674</b>	1,155
Other payables and accruals	<i>(c)</i>	<b>38,636</b>	29,004
Financial liabilities at fair value through profit or loss	<i>(d)</i>	<b>23,325</b>	6,437
		<b>65,333</b>	39,497

### 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>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	<b>529</b>	107
31 to 60 days	–	35
61 to 90 days	–	22
Over 90 days	<b>2,169</b>	2,737
	<b>2,698</b>	2,901

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>2024</b> <i>HK\$'000</i>	31 December 2023 <i>HK\$'000</i>	1 January 2023 <i>HK\$'000</i>
Short-term advances received from customers:			
Funeral services	–	4	307
Media and entertainment related services	<b>674</b>	1,151	7,086
	<b>674</b>	1,155	7,393
Contract receivables (included in trade receivables)	<b>10,407</b>	11,818	9,924

	<b>2024</b>	2023
	<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:		
– 2024	N/A	1,155
– 2025	<b>674</b>	–
	<u><b>674</b></u>	<u>1,155</u>
<b>Year ended 31 December</b>	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	<u><b>1,155</b></u>	<u>7,393</u>
Significant changes in contract liabilities during the year:		
Increase due to operations in the year	<b>45,635</b>	21,272
Transfer of contract liabilities to revenue	<u><b>46,116</b></u>	<u>27,510</u>

- (c) Included in the Group's other payables are amounts due to non-controlling shareholders of subsidiaries and related companies of approximately HK\$674,000 (2023: HK\$853,000) and HK\$73,000 (2023: HK\$74,000), 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\$11,994,000 were debited to profit or loss (2023: HK\$36,252,000 debited to profit or loss).

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

For the year ended 31 December 2024, 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\$148,899,000 which was 33.40% lower than the corresponding period of last year of approximately of HK\$223,583,000. Gross profit decreased from approximately of HK\$91,055,000 to HK\$67,796,000. The decrease in revenue and gross profit was attributable to the scale of the concerts organised by the Group during the year was relatively small as compared with last corresponding year. As a result, the ticketing income from the concerts for current year was less than last corresponding year.

### Other income and gains

Other income and gains slightly increased from approximately of HK\$1,519,000 to approximately of HK\$1,656,000, which is in line with last corresponding year.

### Selling, marketing and distribution expenses

Selling, marketing and distribution expenses for the year ended 31 December 2024 were approximately of HK\$5,690,000, which was 7.66% lower than the amount of corresponding period of last year of approximately of HK\$6,162,000. Such expenses as a percentage of revenue for the year was approximately 3.82% (2023: 2.76%). The decrease in selling, marketing and distribution expenses was in line with the decrease in revenue for the current year.

### General and administrative expenses

General and administrative expenses for the year ended 31 December 2024 amounted to approximately of HK\$68,520,000 which was in line with the amount for the corresponding period of last year of approximately HK\$67,327,000. Loss on disposal of subsidiaries amounted to approximately of HK\$9,595,000 was included in the current year under review. If the loss on disposal was taken out, the general and administrative expenses were decreased by 12.48%. The decrease was achieved by management control on tightening the administrative expenses.

### 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\$11,994,000; and (ii) non-cash other share-based payment expense of approximately HK\$6,414,000 for the current year.

## **OPERATION REVIEW**

### **Media and entertainment businesses**

During the year ended 31 December 2024, the total revenue from media and entertainment businesses was approximately HK\$138,695,000, which was 31.67% lower than that of the corresponding period of last year of approximately HK\$202,989,000. 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 12 concerts (2023: 8 concerts); invested 49 concerts (2023: 42 concerts); invested 1 drama (2023: 2 dramas) during the year. While the number of concerts organised by the Group was increased during the current year, it recorded a decrease in revenue. It was mainly due to the scale of concerts organised by the Group during the year was relatively small as compared with last corresponding year.

