



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

*(formerly known as Yeah Yeah Group Holdings Limited)*  
*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
**(Stock Code: 8082)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

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

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*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 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.*

## UNAUDITED FINANCIAL RESULTS

The Board of Directors (the “Directors”) of Sunny Side Up Culture Holdings Limited (the “Company”) announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and six months ended 30 June 2023 together with the comparative unaudited figures for the corresponding periods in 2022 as follows:

### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

*For the three months and six months ended 30 June 2023*

		Three months ended 30 June		Six months ended 30 June	
		2023	2022	2023	2022
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	2	9,224	7,326	41,177	15,980
Cost of sales		(2,497)	(3,051)	(19,915)	(10,096)
Gross profit		6,727	4,275	21,262	5,884
Other income and gains	3	513	280	615	458
Selling, marketing and distribution expenses		(485)	(2,939)	(3,622)	(3,823)
General, administrative and other expenses		(14,693)	(12,438)	(31,026)	(27,335)
Finance costs		(817)	(339)	(1,166)	(677)
Share of profits and losses of joint ventures		(41)	—	(4)	—
LOSS BEFORE TAX	7	(8,796)	(11,161)	(13,941)	(25,493)
Income tax expense	4	(42)	4	(59)	(13)
LOSS FOR THE PERIOD		<u>(8,838)</u>	<u>(11,157)</u>	<u>(14,000)</u>	<u>(25,506)</u>
Attributable to:					
Owners of the Company		(8,522)	(10,307)	(13,164)	(24,220)
Non-controlling interests		<u>(316)</u>	<u>(850)</u>	<u>(836)</u>	<u>(1,286)</u>
		<u>(8,838)</u>	<u>(11,157)</u>	<u>(14,000)</u>	<u>(25,506)</u>
Dividend	5	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	6				
– Basic and diluted ( <i>HK cents</i> )		<u>(0.41)</u>	<u>(0.49)</u>	<u>(0.63)</u>	<u>(1.16)</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2023

