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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)

**INSIDE INFORMATION**  
**NON-RENEWAL OF OPERATING RIGHTS AGREEMENT**

This announcement is made by Sunny Side Up Culture Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, on 28 May 2024, the Group received a notice from Huai Ji County Funeral (懷集縣殯儀館) (the “**PRC Partner**”), being the partner in the People’s Republic of China (the “**PRC**”) of Huai Ji Luck Mountain Funeral Parlor Limited (懷集萬福山殯儀館有限公司) (“**Huai Ji**”), an indirect non-wholly owned subsidiary of the Company which is also a contractual joint venture established under the laws of the PRC with the PRC Partner, that the PRC Partner would not agree to renew the operating rights of Huai Ji (the “**Non-Renewal**”) upon its expiry on 27 July 2025. Upon the expiry of the term of Huai Ji, the Group has to stop the operation of its cremation and funeral business in the PRC.

During the year ended 31 December 2023, the revenue attributable to the cremation and funeral business of the Group in the PRC amounted to approximately HK\$18.3 million, representing approximately 8.18% of total revenue of the Group, and the profit attributable to the cremation and funeral business of the Group in the PRC amounted to approximately HK\$3.5 million. As at 31 December 2023, the net asset value of Huai Ji was approximately HK\$25 million. Accordingly, based on the preliminary assessment by the management of the Company with reference to the Group’s audited financial results for the year ended 31 December 2023 and on the assumption that there will not be other material change to the operation of the Group, the Non-Renewal is not expected to result a significant decrease in total revenue of the Group. However, given that the recovery of Huai Ji upon its expiry is subject to (i) the financial

performance of Huai Ji from now on and up to the expiry date, (ii) the severance and other payments to be settled upon expiry of Huai Ji, the management of the Company is currently not in a position to determine the recovery of Huai Ji upon its expiry.

Shareholders and potential investors of the Company should note that the actual financial effects of the Non-Renewal on the Group will be subject to the review and final audit by the auditors of the Company upon expiry of Huai Ji.

The Company is still assessing the impact of the Non-Renewal and will update the shareholders and potential investors of the Company by way of announcement as and when appropriate in accordance with the GEM Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Sunny Side Up Culture Holdings Limited**  
**Dong Choi Chi, Alex**  
*Chairman and executive Director*

Hong Kong, 29 May 2024

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Dong Choi Chi, Alex (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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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 herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page 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).*