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**YEAH YEAH**

GROUP

**YEAH YEAH GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8082)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

### **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 2022

The board of directors (the “Directors”) presents the consolidated results of Yeah Yeah Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2022, together with the comparative figures for the year ended 31 December 2021 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2022*

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>	2021 <i>HK\$'000</i>
REVENUE	5	<b>35,758</b>	49,029
Cost of sales		<u><b>(27,438)</b></u>	<u>(47,111)</u>
Gross profit		<b>8,320</b>	1,918
Other income and gains	5	<b>1,432</b>	1,101
Selling, marketing and distribution expenses		<b>(9,419)</b>	(7,775)
Impairment of trade and other receivables, net		<b>(2,074)</b>	(13,920)
General, administrative and other expenses		<b>(58,548)</b>	(51,373)
Finance costs		<b>(1,327)</b>	(1,273)
Share of profits and losses of joint ventures		<u><b>(62)</b></u>	<u>–</u>
LOSS BEFORE TAX	6	<b>(61,678)</b>	(71,322)
Income tax expense	7	<u><b>(914)</b></u>	<u>(295)</u>
LOSS FOR THE YEAR		<u><b>(62,592)</b></u>	<u>(71,617)</u>
Attributable to:			
Owners of the Company		<b>(58,452)</b>	(69,142)
Non-controlling interests		<u><b>(4,140)</b></u>	<u>(2,475)</u>
		<u><b>(62,592)</b></u>	<u>(71,617)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic and diluted ( <i>HK cents</i> )		<u><b>(2.79)</b></u>	<u>(4.42)</u>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
LOSS FOR THE YEAR	<u>(62,592)</u>	<u>(71,617)</u>
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>(3,008)</u>	<u>856</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(65,600)</u>	<u>(70,761)</u>
Attributable to:		
Owners of the Company	(61,317)	(68,303)
Non-controlling interests	<u>(4,283)</u>	<u>(2,458)</u>
	<u>(65,600)</u>	<u>(70,761)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>19,667</b>	22,936
Right-of-use assets		<b>1,479</b>	4,500
Intangible assets		<b>12,341</b>	13,516
Investments in joint ventures		<b>1,088</b>	–
Investment in an associate		–	–
Investment in a film production project		<b>1,157</b>	1,345
Prepayments, deposits and other assets		<b>13,420</b>	12,306
		<hr/>	<hr/>
Total non-current assets		<b>49,152</b>	54,603
<b>CURRENT ASSETS</b>			
Inventories		<b>380</b>	5,054
Investments in concert, other entertainment event, film and TV drama production projects		<b>14,583</b>	11,064
Trade receivables	<i>10</i>	<b>9,924</b>	4,988
Prepayments, deposits and other receivables		<b>22,155</b>	19,285
Tax recoverable		–	68
Cash and cash equivalents		<b>47,490</b>	114,644
		<hr/>	<hr/>
Total current assets		<b>94,532</b>	155,103
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables, accruals and other liabilities	<i>11</i>	<b>33,797</b>	34,837
Deferred income		<b>459</b>	714
Lease liabilities		<b>1,641</b>	3,011
Tax payable		<b>8,284</b>	7,325
		<hr/>	<hr/>
Total current liabilities		<b>44,181</b>	45,887
<b>NET CURRENT ASSETS</b>		<b>50,351</b>	109,216
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>99,503</b>	163,819

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u><b>99,503</b></u>	<u>163,819</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred income	2,098	2,695
Lease liabilities	95	1,418
Other borrowing	35,000	35,000
Deferred tax liabilities	<u>2,277</u>	<u>2,386</u>
Total non-current liabilities	<u><b>39,470</b></u>	<u>41,499</u>
Net assets	<u><b>60,033</b></u>	<u>122,320</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	52,400	52,400
Reserves	<u>10,138</u>	<u>68,142</u>
	<b>62,538</b>	120,542
Non-controlling interests	<u>(2,505)</u>	<u>1,778</u>
Total equity	<u><b>60,033</b></u>	<u>122,320</u>

# NOTES

31 December 2022

## 1. CORPORATE AND GROUP INFORMATION

Yeah Yeah Group Holdings Limited (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. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for investments in concert, other entertainment event, film and TV drama production projects, and other financial instruments at fair value through profit or loss, which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

#### 4. 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 borrowing, unallocated head office and corporate liabilities as these liabilities are managed on a group basis.