	Three months ended		Six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Loss for the period</b>	<b>(8,838)</b>	<b>(11,157)</b>	<b>(14,000)</b>	<b>(25,506)</b>
Other comprehensive income/(loss):				
Other comprehensive income/(loss)				
that may be reclassified to				
profit or loss in subsequent periods:				
Exchange differences on translation of				
foreign operations	<u>(925)</u>	<u>(1,279)</u>	<u>(596)</u>	<u>(1,567)</u>
<b>Total comprehensive loss for the period</b>	<b><u>(9,763)</u></b>	<b><u>(12,436)</u></b>	<b><u>(14,596)</u></b>	<b><u>(27,073)</u></b>
<b>Attributable to:</b>				
Owners of the Company	<b>(9,020)</b>	<b>(11,591)</b>	<b>(13,683)</b>	<b>(25,799)</b>
Non-controlling interests	<u>(743)</u>	<u>(845)</u>	<u>(913)</u>	<u>(1,274)</u>
	<b><u>(9,763)</u></b>	<b><u>(12,436)</u></b>	<b><u>(14,596)</u></b>	<b><u>(27,073)</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment		17,887	19,667
Right-of-use assets		2,477	1,479
Intangible assets		12,496	12,341
Investments in joint ventures		2,781	1,088
Investment in an associate		—	—
Investment in a film production project		1,157	1,157
Prepayments, deposits and other assets	10	11,775	13,420
<b>Total non-current assets</b>		<b>48,573</b>	<b>49,152</b>
<b>Current assets</b>			
Inventories	8	299	380
Investments in concert, other entertainment event, film and TV drama production projects		46,624	14,583
Trade receivables	9	6,781	9,924
Prepayments, deposits and other receivables	10	109,204	22,155
Cash and cash equivalents		70,589	47,490
<b>Total current assets</b>		<b>233,497</b>	<b>94,532</b>
<b>Current liabilities</b>			
Trade payables, other payables, accruals and other financial liabilities	11	126,024	33,797
Deferred income		1,083	459
Lease liabilities		2,140	1,641
Other borrowings		60,000	—
Tax payable		8,249	8,284
<b>Total current liabilities</b>		<b>197,496</b>	<b>44,181</b>
<b>Net current assets</b>		<b>36,001</b>	<b>50,351</b>
<b>Total assets less current liabilities</b>		<b>84,574</b>	<b>99,503</b>
<b>Non-current liabilities</b>			
Deferred income		1,226	2,098
Lease liabilities		634	95
Other borrowing		35,000	35,000
Deferred tax liabilities		2,277	2,277
<b>Total non-current liabilities</b>		<b>39,137</b>	<b>39,470</b>
<b>Net assets</b>		<b>45,437</b>	<b>60,033</b>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	12	52,400	52,400
Reserves		(3,545)	10,138
		48,855	62,538
Non-controlling interests		(3,418)	(2,505)
<b>Total equity</b>		<b>45,437</b>	<b>60,033</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Share-based payment reserve HK\$'000	Shares held under share awarded scheme HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2022 (audited)	52,400	445,446	31,713	1,942	18,324	(391)	(428,892)	120,542	1,778	122,320
Loss for the period	–	–	–	–	–	–	(24,220)	(24,220)	(1,286)	(25,506)
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	–	–	–	(1,579)	–	–	–	(1,579)	12	(1,567)
Total comprehensive loss for the period	–	–	–	(1,579)	–	–	(24,220)	(25,799)	(1,274)	(27,073)
Equity-settled share option arrangements	–	–	–	–	1,987	–	–	1,987	–	1,987
<b>At 30 June 2022 (unaudited)</b>	<b>52,400</b>	<b>445,446</b>	<b>31,713</b>	<b>363</b>	<b>20,311</b>	<b>(391)</b>	<b>(453,112)</b>	<b>96,730</b>	<b>504</b>	<b>97,234</b>
At 1 January 2023 (audited)	52,400	445,446	31,713	(923)	14,770	(391)	(480,477)	62,538	(2,505)	60,033
Loss for the period	–	–	–	–	–	–	(13,164)	(13,164)	(836)	(14,000)
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	–	–	–	(519)	–	–	–	(519)	(77)	(596)
Total comprehensive loss for the period	–	–	–	(519)	–	–	(13,164)	(13,683)	(913)	(14,596)
Transfer of share-based payment reserve upon the cancellation/lapse/forfeiture of share options	–	–	–	–	(1,506)	–	1,506	–	–	–
<b>At 30 June 2023 (unaudited)</b>	<b>52,400</b>	<b>445,446</b>	<b>31,713</b>	<b>(1,442)</b>	<b>13,264</b>	<b>(391)</b>	<b>(492,135)</b>	<b>48,855</b>	<b>(3,418)</b>	<b>45,437</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Operating activities</b>		
Loss before taxation	(13,941)	(25,493)
Adjustments for:		
Share of loss of joint ventures	4	–
Depreciation of property, plant and equipment	2,703	1,363
Depreciation of right-of-use assets	336	1,661
Amortisation of deferred income of government grants	(138)	(245)
Amortisation of an intangible asset	264	111
Reversal of impairment on trade receivables, net	(197)	(3)
Reversal of impairment of other receivables, net	(1,021)	–
Equity-settled share-based payments	–	1,987
Finance costs	1,166	677
Income tax paid	(94)	(60)
	<b>(10,918)</b>	<b>(20,002)</b>
Decrease/(increase) in inventories	81	(70)
Decrease/(increase) in trade receivables	3,340	(1,600)
(Increase)/decrease in prepayments, deposits and other receivables	(84,383)	478
Increase in investments in concert, other entertainment event, film and TV drama production projects	(32,041)	(3,289)
Increase/(decrease) in trade payables, other payables, accruals and other financial liabilities	<b>91,061</b>	<b>(8,345)</b>
<b>Net cash used in operating activities</b>	<b>(32,860)</b>	<b>(32,828)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,455)	(1,357)
Advance to joint ventures	(1,697)	–
<b>Net cash used in investing activities</b>	<b>(3,152)</b>	<b>(1,357)</b>
<b>Financing activities</b>		
Principal portion of lease payments	(282)	(1,641)
Proceeds from other borrowing	60,000	1,500
Interest paid	(27)	(73)
<b>Net cash generated from/(used in) financing activities</b>	<b>59,691</b>	<b>(214)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>23,679</b>	<b>(34,399)</b>
Cash and cash equivalents at beginning of the reporting period	47,490	114,644
Effect of foreign exchange rate changes, net	(580)	(563)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>70,589</b>	<b>79,682</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>70,589</b>	<b>79,682</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022 (“2022 Annual Report”). The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the 2022 Annual Report.