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

Cremation, funeral and related business operations recorded revenue of approximately HK\$10,204,000 during the year ended 31 December 2024, which was 50.45% lower than that of the corresponding period of last year of approximately HK\$20,594,000. The substantial decrease was due to the revenue recognised for the current year covered only around seven months, which the cremation and funeral services businesses was sold to an independent third party on 12 July 2024. The disposal was completed on 13 August 2024. Upon completion of disposal, the financial performance of the cremation and funeral services businesses will no longer be consolidated into the consolidated financial statements of the Group. Details of the disposal are set out in the announcements of the Company dated 12 July 2024 and 13 August 2024.

### **Prospects**

The Group engages in the media and entertainment businesses, which mainly include the operation of concerts, exhibitions and live entertainment events. During the year, ongoing financial and political concerns continue to affect the economic outlook of the regions, leading to a subdued consumption sentiment. Nevertheless, the Group had participated in numerous events across the border including the Ronald Cheng World Tour 2024, Eric Chou Odyssey Returns Macau 2024, Blueprint of Memories by Edward Chan and Mirror Feel The Passion Concert Tour 2024, This is MC2 live in Macau, etc. In addition, it is expected that various stimulus policies will be implemented to boost economic growth and domestic consumption, also with the recent grand opening of the Kai Tak Stadium which can host different types of cultural and entertainment events, will further induce international pop stars to hold concerts in Hong Kong.

The Group also disposed of its death care related business, the Huaji funeral parlor in mid of 2024 and will reallocate the Group's resources to strengthen the core entertainment businesses. The Group remains cautiously optimistic about the fundamental demand for entertainment in the long run and 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 2024, the Group had cash and cash equivalents of approximately HK\$43,273,000 (31 December 2023: HK\$33,308,000) and the total assets of the Group were approximately HK\$123,549,000 (31 December 2023: HK\$150,288,000). As at 31 December 2024, the net current assets of the Group were approximately HK\$9,451,000 (31 December 2023: HK\$40,272,000) and the Group's current ratio, which represents current assets over its current liabilities, was approximately 1.09 times (31 December 2023: 1.51 times). The gearing ratio of the Group as at 31 December 2024 (calculated as total liabilities of HK\$109,467,000 over equity attributable to owners of the Company of HK\$18,288,000) was 598.57% (31 December 2023: 409.76%).

As at 31 December 2024, the Group borrowed loan with outstanding principal amount of HK\$35,000,000 at interest rate of 3.5% per annum from a former substantial shareholder of the Company.

### Use of proceeds from issue of new ordinary shares to the subscriber under general mandate

On 22 April 2024, the Company entered into the subscription agreement with Great Expect Development Limited (the "Subscriber"), which the Subscriber has agreed to subscribe for a total of 419,000,000 ordinary shares of the Company (the "Subscription Shares") at the subscription price of HK\$0.036 per subscription share. Following the receipt of proceeds of HK\$15,084,000, the Subscription Shares were issued and allotted to the Subscriber on 3 May 2024. Details of the share subscription are set out in the announcements of the Company dated 22 April 2024 and 3 May 2024.

The net proceeds from the subscription, after deduction of the relevant expenses, was approximately HK\$14,972,000. Such net proceeds have been used in the following manner:

	<b>Intended use of net proceeds from issue of the Subscription Shares <i>HK\$'000</i></b>	<b>Actual use of the net proceeds as at 31 December 2024 <i>HK\$'000</i></b>	<b>Unutilized net proceeds as at 31 December 2024 <i>HK\$'000</i></b>
Investment in the media and entertainment business	14,972	(14,972)	—

## **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. Save as disclosed in the announcements of the Company dated 12 July 2024 and 13 August 2024, in relation to disposal of subsidiaries, 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 2024, the Group had 50 (31 December 2023: 91) employees and including Directors. During the year ended 31 December 2024, short term employee benefits, which represented a key component of the total staff costs for the year ended 31 December 2024, 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 2024.

## **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 2024.

## **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 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 2024.

## **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 2024.

### **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 2024 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 2024 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 2024 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, 31 March 2025

*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), the non-executive Directors are Mr. Ma Xinying and Ms. Yuan Xiaomei 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).*