Year ended 31 December 2022/as at 31 December 2022

	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue (note 5)</b>			
Revenue from contracts with external customers	17,337	11,985	29,322
Other revenue <sup>#</sup>	(1,267)	7,703	6,436
	<u>16,070</u>	<u>19,688</u>	<u>35,758</u>
<b>Segment results</b>	<b>(47,634)</b>	<b>1,640</b>	<b>(45,994)</b>
<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>	<b>86,747</b>	<b>31,349</b>	<b>118,096</b>
<u>Reconciliation:</u>			
Corporate and other unallocated assets			25,588
Total assets			<u>143,684</u>
<b>Segment liabilities</b>	<b>27,382</b>	<b>15,178</b>	<b>42,560</b>
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			41,091
Total liabilities			<u>83,651</u>
<b>Other segment information</b>			
Share of profits and losses of:			
Joint ventures	(62)	–	(62)
Depreciation and amortisation	3,541	122	3,663
Loss on disposal/write-off of items 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
Capital expenditure*	66	3,946	4,012
Investments in joint ventures	1,088	–	1,088

<sup>#</sup> Including government subsidies received for the rendering of cremation services and net loss on investments in concert and other entertainment event projects.

\* Capital expenditure consists of additions to property, plant and equipment.

	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue (note 5)</b>			
Revenue from contracts with external customers	36,263	7,813	44,076
Other revenue <sup>#</sup>	(1,324)	6,277	4,953
	34,939	14,090	<u>49,029</u>
<b>Segment results</b>	(48,535)	(791)	(49,326)
<u>Reconciliation:</u>			
Corporate and other unallocated expenses, net			(20,723)
Finance costs			<u>(1,273)</u>
Loss before tax			<u>(71,322)</u>
<b>Segment assets</b>	82,090	29,418	111,508
<u>Reconciliation:</u>			
Corporate and other unallocated assets			<u>98,198</u>
Total assets			<u>209,706</u>
<b>Segment liabilities</b>	32,637	14,587	47,224
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			<u>40,162</u>
Total liabilities			<u>87,386</u>
<b>Other segment information</b>			
Depreciation and amortisation	2,162	2,284	4,446
Loss on disposal/write-off of items of property, plant and equipment	4	4	8
Impairment of trade and other receivables, net	12,797	1,123	13,920
Impairment of loan to an associate	1,800	–	1,800
Capital expenditure*	8,362	5,052	13,414

<sup>#</sup> Including government subsidies received for the rendering of cremation services and net loss on investments in concert and other entertainment event projects.

\* Capital expenditure consists of additions to property, plant and equipment.

## Geographical information

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

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>14,623</b>	25,062
Mainland China	<b>10,607</b>	7,677
Macau	<b>1,047</b>	4,072
Taiwan	<b>3,045</b>	7,265
	<b><u>29,322</u></b>	<u>44,076</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

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>5,586</b>	6,471
Mainland China	<b>22,777</b>	23,584
Macau	<b>4,997</b>	10,772
Others	<b>78</b>	125
	<b><u>33,438</u></b>	<u>40,952</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:

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
External party	<b><u>7,703</u></b>	<u>6,277</u>

\* Including any external party which contributed to revenue from other sources of the Group.

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Provision of cremation and funeral services and sale of related goods	<b>11,985</b>	7,813
Concert and other entertainment event income and sale of related goods	<b>11,578</b>	35,063
Artiste management and performance services income	<b>5,759</b>	1,200
	<b>29,322</b>	44,076
<b>Revenue from other sources</b>		
Rendering of cremation service*	<b>7,703</b>	6,277
Loss on investments in concert, other entertainment event, film and TV drama production projects, net	<b>(1,267)</b>	(1,324)
	<b>6,436</b>	4,953
	<b>35,758</b>	49,029

\* 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 2022

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	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
	<u>17,337</u>	<u>11,985</u>	<u>29,322</u>
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
	<u>17,337</u>	<u>11,985</u>	<u>29,322</u>
Total revenue from contracts with customers	<u>17,337</u>	<u>11,985</u>	<u>29,322</u>