### **Impact of new and revised HKFRSs which are issued but not effective**

The Group had not early adopted the new and revised HKFRSs that have been issued but are not yet effective in the period.

The adoption of the new and revised HKFRSs has no significant effect on these unaudited condensed consolidated financial statements.

## 2. 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 concerts, other entertainment events, 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 borrowing and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The segment results and other segment items for the six months ended 30 June 2023 are as follows:

	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>			
Sales to external customers	29,053	12,124	<u>41,177</u>
<b>Segment results</b>	(8,088)	143	(7,945)
<u>Reconciliation:</u>			
Corporate and other unallocated expenses, net			(4,830)
Finance costs			<u>(1,166)</u>
<b>Loss before tax</b>			<u>(13,941)</u>
<b>Segment assets</b>	244,432	31,977	276,409
<u>Reconciliation:</u>			
Corporate and other unallocated assets			<u>5,661</u>
<b>Total assets</b>			<u>282,070</u>
<b>Segment liabilities</b>	(122,839)	(8,778)	(131,617)
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			<u>(105,016)</u>
<b>Total liabilities</b>			<u>(236,633)</u>
<b>Other segment information:</b>			
Depreciation and amortisation	777	2,189	2,966
Capital expenditure	418	1,037	1,455



The segment results and other segment items for the six months ended 30 June 2022 are as follows:

	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>			
Sales to external customers	6,430	9,550	<u>15,980</u>
<b>Segment results</b>	(19,063)	289	(18,774)
<u>Reconciliation:</u>			
Corporate and other unallocated expenses, net			(6,042)
Finance costs			<u>(677)</u>
<b>Loss before tax</b>			<u>(25,493)</u>
<b>Segment assets</b>	88,254	29,512	117,766
<u>Reconciliation:</u>			
Corporate and other unallocated assets			<u>59,149</u>
<b>Total assets</b>			<u>176,915</u>
<b>Segment liabilities</b>	(28,025)	(7,820)	(35,845)
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			<u>(43,836)</u>
<b>Total liabilities</b>			<u>(79,681)</u>
<b>Other segment information:</b>			
Depreciation and amortisation	171	1,301	1,472
Capital expenditure	20	1,338	1,358

An analysis of revenue is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers</b>				
Provision of cremation and funeral services and sale of related goods	3,339	3,235	7,784	6,343
Concert and other entertainment event income and sale of related goods	1,324	802	25,068	3,920
Artiste management and performance services income	1,706	2,239	2,780	2,670
	<u>6,369</u>	<u>6,276</u>	<u>35,632</u>	<u>12,933</u>
<b>Revenue from other sources</b>				
Rendering of cremation services	1,750*	1,210*	4,340*	3,207*
Gain/(loss) on investments in concert, other entertainment event, film and TV drama production projects, net	1,105	(160)	1,205	(160)
	<u>2,855</u>	<u>1,050</u>	<u>5,545</u>	<u>3,047</u>
	<u>9,224</u>	<u>7,326</u>	<u>41,177</u>	<u>15,980</u>

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

### 3. OTHER INCOME AND GAINS

An analysis of the other income and gains is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Government subsidies*	–	52	–	52
Others	513	228	615	406
	<u>513</u>	<u>280</u>	<u>615</u>	<u>458</u>

\* The government subsidies include subsidies received under the Employee Support Scheme of the Government of the Hong Kong Special Administrative Region. There were no unfulfilled conditions or contingencies relating to the subsidies.

#### 4. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (30 June 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during that period. No provision for Hong Kong profits tax has been made for the current period as the Group did not generate any assessable profits arising in Hong Kong during the current period (30 June 2022: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The Group did not have any significant deferred taxation which was not provided for in respect of each of the reporting periods.

#### 5. DIVIDEND

The Directors do not recommend the payment of a dividend nor transfer of any amount to reserves for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

#### 6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

##### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company	(8,522)	(10,307)	(13,164)	(24,220)
Weighted average number of ordinary shares in issue (in thousands)	<u>2,096,016</u>	<u>2,096,016</u>	<u>2,096,016</u>	<u>2,096,016</u>

##### (b) Diluted

For the period ended 30 June 2023 and 30 June 2022, no adjustment has been made to the basic loss per share amounts presented for the period in respect of a dilution as the impact of the share options outstanding had an anti-diluted effect on the basic loss per share amounts presented.

## 7. LOSS BEFORE TAX

Loss before tax is stated after charging the following:

	Six months ended	
	30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories recognised as expense	53	289
Employees benefits expenses	16,004	13,800
Depreciation of property, plant and equipment	2,703	1,363
Depreciation of right-of-use assets	336	1,661
Amortisation of an intangible asset	264	111
	<u>264</u>	<u>111</u>

## 8. INVENTORIES

	30 June	31 December
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Merchandises	<u>299</u>	<u>380</u>

## 9. TRADE RECEIVABLES

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

	30 June	31 December
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables	15,443	18,788
Impairment	<u>(8,662)</u>	<u>(8,864)</u>
	<u>6,781</u>	<u>9,924</u>

The Group's trading terms with its credit sales customers for cremation and funeral business are generally 30 days. For the media and entertainment business, 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 agency 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>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Within 30 days	2,283	8,276
31 – 60 days	2,525	740
61 – 90 days	789	745
Over 90 days	1,184	163
	<u>6,781</u>	<u>9,924</u>

#### 10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Prepayments and other assets	107,412	23,158
Deposits	700	674
Other receivables	27,203	27,219
	<u>135,315</u>	<u>51,051</u>
Impairment allowance	<u>(14,336)</u>	<u>(15,476)</u>
	120,979	35,575
Less: Non-current portion	<u>(11,775)</u>	<u>(13,420)</u>
Current portion	<u>109,204</u>	<u>22,155</u>

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

	30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 <i>HK\$'000</i> (Audited)
Trade payables	3,061	3,072
Contract liabilities	12,105	7,393
Other payables and accruals	69,203	17,672
Financial liabilities at fair value through profit or loss	<u>41,655</u>	<u>5,660</u>
	<u><b>126,024</b></u>	<u><b>33,797</b></u>

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 <i>HK\$'000</i> (Audited)
Within 30 days	38	53
31 to 60 days	34	37
61 to 90 days	37	25
Over 90 days	<u>2,952</u>	<u>2,957</u>
	<u><b>3,061</b></u>	<u><b>3,072</b></u>

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

## 12. ISSUED CAPITAL

	Number of shares '000	Authorised share capital HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.025 each at 1 January 2022, 31 December 2022 and 30 June 2023	3,200,000	80,000
	<u>3,200,000</u>	<u>80,000</u>
	Number of shares in issue '000	Issued capital HK\$'000
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.025 each at 1 January 2022, 31 December 2022 and 30 June 2023	2,096,016	52,400
	<u>2,096,016</u>	<u>52,400</u>

## 13. BUSINESS COMBINATION

On 19 May 2022, the Group acquired 100% equity interest in Rising Sun Entertainment Limited (“Rising Sun”) from a related company. A director of the Company is a beneficial owner of the related company. As at the date of this announcement, the Group holds 80% equity interest in Rising Sun and the director of Rising Sun holds 20% equity interest in Rising Sun. Rising Sun is principally engaged in the provision of artist management services. The acquisition was made as part of the Group’s strategy to expand its media and entertainment businesses. The purchase consideration for the acquisition of HK\$1 was in the form of cash.

The fair values of the identifiable assets and liabilities of Rising Sun as at the date of acquisition were as follows:

	Fair value recognised on acquisition HK\$'000
Intangible assets	420
Investment in joint venture	13
Cash and bank balances	20
Trade receivables	834
Prepayments and other receivables	264
Other payables and accruals	(1,131)
	<u>(1,131)</u>
Total identifiable net assets at fair value	<u>420</u>
<b>Satisfied by:</b>	
Cash consideration	—*
	<u>—*</u>

\* Amount less than HK\$1,000

An analysis of the cash flows in respect of the acquisition of Rising Sun is as follows:

HK\$'000

Cash consideration	—*
Cash and bank balances acquired	20
Net inflow of cash and cash equivalents included in cash flows from investing activities	20

\* Amount less than HK\$1,000

#### 14. RELATED PARTY TRANSACTIONS

During the reporting period, the Group has the following related party transactions.