**Revenue from contracts with customers (continued)****(i) Disaggregated revenue information (continued)**

For the year ended 31 December 2021

<b>Segments</b>	<b>Media and entertainment <i>HK\$'000</i></b>	<b>Cremation and funeral services <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Types of goods or services</b>			
Sale of goods	6,813	947	7,760
Cremation and funeral services	–	6,866	6,866
Concert and other entertainment event organisation	26,005	–	26,005
Sponsorship	2,245	–	2,245
Artiste management and performance	1,200	–	1,200
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>36,263</u>	<u>7,813</u>	<u>44,076</u>
<b>Geographical markets</b>			
Hong Kong	24,926	136	25,062
Mainland China	–	7,677	7,677
Macau	4,072	–	4,072
Taiwan	7,265	–	7,265
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>36,263</u>	<u>7,813</u>	<u>44,076</u>

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Other income and gains</b>		
Government subsidies	611	–
Service fee income	–	476
Others	821	625
	<u>1,432</u>	<u>1,101</u>

## 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Depreciation of property, plant and equipment	3,492	3,814
Depreciation of right-of-use assets	2,631	1,235
Amortisation of an intangible asset*	223	223
Loss on disposal/write-off of items of property, plant and equipment	130	227
Impairment of an intangible asset*	200	550
Impairment of trade receivables, net	2,306	2,258
Impairment/(reversal of impairment) of other receivables, net	(232)	11,662
Impairment of loan to an associate	–	1,800
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	617	(1,511)
Amortisation of deferred income in respect of government grants	(610)	(511)

\* Included in “General, administrative and other expenses” in the consolidated statement of profit or loss.

# Included in “Cost of sales” in the consolidated statement of profit or loss.

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	6	12
Current – Elsewhere		
Charge for the year	<u>908</u>	<u>283</u>
Total tax charge for the year	<u><u>914</u></u>	<u><u>295</u></u>

## 8. DIVIDEND

The board of directors of the Company does not recommend the payment of any dividend in respect of the year (2021: Nil).

## 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of approximately 2,095,416,000 (2021: 1,564,263,000, as adjusted to reflect the rights issue during the year ended 31 December 2021) in issue during the year, as adjusted to exclude the shares held under the share award scheme of the Company.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2022 and 2021 in respect of a dilution as the impact of the share options outstanding and the unvested share awards had an anti-diluted effect on the basic loss per share amounts presented.

## 10. TRADE RECEIVABLES

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	18,788	11,546
Impairment	<u>(8,864)</u>	<u>(6,558)</u>
	<u><u>9,924</u></u>	<u><u>4,988</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:

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>8,276</b>	2,177
31 to 60 days	<b>740</b>	490
61 to 90 days	<b>745</b>	704
Over 90 days	<b>163</b>	1,617
	<u><b>9,924</b></u>	<u>4,988</u>

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

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>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>53</b>	860
31 to 60 days	<b>37</b>	41
61 to 90 days	<b>25</b>	79
Over 90 days	<b>2,957</b>	2,723
	<u><b>3,072</b></u>	<u>3,703</u>

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

## 12. EVENTS AFTER THE REPORTING PERIOD

On 17 February 2023, an indirect non-wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party in relation to the disposal of certain property, plant and equipment of the Group at a consideration of HK\$3,800,000. Further details of the sale and purchase agreement are set out in an announcement of the Company dated 17 February 2023.

On 10 March 2023, an indirect wholly-owned subsidiary of the Company entered into a short term loan agreement with Great Expect Development Limited, an independent third party for a loan amount of HK\$30,000,000 at an interest of 6.5% per annum. The loan was drawn down on 24 March 2023.

On 17 March 2023, the Group separately entered into certain strategic cooperation agreements with four consultants. Pursuant to each of the strategic cooperation agreements, a specific consultant shall render certain services (the “Services”), as defined in the agreement, to the Group and, in consideration of the Services, the Company shall allot and issue (i) 15,000,000 ordinary shares of the Company (the “Shares”) to the consultant or its nominee if the respective target profit attributable to an indirect wholly-owned subsidiary of the Company (the “Target Profit”), as defined in the agreement, achieved is not less than HK\$1,500,000 by or before the end of the respective term (the “Term”), being a period of two years from the date of the agreement, or (ii) 30,000,000 Shares to the consultant or its nominee if the respective Target Profit achieved is not less than HK\$3,000,000 by or before the end of the respective Term; or in the event that the respective Target Profit achieved is less than HK\$1,500,000 by the end of the respective Term, the consultant shall not be entitled to and the Company shall not allot and issue any Shares to the consultant. Further details of the strategic cooperation agreements are set out in an announcement of the Company dated 17 March 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

For the year ended 31 December 2022, 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 HK\$35,758,000 which was 27.07% lower than the corresponding period of last year of approximately HK\$49,029,000. The decrease in revenue was mainly due to the media and entertainment businesses have been affected by the outbreak of the fifth wave of the COVID-19 pandemic in Hong Kong and the tightening of the social distancing measures by government during the first half year of 2022, which caused the cancellation and postponement of some entertainment events. Furthermore, the Group organised less entertainment events during the year.