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2023	2022	2023	2022
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Related companies:					
Rentals paid/payable	(i)	251	235	503	501
Finance costs	(ii)	—	302	—	607
Remuneration of directors of the Group:					
Short term employee benefits		720	510	1,200	1,210
Pension scheme contribution		9	18	18	18
		<u>729</u>	<u>528</u>	<u>1,218</u>	<u>1,228</u>

Notes:

- (i) The rentals were charged in accordance with a tenancy agreement entered into between the relevant parties. A director of the Company during the relevant period has beneficial equity interest in the related company.
- (ii) The interest on other borrowing in respect of a loan from a former substantial shareholder of the Company was charged in accordance with an agreement entered into between the relevant parties. The loan was drawn down under certain revolving loan facilities in the principal sum of up to HK\$100,000,000 granted by a substantial shareholder of the Company to the Group during the prior year. The revolving loan facilities are available for the period commencing from 21 December 2020 and ending 36 months from that date.

All of the transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial review

#### *Revenue and gross profit*

For the six months ended 30 June 2023, the total revenue (which mainly consists of (i) the media and entertainment business; and (ii) cremation and funeral services business) was approximately HK\$41,177,000 which was 157.68% higher than that of last year corresponding period of approximately HK\$15,980,000. The overall gross profit for the six months ended 30 June 2023 amounted to HK\$21,262,000, which was 261.35% higher than last year corresponding period. The increase in revenue was attributable to concerts organized by the Group during the period under review while nil in the last corresponding period.

#### *Selling, marketing and distribution expenses*

Selling, marketing and distribution expenses for the six months ended 30 June 2023 was approximately HK\$3,622,000, which was 5.26% lower than last corresponding period of approximately HK\$3,823,000. Percentage to revenue was approximately 8.80% (six months ended 30 June 2022: 23.92%).

#### *General, administrative and other expenses*

General, administrative and other expenses for the six months ended 30 June 2023 amounted to approximately HK\$31,026,000 which was 13.50% higher as compared with last year corresponding period of approximately HK\$27,335,000. The increase was mainly due to increase in employee benefit expense during the current period under review.

#### *Loss for the period*

The Group's loss for the six months ended 30 June 2023 was approximately HK\$14,000,000 (six months ended 30 June 2022: loss of approximately HK\$25,506,000).

## **Operation review**

### ***Media and entertainment***

During the six months ended 30 June 2023, the media and entertainment segment recorded a revenue of approximately HK\$29,053,000, representing an increase of 351.84% as compared with last year corresponding period of approximately of HK\$6,430,000. The substantial increase was mainly due to revenue from concerts organized by the Group during the period under review.

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

During the six months ended 30 June 2023, the revenue from cremation and funeral business was approximately HK\$12,124,000, which was 26.95% higher than last year corresponding period of approximately HK\$9,550,000. The increase was mainly due to (i) more cremation cases were handled by the Group during the current period under review; and (ii) the related value-added funeral services were increased in line with the number of cases.

## **Prospects**

In year 2022, due to the outbreak of COVID-19, the operating segment of our concert performance and event organisation was severely affected and did not perform well during the period. Following a disruptive year of 2022, Hong Kong and Macau was embracing a fast and explosive COVID reopening from January 2023. The economy outlook of Hong Kong and Macau in 2023 is upbeat and our business will benefit from the relaxation of pandemic control measures and progressive re-opening of borders.

According to the Company announcements dated 17 March 2023 and 13 July 2023 regarding the issue of new shares to certain consultants, directors and employees for strategic cooperation in the Company businesses, the Group will continue to actively seek investment opportunities and strategic partnership that are related and/or creating synergies to the Group's existing businesses and generate greatest returns for its shareholders and reward their long-term support.

## RIGHTS ISSUE

The Company has completed the rights issue (the “Rights Issue”) and issued 845,217,664 new shares at the subscription price of HK\$0.14 per rights share on the basis of four (4) rights shares for every five (5) existing shares to the qualifying shareholders on 26 October 2021. The net proceeds from the Rights Issue after deducting the expenses were approximately HK\$116.4 million.

Details of the Rights Issue are set out in the Company’s prospectus dated 29 September 2021.

The intended and the actual use of the proceeds under the Rights Issue as of 30 June 2023 are set out below:

	Original intended use of proceeds Approximately HK\$ million	Amounts reallocated for use of proceeds Approximately HK\$ million	Actual use of the proceeds from the date of completion of the Rights Issue to 30 June 2023 Approximately HK\$ million	Unutilised net proceeds as at 30 June 2023 Approximately HK\$ million
Investment in the media and entertainment business	31.0	35.0 (Note 1)	66.0	–
Repayment of amount owed to a former substantial shareholder of the Company	35.0	(35.0) (Note 1)	–	–
Development of integrated entertainment platform and non-fungible tokens business	14.8	–	14.8	–
Day-to-day salary and administrative expenses	14.2	–	14.2	–
Investment in the funeral business	7.4	–	7.0	0.4
Provision of audio, lighting and stage equipment and ancillary stage technical and engineering services	6.7	–	4.9	1.8
General working capital	7.3	–	7.3	–
Total	<u>116.4</u>	<u>–</u>	<u>114.2</u>	<u>2.2</u>

Note:

- With the recovery of the COVID-19 pandemic, the Board considered that the execution of the Group’s business plan of carrying out entertainment concerts activities will be profitable to the Group. Therefore, approximately HK\$35.0 million have been reallocated for the investment in media and entertainment business. The Board considers the above change in the use of the net proceeds is fair and reasonable as this would allow the Company to deploy its financial resources more effectively to enhance the profitability of the Group and is therefore in the interests of the Group and the shareholders as a whole.

## **Liquidity and financial resources**

As at 30 June 2023, the Group has cash and bank balances of approximately HK\$70,589,000 (31 December 2022: HK\$47,490,000) and the total assets of the Group were HK\$282,070,000 (31 December 2022: HK\$143,684,000). The net current assets of the Group were HK\$36,001,000 (31 December 2022: HK\$50,351,000) and the current ratio, which represented the current assets over the current liabilities, is 1.18 times (31 December 2022: 2.14 times). The gearing ratio of the Group as at 30 June 2023 (as calculated by the total liabilities of HK\$236,633,000 over equity attributable to the owners of the Company of HK\$48,855,000) is 484.36% (31 December 2022: 133.76%).

## **Currency risk exposure**

As at 30 June 2023, the Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation 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 had no material exposure to foreign exchange risk as majority of the Group's assets were denominated in its functional currency of either Hong Kong Dollars, Renminbi or New Taiwan Dollars.

## **Employees and remuneration policies**

As at 30 June 2023, the Group had 97 (six months ended 30 June 2022: 90) employees, including Directors. Total staff costs for the six months ended 30 June 2023, including Directors' remuneration, amounted to approximately HK\$16,004,000 (six months ended 30 June 2022: HK\$13,800,000). The Group's employment and remuneration policies remained the same as detailed in 2022 Annual Report.

## **Charges on Group's assets and contingent liabilities**

There were no charges on the Group's assets or any significant contingent liabilities as at 30 June 2023.

## Directors' and chief executives' interests and short positions in the shares and underlying shares of the Company

As at 30 June 2023, the interests or short positions of the Directors and chief executives in the shares and underlying shares of the Company and its associated corporation, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the model code for Securities Transactions by Directors of the Company, were as follows:

### *Interests in shares and underlying shares of the Company*

Number of ordinary shares and underlying shares beneficially held:

#### *(A) Long positions*

Name	Capacity	Notes	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares held	Percentage of issued share capital
Mr. Dong Choi Chi, Alex ("Mr. Dong")	Beneficial owner	1	517,589,426	20,900,000	538,489,426	25.69%
Mr. Chong Cho Lam ("Mr. Chong")	Beneficial owner	2	3,600,000	32,366,000	35,966,000	1.72%
Mr. Chan Wai Man	Beneficial owner	1	–	1,000,000	1,000,000	0.05%
Mr. Siu Hi Lam, Alick	Beneficial owner	1	–	1,000,000	1,000,000	0.05%

#### *Notes:*

- For details of the underlying shares, please refer to the next section headed "Share Options Schemes" which stated all the details of share options granted to Directors.
- The underlying shares represent (i) 11,466,000 share options granted by the Company to Mr. Chong to subscribe for 11,466,000 shares at an adjusted exercise price of HK\$0.232 per share; and (ii) 20,900,000 share options granted by the Company to Mr. Chong to subscribe for 20,900,000 shares at exercise price of HK\$0.029 per share.