### Other income and gains

Other income and gains increased from approximately HK\$1,101,000 to approximately HK\$1,432,000. Such increase was mainly attributable to the government subsidies of approximately HK\$611,000 received during the year.

### Selling, marketing and distribution expenses

Selling, marketing and distribution expenses for the year ended 31 December 2022 were approximately HK\$9,419,000, which was 21.14% higher than the amount of corresponding period of last year of approximately HK\$7,775,000. The increase was due to payroll for more sales and marketing staff hired and sales commission paid during the year. Such expenses as a percentage of revenue for the year was approximately 26.34% (2021: 15.86%).

### General, administrative and other expenses

General, administrative and other expenses for the year ended 31 December 2022 amounted to approximately HK\$58,548,000 which was 13.97% higher than the amount for the corresponding period of last year of approximately HK\$51,373,000. The increase was primarily attributable to (i) impairment of property, plant and equipment of approximately HK\$2,680,000; and (ii) an overall increase in employee benefit expense.

## **Loss for the year**

The Group's loss for the year was approximately HK\$62,592,000 (2021: HK\$71,617,000). The decrease in loss for the year was mainly due to a substantial decrease in impairment losses of trade and other receivables during the year.

## **OPERATION REVIEW**

### **Media and entertainment businesses**

During the year ended 31 December 2022, the total revenue from media and entertainment businesses was approximately HK\$16,070,000, which was 54.01% lower than that of the corresponding period of last year of approximately HK\$34,939,000. The decrease was mainly due to less entertainment events organised during the 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 2 concerts (2021: 1 concert); organised nil exhibition (2021: 3 exhibitions); organised nil drama (2021: 1); and organised nil pop-up stores (2021: 7 stores) during the year.

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

Cremation, funeral and related business operations were enhanced during the year ended 31 December 2022 and their total revenue for the year (including relevant government subsidies recognised) was approximately HK\$19,688,000, which was 39.73% higher than that of the corresponding period of last year of approximately HK\$14,090,000. The increase was mainly due to (i) more customers used the high-grade cremation services; (ii) some new value-added funeral services were launched during the year; and (iii) revenue contributed by pet funeral services in Hong Kong.

## **OUTLOOK**

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's announcement dated 17 March 2023 regarding the issue of new shares to certain consultants for strategic cooperation in the development of the Group's 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.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2022, the Group had cash and cash equivalents of approximately HK\$47,490,000 (31 December 2021: HK\$114,644,000) and the total assets of the Group were approximately HK\$143,684,000 (31 December 2021: HK\$209,706,000). As at 31 December 2022, the net current assets of the Group were approximately HK\$50,351,000 (31 December 2021: HK\$109,216,000) and the Group's current ratio, which represents current assets over its current liabilities, was approximately 2.14 times (31 December 2021: 3.38 times). The gearing ratio of the Group as at 31 December 2022 (calculated as total liabilities of HK\$83,651,000 over equity attributable to owners of the Company of HK\$62,538,000) was 133.76% (31 December 2021: 72.49%).

As at 31 December 2022, the Group borrowed a loan with outstanding principal amount of HK\$35,000,000 and interest rate of 3.5% per annum from a former substantial shareholder of the Company.

## **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 2022, the Group had 89 (31 December 2021: 79) employees and including Directors. During the year ended 31 December 2022, short term employee benefits, which represented a key component of the total staff costs for the year ended 31 December 2022, 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 2022.

## **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 2022.

## **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 had complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during year ended 31 December 2022.

## **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 2022.

## **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 2022.

### **Scope of work of Ernst & Young**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group’s auditors, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young 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 2022 is published on the website of GEM 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 2022 Annual Report of the Company will be despatched to the shareholders of the Company and made available 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  
**Yeah Yeah Group Holdings Limited**  
**Dong Choi Chi, Alex**  
*Chairman and executive Director*

Hong Kong, 29 March 2023

*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).*