(B) *Share options*

Pursuant to the new share options scheme adopted by the Company on 15 September 2021, certain Directors and participants were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable as at 30 June 2023 were as follow:

	Number of share options				Outstanding and exercisable as at 30 June 2023	Date of grant	Exercise period	Vesting Period	Exercise price per share	Closing share price immediate before the date of grant
	Outstanding as at 1 January 2023	Granted during the period	Exercised during the period	Forfeited/ lapsed/ cancelled during the period						
Category 1: Director										
Mr. Chan Wai Man	1,000,000	–	–	–	1,000,000	13 Oct 2022	13 Oct 2022 – 12 Oct 2032	Vested on date of grant	HK\$0.029	HK\$0.027
Mr. Chong	11,466,000	–	–	–	11,466,000	12 April 2021	12 April 2021 – 11 April 2024	Vested on date of grant	HK\$0.232	HK\$0.280
Mr. Chong	20,900,000	–	–	–	20,900,000	13 Oct 2022	13 Oct 2022 – 12 Oct 2032	Vested on date of grant	HK\$0.029	HK\$0.027
Mr. Dong	20,900,000	–	–	–	20,900,000	13 Oct 2022	13 Oct 2022 – 12 Oct 2032	Vested on date of grant	HK\$0.029	HK\$0.027
Mr. Siu Hi Lam, Alick	1,000,000	–	–	–	1,000,000	13 Oct 2022	13 Oct 2022 – 12 Oct 2032	Vested on date of grant	HK\$0.029	HK\$0.027
Sub total	55,266,000	–	–	–	55,266,000					
Category 2: Employees/consultants										
Employees	7,644,000	–	–	(3,185,000)	4,459,000	12 July 2019	12 July 2019 – 11 July 2029	Vested on date of grant	HK\$0.581	HK\$0.720
Consultants	3,185,000	–	–	–	3,185,000	12 July 2019	12 July 2019 – 11 July 2029	Vested on date of grant	HK\$0.581	HK\$0.720
Employees	5,733,000	–	–	(1,274,000)	4,459,000	12 April 2021	12 April 2021 – 11 April 2024	Vested on date of grant	HK\$0.232	HK\$0.280
Consultants	23,823,800	–	–	(1,019,200)	22,804,600	12 April 2021	12 April 2021 – 11 April 2024	Vested on date of grant	HK\$0.232	HK\$0.280
Consultants	64,337,000	–	–	–	64,337,000	12 April 2021	12 April 2022 – 11 April 2025	Vested one year after date of grant	HK\$0.232	HK\$0.280
Employees	41,800,000	–	–	(20,900,000)	20,900,000	13 Oct 2022	13 Oct 2022 – 12 Oct 2032	Vested on date of grant	HK\$0.029	HK\$0.027
Sub total	146,522,800	–	–	(26,378,200)	120,144,600					
Total of all categories	201,788,800	–	–	(26,378,200)	175,410,600					

There were 26,378,200 share options cancelled/lapsed during the six months ended 30 June 2023.

## Substantial shareholders' interests and short positions in the shares, underlying shares and convertible bonds of the Company

As at six months ended 30 June 2023, the following shareholders (including Directors) had interests or short position in the shares, underlying shares or convertible bonds of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”) and Section 336 of the SFO, were as follows:

Number of ordinary shares and underlying shares beneficially held:

Name	Capacity	Notes	Number of shares and underlying shares	Long/short position	Percentage of issued share capital
Mr. Dong	Beneficial owner		538,489,426	Long	25.69%
KONGOR Investment Holding Limited	Beneficial owner	1	223,880,000	Long	10.68%
New Brilliant Investments Limited	Beneficial owner	2	158,414,496	Long	7.56%
Mr. Chui Bing Sun (“Mr. Chui”)	Beneficial owner	3	1,800	Long	0.00%
	Interest of controlled corporation	1 and 2	382,294,496	Long	18.24%
			382,296,296		18.24%
Albula Investment Fund Ltd	Beneficial owner		105,120,000	Long	5.02%

Notes:

1. KONGOR Investment Holding Limited is incorporated in the British Virgin Islands. It is wholly and beneficiary owned by Mr. Chui. Mr. Chui is deemed to be interested in the shares held by KONGOR Investment Holding Limited by virtue of Part XV of the SFO.
2. New Brilliant Investments Limited is incorporated in the British Virgin Islands. It is wholly and beneficially owned by Mr. Chui. Mr. Chui is deemed to be interested in the shares held by New Brilliant Investments Limited by virtue of Part XV of the SFO.
3. Mr. Chui is also holding 1,800 shares as beneficial owner.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO, or who had interests of 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

## **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. Having made specific enquiries of Directors of the Company and the Directors confirmed that they have fully complied with the required standard with respect to the securities dealings of the Company and there was no event of non-compliance for the six months ended 30 June 2023.

## **Director's interests in competing business**

Mr. Dong Choi Chi, Alex ("Mr. Dong"), an executive Director of the Company, is the sole owner and director of Aurora Entertainment Holdings Limited, which together with its subsidiaries, including Sun Entertainment Culture Limited, are principally engaged in investment holding, artiste and model management, entertainment, publishing and film and concert production and coordination. He is also the sole owner and director of Accela Entertainment Limited, which is principally engaged in the entertainment, publishing and music production. Mr. Dong is also one of the ultimate beneficial owners and a director of Sun Motion (Hong Kong) Limited, which together with its subsidiary are principally engaged in investment holding, entertainment and music production in Mainland China. Therefore, he is considered to have interest in the business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group in the media and entertainment industry (as would be required to be disclosed under Rule 11.04 of the GEM Listing Rules).

Mr. Chong Cho Lam, an executive Director of the Company, is a substantial shareholder and the managing director of Chessman Entertainment Production Company Limited, which is principally engaged in concert co-ordination and production, advertising design and market planning, original music, record production and distribution, public relations and artiste management in Macau. He is a substantial shareholder and director of Chessman Entertainment Production (HK) Limited, which is engaged in advertising production, project planning consultation, design, publishing, entertainment production and promotion. He is also a substantial shareholder and director of Chessman Management and Investment Company Limited, which is engaged in entertainment related investments and management in Macau. He is also a substantial shareholder of Good Media Production Company Limited which is engaged in film production and filming, music production, advertising production, original music, web design, publication publishing and media in Macau. He is also a substantial shareholder of Easy Music Production Company Limited which is engaged in record distribution, artiste management, music producer management, band management, musician management, concert production and music production in Macau. Therefore, he is considered to have interest in the business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group in the media and entertainment industry (as would be required to be disclosed under Rule 11.04 of the GEM Listing Rules).



Save as disclosed above, the Directors are not aware of any business or interest of each of the Directors, management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with business of the Group or any other conflicts of interest which any such person has or may have with the Group during the six months ended 30 June 2023.

### **Arrangements to purchase shares**

Other than the share option scheme disclosed above, at no time during the six months ended 30 June 2023 was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

### **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 for the six months ended 30 June 2023.

### **Compliance with corporate governance practices**

During the six months ended 30 June 2023, the Company has complied with all the code provisions of the Corporate Governance Code (the "CG Code") as stated in Appendix 15 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited.

### **Audit committee**

The Company has established an audit committee (the "AC") with specific terms of reference explaining its role and authorities delegated by the Board. The AC consists of three independent non-executive Directors, namely Mr. Chan Wai Man (the chairman of AC), Mr. Siu Hi Lam, Alick and Dr. Ip Wai Hung, who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. In accordance with the provisions of the CG Code, the terms of reference of the AC were also revised which are substantially the same as the provisions set out in the CG Code.

The AC's principal duties include reviewing the Group's financial controls, internal control and risk management systems, reviewing and monitoring integrity of consolidated financial statements and reviewing annual, interim and quarterly consolidated financial statements and reports before submission to the Board and considering and recommending the appointment, re-appointment and removal of external auditors of the Company. The AC meets with the external auditors and the management of the Group to ensure that the audit findings are addressed properly. The AC is authorized to take independent professional advice at Company's expense, if necessary.

The AC has reviewed the Group's unaudited result for the six months ended 30 June 2023.

By order of the Board  
**SUNNY SIDE UP CULTURE HOLDINGS LIMITED**  
**Dong Choi Chi, Alex**  
*Chairman and executive Director*

Hong Kong, 14 August 2023

*As at the date of this announcement, the board comprises two executive Directors, namely Mr. Dong Choi Chi, Alex (the chairman) and Mr. Chong Cho Lam (chief executive officer), and three independent non-executive Directors, namely Mr. Chan Wai Man, Dr. Ip Wai Hung and Mr. Siu Hi Lam, Alick.*

*This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange 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).*